
SENATE BILL NO. 84—COMMITTEE ON GOVERNMENT AFFAIRS

FEBRUARY 21, 2005

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing exemption of certain uses of time-share units from taxes on transient lodging. (BDR 20-135)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted-material] is material to be omitted.

AN ACT relating to taxation; prohibiting cities and counties from imposing taxes on the rental of transient lodging by owners who have a right to occupy or use a time-share unit pursuant to a program for the exchange of occupancy rights among owners or with the owners of time shares in other time-share plans, or both; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires each county and city to adopt an ordinance specifying the types of lodging that will be subject to the transient lodging tax. (NRS 244.33565, 268.0195) Under existing law, a time-share owner is not required to pay the transient lodging tax when he stays in his time-share unit. (NRS 244.33565, 268.0195) Programs exist that allow time-share owners to exchange occupancy rights in their time-share units in order to stay in time-share units in different locations. (NRS 119A.590, 119A.600, 119A.620)

This bill specifically exempts from the transient lodging tax those time-share owners who have a right to occupy or use a time-share unit pursuant to a program for the exchange of occupancy rights among owners or with time-share owners in other time-share plans.

Under existing law, certain local governments are authorized to impose an additional tax on transient lodging. Time-share owners are not exempt from these additional taxes.

This bill specifically exempts time-share owners who occupy their units or who exchange occupancy rights with other time-share owners from the additional taxes imposed on transient lodging by these local governments.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 244.33565 is hereby amended to read as follows:

244.33565 1. Each board of county commissioners shall adopt an ordinance that defines the term “transient lodging” for the purposes of all taxes imposed by the board on the rental of transient lodging. The ordinance must specify the types of lodging to which the taxes apply.

2. The definition adopted by the board may include rooms or spaces in any one or more of the following:

(a) Hotels;

(b) Motels;

(c) Apartments;

(d) Time-share projects, except when an owner of a unit in the time-share project who has a right to use or occupy the unit is occupying the unit pursuant to a ~~time-share~~ :

(1) Time-share instrument as defined in NRS 119A.150; or

(2) Program for the exchange of occupancy rights among owners or with the owners of time shares in other time-share plans, or both, as described in NRS 119A.590, 119A.600 and 119A.620;

(e) Apartment hotels;

(f) Vacation trailer parks;

(g) Campgrounds;

(h) Parks for recreational vehicles; and

(i) Any other establishment that rents rooms or spaces to temporary or transient guests.

3. The board may provide one or more different definitions pursuant to subsection 1 for different jurisdictions within the county in which the taxes are collected. Unless the governing body of the governmental entity that collects the taxes consents by majority vote to a change, each definition must be consistent with the past practices of the specific jurisdiction in which the taxes are collected.

Sec. 2. NRS 268.0195 is hereby amended to read as follows:

268.0195 1. The governing body of each city shall adopt an ordinance that defines the term “transient lodging” for the purposes of all taxes imposed by the governing body on the rental of transient lodging. The ordinance must specify the types of lodging to which the taxes apply.

2. The definition adopted by the governing body may include rooms or spaces in any one or more of the following:

(a) Hotels;

(b) Motels;



(c) Apartments;

(d) Time-share projects, except when an owner of a unit in the time-share project who has a right to use or occupy the unit is occupying the unit pursuant to a ~~time-share~~ :

(1) Time-share instrument as defined in NRS 119A.150; or

(2) Program for the exchange of occupancy rights among owners or with the owners of time shares in other time-share plans, or both, as described in NRS 119A.590, 119A.600 and 119A.620;

(e) Apartment hotels;

(f) Vacation trailer parks;

(g) Campgrounds;

(h) Parks for recreational vehicles; and

(i) Any other establishment that rents rooms or spaces to temporary or transient guests.

Sec. 3. Section 2 of the Carson City Tax on Transient Lodging Act, being chapter 645, Statutes of Nevada 1987, at page 1511, is hereby amended by adding amended to read as follows:

Sec. 2. Imposition of tax on revenue from rental of transient lodging.

1. The Board of Supervisors of Carson City may by resolution, in addition to any other tax levied, levy a tax at a rate of not more than 2 percent of the gross receipts from the rental of transient lodging in that county upon all persons in the business of providing lodging.

2. As used in this section, the term "transient lodging" does not include rooms or spaces in any time-share project when an owner of a unit in the time-share project has a right to use or occupy the unit and is occupying the unit pursuant to a:

(a) Time-share instrument as defined in NRS 119A.150; or

(b) Program for the exchange of occupancy rights among owners or with the owners of time shares in other time-share plans, or both, as described in NRS 119A.590, 119A.600 and 119A.620.

Sec. 4. Section 25 of the Douglas County Lodgers Tax Law, being chapter 639, Statutes of Nevada 1969, as amended by chapter 496, Statutes of Nevada 1997, at page 2380, is hereby amended to read as follows:

Sec. 25. "Taxable premises" defined. "Taxable premises" means any:

1. Hotel;

2. Motel;

3. Apartment;



4. Time-share project, except when an owner of a unit in the time-share project who has a right to use or occupy the unit is occupying the unit pursuant to a ~~{time-share}~~ :

(a) *Time-share* instrument as defined in NRS 119A.150; or

(b) *Program for the exchange of occupancy rights among owners or with the owners of time shares in other time-share plans, or both, as described in NRS 119A.590, 119A.600 and 119A.620;*

5. Apartment hotel;

6. Vacation trailer park;

7. Campground;

8. Park for recreational vehicles; or

9. Other establishment that rents rooms or spaces to temporary or transient guests.

Sec. 5. Section 37 of the Washoe County Taxes on Transient Lodging Act of 1991, being chapter 19, Statutes of Nevada 1991, at page 45, is hereby amended to read as follows:

Sec. 37. Legislative declaration; imposition of tax; use of proceeds; suspension of collection and repeal of ordinance; pledge of proceeds for payment of certain obligations.

1. The Legislature hereby declares that:

(a) Washoe County contains many diverse areas for which tourism is an important economic factor including mountain peaks, mountain lakes, valley lakes and old and new "downtown" business districts;

(b) A unique National Automobile Museum is located in Washoe County for which the City of Reno may choose to become responsible for, among other reasons, its ability to draw tourists to the area;

(c) In the past, many tourists have been attracted to the area as participants in or spectators of national bowling tournaments although a permanent facility in which to hold the tournaments is not currently available in Washoe County;

(d) Because of Washoe County's fragile economy and the need to develop a stable tourist trade, it is important that tourist-related businesses are able to depend on a tax that will remain at a constant rate and be used for projects that have a history of drawing tourists to Washoe County; and

(e) A general law cannot be made applicable to the situation because of these unique circumstances and special conditions, and the provisions of this section are therefore necessary.

2. Notwithstanding the provisions of sections 3.7 and 13.5 of this act, the Board of County Commissioners of



1 Washoe County, in addition to all other taxes imposed on the
2 revenues from the rental of transient lodging, shall impose a
3 tax at the rate of 1 percent of the gross receipts from the
4 rental of transient lodging in that county upon all persons in
5 the business of providing lodging throughout the county,
6 including its incorporated cities.

7 3. The ordinance imposing the tax must include all the
8 matters required by NRS 244.3352 for the mandatory tax,
9 must be administered in the same manner, and imposes the
10 same liabilities, except that collection of the tax by the Reno-
11 Sparks Convention and Visitors Authority must commence
12 on July 1, 1991. The Reno-Sparks Convention and Visitors
13 Authority:

14 (a) Shall remit all proceeds of the tax imposed on or
15 before June 30, 1992, and any penalty and interest
16 attributable thereto, to the City of Reno 30 days after receipt;
17 and

18 (b) May not retain any part of the tax, interest or penalties
19 as collection or administrative fee.

20 4. The proceeds of the tax imposed pursuant to
21 subsection 2:

22 (a) From July 1, 1991, through June 30, 1992, and any
23 penalties and interest attributable thereto must be used to pay
24 the costs of operation or debt service, or both, of the National
25 Automobile Museum; and

26 (b) After June 30, 1992, and any penalties and interest
27 attributable thereto must be used to pay the cost of the
28 construction and operation of a multi-purpose bowling
29 facility, including parking and space for other functions
30 ancillary to such a facility.

31 5. If the Reno-Sparks Convention and Visitors Authority
32 does not approve the construction of the bowling facility on
33 or before June 30, 1992, the collection of the tax must be
34 suspended until such action is taken on June 30, 1993,
35 whichever is earlier. If the collection of the tax is suspended
36 on June 30, 1993, the Board of County Commissioners shall
37 repeal the ordinance imposing the tax and shall not impose
38 any further taxes pursuant to this section.

39 6. The County, acting by and through the Reno-Sparks
40 Convention and Visitors Authority, may pledge any money
41 received from the proceeds of the tax imposed pursuant to
42 this section with revenue derived from the project that is
43 described in paragraph (b) of subsection 4, including any
44 existing or future extensions or enlargements thereof, for the
45 payment of general or special obligations issued for the



1 project. A pledge pursuant to this subsection may include the
2 tax authorized by this section and other taxes imposed on the
3 rental of transient lodging that are available for pledge by
4 the Reno-Sparks Convention and Visitors Authority. Any
5 money pledged by the County pursuant to this subsection
6 may be treated as pledged revenues of the project for the
7 purposes of subsection 3 of NRS 350.020.

8 *7. As used in this section, the term "transient lodging"*
9 *does not include rooms or spaces in any time-share project*
10 *when an owner of a unit in the time-share project has a*
11 *right to use or occupy the unit and is occupying the unit*
12 *pursuant to a:*

13 *(a) Time-share instrument as defined in NRS 119A.150;*
14 *or*

15 *(b) Program for the exchange of occupancy rights*
16 *among owners or with the owners of time shares in other*
17 *time-share plans, or both, as described in NRS 119A.590,*
18 *119A.600 and 119A.620.*

19 **Sec. 6.** Section 1 of the Washoe County Taxes on Transient
20 Lodging Act of 1999, being chapter 432, Statutes of Nevada 1999,
21 as amended by chapter 334, Statutes of Nevada 2001, at page 1574,
22 is hereby amended to read as follows:

23 Section 1. Imposition and administration of additional
24 taxes; public meetings concerning use of proceeds.

25 1. A tax at the rate of:

26 (a) Three percent of the gross receipts from the rental of
27 transient lodging is hereby imposed in:

28 (1) The unincorporated area of Washoe County; and

29 (2) Each incorporated city in Washoe County, except
30 in a district described in NRS 268.780 to 268.785, inclusive,
31 in which a 1 percent tax is imposed on the gross receipts from
32 the rental of transient lodging for railroad grade separation
33 projects.

34 (b) Two percent of the gross receipts from the rental of
35 transient lodging is hereby imposed in a district described in
36 NRS 268.780 to 268.785, inclusive, in which a 1 percent tax
37 is imposed on the gross receipts from the rental of transient
38 lodging for railroad grade separation projects.

39 (c) An additional 1 1/2 percent of the gross receipts from
40 the rental of transient lodging is hereby authorized to be
41 imposed by the City Council of the City of Reno on or after
42 July 1, 2001, in an area determined by the City Council to
43 specially benefit from the capital improvement projects
44 financed by bonds issued by the Reno Redevelopment
45 Agency pursuant to section 2 of this act. Such an area may



1 include only property located in or within 4 city blocks, as
2 determined by the City Council, of the district described in
3 paragraph (b). The determination of the City Council of such
4 an area is conclusive in the absence of fraud or a gross abuse
5 of discretion.

6 2. The taxes imposed pursuant to this section must:

7 (a) Be in addition to all other taxes imposed on the
8 revenue from the rental of transient lodging in Washoe
9 County and the incorporated cities in Washoe County;

10 (b) Be collected and enforced in the same manner as
11 provided for the collection of the tax imposed by
12 NRS 244.3352;

13 (c) Be paid to the Reno/Sparks Convention and Visitors
14 Authority, which shall distribute the proceeds from the taxes
15 in the manner set forth in section 2 of this act; and

16 (d) Not be collected after the date on which the notes,
17 bonds and other obligations described in subsections 1 and 2
18 of section 2 of this act have been fully paid.

19 3. All decisions, and any deliberations leading to those
20 decisions, that are made by any body, including, without
21 limitation, the Reno/Sparks Convention and Visitors
22 Authority, the Truckee Meadows Tourism Facility and
23 Revitalization Steering Committee and the Sparks Tourism
24 and Marketing Committee, concerning the expenditure,
25 commitment or other use of money derived from the proceeds
26 of the taxes imposed pursuant to this section must be made at
27 a public meeting that complies with the provisions of chapter
28 241 of NRS, whether or not the body is determined to be a
29 public body to which that chapter is applicable.

30 4. As used in this section [~~-, "gross"~~]:

31 (a) "~~Gross~~ receipts from the rental of transient lodging"
32 does not include the tax imposed or collected from paying
33 guests pursuant to this section.

34 (b) "~~Transient lodging~~" *does not include rooms or*
35 *spaces in any time-share project when an owner of a unit in*
36 *the time-share project has a right to use or occupy the unit*
37 *and is occupying the unit pursuant to a:*

38 (1) *Time-share instrument as defined in NRS*
39 *119A.150; or*

40 (2) *Program for the exchange of occupancy rights*
41 *among owners or with the owners of time shares in other*
42 *time-share plans, or both, as described in NRS 119A.590,*
43 *119A.600 and 119A.620.*



1 **Sec. 7.** Section 6.6 of the Washoe County Taxes on Transient
2 Lodging Act of 1999, being chapter 432, Statutes of Nevada 1999,
3 as added by chapter 189, Statutes of Nevada 2003, at page 962, is
4 hereby amended to read as follows:

5 Sec. 6.6. Tax on gross receipts from rental of transient
6 lodging in City of Sparks: Imposition; expiration.

7 1. A tax at the rate of 2 1/2 percent of the gross receipts
8 from the rental of transient lodging is hereby imposed in the
9 City of Sparks.

10 2. The tax imposed pursuant to this section must:

11 (a) Be in addition to all other taxes imposed on the
12 revenue from the rental of transient lodging in the City of
13 Sparks and Washoe County;

14 (b) Be collected and enforced in the same manner as
15 provided for the collection of the tax imposed by NRS
16 244.3352, subject to the limitations set forth in NRS
17 244.3356, except that the proceeds of the tax may be used to
18 defray the costs of enforcing any applicable tax liens incurred
19 by the Reno/Sparks Convention and Visitors Authority; and

20 (c) Be paid to the Reno/Sparks Convention and Visitors
21 Authority, which shall distribute the proceeds from the tax to
22 the City Council of the City of Sparks.

23 3. All decisions, and any deliberations leading to those
24 decisions, that are made by any body, including, without
25 limitation, the Reno/Sparks Convention and Visitors
26 Authority, the City Council of the City of Sparks and the
27 Sparks Tourism Facility and Revitalization Steering
28 Committee, concerning the expenditure, commitment or other
29 use of money derived from the proceeds of the tax imposed
30 pursuant to this section must be made at a public meeting that
31 complies with the provisions of chapter 241 of NRS, whether
32 or not the body is determined to be a public body to which
33 that chapter is applicable.

34 4. The tax imposed pursuant to this section expires by
35 limitation on the date on which the principal of, and the
36 interest on, any general or special obligations described in
37 paragraph (e) of subsection 1 of section 6.7 of this act are
38 fully paid. The proceeds from the tax must not be committed
39 for expenditure after that date. The City Council of the City
40 of Sparks shall, at least 30 days before such obligations are
41 fully paid, adopt an ordinance that sets forth the date on
42 which such obligations will be fully paid. Upon the adoption
43 of such an ordinance, the Reno/Sparks Convention and
44 Visitors Authority shall give written notice of the date on



1 which the tax will expire to each person providing transient
2 lodging who is liable for the payment of the tax.

3 5. As used in this section [~~-, "gross"~~]:

4 (a) "**Gross** receipts from the rental of transient lodging"
5 does not include the tax imposed or collected from paying
6 guests pursuant to this section.

7 (b) "**Transient lodging**" *does not include rooms or*
8 *spaces in any time-share project when an owner of a unit in*
9 *the time-share project has a right to use or occupy the unit*
10 *and is occupying the unit pursuant to a:*

11 (1) *Time-share instrument as defined in NRS*
12 *119A.150; or*

13 (2) *Program for the exchange of occupancy rights*
14 *among owners or with the owners of time shares in other*
15 *time-share plans, or both, as described in NRS 119A.590,*
16 *119A.600 and 119A.620.*

17 **Sec. 8.** This act becomes effective on July 1, 2005.



