

SENATE BILL NO. 84—COMMITTEE ON GOVERNMENT AFFAIRS

FEBRUARY 21, 2005

Referred to Committee on Government Affairs

SUMMARY—Clarifies 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; clarifying that cities and counties are prohibited 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 taxes on transient lodging. (NRS 244.33565, 268.0195) Under existing law, a time-share owner is not required to pay taxes on transient lodging when he stays in a time-share unit that is part of his time-share plan. (NRS 244.33565, 268.0195) Programs exist that allow time-share owners to exchange occupancy rights in time-share units in their time-share plans in order to stay in time-share units in different locations. (NRS 119A.590, 119A.600, 119A.620)

This bill clarifies that 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 are exempt from taxes on transient lodging.

Under existing law, certain local governments are authorized to impose an additional tax on transient lodging.

This bill clarifies that time-share owners who occupy units in their time-share plans or who exchange occupancy rights with other time-share owners are exempt 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]~~ *time share* in the time-share project, *or in the time-share plan of which the time-share project is a part*, who has a right to use or occupy ~~[the] a~~ unit is occupying ~~[the] a~~ 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;



- 1 (b) Motels;
- 2 (c) Apartments;
- 3 (d) Time-share projects, except when an owner of a ~~unit~~ *time*
- 4 *share* in the time-share project, *or in the time-share plan of which*
- 5 *the time-share project is a part*, who has a right to use or occupy
- 6 ~~the~~ a unit is occupying ~~the~~ a unit pursuant to a ~~time-share~~ :
 - 7 (1) *Time-share* instrument as defined in NRS 119A.150; *or*
 - 8 (2) *Program for the exchange of occupancy rights among*
 - 9 *owners or with the owners of time shares in other time-share*
 - 10 *plans, or both, as described in NRS 119A.590, 119A.600 and*
 - 11 *119A.620;*
- 12 (e) Apartment hotels;
- 13 (f) Vacation trailer parks;
- 14 (g) Campgrounds;
- 15 (h) Parks for recreational vehicles; and
- 16 (i) Any other establishment that rents rooms or spaces to
- 17 temporary or transient guests.

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

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

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

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

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

36 (b) *Program for the exchange of occupancy rights*
37 *among owners or with the owners of time shares in other*
38 *time-share plans, or both, as described in NRS 119A.590,*
39 *119A.600 and 119A.620.*

40 **Sec. 4.** Section 25 of the Douglas County Lodgers Tax Law,
41 being chapter 639, Statutes of Nevada 1969, as amended by chapter
42 496, Statutes of Nevada 1997, at page 2380, is hereby amended to
43 read as follows:

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



1. Hotel;
2. Motel;
3. Apartment;
4. Time-share project, except when an owner of a ~~[unit]~~ *time share* in the time-share project , *or in the time-share plan of which the time-share project is a part*, who has a right to use or occupy ~~[the]~~ *a* unit is occupying ~~[the]~~ *a* 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



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

5 2. Notwithstanding the provisions of sections 3.7 and
6 13.5 of this act, the Board of County Commissioners of
7 Washoe County, in addition to all other taxes imposed on the
8 revenues from the rental of transient lodging, shall impose a
9 tax at the rate of 1 percent of the gross receipts from the
10 rental of transient lodging in that county upon all persons in
11 the business of providing lodging throughout the county,
12 including its incorporated cities.

13 3. The ordinance imposing the tax must include all the
14 matters required by NRS 244.3352 for the mandatory tax,
15 must be administered in the same manner, and imposes the
16 same liabilities, except that collection of the tax by the Reno-
17 Sparks Convention and Visitors Authority must commence
18 on July 1, 1991. The Reno-Sparks Convention and Visitors
19 Authority:

20 (a) Shall remit all proceeds of the tax imposed on or
21 before June 30, 1992, and any penalty and interest
22 attributable thereto, to the City of Reno 30 days after receipt;
23 and

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

26 4. The proceeds of the tax imposed pursuant to
27 subsection 2:

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

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

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



6. The County, acting by and through the Reno-Sparks Convention and Visitors Authority, may pledge any money received from the proceeds of the tax imposed pursuant to this section with revenue derived from the project that is described in paragraph (b) of subsection 4, including any existing or future extensions or enlargements thereof, for the payment of general or special obligations issued for the project. A pledge pursuant to this subsection may include the tax authorized by this section and other taxes imposed on the rental of transient lodging that are available for pledge by the Reno-Sparks Convention and Visitors Authority. Any money pledged by the County pursuant to this subsection may be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

7. 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 time share in the time-share project, or in the time-share plan of which the time-share project is a part, has a right to use or occupy a unit and is occupying a 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. 6. Section 1 of the Washoe County Taxes on Transient Lodging Act of 1999, being chapter 432, Statutes of Nevada 1999, as amended by chapter 334, Statutes of Nevada 2001, at page 1574, is hereby amended to read as follows:

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

1. A tax at the rate of:

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

(1) The unincorporated area of Washoe County; and

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

(b) Two percent of the gross receipts from the rental of transient lodging is hereby imposed in a district described in NRS 268.780 to 268.785, inclusive, in which a 1 percent tax



1 is imposed on the gross receipts from the rental of transient
2 lodging for railroad grade separation projects.

3 (c) An additional 1 1/2 percent of the gross receipts from
4 the rental of transient lodging is hereby authorized to be
5 imposed by the City Council of the City of Reno on or after
6 July 1, 2001, in an area determined by the City Council to
7 specially benefit from the capital improvement projects
8 financed by bonds issued by the Reno Redevelopment
9 Agency pursuant to section 2 of this act. Such an area may
10 include only property located in or within 4 city blocks, as
11 determined by the City Council, of the district described in
12 paragraph (b). The determination of the City Council of such
13 an area is conclusive in the absence of fraud or a gross abuse
14 of discretion.

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

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

19 (b) Be collected and enforced in the same manner as
20 provided for the collection of the tax imposed by
21 NRS 244.3352;

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

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

28 3. All decisions, and any deliberations leading to those
29 decisions, that are made by any body, including, without
30 limitation, the Reno/Sparks Convention and Visitors
31 Authority, the Truckee Meadows Tourism Facility and
32 Revitalization Steering Committee and the Sparks Tourism
33 and Marketing Committee, concerning the expenditure,
34 commitment or other use of money derived from the proceeds
35 of the taxes imposed pursuant to this section must be made at
36 a public meeting that complies with the provisions of chapter
37 241 of NRS, whether or not the body is determined to be a
38 public body to which that chapter is applicable.

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

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

43 (b) "**Transient lodging**" *does not include rooms or*
44 *spaces in any time-share project when an owner of a time*
45 *share in the time-share project, or in the time-share plan of*



which the time-share project is a part, has a right to use or occupy a unit and is occupying a unit pursuant to a:

(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.

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

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

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

2. The tax imposed pursuant to this section must:

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

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

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

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

4. The tax imposed pursuant to this section expires by limitation on the date on which the principal of, and the interest on, any general or special obligations described in paragraph (e) of subsection 1 of section 6.7 of this act are



1 fully paid. The proceeds from the tax must not be committed
2 for expenditure after that date. The City Council of the City
3 of Sparks shall, at least 30 days before such obligations are
4 fully paid, adopt an ordinance that sets forth the date on
5 which such obligations will be fully paid. Upon the adoption
6 of such an ordinance, the Reno/Sparks Convention and
7 Visitors Authority shall give written notice of the date on
8 which the tax will expire to each person providing transient
9 lodging who is liable for the payment of the tax.

10 5. As used in this section [~~“gross”~~]:

11 (a) *“Gross receipts from the rental of transient lodging”*
12 does not include the tax imposed or collected from paying
13 guests pursuant to this section.

14 (b) *“Transient lodging” does not include rooms or*
15 *spaces in any time-share project when an owner of a time*
16 *share in the time-share project, or in the time-share plan of*
17 *which the time-share project is a part, has a right to use or*
18 *occupy a unit and is occupying a unit pursuant to a:*

19 (1) *Time-share instrument as defined in NRS*
20 *119A.150; or*

21 (2) *Program for the exchange of occupancy rights*
22 *among owners or with the owners of time shares in other*
23 *time-share plans, or both, as described in NRS 119A.590,*
24 *119A.600 and 119A.620.*

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



