

ASSEMBLY BILL NO. 177—ASSEMBLYMAN SEGERBLOM

FEBRUARY 26, 2007

Referred to Committee on Government Affairs

SUMMARY—Requires the county fair and recreation board in certain counties to make grants to state and nonprofit museums of a certain portion of the money received by the board from room taxes. (BDR 20-791)

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 county fair and recreation boards; requiring the board in certain counties to set aside a certain amount of the money it receives from the taxes imposed on the revenues from the rental of transient lodging and to make grants of that money to state and nonprofit museums located in the county; expanding the authorized uses of certain proceeds of such taxes to include the making of grants; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, various provisions authorize the imposition in Clark
2 County or Washoe County of taxes on the revenues from the rental of transient
3 lodging under certain circumstances and for various purposes. (NRS 244.335,
4 244.3351, 244.3352, 268.095, 268.096, 268.7845, 268.804; section 37 of chapter
5 19, Statutes of Nevada 1991, p. 45, section 9 of chapter 566, Statutes of Nevada
6 1993, p. 2329, and section 1 of chapter 432, Statutes of Nevada 1999, p. 2012)
7 **Section 4** of this bill, subject to certain exceptions, requires the county fair and
8 recreation board in any county whose population is 100,000 or more (currently the
9 Las Vegas Convention and Visitors Authority in Clark County and the Reno-Sparks
10 Convention and Visitors Authority in Washoe County) to set aside in a separate
11 account an amount equal to 1 percent of all money that is distributed or transmitted
12 to it each fiscal year from taxes imposed on the revenues from the rental of
13 transient lodging and to create a program to provide grants of money from the
14 account to state and nonprofit museums located in the county.



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

Section 1. NRS 244.33503 is hereby amended to read as follows:

244.33503 1. Any license tax:

(a) Which is levied by a county whose population is 100,000 or more against any lawful trade, calling, industry, occupation, profession or business conducted in the county and located in an unincorporated area within the county;

(b) Whose proceeds are pledged for the payment of any bonds or other obligations issued pursuant to the provisions of NRS 244A.597 to 244A.655, inclusive ~~§~~, *and section 4 of this act*; and

(c) Which is being collected by the county on January 1, 1995, ~~↪~~ must continue to be levied, collected and transmitted to the county fair and recreation board created pursuant to NRS 244A.599 as long as any of the bonds or other obligations issued pursuant to the provisions of NRS 244A.597 to 244A.655, inclusive, *and section 4 of this act* remain outstanding and unpaid.

2. The proceeds of the license tax must be used by the county fair and recreation board for the purposes set forth in NRS 244A.597 to 244A.655, inclusive, *and section 4 of this act*, including the payment of any bonds or other obligations issued pursuant to those provisions, and may be irrevocably pledged by the county fair and recreation board to the payment of bonds or other obligations issued pursuant to those provisions.

Sec. 2. NRS 244.3354 is hereby amended to read as follows:

244.3354 The proceeds of the tax imposed pursuant to NRS 244.3352 and any applicable penalty or interest must be distributed as follows:

1. In a county whose population is 400,000 or more:

(a) Three-eighths of the first 1 percent of the proceeds must be paid to the Department of Taxation for deposit with the State Treasurer for credit to the Fund for the Promotion of Tourism.

(b) The remaining proceeds must be transmitted to the county treasurer for deposit in the county school district's fund for capital projects established pursuant to NRS 387.328, to be held and expended in the same manner as other money deposited in that fund.

2. In a county whose population is less than 400,000:

(a) Three-eighths must be paid to the Department of Taxation for deposit with the State Treasurer for credit to the Fund for the Promotion of Tourism.

(b) Five-eighths must be deposited with the county fair and recreation board created pursuant to NRS 244A.599 or, if no such board is created, with the board of county commissioners, to be used



1 to advertise the resources of that county related to tourism, including
2 available accommodations, transportation, entertainment, natural
3 resources and climate, ~~and~~ to promote special events related
4 thereto ~~and~~ *and to carry out the provisions of section 4 of this act.*

5 **Sec. 3.** NRS 244.3356 is hereby amended to read as follows:

6 244.3356 ~~The~~ *Except as otherwise provided in section 4 of*
7 *this act, the* proceeds of the tax imposed pursuant to NRS 244.3352
8 may not be used:

9 1. As additional security for the payment of, or to redeem, any
10 general obligation bonds issued pursuant to NRS 244A.597 to
11 244A.655, inclusive ~~and~~ *, and section 4 of this act.*

12 2. To defray the costs of collecting or administering the tax
13 incurred by the county fair and recreation board.

14 3. To operate and maintain recreational facilities under the
15 jurisdiction of the county fair and recreation board.

16 4. To improve and expand recreational facilities authorized by
17 NRS 244A.597 to 244A.655, inclusive ~~and~~ *, and section 4 of this act.*

18 5. To construct, purchase or acquire such recreational facilities.

19 **Sec. 4.** Chapter 244A of NRS is hereby amended by adding
20 thereto a new section to read as follows:

21 *1. The county fair and recreation board in any county whose*
22 *population is 100,000 or more shall set aside in a separate account*
23 *an amount equal to 1 percent of all money that is distributed or*
24 *transmitted to the board each fiscal year from taxes imposed on*
25 *the revenues from the rental of transient lodging.*

26 *2. The county fair and recreation board shall create a*
27 *program to provide grants of money from the account created*
28 *pursuant to subsection 1 to state and nonprofit museums located*
29 *in the county.*

30 *3. The provisions of subsection 1 do not apply to the extent*
31 *that the setting aside of an amount equal to 1 percent of all money*
32 *that is distributed or transmitted to the county fair and recreation*
33 *board each fiscal year from taxes imposed on the revenues from*
34 *the rental of transient lodging would:*

35 *(a) Impair any outstanding bonds or other obligations;*

36 *(b) Impair any pledge of money to the payment of any*
37 *outstanding bonds or other obligations; or*

38 *(c) Violate the provisions of a specific statute which requires*
39 *that money distributed or transmitted to the county fair and*
40 *recreation board from taxes imposed on the revenues from the*
41 *rental of transient lodging be used only for another purpose.*

42 **Sec. 5.** NRS 268.095 is hereby amended to read as follows:

43 268.095 1. Except as otherwise provided in subsection 4, the
44 city council or other governing body of each incorporated city in



1 this State, whether organized under general law or special charter,
2 may:

3 (a) Except as otherwise provided in subsection 2 and NRS
4 268.0968 and 576.128, fix, impose and collect for revenues or for
5 regulation, or both, a license tax on all character of lawful trades,
6 callings, industries, occupations, professions and businesses
7 conducted within its corporate limits.

8 (b) Assign the proceeds of any one or more of such license taxes
9 to the county within which the city is situated for the purpose or
10 purposes of making the proceeds available to the county:

11 (1) As a pledge as additional security for the payment of any
12 general obligation bonds issued pursuant to NRS 244A.597 to
13 244A.655, inclusive ~~§~~, *and section 4 of this act;*

14 (2) For redeeming any general obligation bonds issued
15 pursuant to NRS 244A.597 to 244A.655, inclusive ~~§~~, *and section*
16 *4 of this act;*

17 (3) For defraying the costs of collecting or otherwise
18 administering any such license tax so assigned, of the county fair
19 and recreation board and of officers, agents and employees hired
20 thereby, and of incidentals incurred thereby;

21 (4) For operating and maintaining recreational facilities
22 under the jurisdiction of the county fair and recreation board;

23 (5) For improving, extending and bettering recreational
24 facilities authorized by NRS 244A.597 to 244A.655, inclusive ~~§~~
25 *and*, *and section 4 of this act;*

26 (6) For constructing, purchasing or otherwise acquiring such
27 recreational facilities ~~§~~; *and*

28 *(7) For carrying out the provisions of section 4 of this act.*

29 (c) Pledge the proceeds of any tax imposed on the revenues from
30 the rental of transient lodging pursuant to this section for the
31 payment of any general or special obligations issued by the city for
32 a purpose authorized by the laws of this State.

33 (d) Use the proceeds of any tax imposed pursuant to this section
34 on the revenues from the rental of transient lodging:

35 (1) To pay the principal, interest or any other indebtedness
36 on any general or special obligations issued by the city pursuant to
37 the laws of this State;

38 (2) For the expense of operating or maintaining, or both, any
39 facilities of the city; and

40 (3) For any other purpose for which other money of the city
41 may be used.

42 2. The city council or other governing body of an incorporated
43 city shall not require that a person who is licensed as a contractor
44 pursuant to chapter 624 of NRS obtain more than one license to
45 engage in the business of contracting or pay more than one license



1 tax related to engaging in the business of contracting, regardless of
2 the number of classifications or subclassifications of licensing for
3 which the person is licensed pursuant to chapter 624 of NRS.

4 3. The proceeds of any tax imposed pursuant to this section
5 that are pledged for the repayment of general obligations may be
6 treated as "pledged revenues" for the purposes of NRS 350.020.

7 4. The city council or other governing body of an incorporated
8 city shall not require a person to obtain a license or pay a license tax
9 on the sole basis that the person is a professional. No license to
10 engage in any type of business may be granted unless the applicant
11 for the license signs an affidavit affirming that the business has
12 complied with the provisions of NRS 360.780. The city licensing
13 agency shall provide upon request an application for a business
14 license pursuant to NRS 360.780. As used in this subsection,
15 "professional" means a person who:

16 (a) Holds a license, certificate, registration, permit or similar
17 type of authorization issued by a regulatory body as defined in NRS
18 622.060, or who is regulated pursuant to the Nevada Supreme Court
19 Rules; and

20 (b) Practices his profession for any type of compensation as an
21 employee.

22 5. No license to engage in business as a seller of tangible
23 personal property may be granted unless the applicant for the license
24 presents written evidence that:

25 (a) The Department of Taxation has issued or will issue a permit
26 for this activity, and this evidence clearly identifies the business by
27 name; or

28 (b) Another regulatory agency of the State has issued or will
29 issue a license required for this activity.

30 6. Any license tax levied under the provisions of this section
31 constitutes a lien upon the real and personal property of the business
32 upon which the tax was levied until the tax is paid. The lien has the
33 same priority as a lien for general taxes. The lien must be enforced:

34 (a) By recording in the office of the county recorder, within 6
35 months following the date on which the tax became delinquent or
36 was otherwise determined to be due and owing, a notice of the tax
37 lien containing the following:

38 (1) The amount of tax due and the appropriate year;

39 (2) The name of the record owner of the property;

40 (3) A description of the property sufficient for identification;

41 and

42 (4) A verification by the oath of any member of the board of
43 county commissioners or the county fair and recreation board; and

44 (b) By an action for foreclosure against such property in the
45 same manner as an action for foreclosure of any other lien,



1 commenced within 2 years after the date of recording of the notice
2 of the tax lien, and accompanied by appropriate notice to other
3 lienholders.

4 7. The city council or other governing body of each
5 incorporated city may delegate the power and authority to enforce
6 such liens to the county fair and recreation board. If the authority is
7 so delegated, the governing body shall revoke or suspend the license
8 of a business upon certification by the board that the license tax has
9 become delinquent, and shall not reinstate the license until the tax is
10 paid. Except as otherwise provided in NRS 268.0966, all
11 information concerning license taxes levied by an ordinance
12 authorized by this section or other information concerning the
13 business affairs or operation of any licensee obtained as a result of
14 the payment of those license taxes or as the result of any audit or
15 examination of the books of the city by any authorized employee of
16 a county fair and recreation board for any license tax levied for the
17 purpose of NRS 244A.597 to 244A.655, inclusive, *and section 4 of*
18 *this act* is confidential and must not be disclosed by any member,
19 official or employee of the county fair and recreation board or the
20 city imposing the license tax unless the disclosure is authorized by
21 the affirmative action of a majority of the members of the
22 appropriate county fair and recreation board. Continuing disclosure
23 may be so authorized under an agreement with the Department of
24 Taxation for the exchange of information concerning taxpayers.

25 8. The powers conferred by this section are in addition and
26 supplemental to, and not in substitution for, and the limitations
27 imposed by this section do not affect the powers conferred by, any
28 other law. No part of this section repeals or affects any other law or
29 any part thereof, it being intended that this section provide a
30 separate method of accomplishing its objectives, and not an
31 exclusive one.

32 **Sec. 6.** NRS 268.0953 is hereby amended to read as follows:

33 268.0953 1. Any license tax:

34 (a) Which is levied by a city located in a county whose
35 population is 100,000 or more against any lawful trade, calling,
36 industry, occupation, profession or business conducted in that city;

37 (b) Whose proceeds are pledged for the payment of any bonds or
38 other obligations issued pursuant to the provisions of NRS
39 244A.597 to 244A.655, inclusive ~~[§]~~, *and section 4 of this act*; and

40 (c) Which is being collected by the city on January 1, 1995,
41 ➔ must continue to be levied, collected and transmitted to the
42 county fair and recreation board created pursuant to NRS 244A.599
43 as long as any of the bonds or other obligations issued pursuant to
44 the provisions of NRS 244A.597 to 244A.655, inclusive, *and*
45 *section 4 of this act* remain outstanding and unpaid.



2. The proceeds of the license tax must be used by the county fair and recreation board for the purposes set forth in NRS 244A.597 to 244A.655, inclusive, *and section 4 of this act*, including the payment of any bonds or other obligations issued pursuant to those provisions, and may be irrevocably pledged by the county fair and recreation board to the payment of bonds or other obligations issued pursuant to those provisions.

Sec. 7. NRS 268.0962 is hereby amended to read as follows:

268.0962 The proceeds of the tax imposed pursuant to NRS 268.096 and any applicable penalty or interest must be distributed as follows:

1. In a county whose population is 400,000 or more:

(a) Three-eighths of the first 1 percent of the proceeds must be paid to the Department of Taxation for deposit with the State Treasurer for credit to the Fund for the Promotion of Tourism.

(b) The remaining proceeds must be transmitted to the county treasurer for deposit in the county school district's fund for capital projects established pursuant to NRS 387.328, to be held and expended in the same manner as other money deposited in that fund.

2. In a county whose population is less than 400,000:

(a) Three-eighths must be paid to the Department of Taxation for deposit with the State Treasurer for credit to the Fund for the Promotion of Tourism.

(b) Five-eighths must be deposited with the county fair and recreation board created pursuant to NRS 244A.599 or, if no such board is created, with the city council or other governing body of the incorporated city, to be used to advertise the resources of that county or incorporated city related to tourism, including available accommodations, transportation, entertainment, natural resources and climate, ~~and~~ to promote special events related thereto ~~and~~ *and to carry out the provisions of section 4 of this act.*

Sec. 8. NRS 268.0964 is hereby amended to read as follows:

268.0964 ~~The~~ *Except as otherwise provided in section 4 of this act, the* proceeds of the tax imposed pursuant to NRS 268.096 may not be used:

1. As additional security for the payment of, or to redeem, any general obligation bonds issued pursuant to NRS 244A.597.

2. To defray the costs of collecting or administering the tax incurred by the county fair and recreation board.

3. To operate and maintain recreational facilities under the jurisdiction of the county fair and recreation board.

4. To improve and expand recreational facilities authorized by NRS 244A.597 to 244A.655, inclusive ~~and~~, *and section 4 of this act.*

5. To construct, purchase or acquire such recreational facilities.



1 **Sec. 9.** This act becomes effective on July 1, 2007.

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