

SENATE BILL NO. 94—COMMITTEE ON GOVERNMENT AFFAIRS

FEBRUARY 15, 2007

Referred to Committee on Taxation

SUMMARY—Revises provisions governing the occupancy tax imposed on lodging in Douglas County. (BDR S-39)

FISCAL NOTE: Effect on Local Government: No.
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; authorizing an increase in the occupancy taxes imposed on lodging in Douglas County; requiring a two-thirds majority vote of the Board of County Commissioners to impose or increase the tax; increasing the amount of the proceeds of that tax that must be remitted to the Tahoe-Douglas Visitor's Authority; revising the provisions governing the use of that tax; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, an occupancy tax of 8 percent is imposed on lodging in
2 Tahoe Township in Douglas County. (Tahoe-Douglas Visitor's Authority Act § 19)
3 **Section 2** of this bill authorizes the Board of County Commissioners to increase the
4 occupancy tax that is imposed on lodging in Tahoe Township to 10 percent upon a
5 two-thirds majority vote. **Section 3** of this bill increases the amount of the proceeds
6 of that tax that must be remitted to the Tahoe-Douglas Visitor's Authority and
7 authorizes the use of those proceeds by the Authority for the planning, construction
8 and operation of a convention center in the South Shore Community of Lake
9 Tahoe, including the Township and the City of South Lake Tahoe, California, if the
10 tax is increased.

11 Under existing law, Douglas County is authorized to impose an occupancy tax
12 on lodging in the other portions of the County. The occupancy tax must not exceed
13 8 percent of the gross taxable rent paid for lodging. (Douglas County Lodgers Tax
14 Law Act § 28) **Section 1** of this bill authorizes the Board of County
15 Commissioners, upon a two-thirds majority vote, to increase the occupancy tax that
16 may be imposed in the other portions of Douglas County to 10 percent and revises
17 the amount of that tax that must be used exclusively for advertising, publicizing and
18 promoting tourism and recreational facilities if the tax is increased.



* S B 9 4 R 2 *

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

Section 1. Section 28 of the Douglas County Lodgers Tax Law Act, being chapter 639, Statutes of Nevada 1969, as last amended by chapter 496, Statutes of Nevada 1997, at page 2381, is hereby amended to read as follows:

Sec. 28. Authorization of tax.

1. The municipality may impose an occupancy tax for revenues by ordinance on lodging within the portion of the county lying outside the Tahoe Township, as the boundaries of that township existed on July 1, 1997.

~~{2-}~~ The occupancy tax ~~{shall}~~ **must** not exceed 8 percent of the gross taxable rent. ~~{Any}~~

2. The governing body may impose an additional occupancy tax of 2 percent upon an affirmative vote of two-thirds of the members.

3. If the additional tax is imposed pursuant to subsection 2, any amount in excess of ~~{5}~~ 5.25 percent must be used exclusively for advertising, publicizing and promoting tourism and the recreational facilities. If the additional tax is not imposed, any amount in excess of 5 percent must be used for those purposes.

~~{3-}~~ 4. Every vendor who is furnishing any lodgings within the municipality is exercising a taxable privilege.

~~{4-}~~ 5. A vendor is not exempt from the occupancy tax because the taxable premises are at any time located in a political subdivision other than the municipality.

Sec. 2. Section 19 of the Tahoe-Douglas Visitor's Authority Act, being chapter 496, Statutes of Nevada 1997, as amended by chapter 496, Statutes of Nevada 1997, at page 2379, is hereby amended to read as follows:

Sec. 19. 1. An occupancy tax of 8 percent is hereby imposed on vendors furnishing lodgings in the township. ***The governing body may impose an additional occupancy tax of 2 percent upon an affirmative vote of two-thirds of the members.*** The governing body shall administer the tax.

2. Every vendor who furnishes any lodgings within the Township is exercising a taxable privilege.

3. A vendor is not exempt from the occupancy tax because the taxable premises are at any time located in a political subdivision other than the municipality.



1 **Sec. 3.** Section 26 of the Tahoe-Douglas Visitor's Authority
2 Act, being chapter 496, Statutes of Nevada 1997, as amended by
3 chapter 496, Statutes of Nevada 1997, at page 2379, is hereby
4 amended to read as follows:

5 Sec. 26. 1. From the proceeds of the occupancy tax
6 paid by vendors located in the township, the governing body
7 shall:

8 (a) Pay the principal of, interest on and any prior
9 redemption premiums due in connection with any securities
10 issued by the county pursuant to the Douglas County Lodgers
11 Tax Law which were secured with the proceeds of the
12 occupancy tax collected pursuant to the Douglas County
13 Lodgers Tax Law.

14 (b) After allocation of those proceeds pursuant to
15 paragraph (a), pay any obligations incurred before July 1,
16 1997, pursuant to any contractual agreements between the
17 governing body and the Lake Tahoe Visitor's Authority.

18 2. A portion of the proceeds of the occupancy tax paid
19 by vendors located in the Township, not to exceed 1 percent
20 of the amount collected, may be used to collect and
21 administer the tax.

22 3. ~~{One-eighth}~~ *If the additional tax is imposed*
23 *pursuant to subsection 1 of section 19, one-tenth* of the
24 proceeds of the occupancy tax paid by vendors located in the
25 Township must be remitted to the Authority. *If the additional*
26 *tax is not imposed, one-eighth of the proceeds must be*
27 *remitted to the Authority.*

28 4. After allocation pursuant to subsections 1, 2 and 3 of
29 the proceeds of the occupancy tax paid by vendors located in
30 the Township, the remaining proceeds must be allocated as
31 follows:

32 (a) Except as otherwise provided in paragraph (b), for
33 each Fiscal Year beginning on or after July 1, 1999, 50
34 percent of those proceeds must be retained by the governing
35 body for expenditure in any manner authorized for the
36 expenditure of the proceeds of a tax imposed pursuant to the
37 Douglas County Lodgers Tax Law and 50 percent of those
38 proceeds must be remitted to the Authority.

39 (b) Except as otherwise provided in paragraph (c), for
40 each Fiscal Year beginning on or after July 1, 2000, the
41 governing body shall revise the allocation required pursuant
42 to this subsection in such a manner that the amount of those
43 proceeds retained by the governing body is reduced, and the
44 amount remitted to the Authority is increased, from the
45 amounts for the prior fiscal year by not less than 2 percent



1 and not more than 5 percent of the total amount of the
2 proceeds allocated pursuant to this subsection, until the
3 amount retained by the governing body for each fiscal year
4 equals ~~{35}~~ 30 percent of those proceeds *if the additional tax*
5 *is imposed pursuant to subsection 1 of section 19 and if the*
6 *additional tax is not imposed, 35 percent of those proceeds*
7 and the amount remitted to the Authority for each fiscal year
8 equals ~~{65}~~ 70 percent of those proceeds ~~{}~~ *if the additional*
9 *tax is imposed and 65 percent if the additional tax is not*
10 *imposed.*

11 (c) The governing body may, for not more than one of the
12 Fiscal Years beginning on or after July 1, 2000, elect not to
13 make a revision otherwise required pursuant to paragraph (b).

14 5. The proceeds remitted to the Authority pursuant to
15 subsections 3 and 4 must be used exclusively for:

16 (a) The advertising, publicizing and promotion of tourism
17 and recreation; and

18 (b) The planning, construction and operation of a
19 convention center in the *South Shore Community of Lake*
20 *Tahoe, including the* Township ~~{}~~ *and the City of South*
21 *Lake Tahoe, California.*

22 **Sec. 4.** This act becomes effective on July 1, 2007.

