

INITIATIVE PETITION NO. 1

FEBRUARY 2, 2009

Referred to Committee on Taxation

SUMMARY—Imposes an additional tax on the gross receipts from the rental of transient lodging in certain counties.

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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; imposing an additional tax on the gross receipts from the rental of transient lodging in certain counties; providing for the use of the proceeds; and providing other matters properly relating thereto.

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

Section 1. Purpose. This measure provides by statute for the imposition of an additional tax on the gross receipts from the rental of transient lodging in certain counties, and for the manner in which the proceeds of the tax must be used.

Sec. 2. Chapter 244 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this measure.

Sec. 3. 1. *Except as otherwise provided in subsection 2, in any county whose population is 300,000 or more, the board of county commissioners shall impose a tax at the rate of 3 percent of the gross receipts from the rental of transient lodging in that county. Except as otherwise provided in subsection 2, the tax must be imposed throughout the county, including its incorporated cities, upon all persons in the business of providing lodging. The ordinance imposing the tax must include a schedule for the payment of the tax and the provisions of subsection 4.*

2. *If the sum of the rates of all other taxes existing on July 31, 2008, and imposed by the State of Nevada or any unit of local government on the gross receipts from the rental of transient lodging in any area of the county exceeds 10 percent, the tax imposed pursuant to this section in that area must be imposed at a rate equal to the difference between 13 percent and the sum of the*



1 rates of the existing taxes. If the sum of the rates of the existing
2 taxes in any area of the county is equal to or greater than 13
3 percent, no additional tax may be imposed in that area pursuant to
4 this section. For the purposes of this section, the sum of the rates
5 of any existing taxes must be determined as of July 31, 2008, and
6 any increase in the rate of an existing tax after that date does not
7 reduce the rate of the tax imposed pursuant to this section.

8 3. The tax imposed pursuant to this section must be collected
9 with and in the same manner as any other tax imposed by the
10 county on the gross receipts from the rental of transient lodging.
11 The tax may be shown as an addition to the charge for the rental
12 of transient lodging. The person providing the transient lodging is
13 liable to the county for the tax whether or not it is actually
14 collected from a paying guest.

15 4. If the tax imposed pursuant to this section is not paid
16 within the time set forth in the schedule for payment, the county
17 shall charge and collect in addition to the tax:

18 (a) A penalty of not more than 10 percent of the amount due,
19 exclusive of interest, or an administrative fee established by the
20 board of county commissioners, whichever is greater; and

21 (b) Interest on the amount due at the rate of not more than 1.5
22 percent per month or fraction thereof from the date on which the
23 tax became due until the date of payment.

24 Sec. 4. Except as otherwise provided in this section, the
25 proceeds of the tax imposed pursuant to section 3 of this measure
26 and any applicable penalty or interest must be paid by the county
27 treasurer to the State Treasurer for credit to the State General
28 Fund. The county treasurer may retain from the proceeds an
29 amount sufficient to reimburse the county for the actual cost of
30 collecting and administering the tax, to the extent that the county
31 incurs any cost it would not have incurred but for the enactment
32 of this section or section 3 of this measure, but in no case
33 exceeding the amount authorized by statute for this purpose.

34 Sec. 5. NRS 244.3359 is hereby amended to read as follows:

35 244.3359 1. A county whose population is 400,000 or more
36 shall not impose a new tax on the rental of transient lodging or
37 increase the rate of an existing tax on the rental of transient lodging
38 after March 25, 1991, except pursuant to NRS 244.3351 ~~and~~
39 ~~244.3352.~~, 244.3352 and section 3 of this measure.

40 2. A county whose population is 100,000 or more but less than
41 400,000 shall not impose a new tax on the rental of transient lodging
42 or increase the rate of an existing tax on the rental of transient
43 lodging after March 25, 1991 ~~and~~, except pursuant to section 3 of
44 this measure.



1 3. ~~[The]~~ *Except as otherwise provided in subsection 2 and*
2 *sections 4 and 6 of this measure, the* Legislature hereby declares
3 that the limitation imposed by subsection 2 will not be repealed or
4 amended except to allow the imposition of an increase in such a tax
5 for the promotion of tourism or for the construction or operation of
6 tourism facilities by a convention and visitors authority.

7 **Sec. 6.** Chapter 387 of NRS is hereby amended by adding
8 thereto a new section to read as follows:

9 1. *Except as otherwise provided in this subsection, the*
10 *proceeds of the tax imposed pursuant to section 3 of this measure*
11 *and any applicable penalty or interest must be paid by the county*
12 *treasurer to the State Treasurer for credit to the State*
13 *Supplemental School Support Fund, which is hereby created in*
14 *the State Treasury as a special revenue fund. The county treasurer*
15 *may retain from the proceeds an amount sufficient to reimburse*
16 *the county for the actual cost of collecting and administering the*
17 *tax, to the extent that the county incurs any cost it would not have*
18 *incurred but for the enactment of this section or section 3 of this*
19 *measure, but in no case exceeding the amount authorized by*
20 *statute for this purpose. Any interest or other income earned on*
21 *the money in the State Supplemental School Support Fund must*
22 *be credited to the Fund.*

23 2. *The money in the State Supplemental School Support*
24 *Fund is hereby appropriated for the operation of the school*
25 *districts and charter schools of the state, as provided in this*
26 *section. The money so appropriated is intended to supplement and*
27 *not replace any other money appropriated, approved or authorized*
28 *for expenditure to fund the operation of the public schools for*
29 *kindergarten through grade 12. Any money that remains in the*
30 *State Supplemental School Support Fund at the end of the fiscal*
31 *year does not revert to the State General Fund, and the balance in*
32 *the State Supplemental School Support Fund must be carried*
33 *forward to the next fiscal year.*

34 3. *On or before February 1, May 1, August 1 and*
35 *November 1 of each year, the Superintendent of Public Instruction*
36 *shall transfer from the State Supplemental School Support Fund*
37 *all the proceeds of the tax imposed pursuant to section 3 of this*
38 *measure, including any interest or other income earned thereon,*
39 *and distribute the proceeds proportionally among the school*
40 *districts and charter schools of the state. The proportionate*
41 *amount of money distributed to each school district or charter*
42 *school must be determined by dividing the number of students*
43 *enrolled in the school district or charter school by the number of*
44 *students enrolled in all the school districts and charter schools of*
45 *the state. For the purposes of this subsection, the enrollment in*



1 *each school district and the number of students who reside in the*
2 *district and are enrolled in a charter school must be determined as*
3 *of the last day of the first school month of the school district for*
4 *the school year. This determination governs the distribution of*
5 *money pursuant to this subsection until the next annual*
6 *determination of enrollment is made. The Superintendent may*
7 *retain from the proceeds of the tax an amount sufficient to*
8 *reimburse the Superintendent for the actual cost of administering*
9 *the provisions of this section, to the extent that the Superintendent*
10 *incurs any cost he would not have incurred but for the enactment*
11 *of this section, but in no case exceeding the amount authorized by*
12 *statute for this purpose.*

13 4. *The money received by a school district or charter school*
14 *from the State Supplemental School Support Fund pursuant to*
15 *this section must be used to improve the achievement of students*
16 *and for the payment of salaries to attract and retain qualified*
17 *teachers and other employees, except administrative employees, of*
18 *the school district or charter school. Nothing contained in this*
19 *section shall be deemed to impair or restrict the right of employees*
20 *of the school district or charter school to engage in collective*
21 *bargaining as provided by Chapter 288 of NRS.*

22 5. *On or before November 10 of each year, the board of*
23 *trustees of each school district and the governing body of each*
24 *charter school shall prepare a report to the Superintendent of*
25 *Public Instruction, in the form prescribed by the Superintendent.*
26 *The report must provide an accounting of the expenditures by the*
27 *school district or charter school of the money it received from the*
28 *State Supplemental School Support Fund during the preceding*
29 *fiscal year.*

30 6. *As used in this section, "administrative employee" means*
31 *any person who holds a license as an administrator, issued by the*
32 *Superintendent of Public Instruction, and is employed in that*
33 *capacity by a school district or charter school.*

34 **Sec. 7.** NRS 387.030 is hereby amended to read as follows:

35 387.030 All money derived from interest on the State
36 Permanent School Fund, together with all money derived from other
37 sources provided by law, must:

38 1. ~~Be~~ *Except as otherwise provided in section 6 of this*
39 *measure, be* placed in the State Distributive School Account which
40 is hereby created in the State General Fund; and

41 2. Except as otherwise provided in NRS 387.528, be
42 apportioned among the several school districts and charter schools
43 of this State at the times and in the manner provided by law.



Sec. 8. Transitory provision.

1. Notwithstanding the expiration of section 4 of this measure on June 30, 2011, any tax and any interest or penalty owing and unpaid as of that date and collected on or before October 1, 2011, must be paid, deposited and credited to the State General Fund as provided in that section.

2. The Superintendent of Public Instruction shall make the initial transfer from the State Supplemental School Support Fund, as required by section 6 of this measure, on or before February 1, 2012.

3. The board of trustees of each school district and the governing body of each charter school shall prepare their initial reports to the Superintendent of Public Instruction, as required by section 6 of this measure, on or before November 10, 2012.

Sec. 9. Effective dates; expiration of certain provisions.

1. This section and sections 1 and 10 of this measure become effective:

(a) For the purposes of any challenge to the validity or legal sufficiency of this measure or any part of it, on July 31, 2008; and

(b) For all other purposes:

(1) If subsection 2 is applicable, upon passage and approval; or

(2) If subsection 3 is applicable, upon completion of the canvass of votes by the Supreme Court.

2. If this measure is enacted by the 75th Session of the Legislature and approved by the Governor as provided in subsection 3 of Section 2 of Article 19 of the Nevada Constitution:

(a) Sections 2 to 5, inclusive, and section 8 of this measure become effective:

(1) Upon passage and approval, for the purposes of adopting the ordinance imposing the tax; and

(2) On July 1, 2009, for all other purposes.

(b) Section 4 of this measure expires by limitation on June 30, 2011.

(c) Sections 6 and 7 of this measure become effective on July 1, 2011.

3. If this measure is not enacted and approved as provided in subsection 2, but is approved by the voters after the measure has been referred or submitted to the voters pursuant to subsection 3 of Section 18 of Article 4 or subsection 3 of Section 2 of Article 19 of the Nevada Constitution:

(a) Sections 2 and 3 and sections 5 to 8, inclusive, of this measure become effective:

(1) Upon the completion of the canvass of votes by the Supreme Court, for the purposes of adopting the ordinance imposing the tax; and



- 1 (2) On January 1, 2011, for all other purposes.
2 (b) Section 4 of this measure shall not become effective.
3 **Sec. 10. Severability.** If any provision of this measure or its
4 application to any person or circumstance is held to be invalid or
5 ineffective, the invalidity or ineffectiveness must be given the
6 narrowest possible construction and shall not affect any other
7 provision or application of this measure.

