

ASSEMBLY BILL NO. 411—ASSEMBLYMAN HANSEN

MARCH 17, 2015

Referred to Committee on Government Affairs

SUMMARY—Provides for funding for repair and improvement of school facilities. (BDR 20-25)

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 funding for repair and improvement of school facilities; altering the rate in certain counties of a tax imposed by a board of county commissioners on gross receipts from the rental of transient lodging; altering the rate in certain cities of a tax imposed by a city council on gross receipts from the rental of transient lodging; altering the rate in certain counties of a tax imposed on the transfer of real property; providing for the distribution of revenues from certain taxes imposed on gross receipts from the rental of transient lodging and the transfer of real property; requiring that proceeds from certain taxes deposited in a fund for capital projects of certain county school districts be expended only for the repair and improvement of school facilities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires each board of county commissioners and each city council to impose a tax on the gross receipts from the rental of transient lodging within the county or city. (NRS 244.3352, 268.096) Assembly Bill No. 353 of the 69th Session of the Nevada Legislature established a bifurcated system for the imposition of such taxes. In a county whose population is 700,000 or more (currently Clark County), and any city in such a county, the tax rate is 2 percent, and in a county whose population is less than 700,000 (currently all counties other than Clark County), and a city therein, the tax rate is 1 percent. (Chapter 516, Statutes of Nevada 1997, at pages 2458-59) The distribution of proceeds from the tax is also bifurcated. If the tax is imposed in Clark County, or a city therein, a portion of the proceeds from the tax is distributed for credit to the Fund for the Promotion of Tourism, and the remainder is distributed for deposit in the county



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13 school district's fund for capital projects. If the tax is imposed in a county other
14 than Clark County, or a city therein, a portion of the proceeds from the tax is
15 distributed for credit to the Fund for the Promotion of Tourism, and the remainder
16 is distributed for deposit with the applicable county fair and recreation board or, if
17 no such board has been created, with the board of county commissioners or city
18 council, as appropriate, to be used to advertise the resources of the county or city
19 related to tourism. (NRS 244.3354, 268.0962)

20 This bill transfers Washoe County into the same category as Clark County such
21 that the tax imposed on the gross receipts from the rental of transient lodging within
22 a county or city, and the distribution of proceeds from the tax, will be the same in
23 Washoe County as in Clark County. **Sections 1 and 2** of this bill provide for the tax
24 imposed by the Board of County Commissioners of Washoe County to be imposed
25 at a rate of 2 percent and for the proceeds of the tax to be distributed in the same
26 manner as for the tax imposed by the Board of County Commissioners of Clark
27 County. **Sections 4 and 5** of this bill provide for the tax imposed by the city council
28 of any city in Washoe County to be imposed at a rate of 2 percent and for the
29 proceeds of the tax to be distributed in the same manner as for the tax imposed by
30 the governing body of a city in Clark County.

31 **Sections 2 and 5** also require that any proceeds of the rental tax that are
32 deposited in a fund for capital projects for a county school district whose school
33 facilities consist primarily of older buildings be expended only for the repair and
34 improvement of school facilities.

35 Existing law imposes a tax on the transfer of real property. (NRS 375.020)
36 Assembly Bill No. 353 of the 69th Session of the Nevada Legislature also
37 established a bifurcated system for the imposition of this tax. In a county whose
38 population is 700,000 or more (currently Clark County), the tax rate is \$1.25 for
39 each \$500 of value or fraction thereof, and in a county whose population is less
40 than 700,000 (currently all counties other than Clark County), the tax rate is 65
41 cents for each \$500 of value or fraction thereof. (Chapter 516, Statutes of Nevada
42 1997, at page 2466) If the tax is imposed in Clark County, a portion of the proceeds
43 from the tax equal to 60 cents for each \$500 of value or fraction thereof is
44 distributed for deposit in the county school district's fund for capital projects. The
45 remainder is distributed to the Account for Low-Income Housing and the Local
46 Government Tax Distribution Account. If the tax is imposed in a county other than
47 Clark County, the proceeds are only distributed to the Account for Low-Income
48 Housing and the Local Government Tax Distribution Account. (NRS 375.070)

49 This bill transfers Washoe County into the same category as Clark County such
50 that the tax imposed on a transfer of real property, and the distribution of proceeds
51 from the tax, will be the same in Washoe County as it is in Clark County. **Sections**
52 **7 and 8** of this bill provide for the tax imposed on the transfer of real property in
53 Washoe County to be imposed at a rate of \$1.25 for each \$500 of value or fraction
54 thereof and for the proceeds of the tax to be distributed in the same manner as for
55 the tax imposed on a transfer of real property in Clark County. **Section 8** also
56 requires that any proceeds of the transfer tax that are deposited in a fund for capital
57 projects for a county school district whose school facilities consist primarily of
58 older buildings be expended only for the repair and improvement of school
59 facilities.



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

Section 1. NRS 244.3352 is hereby amended to read as follows:

244.3352 1. The board of county commissioners:

(a) In a county whose population is ~~700,000~~ 100,000 or more, shall impose a tax at a rate of 2 percent; and

(b) In a county whose population is less than ~~700,000~~ 100,000, shall impose a tax at the rate of 1 percent,

↳ of the gross receipts from the rental of transient lodging in that county upon all persons in the business of providing lodging. This tax must be imposed by the board of county commissioners in each county, regardless of the existence or nonexistence of any other license fee or tax imposed on the revenues from the rental of transient lodging. The ordinance imposing the tax must include a schedule for the payment of the tax and the provisions of subsection 4.

2. The tax imposed pursuant to subsection 1 must be collected and administered pursuant to NRS 244.335.

3. The tax imposed pursuant to subsection 1 may be collected from the paying guests and may be shown as an addition to the charge for the rental of transient lodging. The person providing the transient lodging is liable to the county for the tax whether or not it is actually collected from the paying guest.

4. If the tax imposed pursuant to subsection 1 is not paid within the time set forth in the schedule for payment, the county shall charge and collect in addition to the tax:

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

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

5. As used in this section, "gross receipts from the rental of transient lodging" does not include the tax imposed and collected from paying guests pursuant to this section or NRS 268.096.

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 ~~700,000~~ 100,000 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 ~~700,000~~ **100,000**:

(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 to advertise the resources of that county related to tourism, including available accommodations, transportation, entertainment, natural resources and climate, and to promote special events related thereto.

3. Proceeds deposited pursuant to this section in the fund for capital projects established pursuant to NRS 387.328 of a county school district whose school facilities consist primarily of older buildings must be expended only for the repair and improvement of school facilities within the county.

Sec. 3. NRS 244.3359 is hereby amended to read as follows:

244.3359 1. A county whose population is 700,000 or more shall not impose a new tax on the rental of transient lodging or increase the rate of an existing tax on the rental of transient lodging after March 25, 1991, except pursuant to NRS 244.3351, 244.3352 and 244.33561.

2. A county whose population is 100,000 or more but less than 700,000 shall not impose a new tax on the rental of transient lodging or increase the rate of an existing tax on the rental of transient lodging after March 25, 1991, except pursuant to NRS **244.3352 and** 244.33561.

3. Except as otherwise provided in subsection 2 and NRS 387.191, the Legislature hereby declares that the limitation imposed by subsection 2 will not be repealed or amended except to allow the imposition of an increase in such a tax for the promotion of tourism or for the construction or operation of tourism facilities by a convention and visitors authority.

Sec. 4. NRS 268.096 is hereby amended to read as follows:

268.096 1. The city council or other governing body of each incorporated city:

(a) In a county whose population is ~~700,000~~ **100,000** or more, shall impose a tax at a rate of 2 percent; and

(b) In a county whose population is less than ~~700,000~~ **100,000**, shall impose a tax at the rate of 1 percent,



1 ↪ of the gross receipts from the rental of transient lodging in that
2 city upon all persons in the business of providing lodging. This tax
3 must be imposed by the city council or other governing body of
4 each incorporated city, regardless of the existence or nonexistence
5 of any other license fee or tax imposed on the revenues from the
6 rental of transient lodging. The ordinance imposing the tax must
7 include a schedule for the payment of the tax and the provisions of
8 subsection 4.

9 2. The tax imposed pursuant to subsection 1 must be collected
10 and administered pursuant to NRS 268.095.

11 3. The tax imposed pursuant to subsection 1 may be collected
12 from the paying guests and may be shown as an addition to the
13 charge for the rental of transient lodging. The person providing the
14 transient lodging is liable to the city for the tax whether or not it is
15 actually collected from the paying guest.

16 4. If the tax imposed pursuant to subsection 1 is not paid within
17 the time set forth in the schedule for payment, the city shall charge
18 and collect in addition to the tax:

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

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

25 5. As used in this section, "gross receipts from the rental of
26 transient lodging" does not include the tax imposed or collected
27 from paying guests pursuant to this section or NRS 244.3352.

28 **Sec. 5.** NRS 268.0962 is hereby amended to read as follows:

29 268.0962 The proceeds of the tax imposed pursuant to NRS
30 268.096 and any applicable penalty or interest must be distributed as
31 follows:

32 1. In a county whose population is ~~700,000~~ 100,000 or more:

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

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

40 2. In a county whose population is less than ~~700,000~~
41 100,000:

42 (a) Three-eighths must be paid to the Department of Taxation
43 for deposit with the State Treasurer for credit to the Fund for the
44 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.

3. Proceeds deposited pursuant to this section in the fund for capital projects established pursuant to NRS 387.328 of a county school district whose school facilities consist primarily of older buildings must be expended only for the repair and improvement of school facilities within the county.

Sec. 6. NRS 268.0968 is hereby amended to read as follows:

268.0968 1. Except as otherwise provided in NRS 268.096 and 268.801 to 268.808, inclusive, a city located in a county whose population is 700,000 or more shall not impose a new tax on the rental of transient lodging or increase the rate of an existing tax on the rental of transient lodging after March 25, 1991.

2. Except as otherwise provided in NRS ~~268.096~~ and 268.7845, a city located in a county whose population is 100,000 or more but less than 700,000 shall not impose a new tax on the rental of transient lodging or increase the rate of an existing tax on the rental of transient lodging after March 25, 1991.

3. The Legislature hereby declares that the limitation imposed by subsection 2 will not be repealed or amended except to allow the imposition of an increase in such a tax for:

(a) The promotion of tourism;

(b) The construction or operation of tourism facilities by a convention and visitors authority; or

(c) The acquisition, establishment, construction or expansion of one or more railroad grade separation projects.

Sec. 7. NRS 375.020 is hereby amended to read as follows:

375.020 1. A tax, at the rate of:

(a) In a county whose population is ~~700,000~~ 100,000 or more, \$1.25; and

(b) In a county whose population is less than ~~700,000~~ 100,000, 65 cents,

➤ for each \$500 of value or fraction thereof, is hereby imposed on each deed by which any lands, tenements or other realty is granted, assigned, transferred or otherwise conveyed to, or vested in, another person, or land sale installment contract, if the consideration or value of the interest or property conveyed exceeds \$100.

2. The amount of tax must be computed on the basis of the value of the transferred real property as declared pursuant to NRS 375.060.



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Sec. 8. NRS 375.070 is hereby amended to read as follows:

375.070 1. The county recorder shall transmit the proceeds of the tax imposed by NRS 375.020 at the end of each quarter in the following manner:

(a) An amount equal to that portion of the proceeds which is equivalent to 10 cents for each \$500 of value or fraction thereof must be transmitted to the State Controller who shall deposit that amount in the Account for Low-Income Housing created pursuant to NRS 319.500.

(b) In a county whose population is ~~1700,000~~ 100,000 or more, an amount equal to that portion of the proceeds which is equivalent to 60 cents for each \$500 of value or fraction thereof 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.

(c) The remaining proceeds must be transmitted to the State Controller for deposit in the Local Government Tax Distribution Account created by NRS 360.660 for credit to the respective accounts of Carson City and each county.

2. In addition to any other authorized use of the proceeds it receives pursuant to subsection 1, a county or city may use the proceeds to pay expenses related to or incurred for the development of affordable housing for families whose income does not exceed 80 percent of the median income for families residing in the same county, as that percentage is defined by the United States Department of Housing and Urban Development. A county or city that uses the proceeds in that manner must give priority to the development of affordable housing for persons who are elderly or persons with disabilities.

3. The expenses authorized by subsection 2 include, but are not limited to:

(a) The costs to acquire land and developmental rights;

(b) Related predevelopment expenses;

(c) The costs to develop the land, including the payment of related rebates;

(d) Contributions toward down payments made for the purchase of affordable housing; and

(e) The creation of related trust funds.

4. Proceeds deposited pursuant to this section in the fund for capital projects established pursuant to NRS 387.328 of a county school district whose school facilities consist primarily of older buildings must be expended only for the repair and improvement of school facilities within the county.



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1 **Sec. 9.** This act becomes effective on July 1, 2015.

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