

SENATE BILL NO. 312—SENATOR KIECKHEFER

MARCH 16, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to certain taxes.
(BDR 21-834)

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 taxing districts; requiring a city that has created a taxing district to improve and maintain publicly owned facilities for tourism and entertainment to impose, in addition to any other surcharge, a surcharge on the per night charge for the rental of a room in a hotel in the district that holds a nonrestricted gaming license; providing that the money collected from the surcharge must be used by the city or the county fair and recreation board, as applicable, only to pay the costs of advertising, publicizing and promoting the recreational facilities located in the district; creating in a county in which is located a city that has created a taxing district to improve and maintain publicly owned facilities for tourism and entertainment a similar district comprised of all property within the county, including property located within any city in the county, other than property located in the district created by the city; creating a governing body for the district; requiring the governing body of the district to prescribe the boundaries of the district and impose a surcharge on the per night charge for the rental of a room in a hotel in the district that holds a nonrestricted gaming license; prescribing the uses of the money collected from the surcharge; and providing other matters properly relating thereto.



* S B 3 1 2 *

Legislative Counsel's Digest:

Existing law authorizes the governing body of a city whose population is 220,000 or more in a county whose population is 100,000 or more but less than 700,000 (currently only the City of Reno) by ordinance to create a district to finance capital projects necessary to improve and maintain publicly owned facilities for tourism and entertainment. Existing law requires that such an ordinance be approved by a two-thirds majority of the members of the governing body. Existing law also requires that the ordinance impose a surcharge of \$2 on the per night charge for the rental of a room in a hotel in the district that holds a nonrestricted gaming license and provides that the proceeds of the surcharge must be used by the city solely to pay the cost of improving and maintaining publicly owned facilities for tourism and entertainment in the district or within 1 mile outside the boundaries of the district, except for a minor league baseball stadium. (NRS 268.798)

Section 1 of this bill requires the governing body of a city that has created such a district to impose an additional surcharge on the per night charge for the rental of a room in a hotel in the district that holds a nonrestricted gaming license. If the city is located in a county in which a county fair and recreation board has been created, **section 1** requires the city to transfer to the county fair and recreation board any money collected from the additional surcharge. If a county fair and recreation board has not been created, **section 1** requires the city to keep the money collected from the surcharge, but in either event the money collected from the surcharge must be used by the county fair and recreation board or the city, as applicable, only to pay the costs of advertising, publicizing and promoting the recreational facilities located in the district.

In any county in which is located a city that has created a district to finance capital projects necessary to improve and maintain publicly owned facilities for tourism and entertainment, **section 4** of this bill creates a district to advertise, publicize and promote the recreational facilities located in the district and to finance capital projects necessary to improve and maintain publicly owned facilities for tourism and entertainment in the district. **Section 4** also creates a governing body of the district and requires the governing body of the district to adopt a resolution prescribing the boundaries of the district, which must include within its boundaries all property located in the county and located in any city in the county other than property that is located within a district created by a city to finance capital projects necessary to improve and maintain publicly owned facilities for tourism and entertainment. **Section 4** requires the governing body of the district to impose by resolution a surcharge on the per night charge for the rental of a room in a hotel in the district that holds a nonrestricted gaming license. **Section 4** provides that: (1) one-third of the amount collected from the surcharge must be used by the governing body solely to pay the costs for advertising, publicizing and promoting the recreational facilities located in the district; and (2) two-thirds of the amount collected must be used by the governing body solely to pay the cost of improving and maintaining publicly owned facilities for tourism and entertainment in the district, except for a minor league baseball stadium.

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

Section 1. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

1. In a city in which a district is created and a surcharge is imposed pursuant to NRS 268.798, the governing body shall, in



1 *addition to the surcharge imposed pursuant to that section, impose*
2 *a surcharge of \$1 on the per night charge for the rental of a room*
3 *in a hotel in the district that holds a nonrestricted gaming license.*
4 *The surcharge must not be applied for any time during which the*
5 *room is provided to a guest free of charge.*

6 2. *The proceeds of the surcharge imposed pursuant to this*
7 *section must be collected by the city and:*

8 (a) *If the city is located in a county in which a county fair and*
9 *recreation board has been created pursuant to NRS 244A.597 to*
10 *244A.655, inclusive, the city shall transfer to the county fair and*
11 *recreation board all money collected from the surcharge imposed*
12 *pursuant to this section. The money must be accounted for*
13 *separately and used by the county fair and recreation board solely*
14 *to pay the costs for advertising, publicizing and promoting the*
15 *recreational facilities located in the district.*

16 (b) *If the city is located in a county in which a county fair and*
17 *recreation board has not been created, the money collected must*
18 *be retained by the city, accounted for separately and used solely to*
19 *pay the costs for advertising, publicizing and promoting the*
20 *recreational facilities located in the district.*

21 3. *Except as otherwise provided in paragraph (a) of*
22 *subsection 2, the proceeds of the surcharge must not be*
23 *transferred to any other fund or account or used for any other*
24 *purpose.*

25 **Sec. 2.** NRS 268.798 is hereby amended to read as follows:

26 268.798 1. The governing body of a city whose population is
27 220,000 or more in a county whose population is 100,000 or more
28 but less than 700,000 may by ordinance create a district to finance
29 capital projects necessary to improve and maintain publicly owned
30 facilities for tourism and entertainment. Such an ordinance must be
31 approved by a two-thirds majority of the members of the governing
32 body.

33 2. The boundaries of a district created pursuant to subsection 1
34 must be as prescribed by the governing body in the ordinance
35 creating the district, except that the boundaries must include only
36 property that is located in or within 4 city blocks, as determined by
37 the governing body, of a district described in NRS 268.780 to
38 268.785, inclusive.

39 3. An ordinance enacted pursuant to subsection 1 must impose
40 a surcharge of \$2 on the per night charge for the rental of a room in
41 a hotel in the district that holds a nonrestricted gaming license. The
42 surcharge must not be applied for any time during which the room is
43 provided to a guest free of charge.

44 4. The proceeds of the surcharge imposed pursuant to this
45 section must be retained by the city and must be used by the city



solely to pay the cost of improving and maintaining publicly owned facilities for tourism and entertainment in the district or within 1 mile outside the boundaries of the district, except for a minor league baseball stadium project as defined in NRS 244A.0344. The proceeds of the surcharge must not be transferred to any other fund or account or used for any other purpose.

5. On or before January 15, 2030, the governing body of a city that has created a district pursuant to this section shall submit a report concerning the district to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature. The report must:

(a) Address, without limitation ~~[, the]~~ :

(1) *The* total amount collected from the surcharge imposed pursuant to this section and all the projects undertaken to improve and maintain the publicly owned facilities for tourism and entertainment in the district.

(2) *The total amount collected from the surcharge imposed pursuant to section 1 of this act and the total amount expended by the city or the county fair and recreation board, as applicable, for advertising, publicizing and promoting the recreational facilities located in the district.*

(b) Cover the period between the creation of the district until the end of the calendar year immediately preceding the submission of the report.

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 244.33561 ~~[.]~~ *and section 4 of this act.*

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. Chapter 271A of NRS is hereby amended by adding thereto a new section to read as follows:

1. In a county in which is located a city that has created a district and imposed a surcharge pursuant to NRS 268.798, there is hereby created:

(a) A district to advertise, publicize and promote the recreational facilities located in the district and to finance capital projects necessary to improve and maintain publicly owned facilities for tourism and entertainment in the district; and

(b) A governing body of the district, composed of the following members:

(1) One member of the board of county commissioners, appointed by the board of county commissioners;

(2) One member of the governing body of each city in the county, appointed by the governing body of the respective city; and

(3) Two members who are not elected officials, appointed by the Nevada Resort Association, or its successor organization.

2. The board of county commissioners shall call the first meeting of the governing body of the district, which must be held on or before October 1, 2015. At the first meeting of the governing body, the governing body of the district shall by resolution:

(a) Prescribe the boundaries of the district created pursuant to subsection 1, which:

(1) Must include within it all property within the county and within each city in the county that is not located within a district created pursuant to NRS 268.798; and

(2) Must not include within it any property located within a district created pursuant to NRS 268.798.

(b) Impose a surcharge of \$3 on the per night charge for the rental of a room in a hotel in the district that holds a nonrestricted gaming license. The surcharge must not be applied for any time during which the room is provided to a guest free of charge.

(c) Prescribe a schedule for the collection of the surcharge imposed pursuant to paragraph (b).

3. The surcharge imposed pursuant to this section is in addition to any other license fee, tax or surcharge imposed on the revenues from the rental of transient lodging. The surcharge must be collected by the county in accordance with the schedule prescribed by the governing body of the district. The proceeds from the surcharge must be transferred by the county to the governing body of the district. The county shall not retain any of the proceeds from the surcharge. From the proceeds of the surcharge imposed pursuant to this section:



(a) *One-third of the amount collected must be used by the governing body solely to pay the costs for advertising, publicizing and promoting the recreational facilities located in the district.*

(b) *Two-thirds of the amount collected must be used by the governing body solely to pay the cost of improving and maintaining publicly owned facilities for tourism and entertainment in the district, except for a minor league baseball stadium project as defined in NRS 244A.0344.*

4. *The proceeds of the surcharge imposed pursuant to this section must not be transferred to any other fund or account or used for any other purpose other than the purposes specified in subsection 3.*

5. *The resolution adopted by the governing body of the district must provide that if the surcharge imposed pursuant to this section is not paid within the time set forth in the schedule for payment, the governing body shall charge and collect in addition to the surcharge:*

(a) *A penalty of not more than 10 percent of the amount due, exclusive of interest, or an administrative fee established by the governing body, 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 surcharge became due until the date of payment.*

6. *On or before January 15, 2030, the governing body of a district created pursuant to this section shall submit a report concerning the district to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature. The report must:*

(a) *Address, without limitation, the total amount collected from the surcharge imposed pursuant to this section and:*

(1) *The total amount expended for advertising, publicizing and promoting the recreational facilities located in the district.*

(2) *The total amount expended on all the projects undertaken to improve and maintain the publicly owned facilities for tourism and entertainment in the district.*

(b) *Cover the period between the creation of the district until the end of the calendar year immediately preceding the submission of the report.*

Sec. 5. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 6. This act becomes effective on July 1, 2015.

