

ASSEMBLY BILL NO. 368—ASSEMBLYMAN YEAGER (BY REQUEST)

MARCH 20, 2019

Referred to Committee on Taxation

**SUMMARY**—Imposes additional surcharges on the rental of a room in a hotel in Washoe County. (BDR S-710)

**FISCAL NOTE:** Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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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 in Washoe County additional surcharges on the per night charge for the rental of a room in a hotel in the County; requiring the money collected from the surcharges to be used only for specified purposes; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

This bill imposes in Washoe County additional surcharges on the per night charge for the rental of a room in a hotel in the County.

**Section 8** of this bill: (1) creates a district to renovate tourism facilities which consists of all property located within the County and within each city in the County that is located not more than 20 miles from the boundaries of a district that is centered in downtown Reno; and (2) imposes a \$1 surcharge on the per night charge for the rental of a room in a hotel in the district. **Section 9** of this bill requires the Reno-Sparks Convention and Visitors Authority to collect the surcharge and pledge at least 80 percent of the proceeds of the surcharge for the payment of revenue bonds issued to finance projects to rehabilitate, repair, renovate or improve: (1) the Reno-Sparks Convention Center; and (2) the Reno-Sparks Livestock Events Center. The Authority is required to use the remaining proceeds of the surcharge for ongoing improvements and maintenance of those facilities. Under **section 9**, the Convention Authority is prohibited from using any proceeds of the surcharge imposed by **section 8** for the operational expenses of the Convention Authority or for the purpose of expanding the Reno-Sparks Convention Center or the Reno-Sparks Livestock Events Center.

**Section 10** of this bill imposes a \$1 surcharge on the per night charge for the rental of a room in any hotel located in Washoe County. **Section 11** of this bill requires the Convention Authority to collect the surcharge and transfer the proceeds of the surcharge to the Reno-Tahoe Airport Authority. Under **section 11**, the Airport Authority is required to use the proceeds of the surcharge for marketing efforts that promote air service to the County and for mitigation programs that



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increase or improve air service to the County. Under **section 11**, the Convention Authority and Airport Authority are prohibited from using any proceeds of the surcharge imposed by **section 10** for operational expenses, for the promotion of tourism in the County or for any purpose other than the purposes set forth in **section 11**.

**Section 12** of this bill requires the Convention Authority and Airport Authority, every 5 years, to prepare and submit to the Legislature a report concerning the expenditure of any money received from the surcharges imposed by **sections 8 and 10**.

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

**Section 1.** This act may be cited as the Washoe County Hotel Surcharge Act of 2019.

**Sec. 2.** 1. The Legislature hereby finds that:

(a) During the last decade, Washoe County has experienced rapid growth in terms of population and is projected to add approximately 6,000 new residents each year for at least the next 5 years.

(b) Washoe County contains unique and diverse areas for which tourism is an important economic factor, with more than 5 million tourists visiting the County in 2018 for the world-class recreation, entertainment, gaming and convention facilities.

(c) The number of persons residing in and visiting Washoe County is expected to continue to grow as major businesses relocate to and grow in the County and its surrounding areas.

2. The Legislature hereby finds that:

(a) The tourism industry is vitally important to the economy of Washoe County, its surrounding areas and this State, and the continued growth and success of that industry is especially important to the general welfare and prosperity of Washoe County, its surrounding areas and this State.

(b) The continued growth and success of the tourism industry in Washoe County depends upon maintaining the attractiveness and vitality of the unique tourism options in the County, the improvement of the facilities that attract and entertain visitors to the County, and the expansion of air service to the County so that tourists are able to travel to the County.

3. The Legislature hereby finds that:

(a) It is in the public interest and beneficial to the public welfare to grow the tourism market in Washoe County through:

(1) The repair, rehabilitation, renovation and improvement of the Reno-Sparks Convention Center so that it continues to be a premier facility for attracting and retaining the conventions and trade shows that bring visitors to Washoe County;



(2) The repair, rehabilitation, renovation and improvement of the Reno-Sparks Livestock Events Center so that it will continue to host well-known events and draw spectators who are residents of Washoe County and visitors to Washoe County to its events; and

(3) The expansion of air service to Washoe County so that potential visitors to the County are able to travel to the County.

(b) Because Washoe County contains unique attractions, including, without limitation, mountains, valleys and lakes, and unique entertainment and sporting facilities and events, the County is the only area in this State that is appropriate for the tourism-related improvements set forth in this act.

4. The Legislature hereby declares that:

(a) Because Washoe County is the only area in this State that is appropriate for the tourism-related improvements set forth in this act, it is necessary to enact a law of local and special application to promote, develop and secure the advantages of the local and special characteristics and circumstances within the County and to benefit the residents of that local and special area.

(b) Therefore, given that a law of local and special application is necessary to promote, develop and secure the advantages of the local and special characteristics and circumstances within Washoe County, which are found nowhere else within this State, and given that such a law is necessary to benefit the residents of that local and special area, a general law cannot be made applicable to the purposes, objects, powers, rights, privileges, immunities, liabilities, duties and disabilities set forth in this act.

**Sec. 3.** As used in this act, unless the context otherwise requires, the words and terms defined in sections 4 to 7, inclusive, of this act have the meanings ascribed to them in those sections.

**Sec. 4.** "Airport Authority" means the Reno-Tahoe Airport Authority created by section 4 of the Reno-Tahoe Airport Authority Act, being chapter 474, Statutes of Nevada 1977, at page 968.

**Sec. 5.** "Convention Authority" means the Reno-Sparks Convention and Visitors Authority.

**Sec. 6.** "County" means Washoe County.

**Sec. 7.** "Hotel" means a building occupied or intended to be occupied for compensation, as the temporary residence for transient guests, primarily persons who have residence elsewhere. A hotel has an interior hall and lobby with access to each room from the interior hall or lobby.

**Sec. 8.** 1. In the County, there is hereby:

(a) Created a district to renovate tourism facilities in the district. The district consists of all property located within the County and within each city in the County that is located not more than 20 miles from the boundaries of a district created pursuant to NRS 268.798.



(b) Imposed a surcharge of \$1 on the per night charge for the rental of a room in a hotel in the district. The surcharge must not be applied for any time during which the room is provided to a guest free of charge.

2. The surcharge imposed by 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 Convention Authority in accordance with the provisions of section 9 of this act. The money must be deposited in the account created pursuant to section 9 of this act and used only for the purposes set forth in that section.

**Sec. 9. 1. The Convention Authority:**

(a) Shall create an account administered by the Convention Authority and deposit into such account all proceeds collected by the Convention Authority from the surcharge imposed by section 8 of this act. The money in the account, including any interest and income earned on such money, must not be transferred to any other fund or account or used for any purpose other than the purposes set forth in subsection 2.

(b) Shall prescribe a procedure for the collection of the surcharge imposed by section 8 of this act, which may include, without limitation, procedures for the enforcement of the collection of any delinquent surcharges and the provision of penalties in connection therewith, including, without limitation, the suspension of the business license issued by a county, city or town to a hotel and the closure of a hotel for failure to pay any surcharge imposed by section 8 of this act.

(c) Shall issue revenue bonds pursuant to paragraph (c) of subsection 1 of NRS 244A.637 for the purpose of defraying the cost wholly or in part of a project to reconstruct, repair, renovate or improve:

(1) The Reno-Sparks Convention Center.

(2) The Reno-Sparks Livestock Events Center.

(d) Shall pledge at least 80 percent of the revenue received from the surcharges imposed by section 8 of this act for the payment of the principal and interest on the revenue bonds issued pursuant to paragraph (c).

(e) May adopt rules and regulations concerning the collection and administration of the surcharge imposed by section 8 of this act and provide penalties for the failure to comply therewith.

2. At least 80 percent of the money collected by the Convention Authority from the proceeds of the surcharge imposed by section 8 of this act must be used to pay the principal and interest on bonds issued for the projects described in paragraph (c) of subsection 1 and the remaining proceeds of that surcharge must be



1 accounted for separately and used to pay for ongoing maintenance  
2 and improvements to the Reno-Sparks Convention Center and the  
3 Reno-Sparks Livestock Events Center.

4 3. The Convention Authority shall not expend any money  
5 received from the proceeds of the bonds issued pursuant to  
6 paragraph (c) of subsection 1 or from the surcharges imposed by  
7 section 8 of this act for the operational expenses of the Convention  
8 Authority, for the purpose of expanding the Reno-Sparks  
9 Convention Center or the Reno-Sparks Livestock Events Center or  
10 for any purpose other than the purposes set forth in subsection 2.

11 **Sec. 10.** 1. In the County, there is hereby imposed a  
12 surcharge of \$1 on the per night charge for the rental of a room in a  
13 hotel in the County. The surcharge must not be applied for any time  
14 during which the room is provided to a guest free of charge.

15 2. The surcharge imposed by this section is in addition to any  
16 other license fee, tax or surcharge imposed on the revenues from the  
17 rental of transient lodging. The surcharge must be collected by the  
18 Convention Authority in accordance with the provisions of section  
19 11 of this act. The money must be deposited in the account created  
20 pursuant to section 11 of this act and used only for the purposes set  
21 forth in that section.

22 **Sec. 11.** 1. The Convention Authority:

23 (a) Shall create an account administered by the Convention  
24 Authority and deposit into such account all proceeds collected by  
25 the Convention Authority from the surcharge imposed by section 10  
26 of this act. The money in the account, including any interest and  
27 income earned on such money, must not be transferred to any other  
28 fund or account of the Convention Authority or used for any  
29 purpose other than the purposes set forth in subsection 2.

30 (b) Shall prescribe a procedure for the collection of the  
31 surcharge imposed by section 10 of this act, which may include,  
32 without limitation, procedures for the enforcement of the collection  
33 of any delinquent surcharges and the provision of penalties in  
34 connection therewith, including, without limitation, the suspension  
35 of the business license issued by a county, city or town to a hotel  
36 and the closure of a hotel for failure to pay any surcharge imposed  
37 by section 10 of this act.

38 (c) May adopt rules and regulations concerning the collection  
39 and administration of the surcharge imposed by section 10 of this  
40 act and provide penalties for the failure to comply therewith.

41 2. All money collected by the Convention Authority from the  
42 proceeds of the surcharge imposed by section 10 of this act must be  
43 transferred to the Airport Authority. The Airport Authority shall  
44 create an account administered by the Airport Authority and deposit  
45 into such account all proceeds transferred to it pursuant to this



subsection. The money in the account, including any interest and income earned on such money, must not be transferred to any other fund or account of the Airport Authority and must be used by the Airport Authority for marketing efforts that promote air service to the County and for mitigation programs that increase or improve air service to the County.

3. The Convention Authority and the Airport Authority shall not expend any money received from the proceeds of the surcharge imposed by section 10 of this act for the operational expenses of the Convention Authority or Airport Authority, as applicable, for the promotion of tourism in the County or for any purpose other than the purposes set forth in subsection 2.

**Sec. 12.** 1. On or before January 15, 2025, and on or before January 15 of each fifth year thereafter, the Convention Authority shall prepare and submit to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature a written report which must:

(a) Address, without limitation, the total amount collected from the surcharge imposed by section 8 of this act;

(b) Address, without limitation, the total amount expended by the Convention Authority to carry out the purposes set forth in sections 8 and 9 of this act; and

(c) Cover the 5-year period immediately preceding the submission of the report.

2. On or before January 15, 2025, and on or before January 15 of each fifth year thereafter, the Airport Authority shall prepare and submit to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature a written report which must:

(a) Address, without limitation, the total amount collected from the surcharge imposed by section 10 of this act;

(b) Address, without limitation, the total amount expended by the Airport Authority to carry out the purposes set forth in section 11 of this act; and

(c) Cover the 5-year period immediately preceding the submission of the report.

**Sec. 13.** 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. 14.** This act becomes effective on July 1, 2019.

