

**MINUTES OF THE  
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Eighty-first Session  
May 29, 2021**

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 7:44 p.m. on Saturday, May 29, 2021, Online and in Room 2149 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Dina Neal, Chair  
Senator Julia Ratti, Vice Chair  
Senator Moises Denis  
Senator Heidi Seevers Gansert

**COMMITTEE MEMBERS ABSENT:**

Senator Ben Kieckhefer (Excused)

**GUEST LEGISLATORS PRESENT:**

Assemblywoman Rochelle T. Nguyen, Assembly District No. 10

**STAFF MEMBERS PRESENT:**

Russell Guindon, Principal Deputy Fiscal Analyst  
Joe Reel, Deputy Fiscal Analyst  
Michael Nakamoto, Deputy Fiscal Analyst  
Alex Polley, Committee Secretary

**OTHERS PRESENT:**

Jim Sullivan, Culinary Workers Union Local 226  
Benjamin Challinor Mendez, Faith in Action Nevada  
Annette Magnus, Battle Born Progress  
Chris Daly, Nevada State Education Association  
Erin McMullen, Boyd Gaming Corporation  
Virginia Valentine, Nevada Resort Association

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Teresa McKee, Nevada Realtors  
Carter Bundy, American Federation of State, County and Municipal Employees  
Lesley Pittman, Red Rock Resorts  
Ed Uehling  
Wesley Harper, Nevada League of Cities and Municipalities  
Louis Koorndyk, Greater Las Vegas Short-Term Rental Association  
Adam Thongsavat, Airbnb, Inc.  
Johnny Dortch  
Rachel Hopper  
Jacqueline Flores, Greater Las Vegas Short-Term Rental Association  
Julie Davies  
Laura McSwain, McNeil Estates Neighborhood Association  
Brittany Walker, City of Boulder City  
Richard de Sam Lazaro, Expedia Group  
Marcos Lopez, Americans for Prosperity Nevada  
Edward Boyd  
Jonny Desman  
Cindy Lowman  
Wiselet Rouzard, Americans for Prosperity Nevada  
Malee Simpson  
Justin Harrison, Clark County  
Nicole Rourke, City of Henderson  
Michael Cathcart, City of Henderson

CHAIR NEAL:

I will open the hearing on Assembly Bill (A.B.) 363.

**ASSEMBLY BILL 363 (1st Reprint)**: Revises provisions governing transient lodging. (BDR 20-636)

ASSEMBLYWOMAN ROCHELLE T. NGUYEN (Assembly District No. 10):

Assembly Bill 363 revises provisions related to short term rentals (STRs). The inspiration for A.B. 363 did not come from any industry players. It came from my own personal experience. I live in the City of Las Vegas two miles from Las Vegas Boulevard. Many neighborhoods with a homeowners' association (HOA) have certain protections. My district is predominately not under the control of an HOA, and it is estimated 70 percent to 80 percent of homes in District No. 10 are not under an HOA. I do not want my neighborhood to

become a series of minihotels. There are many party homes and no long-term residents as a result of STRs.

Assembly Bill 363 adds guardrails by allowing local jurisdictions to maintain and keep ordinances. Local jurisdictions can make ordinances to allow enforcement thereof. This bill protects Nevadans from the spread of unregulated and illegal STRs. Workers are protected by ensuring safe working conditions within the tourism industry. Assembly Bill 363 protects Nevadans from raising house costs associated with unregulated STRs. The bill enables local jurisdictions to impose fines based on their ordinances.

Assembly Bill 363 addresses county and municipality concerns. The guardrails throughout A.B. 363 are allowed to be stricter if a local jurisdiction desires. Section 7, subsection 2, paragraph (f), subparagraph (1) of A.B. 363 sets a 660-foot distance requirement. Section 7, subsection 2, paragraph (g) sets an occupancy level at 16 persons per residential unit. A jurisdiction cannot set the distance limits lower than 660 feet or maximum occupancy higher than 16 people per unit.

The City of Las Vegas has an owner occupancy and distance requirement of 660 feet. Assembly Bill 363 allows the City of Las Vegas to maintain the ordinances it set. The City of Henderson has a distance level of 1,000 feet. The minimum distance requirement on A.B. 363 allows for the City of Henderson to maintain its distance requirements. Distance requirements cannot go below 660 feet.

Without A.B. 363, cities do not have expressed authority to impose fines. Clark County has struggled to impose fines. Fine collection is not addressed in A.B. 363. Platform providers and STRs can both be subject to fines. Short-term rentals and platforms want expressed authorization to exist but without limitation or guardrails.

Assembly Bill 363 closes a corporate loophole. Big corporations have purchased hundreds of homes in communities and used these as STRs. Local governments and schools are missing out on \$45 million on potential room tax revenue. A quarter of room tax revenue goes toward local schools. Millions of dollars are unregulated and uncollected. Short-term rentals do not have to post licensees on platforms, and section 21, subsection 2 of A.B. 363 requires a business

license to be displayed. If a license is not verified, the STR can be suspended by local jurisdictions.

There is a conceptual amendment ([Exhibit B](#)) with clarifying language proposed by Clark County, the City of Henderson and City of Las Vegas. Clark County submitted an amendment ([Exhibit C](#)), which is a friendly amendment. A proposed amendment ([Exhibit D](#)) by Boulder City is not a friendly amendment. There are jurisdictions that do not want to regulate STRs and maintain the bans on STRs. However, these jurisdictions want to be opted in for enforcement provisions.

SENATOR SEEVERS GANSERT:

Does paragraph 2 of the conceptual amendment, [Exhibit B](#), grandfather homes in jurisdictions with an authorization process?

ASSEMBLYWOMAN NGUYEN:

A restriction protects communities and the tourism industry that focuses on brick and mortar. Local casinos that employ Nevadans and unions that have worker protections need to be protected. Assembly Bill 363, section 7, subsection 2, paragraph (f), subparagraph (2) restricts STRs from being 2,500 feet from casinos. The City of Henderson has issued licenses that are within the 2,500-foot restriction. My intention with the conceptual amendment, [Exhibit B](#), is for A.B. 363 to allow for the City of Henderson to continue that. Local jurisdictions were concerned A.B. 363 would not be able to terminate a licensee in violation. Paragraph 2 of the conceptual amendment allows the termination of STRs not operating under ordinances and ensures there does not have to be an automatic renewal for existing STRs.

SENATOR SEEVERS GANSERT:

Does paragraph 2 of the conceptual amendment, [Exhibit B](#), to A.B. 363 allow existing STRs to be grandfathered even if they have been authorized within the restrictions in A.B. 363? Paragraph 4 of the conceptual amendment, [Exhibit B](#), allows a city to terminate, suspend or revoke an authorization for existing STRs. Does this give local jurisdictions power if an STR is not acting within the local ordinance?

ASSEMBLYWOMAN NGUYEN:

That is correct. Short-term rentals will be able to work within local ordinances that already exist. Any new STRs will have to fully comply with restrictions in

A.B. 363. An STR authorized under the City of Henderson ordinances will be able to maintain and renew authorizations pursuant to local ordinances. If an STR is in violation of a local ordinance, the jurisdiction can revoke it. Grandfathered authorizations do not continue with a new property owner or property transfers.

SENATOR SEEVERS GANSERT:

If a grandfathered property is sold, will an STR need to meet new requirements since authorizations cannot be transferred?

ASSEMBLYWOMAN NGUYEN:

Yes. Authorizations are not transferable.

SENATOR SEEVERS GANSERT:

In a jurisdiction that has no authorizations or rules of engagement where STRs operate illegally, what will happen to operators that are within 660 feet of each other? How will properties without authorizations be processed?

ASSEMBLYWOMAN NGUYEN:

Clark County has banned STRs. All STRs in Clark County are illegal, and there are 8,000 to 18,000 STRs operating. This is unlike Washoe County where STRs are authorized to exist without the type of requirements in A.B. 363. The 660-foot distance between homes prevents the proliferation of STRs in neighborhoods without HOAs or regulations.

There are minimum land use requirements in Nevada. It is argued land use should be left to local governments. Assembly Bill 363 is mostly authorizing language to allow STRs. There are guardrails, and there are precedents with tourism-related issues impacting residentially zoned properties. *Nevada Revised Statutes* (NRS) 463.3086 regulates the establishment or expansion of gaming enterprise districts (GED), such as hotels or casinos located outside the Las Vegas Resort Corridor. There are population caps for counties over 700,000 people. There is a 2,500-foot notice requirement for petitions to create a GED. The GEDs have to be 500 feet from a developed residential district and 1,500 feet from a school or church. There are land use requirements related to cannabis, Rural Neighborhood Preservation neighborhoods and tiny homes. There are situations where winners and losers have to be chosen.

All STRs in Clark County are operating illegally, and A.B. 363 provides a pathway forward. Clark County will have to provide an application of STRs pursuant to section 16.5 of A.B. 363. It could be first come, first served, based on qualification or owner-occupied, stricter standards or a percentage restriction on neighborhoods. There are many options the County will have to enact restrictions in A.B. 363.

SENATOR SEEVERS GANSERT:

Does A.B. 363 defer to Clark County to decide how to prioritize applications for authorization?

ASSEMBLYWOMAN NGUYEN:

Yes. This gives Clark County control over how to enact and enforce ordinances.

SENATOR DENIS:

Is the change to the effective date to July 1, 2022, in paragraph 6 of the conceptual amendment, [Exhibit B](#), to provide more time for Clark County to generate regulations and for STRs to become compliant?

ASSEMBLYWOMAN NGUYEN:

That is correct.

SENATOR DENIS:

Will this be enough time for illegally operating STRs to become compliant?

ASSEMBLYWOMAN NGUYEN:

The STRs are operating illegally. The effective date allows for Clark County to generate ordinances by July 1, 2022. It can then start the implementation process for how it will accept and approve applications and what guidelines are necessary to implement the guardrails in A.B. 363.

CHAIR NEAL:

In regard to grandfathering STRs, what happens when a limited liability company (LLC) transfers ownership? Will a new owner be grandfathered in?

ASSEMBLYWOMAN NGUYEN:

That would be left up to local jurisdictions to determine the renewal process. Assembly Bill 363 has minimal guardrails. An entity can own up to five units, pursuant to section 7, subsection 2, paragraph (i). Assembly Bill 363 will allow

jurisdictions to further limit if desired. This is to limit big companies from purchasing hundreds of homes and using those as STRs.

CHAIR NEAL:

Section 7, subsection 3 establishes a fine structure of not less than \$1,000 and no more than \$10,000. Section 7, subsection 3, paragraphs (a) and (b) will take into account, without limitation, the severity of the violation and whether the person who committed the violation acted in good faith. How will this work? What constitutes different levels for fines? The fine structure is a catchall.

ASSEMBLYWOMAN NGUYEN:

This was suggested by local municipalities. Clark County had concerns about imposing appropriate fines. If a property is renting out a room for \$20 per day in violation of ordinances, local jurisdictions need to have flexibility to determine a fine that reflects the severity of the violation.

Homes are being rented for \$10,000 per night which have illegal construction projects. These STRs are having day parties that lead to violet acts in residential areas. The increase in the civil penalty allows for flexibility and gets to bad actors.

CHAIR NEAL:

Section 9, subsection 5, paragraph (a) requires a payment of an annual fee, and it says the board of county commissioners may increase the annual fee in an amendment to the ordinance. What is the criteria for a fee increase? Putting criteria in statute helps fees from becoming oppressive.

ASSEMBLYWOMAN NGUYEN:

Local jurisdictions have complained they did not have the resources for enforcement. This is a self-funding mechanism for enforcement costs. This gives the option to increase enforcement. Local jurisdictions are reactive rather than proactive, and they receive complaints on a daily basis. If the fee is overly burdensome, the market may drive the industry to find other unlawful tactics.

CHAIR NEAL:

What has been discussed about A.B. 363, section 10.5 that allows county commissioners to impose additional requirements on an accommodation facilitator?

ASSEMBLYWOMAN NGUYEN:

Section 10.5 of A.B. 363 allows a jurisdiction to have stricter requirements that are outlined in sections 1.5 to 11. The City of Las Vegas has owner-occupied, and it could continue this model instead of the 16-person-maximum requirement in section 7, subsection 2, paragraph (g). Additional restrictions for an accommodations facilitator can add additional requirements for reporting to ensure platforms are held liable. If platforms have users who do not have verification or a license, this could be addressed by a platform facilitator.

CHAIR NEAL:

Section 8, subsection 3 says the board of county commissioners shall require an accommodations facilitator who brokers, coordinates, makes available or otherwise arranges for the rental of a residential unit. There are several different roles. How will this work?

ASSEMBLYWOMAN NGUYEN:

This language is in line with what hotels do. Revenue from A.B. 363 will be distributed like room taxes if it is collected from any hotel.

CHAIR NEAL:

Why did the Clark County Board of Commissioners not bring A.B. 363 forward?

ASSEMBLYWOMAN NGUYEN:

The Clark County Commission has not brought a bill forward. Sometimes, the State Legislature has to address a problem when local governments do not. Assembly Bill 363 sets guardrails and authorizes local jurisdictions to enforce. The housing market is being hurt by STRs, and it needs to be addressed.

CHAIR NEAL:

There are economic arguments made that A.B. 363 is anticompetitive and takes away streams of income from families or investors operating STRs. Although income is coming from illegally operated STRs, people have still participated in the market. If the 660 foot distance restriction would eliminate an STR as a market stream, what would you say to that?

ASSEMBLYWOMAN NGUYEN:

These STR are operating illegally. Assembly Bill 363 will provide a pathway to become lawful within restrictions. There are people who are reliant on the income from illegal STRs. We are unable to know the safety protections for



parties involved in STRs. If homes are sold because those cannot become compliant, this would add to the housing inventory for a profit. There is nothing impeding STRs converting to long-term rentals. This will also help the affordable housing market. The City of Henderson had an amnesty registration for STRs to come into compliance. Assembly Bill 363 is intended to protect the housing market.

There are people who want to enter the STR industry, but STRs are unlawful in Clark County. People are waiting to have a legal pathway to invest in STRs. People following ordinances are at a disadvantage to people who are operating STRs unlawfully.

CHAIR NEAL:

Some cities do not want to be included in A.B. 363. These cities feel like Clark County and the State Legislature are dictating to them when they have already addressed the issue locally. There has been discussion about removing some cities from A.B. 363. Boulder City and Mesquite have a valid concern for not being included.

ASSEMBLYWOMAN NGUYEN:

I do want STRs to continue to be banned in Clark County. Counties not included in A.B. 363 have ordinances in place. Any ordinances in place will remain with A.B. 363. There will be guardrails in place to prevent new ordinances going lower than what is in NRS. There are jurisdictions that do not want local ordinances because they do not see STRs as an issue but want to be opted into enforcement. Ordinances cover both aspects. Enforcement cannot be mandated on a State level. Criminal laws can be enacted, but it is up to law enforcement and prosecutors in local jurisdictions to determine how and what to investigate and refer for prosecution. Assembly Bill 363 provides enabling language to come up with ordinances and impose those. There are tools to enforce ordinances if a jurisdiction chooses to provide the resources. This bill provides tools and protections. Smaller cities should be protected from the proliferation of STRs.

SENATOR SEEVERS GANSERT:

How were the distance requirements determined in section 7, subsection 2, paragraph (f), subparagraphs (1) and (2)?

ASSEMBLYWOMAN NGUYEN:

There was different interest from different groups. The 660 feet is a city block and a typical land use code. The 660 feet is the lowest distance in existing ordinances of the City of Las Vegas. The 2,500 feet was determined by housing affordability protections on and near the Las Vegas Strip.

JIM SULLIVAN (Culinary Workers Union Local 226):

We support A.B. 363, and we have submitted written testimony ([Exhibit E](#)). Platform accountability is the most effective and efficient regulatory model American cities have adopted to ensure compliance with STR ordinances. It makes it unlawful for Airbnb, Vrbo, HomeAway and other third-party services to collect booking fees or commissions for facilitating rentals of housing units not legally authorized for use as STRs.

Cities include platform accountability provisions in their ordinances for two principal reasons. First, without them, staff charged with enforcing STR regulations are left to pursue scofflaws one by one. In jurisdictions with thousands of operators or even in small towns with small budgets, that can prove an impossible task. The model requires a database that platforms can readily access to determine the legal status of all listings and fines sufficient to incentivize compliance.

Second, absent such provisions, platforms have repeatedly demonstrated that they will rent anything, regardless of governing law. Legal or illegal is of no concern. They will rent units without property owners' permission and even in the face of owners' explicit objections. These platforms offer no assurances that the units they rent are habitable or that they even exist.

San Francisco legalized short-term rentals in 2014. Its ordinance, however, regulated only operators, not platforms. By the end of 2015, fewer than a thousand had complied with licensing and registration requirements, yet Airbnb carried nearly 10,000 STR listings in the city. In 2016, platform accountability provisions were adopted, making it a misdemeanor punishable by fines or imprisonment for collecting booking fees on illegal STRs.

Airbnb and HomeAway sued the city in federal court, arguing that the amendments violated the companies' First Amendment rights as well as section 230 of the Communications Decency Act of 1996. The Court ruled in

favor of the city, noting that the city is regulating commerce as booking fees and not speech. It is well within its rights and authority to do so.

Santa Monica adopted San Francisco's model shortly after that ruling. Airbnb and HomeAway sued and lost, appealed and lost, and requested the appellate court consider the case en banc and lost again. The companies' legal challenges in Boston were similarly fruitless.

Platform accountability is now firmly in place and effective in those three cities, as well as Los Angeles; Washington, DC; Hawaii; Denver; Portland; San Diego; and Toronto.

With their legal arguments meritless, the platforms have resorted to claiming that government should not outsource regulation and enforcement to private companies. The model is designed to ensure that platforms have some skin in the regulatory game, just like other businesses in other industries. We expect clerks to check IDs before selling young people alcohol. We trust that Uber verifies each of its drivers has a valid license and registered vehicle before adding them to its platform. Platform accountability simply requires companies to ensure that their offerings are legal and revenue is not derived from aiding and abetting illegal activity.

BENJAMIN CHALLINOR MENDEZ (Faith in Action Nevada):

We support A.B. 363 because it will protect Nevadans from the spread of unregulated and unlawful STRs. This bill will protect housing for Nevadans. There will be revenue for local schools due to STRs being unregulated. Faith in Action Nevada is in a revenue coalition with Nevada Faculty Alliance, Progressive Leadership Alliance of Nevada and New Day Nevada. These groups are in support of A.B. 363.

ANNETTE MAGNUS (Battle Born Progress):

We support A.B. 363, which will ensure STRs are subject to transient lodging tax and require facilitators to pay their fair share of taxes. A room tax on STRs can generate over \$45 million for the State. Regulation of STRs has been effective in other states and not driven the industry out. Facilitators have taken advantage of this loophole and evaded paying taxes.

Assembly Bill 363 will help curve the rising cost of housing and protect Nevada workers who have fought hard for safe working conditions. We need more revenue in the State.

CHRIS DALY (Nevada State Education Association):  
We support A.B. 363, and I have prepared testimony ([Exhibit F](#)).

ERIN MCMULLEN (Boyd Gaming Corporation):  
We support A.B. 363. The amended version of the bill strikes the right balance by ensuring STRs have a path toward legalization while establishing minimum baseline standards to ensure that residential communities across the Las Vegas Valley are not oversaturated by STRs.

Assembly Bill 363 will provide a level playing field across jurisdictions to ensure that Nevada remains safe. This promotes our tourism destination; protects residential neighborhoods, communities and affordable housing; and fairly requires STRs to pay the transient lodging tax or room tax just like our resort-hotels do.

The provisions set forth in A.B. 363 are aimed at protecting tourists and residents alike by requiring that STRs obtain a local jurisdiction permit and State business license to operate, and that information is clearly listed on any advertisement for the STR, as well as displayed in the unit itself. Additionally, the bill requires that STRs are subject to health and safety oversight from the local health authority and includes restrictions such as occupancy limits and minimum night stays to prevent party houses that are disruptive to neighborhoods and communities. Assembly Bill 363 includes important distance separation requirements to ensure that STRs are not saturating neighborhoods, essentially becoming commercial enterprises or distributed hotels in residential areas.

Boyd Gaming, along with our industry partners, is highly regulated by multiple agencies—the Nevada Gaming Control Board, Occupational Safety and Health Administration (OSHA), Southern Nevada Health District, business licensing and others. We take great pride in welcoming visitors to one of the premier tourist destinations in the world, and A.B. 363 is necessary to ensure that Nevada remains the gold standard for hospitality and tourism.

VIRGINIA VALENTINE (Nevada Resort Association):

The Nevada Resort Association supports A.B. 363. Assembly Bill 363 is comprehensive legislation that reflects the input of many stakeholder groups. We started out wanting a prohibition, but we have come to see that regulation is a better path forward. The amendment is a compromise between those that would have no regulations and those who want a total prohibition.

Assembly Bill 363 protects consumers with safety requirements, preserves residential neighborhoods and affordable housing by limiting STRs, and addresses the millions of dollars of lost tax revenue to State and local governments.

It is estimated that there are about 8000 STRs illegally operating in Clark County. They have overwhelmed and changed the character of neighborhoods. Operations offer places to visit that are not regulated, fail to ensure public health and safety, and do not pay room taxes.

Assembly Bill 363 establishes minimum requirements and creates a level playing field in Clark County by regulating and taxing commercial operations similarly to other highly regulated public accommodation facilities. It also contains the necessary enforcement measures to ensure compliance.

The resort industry prides itself on being the gold standard in hospitality. We are held to strict regulations to ensure we are protecting the health and safety of employees and guests. Our members have invested millions of dollars to ensure this.

Resorts are strictly regulated and inspected by multiple agencies, including the Nevada Gaming Control Board, OSHA, local health districts, fire and building departments, and city and county business licensing. During the 2020 Special Session, we supported even stricter regulations for the well-being of employees and guests during the pandemic.

Safety requirements in A.B. 363 include emergency contact information, fire extinguishers, carbon monoxide and smoke detectors, and occupancy limits. This will protect guests and the State as a tourist destination.

Gaming was legalized 60 years ago to generate tax revenue, foster economic development, protect consumers and attract tourists. Today, that act has

allowed the resort gaming industry to lead the State by being the largest contributor to jobs, tax revenue, capital investment and destination marketing that attracts visitors to Clark County.

We know affordable housing continues to be a top issue for our employees. Jim Sullivan focused his testimony on platform accountability. He might agree A.B. 363 is important to resort industry employees who live, or want to live, in neighborhoods close to where they work. These neighborhoods also tend to be popular for short-term rentals given their proximity to tourism districts. This impacts affordable housing.

We believe a half mile distance separation from nonrestricted resort-hotels is a reasonable condition to ensure hospitality employees have access to affordable housing close to work while allowing short-term rentals and resort-hotels to coexist. Statute requires a petition for a gaming enterprise district to prove it would not adversely affect residences within 2,500 feet of the district. However, a GED must only be 500 feet from residential, hence the larger distance separation to ensure that STRs do not continue to cluster around resort-hotels.

The other critical piece of A.B. 363 is capturing lost revenue that benefits residents. Clark County is the source of nearly 90 percent of all room tax generated in the State, 23 percent of which goes to the State's education fund and 12 percent goes to capital projects for Clark County. Local jurisdictions in Clark County receive about \$50 million for local projects and services, such as public safety and parks. About \$45 million in room tax went to transportation projects in Clark County. Nearly \$292 million went to promoting the destination by funding the Commission on Tourism and the Las Vegas Convention and Visitors Authority (LVCVA). These funds also support tourism infrastructure projects like the Las Vegas Convention Center expansion and Allegiant Stadium.

These numbers demonstrate the importance of room tax to Nevadans. By taxing and regulating STRs, Nevadans will benefit from additional revenue not being collected today. It is fair that short-term rentals pay their share given the many benefits they receive from the destination marketing work of the LVCVA, which is 100 percent funded by room tax.

Assembly Bill 363 will protect workforce housing, provide tax equity for places of public accommodation and be a strong start on some modest regulatory and

enforcement requirements. Without A.B. 363, STRs will encroach on workforce housing, pay no taxes, and continue to operate and proliferate illegally and unregulated.

TERESA MCKEE (Nevada Realtors):

We support A.B. 363. Property rights allow people to buy, sell or rent their homes. Private property rights should be protected. Short-term rentals are more prevalent than ever. There needs to be a balance of full-time residence, quality of life and the ability to rent a property as an STR. Assembly Bill 363 creates a fair balance. We like the population cap so A.B. 363 applies only to Clark County. We have worked with Washoe County to create STR ordinances. We want to see legislation that addresses STRs Statewide.

CARTER BUNDY (American Federation of State, County and Municipal Employees):

We support A.B. 363. We represent State employees who are still taking pay cuts through furloughs for this month and even for June, when the State has significant recurring revenue and American Rescue Plan money. We also are facing healthcare cuts. These cuts amount to around \$30 million a year and would not be necessary if we had laws like A.B. 363 to capture economic activity occurring on the black market. If we want to diversify and stabilize our State revenue sources so the State can continue to provide critical services, we must capture this revenue stream.

LESLEY PITTMAN (Red Rock Resorts):

We support A.B. 363. This bill will establish a proper and consistent regulatory framework for southern Nevada's STR industry. This legislation enables STRs to lawfully do business in Nevada with appropriate minimum standards to protect Nevada's neighborhoods and businesses. It allows the industry to coexist with our residents and the resort community in a way that helps ensure fairness and parity.

No longer is the short-term rental industry strictly represented by the individual homeowner who seeks to lease his or her home for a weekend or extended time period while out of town to earn extra income. Many STRs are owned by corporations or investors who purchase entry-level homes. With multiple homes for short-term lease, they operate like a hotelier but are not held to the same standards as the resort-hotel industry and certainly do not create the same level of jobs as our largest industry in the State.

ED UEHLING:

I oppose A.B. 363. The Clark County Commission does not bring this legislation because it is bought out by the Resort Association. Prohibitions create black markets, which is what we have in the case of STRs. There are 8,000 to 18,000 illegal STRs. The Las Vegas tourism industry is in bad shape. The hotels create this problem on purpose and point out issues caused by the prohibition of STRs.

The prohibition of STRs is similar to issues with ride-sharing services. Governor Steve Sisolak opposed ride-sharing when he was a Clark County Commissioner.

The level of tourism in Clark County is only 10 percent higher than in 2007, which had 39 million tourists. The most tourists since 2007 totaled 49 million people. Tourism rises 6 percent per year in the world. The City of Las Vegas spends hundreds of millions of dollars, and it is not growing. We are not growing because the Resort Association is stifling the industry. Since 2016, the Southern Nevada Tourism Infrastructure Committee only wants rich visitors on weekends. There should be roughly 90 million tourists in Las Vegas, and there are only 42 million tourists. The STR industry can help this issue and produce income. Owners of STRs want to pay taxes and be legalized.

WESLEY HARPER (Nevada League of Cities and Municipalities):

The Nevada League of Cities and Municipalities is opposed to A.B. 363 as amended. Our opposition is rooted in the bill's trespass of local government authority. Section 20 requires that each incorporated city in Clark County adopt a detailed ordinance to enforce and regulate STRs. This imposes a substantial and unwelcome burden on Boulder City and Mesquite, which are not staffed or otherwise resourced to comply with this mandate.

Assembly Bill 363 imposes an unwelcome burden on Henderson and Las Vegas. Both cities have already enacted ordinances to regulate this commerce activity within their jurisdictions. To comply with this bill, these members would have to realign their staffs and resources, which have been trained and acquired to implement their existing ordinance.

In the cases of both Las Vegas and Henderson, developing short-term rental ordinances was an arduous undertaking as they sought to find a balance among competing multifaceted stakeholders and priorities. Both cities adopted



ordinances and then modified those ordinances to improve their calibration. Both cities were able to diagnose the unintended consequences of their initial ordinances and then adjust them quickly in comparison to the two-year intervals between Legislative Sessions. The Legislature is not nimble enough to responsibly create ordinances for local governments.

Creating, regulating and enforcing an ordinance governing this activity and commerce is a matter of local concern. We submit that the manner and method of how STRs are governed primarily affects and impacts areas located within each incorporated city. Due to the inclusion of section 20, this bill is a clear overreach, notwithstanding the burden and cost it imposes on our members.

LOUIS KOORNDYK (Greater Las Vegas Short-Term Rental Association):

We oppose A.B. 363. I have had STRs for two years to take care of my parents. My parents are in assisted living, and I am on a fixed income. Renting my properties on a short-term basis helped me provide for my parents.

I continued to rent out my STRs after I received letters from Clark County informing me STRs were illegal. I received fines of \$1,000 per day. I was then fined tens of thousands of dollars. I stopped renting my property on a short-term basis. I could not afford to keep my parents in assisted living. My parents could not receive the care they needed. People were not to rent out their property to make ends meet. People buy homes without HOAs because they do not want the regulations.

ADAM THONGSAVAT (Airbnb, Inc.):

We oppose A.B. 363. We have written testimony ([Exhibit G](#)). The revised amendments on distance requirements, gaming buffers, night minimums and restrictions on multifamily units will severely restrict the ability of Nevada residents to share their homes and impact the State's post-pandemic tourism recovery.

Assembly Bill 363 grants hotels and gaming properties the ability to conduct STRs in multifamily units within the 2,500 foot gaming buffer but prohibits regular Nevadans from enjoying that same privilege. This amendment is anticompetitive and erodes the public trust in short-term rental policy. The amended provision picks winners and losers at the expense of residents who want to share their home. Additionally, outside of the gaming buffer, STR hosts are capped at 10 percent of multifamily units, whereas a percentage cap would

not apply to a nonrestricted gaming property. Hosting is a lifeline for residents, and tourism is an industry big enough for all to succeed. Nevada deserves a level playing field for the benefit of all stakeholders, not just a select few.

The growth of STRs over the past ten years coincided with the largest ever boom in hotel occupancy. The industries can successfully coexist without these arbitrary restrictions.

We are coming off a pandemic that has devastated travel and tourism. A divide-and-conquer approach that pits different tourist and travel industry groups against each other is self-defeating. We must all come together as an industry and recognize that this is a critical time to boost economic recovery.

JOHNNY DORTCH:

I oppose A.B. 363 due to punitive and burdensome regulation that will make it harder for small business owners to make income. Many STRs are people's sole income. I am an African American and a homeowner. I have been disenfranchised. I now have a property to live in and share with other people. The pandemic has been difficult. I lost my job. Assembly Bill 363 is a discriminatory policy because people of color may not have the ability to pay for the fees associated with A.B. 363. I have been denigrated by code enforcers.

RACHEL HOPPER:

I oppose A.B. 363. Income from my licensed STRs has allowed me to stop working so I can continue to be the sole provider for my mom who is losing her battle with stage IV cancer. Assembly Bill 363 claims to add guardrails. These are guardrails on the side of the resorts and local jurisdictions. When it comes to STR operators, these are not guardrails but spike strips intended to stop STRs altogether.

It is claimed these illegal operators can go long term, but much long-term rental money has gone uncollected since the pandemic and is still going uncollected due to eviction moratoriums. There has been a lot of focus tonight on illegal rentals and how A.B. 363 only impacts those STR operators, but I am a legal licensed operator, and this bill will impact me. This bill is anticompetition with a two-night minimum. You cannot classify and tax STRs the same as these hotels and resorts but then tell us we cannot rent for only one night while hotels can. That is impacting our ability to directly compete.

When workers were laid off, it was us STR operators who were there for them, offering jobs and helping them stay off unemployment. I hired a maintenance man and two housekeepers laid off from three different Strip hotels, and they still have not been offered their jobs back. The 2,500-foot distance separation has nothing to do with protection of the workers but rather to protect the pockets of these big corporations.

JACQUELINE FLORES (Greater Las Vegas Short-Term Rental Association):

I oppose A.B. 363. We do not want STRs to continue operating illegally. Our proposal of a grace period to allow all current STR owners to get registered or licensed before any distance restriction goes into effect was rejected. That way they can all come into compliance.

Everybody complains that STRs are not paying lodging taxes. Yet you refuse to allow them to get legalized, claiming they do not deserve to get legal because they have been operating illegally. If that is the case, why propose A.B. 363 if not to allow illegal STRs to come into compliance?

Assembly Bill 363 will wipe out 66 percent of STR owners and take away an important source of revenue from these Nevadan families. This will deprive the State and local municipalities from any lodging taxes these homes would collect.

We want a true path to legalization for all STR owners operating without a license, not a bill that gives a monopoly to resort-hotels with the 2,500-foot distance restriction.

We were told to come back in two years to fix A.B. 363, and that this is a start. For many families, this will be the end because no mortgage company or creditor will wait two years for these STR owners to pay their mortgages or bills.

The Assemblywoman said those who would lose their revenue should sell their homes. Maybe she should sell her home and move to an HOA. See how disrespectful and out of touch this type of statement is? She is completely out of touch with the different life situations STR owners face. Senior citizens who share a room cannot just sell their homes.

We are punishing the masses for the actions of a few bad apples to protect the multibillion dollar resort-hotels. Assembly Bill 363 is out of touch with the families it will destroy.

JULIE DAVIES:

I oppose A.B. 363 because it does not support reasonable regulations, and it will not be enforceable. Industry experts immediately recognized the intent of A.B. 363, and we know that states allowing accommodations facilitators to control transient lodging taxes have regretted it. Nevada will lose tax revenue.

Assembly Bill 363 is still filled with ambiguous and problematic terms, standards and snares that we know will make applicable laws and regulations unenforceable. This bill was maneuvered and amended, getting worse for Nevadans and actual stakeholders. The problem is the amendments came from people who do not understand this industry, players or the practices. Short-term rentals are surprisingly different from hotels or other rental management. These misconceptions create false expectations that the amendments will do one thing when they will do the opposite.

With all of the debate over distance separation or which cities to single out, we lost sight of the real problems. Snares will allow bad operators to do what they want, where they want and win lawsuits.

Assembly Bill 363 will create many layers of problems, lawsuits, chaos and contention. These State standards are not reasonable or enforceable. Please let local government officials enact standards appropriate for their unique communities.

LAURA MCSWAIN (McNeil Estates Neighborhood Association):

Our objections to A.B. 363 are founded in basics of good governance over land use matters, dismissed during previous testimony in favor of an unsubstantiated argument that this bill provides for parity and taxes. However, official studies and hard data are conspicuously absent. It was also stated that A.B. 363 would protect employees of the resort industry, provide for the resources that would further enforcement and regulation, and improve the prospects for more affordable housing. The 2,500-foot distance separation for resort properties is a concept in conflict with the goals for zoning standards. There is lack of study on what impact A.B. 363 might have on form-based code.

The more A.B. 363 is tinkered with and watered down in an attempt to get the two-thirds vote required for passage, the more it appears to be designed to merely institute State control rather than solve a problem. Compatible uses within neighborhoods are something for local governing bodies to contend with and be held accountable for by the residents and voters at the local level.

Assembly Bill 363 was founded with less than a comprehensive group of stakeholders. Assemblywoman Nguyen assured the Assembly Revenue Committee that stakeholders had been consulted on 73 occasions for 18 months but failed to mention that it was at the exclusion of residents peripheral to downtown and of her very own neighborhood. Her concern and desire to protect our neighborhood was something that no one in our neighborhood knew was a problem she intended to solve if re-elected. There are reasons the bar is high for such legislation, and the lack of substantive evidence makes its passage dangerous and sets a bad precedent.

BRITTANY WALKER (City of Boulder City):

The City of Boulder City opposes A.B. 363 and is most concerned with section 20, subsection 4 which prohibits local governments from enforcing a complete prohibition of STRs. The City is also extremely concerned about the short time frame of the effective January 1, 2022. The City has limited staff, and this will be a huge burden to take on.

The City does not allow STRs, and A.B. 363 would take away the right for Boulder City citizens to determine how and whether transient rentals in single-family homes should be permitted. For other jurisdictions, the bill has a self-regulating mechanism; if a STR is located in an HOA, the HOA's governing documents must allow transient lodging in the community. Boulder City has very few HOAs. There are fears that STR owners unable to obtain permits in neighboring jurisdictions due to HOA restrictions will seek refuge in properties in nearby Boulder City.

Boulder City is a small tight-knit, primarily residential community of approximately 16,000 residents. While it has some tourism, it is mostly made up of residents and has no gaming. Boulder City residents through their representatives on City Council should have a right to determine how to regulate STRs or decide whether these should be allowed at all. All other rural jurisdictions are exempt with the exception of Boulder City and Mesquite, and

we would appreciate the same treatment as the other rural communities or have a staggered timeline for implementation.

RICHARD DE SAM LAZARO (Expedia Group):  
We oppose A.B. 363, and I have written testimony ([Exhibit H](#)).

MARCOS LOPEZ (Americans for Prosperity Nevada):  
We oppose A.B. 363 which has a stated intent to legalize short-term rentals in Nevada but results in anticompetitive and protectionist regulatory capture that lends itself to a de facto ban at the expense of two-thirds of STR operators in Clark County.

Assembly Bill 363 is the government dictating who you can have in your home and for how long you can have someone in your home to protect corporations over Nevadans. We ask to remove the distance separations requirements and the minimum night requirement. Short-term renting has long offered Nevada residents the opportunity to make some extra money for themselves and their families. It has been an important source of income for many Nevadans of all walks of life looking to share in our State's robust tourism and gig economy.

We believe STRs must be treated in the same manner as long-term renting. The activities that occur in STR are the same as those in long-term rentals. These are not hotels, these do not have concierge services, restaurants, entertainment, physical security or amenities on-site.

Americans for Prosperity Nevada (AFP) has engaged in this issue since 2018 with multiple municipalities and counties, and we will continue doing so. As many of you know, short-term rentals have been a top priority this Session for AFP. However, at this junction, the status quo is better than the overburdensome and protectionist, corporatist regulatory framework being proposed.

EDWARD BOYD:  
I oppose A.B. 363. There are problems with the registration process. This will be a license and registration processing nightmare. Airbnb states there are 15,000 STR properties in Clark County. If you apply the 660-foot distance separation requirement, up to 40 percent of those will overlap each other. With 15,000 properties, you can expect 5,000 or more to apply the minute the processing system opens up. That will undoubtedly overload the online

registration system such that applicants will get frozen out, just like what happened in the Department of Employment, Training and Rehabilitation with unemployment during the pandemic.

With a distance separation requirement overlap and numerous properties in the same community applying at the same time, who will decide which property gets a registration and which one gets excluded? What happens to the properties that apply and do not get a license or registration? Do they start to get fined from that day forward? Will the County subpoena records, claw back and fine them \$1,000 per day for the last several years? It would be more practical to allow all STRs to get registered and then later impose a distance separation for new registrations.

Will the local authority have the ability to issue waivers for unusual circumstances and special cases or to remedy unintended consequences? A foreseeable consequence of enacting A.B. 363 will be mass confusion, frustration and numerous lawsuits as arbitrarily denied applicants seek a legal remedy.

JONNY DESMAN:

I am opposed to A.B. 363. Property owners would be banned from having STRs, taking away rights from property owners. Many property owners will be affected.

CINDY LOWMAN:

I am opposed to A.B. 363. I agree that STRs should be legal in Nevada. The majority of STRs are owned by individuals to support themselves and their families. Investors have multiple STRs, but that is not the norm. You cannot stop investors from buying homes to use as rentals and blame them for the housing shortage. I am a realtor, and the housing shortage has nothing to do with STRs. It is because during the crash in 2008, no new homes were being built for several years. People need to do their due diligence before they blame STRs for any housing problems. The average casino worker cannot afford my house or many of the STRs out there. It is not affecting affordable housing as people contend.

Those deciding on A.B. 363 need to take the time to learn more about STRs, have discussions with the stakeholders and not listen to the propaganda about

just the bad STRs and bad operators. Many people who will be affected by this bill have not had a say in this bill.

I opened my legal STR in 2019 when Henderson made them legal. I am a single mom, and I support my family off the income from what was once our family home. We gave up a swimming pool, a large home and a great location in order to create this income and now live in a small rental. I put over \$150,000 into my STR to make it a beautiful, luxurious home for people to stay in while visiting Las Vegas.

I paid \$2,500 to the City of Henderson last month, so saying that we are not paying taxes is wrong. I pay them every month as do many STR owners. I have created multiple jobs for people who might not otherwise have work. And they do work in a safe environment. The guests in my home patronize not only the Strip and Fremont Street but also spend money in my local area at restaurants, bars, stores and local casinos. Why should all the money only go to the large casinos? Let us help support local businesses too.

It makes no sense that rules are different all over our Valley. We should all have the same rules, and they need to be fair and apply common sense. You need to have an STR division like Nevada has a Real Estate Division that governs all STRs in southern Nevada. Short-term rentals are compared to hotels, yet we have many more restrictions than they do.

I strongly urge you to kill A.B. 363 and have a committee working together with STR owners, local businesses and the big corporations to make this a bill to satisfy everyone.

WISELET ROUZARD (Americans for Prosperity Nevada):

We oppose A.B. 363. Short-term rentals are an opportunity for people who may have difficulty accessing other economic opportunities. Many provisions of the bill are included to protect large corporations. The people engaging in STRs are the people who live and work in our communities. A bartender I know who lost her job due to the pandemic used an extra bedroom as an STR to make ends meet. She has been fined over \$7,000 by Clark County.

We have reached out to the casinos in an attempt to work things out. Many tourists using STRs in Las Vegas are doing so because the major resorts and casinos were not affordable for them.



I urge you to vote no on A.B. 363. Clark County has not been interested in regulating STRs because they are not interested in property rights. This is not about equal opportunity, but about picking winners and losers.

MALEE SIMPSON:

I oppose A.B. 363. I am a single mother living in Clark County for over 40 years. Because of safety and health concerns, last year we saw a rise in tourists not wanting to stay at large properties on the Strip. The money tourists are saving by staying at STRs is being spent at restaurants, casinos and shows.

JUSTIN HARRISON (Clark County):

Clark County is neutral on A.B. 363. Although we cannot support mandates, we do appreciate the ability for local governments to have greater flexibility to address matters of local concern.

The enforcement language and platform accountability measures will increase the ability of the County to adopt an ordinance and enforce those provisions. We especially appreciate section 8, subsection 4 which requires platforms to verify the licensure of the residential units prior to allowing a booking. We have seen this used successfully in other jurisdictions with high tourist traffic. These enforcement measures will give us the ability to work with the platforms to receive the information we need for business licensing and code enforcement.

Although numbers have been mentioned in testimony as to the prevalence of STRs in Clark County, the number is unknowable since there is no platform accountability. The provisions added to A.B. 363 will allow the County to move forward.

There is a \$3.8 million fiscal note over the biennium attached to the bill and another for \$3.6 for future biennia. This cost was a guesstimate based on the number of illegally operating STRs.

NICOLE ROURKE (City of Henderson):

The City of Henderson has an ordinance under the authority of NRS 278.020 which provides statutory authority to regulate and restrict land use. A distance separation of 1,000 feet was added in November 2020. Language allows for nonconforming use for those legally registered who did not meet that standard prior to the change. We would have to change our ordinance due to the nonconforming language with the 2,500-foot distance separation for

unrestricted gaming licensees in section 7, subsection 2, paragraph (f), subparagraph (2). We allow 25 percent of a condominium to be used for STRs. Assembly Bill 363 lowers this to 10 percent. We appreciate the authorization for penalties for properties out of compliance.

CHAIR NEAL:

Do you delineate between an STR and a non-STR with collections from the transient lodging tax? Do you know how much STRs bring in with room tax?

MS. ROURKE:

Yes. We do delineate, but I do not know the number. We use a contractor to collect and remit that to the State.

SENATOR RATTI:

Can you differentiate between single owners, mom-and-pop owners, and corporate ownership?

MICHAEL CATHCART (City of Henderson):

Yes. We do differentiate between large properties. We collect information by address and name of business. We contract with a software provider that collects the transient lodging tax from registered owners.

SENATOR RATTI:

Can you quantify the percentage of STRs in your jurisdiction that are owned by corporations?

MR. CATHCART:

We could determine if an owner is an LLC versus individual owners.

CHAIR NEAL:

There is a question if A.B. 363 will allow owners of apartment units to rent out for transient lodging? Do you have an ordinance covering this situation?

MR. CATHCART:

Renting out apartment units is prohibited.

SENATOR SEEVERS GANSERT:

The City of Henderson has a cap of 25 percent for condos, and A.B. 363 has a cap of 10 percent. Do you know what percentage you are at?

MR. CATHCART:

The Lake Las Vegas area is close to the 25 percent cap.

SENATOR SEEVERS GANSERT:

You prohibit apartment units, but you allow condos?

MR. CATHCART:

Yes. Condos are purchased.

CHAIR NEAL:

What are your distance requirements?

MR. CATHCART:

The distance requirement is 1,000 feet. We used to not have a requirement. However, we began to see a lot of clustering within the City.

CHAIR NEAL:

Is the distance requirement the same for condos?

MR. CATHCART:

No. Condos have a percentage cap of 25 percent.

CHAIR NEAL:

Why do you use a percentage cap?

MR. CATHCART:

A distance requirement would be impossible because of the distance between buildings.

CHAIR NEAL:

Why has there not been a conversation about using a percentage cap versus a distance requirement?

MR. CATHCART:

The distance separation requirement is what stops clustering in neighborhoods.

CHAIR NEAL:

Why has Clark County not addressed all these issues at the local level?

MR. HARRISON:

This has been a problem for residents in the unincorporated areas for a long time, and STRs are not wanted in their communities. Having a standard throughout southern Nevada has been an idea from numerous stakeholders. Minimums can be set to prohibit jurisdictions with ordinances to grant variances at the rate that has occurred.

CHAIR NEAL:

I understand you are not open to an amnesty program that allows illegal operators to register and pay an extra fee to become compliant. Why is this not an option?

MR. HARRISON:

We could consider this option. Assembly Bill 363 gives broad authority for the County to do so. Those operators are operating illegally, and there is a ban in Clark County. Since 1998, Title 30 of the Clark County Code disallows rentals for under 30 days.

CHAIR NEAL:

Now that there is real economic activity, people in opposition desired a path forward to become compliant and legal.

MR. HARRISON:

This is a conversation that can be had at the local level. With the effective date extended, there is more time to discuss bringing illegal operators into the fold. The pandemic stifled conversations regarding STRs. A goal of A.B. 363 is to provide a legal track and incentivize operators into the legal realm.

CHAIR NEAL:

You are willing to have a conversation about the grace period if A.B. 363 passes, but you will not discuss creating an enforcement mechanism to take the State out of the issue.

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CHAIR NEAL:

I will close the hearing on A.B. 363. Seeing no public comment, the meeting is adjourned at 10:14 p.m.

RESPECTFULLY SUBMITTED:

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Alex Polley,  
Committee Secretary

APPROVED BY:

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Senator Dina Neal, Chair

DATE: \_\_\_\_\_

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit Letter</b>	<b>Begins on Page</b>	<b>Witness / Entity</b>	<b>Description</b>
	A	1		Agenda
A.B. 363	B	1	Assemblywoman Rochelle Nguyen	Conceptual Amendment
A.B. 363	C	1	Assemblywoman Rochelle Nguyen	Proposed Amendment from Clark County
A.B. 363	D	1	Assemblywoman Rochelle Nguyen	Proposed Amendment from City of Boulder City
A.B. 363	E	1	Jim Sullivan / Culinary Workers Union Local 226	Support Letter
A.B. 363	F	1	Chris Daly / Nevada State Education Association	Support Letter
A.B. 363	G	1	Adam Thongsavat / Airbnb, Inc.	Opposition Letter
A.B. 363	H	1	Richard de Sam Lazaro / Expedia Group	Opposition Letter