

SENATE BILL NO. 213—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 6, 2023

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to taxes on transient lodging. (BDR 20-856)

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 taxation; requiring, under certain circumstances, a county to remit the proceeds of certain optional taxes on revenues from the rental of transient lodging to the governing body of a visitor's authority; requiring the governing body of a visitor's authority to use such proceeds for certain purposes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes, under certain circumstances, a board of county commissioners to impose by ordinance a 1 percent tax on revenues from the rental of transient lodging, which is in addition to all other taxes imposed on the revenue from the rental of transient lodging. (NRS 244.3351) In a county in which the additional 1 percent tax has been imposed, the proceeds of the tax must, under certain circumstances, be retained by the county and used within the boundaries of a transportation district to pay the cost of: (1) projects related to the construction and maintenance of sidewalks, streets, avenues, boulevards, highways, bridges and other public rights-of-way used for vehicular or fixed guideway traffic; (2) principal and interest on notes, bonds or other obligations issued by the county to fund such projects; or (3) any combination thereof. Further, if a county has created one or more transportation districts and all or any portion of those districts are located in an area that is governed by an interstate compact entered into by this State and a state that borders this State, the county may, under certain circumstances, use any part of the money retained by the county which is collected within the boundaries of the transportation district to pay the cost of establishing, operating and maintaining a public transit system, including any improvement thereto. (NRS 244.33512) **Section 1** of this bill provides instead that the county must remit to the governing body of a visitor's authority the proceeds of the additional 1 percent tax that has been imposed on revenues from the rental of transient lodging and is collected within the boundaries of those transportation districts if: (1) a county has created one or more transportation districts and all or



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any portion of those districts are located in an area that has a visitor's authority created by a special act of the Legislature; and (2) the area is governed by an interstate compact entered into by this State and a state that borders this State. **Section 1** further requires the governing body of the visitor's authority to use the money remitted to pay the cost of: (1) projects related to the construction and maintenance of sidewalks, streets, avenues, boulevards, highways, bridges and other public rights-of-way used for vehicular or fixed guideway traffic; (2) principal and interest on notes, bonds or other obligations issued by the county to fund such projects; or (3) any combination thereof.

Section 2 of this bill provides that the provisions of this bill do not apply to the extent that the provisions would constitute an impairment of the rights of holders of bonds or similar obligations issued by the State of Nevada or a political subdivision thereof.

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

Section 1. NRS 244.33512 is hereby amended to read as follows:

244.33512 In a county in which a tax has been imposed pursuant to paragraph (a) of subsection 1 of NRS 244.3351:

1. The proceeds of the tax and any applicable penalty or interest must be:

(a) Remitted to the appropriate city if collected in the incorporated area of any city and not within any transportation district created by the county, or if collected in any transportation district created by a city; or

(b) ~~Retained~~ *Except as otherwise provided in subsection 3, retained* by the county if collected elsewhere, and used as provided in this section.

2. Except as otherwise provided in subsection 3, if the county has created one or more transportation districts, it shall use any part of the money retained which is collected within the boundaries of a transportation district to pay the cost of:

(a) Projects related to the construction and maintenance of sidewalks, streets, avenues, boulevards, highways, bridges and other public rights-of-way used primarily for vehicular or fixed guideway traffic, including, without limitation, overpass projects, street projects and underpass projects, as defined in NRS 244A.037, 244A.053 and 244A.055, respectively:

(1) Within the boundaries of the district;

(2) Within 1 mile outside the boundaries of the district if the governing body finds that such projects outside the boundaries of the district will facilitate transportation within the district; or

(3) Within 30 miles outside the boundaries of the district and the boundaries of this State, where those boundaries are coterminous, if:



(I) The projects consist of improvements to a highway which is located wholly or partially outside the boundaries of this State and which connects this State to an interstate highway; and

(II) The governing body finds that such projects will provide a significant economic benefit to the district;

(b) Payment of principal and interest on notes, bonds or other obligations issued by the county to fund projects described in paragraph (a); or

(c) Any combination of those uses.

3. ~~[In addition to those uses set forth in subsection 2, if]~~ *If* a county has created one or more transportation districts and all or any portion of those districts are located in an area that *has a visitor's authority created by a special act of the Legislature and the area* is governed by an interstate compact entered into by this State and a state that borders this State, the county ~~[may]~~ *must remit to the governing body of the visitor's authority the proceeds of the tax that has been imposed pursuant to paragraph (a) of subsection 1 of NRS 244.3351 and is collected within the boundaries of those transportation districts. The governing body of the visitor's authority must* use ~~[any part of]~~ the money ~~[retained]~~ *remitted* which is collected within the boundaries of a transportation district ~~[to]~~ :

(a) For any of the uses set forth in subsection 2;

(b) To pay the cost of establishing, operating and maintaining a public transit system, including any improvement thereto, within the boundaries of the district, or outside those boundaries if the governing body finds that such a system outside the boundaries of the district will facilitate transportation within the district, or both ~~[]~~ ; or

(c) Any combination of those uses.

4. If the county has entered into an agreement pursuant to NRS 277.080 to 277.170, inclusive, which contemplates later payment by the other party of a portion of the cost of a project which may be funded pursuant to subsection 2, the county may pay from retained proceeds the principal and interest on notes, bonds or other obligations issued in anticipation of that payment.

5. Any part of the money retained which is collected in the unincorporated area of the county and not within any transportation district created by the county or a city must be used for the same purposes:

(a) Within the unincorporated area of the county;

(b) Within 1 mile outside the unincorporated area of the county if the board of county commissioners finds that such projects outside that area will facilitate transportation within that area; or



(c) Within 30 miles outside the unincorporated area of the county and the boundaries of this State, where those boundaries are coterminous, if:

(1) The projects consist of improvements to a highway which is located wholly or partially outside the boundaries of this State and which connects this State to an interstate highway; and

(2) The board of county commissioners finds that such projects will provide a significant economic benefit to that area.

6. As used in this section:

(a) “Improvement” has the meaning ascribed to it in NRS 244A.033.

(b) “Public transit system” means a system designed to facilitate the transportation of members of the general public, including:

(1) The use of motor buses, rails or any other means of conveyance, operated by whatever type of power; and

(2) An offstreet parking project or an overpass project as defined in NRS 244A.035 and 244A.037, respectively.

Sec. 2. The provisions of this act do not apply to the extent that the provisions would constitute an impairment of the rights of holders of the bonds or similar obligations issued by the State of Nevada or a political subdivision thereof. If there are any such outstanding bonds or obligations, the State of Nevada and its officers and agencies shall take whatever actions that are deemed necessary to protect the interests of the State and the rights of the holders of the bonds and similar obligations.

Sec. 3. This act becomes effective on July 1, 2023.

