

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 other than a hotel that holds a nonrestricted gaming license; requiring a city that has created such a taxing district 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; providing that the money collected from the surcharges must be used by the city or the county fair and recreation board, as applicable, only for specified purposes; 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 district for the promotion of tourism comprised of certain property within the county, including property located within any city in the county, other than property located in the district created by the city; requiring the board of county commissioners of the county 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; providing that the money collected from the surcharge must be used by the county or the county fair and recreation board, as applicable, only for specified purposes; and providing other matters properly relating thereto.



* S B 3 1 2 R 1 *

Legislative Counsel's Digest:

1 Existing law authorizes the governing body of a city whose population is
2 220,000 or more in a county whose population is 100,000 or more but less than
3 700,000 (currently only the City of Reno) by ordinance to create a district to
4 finance capital projects necessary to improve and maintain publicly owned facilities
5 for tourism and entertainment. Existing law requires that such an ordinance be
6 approved by a two-thirds majority of the members of the governing body. Existing
7 law also requires that the ordinance impose a surcharge of \$2 on the per night
8 charge for the rental of a room in a hotel in the district that holds a nonrestricted
9 gaming license and provides that the proceeds of the surcharge must be used by the
10 city solely to pay the cost of improving and maintaining publicly owned facilities
11 for tourism and entertainment in the district or within 1 mile outside the boundaries
12 of the district, except for a minor league baseball stadium. (NRS 268.798)

13 **Section 1.3** of this bill requires the governing body of a city that has created a
14 district to finance capital projects necessary to improve and maintain publicly
15 owned facilities for tourism and entertainment to impose a surcharge of \$2 on the
16 per night charge for the rental of a room in a hotel in the district, other than a hotel
17 that holds a nonrestricted gaming license. **Section 1.5** of this bill requires the
18 governing body of a city that has created such a district to impose an additional
19 surcharge of \$1 on the per night charge for the rental of a room in a hotel in the
20 district. If the city is located in a county in which a county fair and recreation board
21 has been created, **sections 1.3 and 1.5** require the city to transfer to the county fair
22 and recreation board any money collected from the surcharges imposed pursuant to
23 those sections. If a county fair and recreation board has not been created, **sections**
24 **1.3 and 1.5** require the city to keep the money collected from the surcharges and
25 expend the money only for certain purposes relating to the promotion of tourism.

26 In any county in which is located a city that has created a district to finance
27 capital projects necessary to improve and maintain publicly owned facilities for
28 tourism and entertainment, **section 4** of this bill creates a district for the promotion
29 of tourism in the region. **Section 4** also requires the board of county commissioners
30 to adopt an ordinance prescribing the boundaries of the district, which must include
31 within its boundaries all property: (1) which is located in the county and located in
32 any city in the county other than property that is located within a district created by
33 a city to finance capital projects necessary to improve and maintain publicly owned
34 facilities for tourism and entertainment; and (2) which is located not more than 20
35 miles from the boundaries of any such district created by a city. **Section 4** imposes
36 a \$3 surcharge on the per night charge for the rental of a room in a hotel in the
37 district and requires the board of county commissioners to transfer the money
38 collected from the surcharge to the county fair and recreation board, if a county fair
39 and recreation board has been created in the county. If a county fair and recreation
40 board has not been created, **section 4** requires the board of county commissioners
41 to keep the money and prescribes the purposes for which the board of county
42 commissioners may expend the money.

43 **Section 4.5** of this bill requires a county fair and recreation board that receives
44 any money from the surcharge imposed pursuant to **section 1.3, 1.5 or 4**
45 to create an account into which all such money must be deposited. **Section 4.5**
46 authorizes the board to expend the money to implement a strategic plan for the
47 promotion of tourism in the region. **Section 4.5** also requires the board, every 5
48 years, to prepare and submit to the Legislature a report concerning the expenditure
49 by the board of any money received from the surcharge imposed pursuant to
50 **sections 1.3, 1.5 and 4.**



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

1 **Section 1.** Chapter 268 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 1.3 and 1.5 of this act.

3 **Sec. 1.3. 1.** *In a city in which a district is created and a*
4 *surcharge is imposed pursuant to NRS 268.798, the governing*
5 *body shall, in addition to the surcharge imposed pursuant to that*
6 *section and section 1.5 of this act, impose a surcharge of \$2 on the*
7 *per night charge for the rental of a room in a hotel in the district*
8 *other than a hotel that holds a nonrestricted gaming license. The*
9 *surcharge must not be applied for any time during which the room*
10 *is provided to a guest free of charge.*

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

13 **(a)** *If the city is located in a county in which a county fair and*
14 *recreation board has been created pursuant to NRS 244A.597 to*
15 *244A.655, inclusive, the city shall transfer to the county fair and*
16 *recreation board all money collected from the surcharge imposed*
17 *pursuant to this section. The money must be deposited in the*
18 *account created pursuant to section 4.5 of this act and used only*
19 *for the purposes set forth in that section.*

20 **(b)** *If the city is located in a county in which a county fair and*
21 *recreation board has not been created, the money collected must*
22 *be retained by the city, accounted for separately and, except as*
23 *otherwise provided in subsection 3, used solely to pay the costs for:*

24 **(1)** *The acquisition, construction and maintenance of*
25 *public recreational facilities located in the district;*

26 **(2)** *Advertising, publicizing and promoting the public*
27 *recreational facilities located in the district; and*

28 **(3)** *Projects designed to encourage tourism or to improve*
29 *access by tourists to airports located in the county in which the*
30 *district is located.*

31 **3.** *The proceeds of the surcharge and any interest or income*
32 *earned on such money may not be used for the purposes of*
33 *promoting or marketing professional bowling.*

34 **4.** *Except as otherwise provided in paragraph (a) of*
35 *subsection 2, the proceeds of the surcharge must not be*
36 *transferred to any other fund or account or used for any other*
37 *purpose.*

38 **Sec. 1.5. 1.** *In a city in which a district is created and a*
39 *surcharge is imposed pursuant to NRS 268.798, the governing*
40 *body shall, in addition to the surcharge imposed pursuant to that*
41 *section and section 1.3 of this act, impose a surcharge of \$1 on the*
42 *per night charge for the rental of a room in a hotel in the district.*



1 *The surcharge must not be applied for any time during which the*
2 *room is provided to a guest free of charge.*

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

5 *(a) If the city is located in a county in which a county fair and*
6 *recreation board has been created pursuant to NRS 244A.597 to*
7 *244A.655, inclusive, the city shall transfer to the county fair and*
8 *recreation board all money collected from the surcharge imposed*
9 *pursuant to this section. The money must be deposited in the*
10 *account created pursuant to section 4.5 of this act and used only*
11 *for the purposes set forth in that section.*

12 *(b) If the city is located in a county in which a county fair and*
13 *recreation board has not been created, the money collected must*
14 *be retained by the city, accounted for separately and, except as*
15 *otherwise provided in subsection 3, used solely to pay the costs for:*

16 *(1) The acquisition, construction and maintenance of*
17 *public recreational facilities located in the district;*

18 *(2) Advertising, publicizing and promoting the public*
19 *recreational facilities located in the district; and*

20 *(3) Projects designed to encourage tourism or to improve*
21 *access by tourists to airports located in the county in which the*
22 *district is located.*

23 *3. The proceeds of the surcharge and any interest or income*
24 *earned on such money may not be used for the purposes of*
25 *promoting or marketing professional bowling.*

26 *4. Except as otherwise provided in paragraph (a) of*
27 *subsection 2, the proceeds of the surcharge must not be*
28 *transferred to any other fund or account or used for any other*
29 *purpose.*

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

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

38 2. The boundaries of a district created pursuant to subsection 1
39 must be as prescribed by the governing body in the ordinance
40 creating the district, except that the boundaries must include only
41 property that is located in or within 4 city blocks, as determined by
42 the governing body, of a district described in NRS 268.780 to
43 268.785, inclusive.

44 3. An ordinance enacted pursuant to subsection 1 must impose
45 a surcharge of \$2 on the per night charge for the rental of a room in



1 a hotel in the district that holds a nonrestricted gaming license. The
2 surcharge must not be applied for any time during which the room is
3 provided to a guest free of charge.

4 4. The proceeds of the surcharge imposed pursuant to this
5 section must be retained by the city and must be used by the city
6 solely to pay the cost of improving and maintaining publicly owned
7 facilities for tourism and entertainment in the district or within 1
8 mile outside the boundaries of the district, except for a minor league
9 baseball stadium project as defined in NRS 244A.0344. The
10 proceeds of the surcharge must not be transferred to any other fund
11 or account or used for any other purpose.

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

17 (a) Address, without limitation ~~the~~:

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

22 (2) *The total amount collected from the surcharges imposed*
23 *by sections 1.3 and 1.5 of this act and, if applicable, expended by*
24 *the city for the purposes authorized by those sections.*

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

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

29 244.3359 1. A county whose population is 700,000 or more
30 shall not impose a new tax on the rental of transient lodging or
31 increase the rate of an existing tax on the rental of transient lodging
32 after March 25, 1991, except pursuant to NRS 244.3351, 244.3352
33 and 244.33561.

34 2. A county whose population is 100,000 or more but less than
35 700,000 shall not impose a new tax on the rental of transient lodging
36 or increase the rate of an existing tax on the rental of transient
37 lodging after March 25, 1991, except pursuant to NRS 244.33561 ~~and~~
38 *and section 4 of this act.*

39 3. Except as otherwise provided in subsection 2 and NRS
40 387.191, the Legislature hereby declares that the limitation imposed
41 by subsection 2 will not be repealed or amended except to allow the
42 imposition of an increase in such a tax for the promotion of tourism
43 or for the construction or operation of tourism facilities by a
44 convention and visitors authority.



1 **Sec. 3.5.** Chapter 244A of NRS is hereby amended by adding
2 thereto the provisions set forth in sections 4 and 4.5 of this act.

3 **Sec. 4. 1.** *In a county in which is located a city that has
4 created a district and imposed a surcharge pursuant to NRS
5 268.798, there is hereby:*

6 *(a) Created a district for the promotion of tourism; and*

7 *(b) Imposed a surcharge of \$3 on the per night charge for the
8 rental of a room in a hotel in the district. The surcharge must not
9 be applied for any time during which the room is provided to a
10 guest free of charge.*

11 *2. As soon as practicable on or after July 1, 2015, but on or
12 before October 1, 2015, the board of county commissioners shall
13 adopt an ordinance:*

14 *(a) Prescribing the boundaries of the district created by
15 paragraph (a) of subsection 1, which:*

16 *(1) Must include within it all property within the county
17 and within each city in the county that is:*

18 *(I) Not located within a district created pursuant to NRS
19 268.798; and*

20 *(II) Located not more than 20 miles from the
21 boundaries of a district created pursuant to NRS 268.798; and*

22 *(2) Must not include within it any property located within a
23 district created pursuant to NRS 268.798; and*

24 *(b) Prescribing a schedule for the collection of the surcharge
25 imposed by paragraph (b) of subsection 1.*

26 *3. The surcharge imposed by this section is in addition to any
27 other license fee, tax or surcharge imposed on the revenues from
28 the rental of transient lodging. The surcharge must be collected by
29 the county in accordance with the schedule prescribed by the
30 ordinance adopted pursuant to subsection 2 and:*

31 *(a) If the board of county commissioners has created a county
32 fair and recreation board pursuant to NRS 244A.597 to 244A.655,
33 inclusive, the county shall transfer to the county fair and
34 recreation board all money collected from the surcharge imposed
35 pursuant to this section. The money must be deposited in the
36 account created pursuant to section 4.5 of this act and used only
37 for the purposes set forth in that section.*

38 *(b) If the board of county commissioners has not created a
39 county fair and recreation board, the money collected from the
40 surcharge imposed pursuant to this section must be retained by the
41 county, accounted for separately and, except as otherwise provided
42 in this paragraph, used solely to pay the costs for:*

43 *(1) The acquisition, construction and maintenance of
44 public recreational facilities located in the district;*



1 (2) Advertising, publicizing and promoting the public
2 recreational facilities located in the district; and

3 (3) Projects designed to encourage tourism or to improve
4 access by tourists to airports located in the county in which the
5 district is located.

6 ↳ The proceeds of the surcharge and any interest or income
7 earned on such money may not be used for the purposes of
8 promoting or marketing professional bowling.

9 4. Except as otherwise provided in paragraph (a) of
10 subsection 3, the proceeds of the surcharge imposed by this section
11 must not be transferred to any other fund or account or used
12 for any other purpose other than the purposes specified in
13 subsection 3.

14 5. The ordinance adopted by the board of county
15 commissioners must provide that if the surcharge imposed by this
16 section is not paid within the time set forth in the schedule for
17 payment, the county shall charge and collect in addition to the
18 surcharge:

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

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

25 **Sec. 4.5.** 1. A county fair and recreation board that receives
26 any proceeds of the surcharges imposed pursuant to section 1.3,
27 1.5 or 4 of this act shall create an account administered by the
28 board and deposit into such account all proceeds received by the
29 board from the surcharges imposed pursuant to sections 1.3, 1.5
30 and 4 of this act. The money in the account, including any interest
31 and income earned on such money, must not be transferred to any
32 other fund or account or used for any purpose other than the
33 purposes set forth in subsection 2.

34 2. All money received by a county fair and recreation board
35 from the proceeds of the surcharges imposed pursuant to sections
36 1.3, 1.5 and 4 of this act must be used to implement a strategic
37 plan for the promotion of tourism in the region. The strategic
38 plan:

39 (a) Except as otherwise provided in paragraph (b), may
40 provide for the expenditure of any money received from the
41 proceeds of the surcharges imposed pursuant to sections 1.3, 1.5
42 and 4 of this act:

43 (1) For the purposes set forth in NRS 244A.597.

44 (2) For the maintenance of public recreational facilities
45 located in the county which are owned by the county or an



1 *incorporated city in the county or under the control of the county*
2 *fair and recreation board.*

3 *(3) To carry out projects designed to encourage tourism or*
4 *to improve access by tourists to airports located in the county.*

5 *(4) To solicit and promote tourism, gaming and the use of*
6 *public recreational facilities of the community or area, which may*
7 *include advertising the facilities under the control of the county*
8 *fair and recreation board and the resources of the community or*
9 *area, including tourist accommodations, transportation,*
10 *entertainment, gaming and climate. Such advertising may be done*
11 *jointly with a private enterprise. The county fair and recreation*
12 *board may enter into contracts for advertising pursuant to this*
13 *subparagraph and pay the cost of the advertising, including a*
14 *reasonable commission.*

15 *(5) For any other purpose identified in the strategic plan.*

16 *(b) May not provide for the expenditure of any money received*
17 *from the proceeds of the surcharges imposed pursuant to sections*
18 *1.3, 1.5 and 4 of this act for the operational expenses of the county*
19 *fair and recreation board or for the purposes of promoting or*
20 *marketing professional bowling.*

21 *3. On or before January 15, 2021, and on or before*
22 *January 15 of each fifth year thereafter, a county fair and*
23 *recreation board that receives any money from the surcharge*
24 *imposed and collected pursuant to section 1.3, 1.5 or 4 of this act*
25 *shall prepare and submit to the Director of the Legislative Counsel*
26 *Bureau for transmission to the next regular session of the*
27 *Legislature a written report which must:*

28 *(a) Address, without limitation, the total amount received from*
29 *the surcharges imposed pursuant to sections 1.3, 1.5 and 4 of this*
30 *act;*

31 *(b) Address, without limitation, the total amount expended by*
32 *the board to carry out the purposes set forth in this section; and*

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

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

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

