

ASSEMBLY BILL NO. 306—COMMITTEE  
ON GOVERNMENT AFFAIRS

MARCH 16, 2017

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the use of money collected from surcharges for the rental of a room in certain hotels. (BDR 20-731)

FISCAL NOTE: Effect on Local Government: No.  
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 percentage of the money collected from certain surcharges on the per night charge for the rental of a room in a hotel in certain taxing districts to be used to solicit and promote tourism in the districts; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Assembly Bill No. 376 of the 2011 Legislative Session (A.B. 376) authorizes  
2 the governing body of a city whose population is 220,000 or more in a county  
3 whose population is 100,000 or more but less than 700,000 (currently the City of  
4 Reno) to create by ordinance a district to finance capital projects necessary to  
5 improve and maintain publicly owned facilities for tourism and entertainment. If  
6 the governing body of such a city adopts an ordinance creating the district, A.B.  
7 376 requires the ordinance to impose a surcharge of \$2 on the per night charge for  
8 the rental of a room in a hotel in the district that holds a nonrestricted gaming  
9 license. A.B. 376 also requires the city creating the district to use the proceeds of  
10 the surcharge to pay the cost of improving and maintaining publicly owned  
11 facilities for tourism and entertainment in the district or within 1 mile outside the  
12 boundaries of the district, except for a minor league baseball stadium.

13 Senate Bill No. 312 of the 2015 Legislative Session (S.B. 312): (1) imposed  
14 additional surcharges on the per night charge for the rental of a room in a district  
15 created pursuant to A.B. 376; and (2) created a district for the promotion of tourism  
16 in a county in which a district is created pursuant to A.B. 376. The boundaries of a  
17 district for the promotion of tourism consist of all property located outside a district  
18 created pursuant to A.B. 376 and within 20 miles of the boundaries of that district.  
19 S.B. 312 imposes a surcharge of \$2 on the per night charge for the rental of a room  
20 in a hotel located in a district for the promotion of tourism and requires the county



21 fair and recreation board of the county in which the district is located to use the  
22 proceeds of the surcharge to assist the implementation of a strategic plan for the  
23 promotion of tourism in the region. This bill requires the county fair and recreation  
24 board to use 90 percent of the \$2 surcharge imposed in a district for the promotion  
25 of tourism to solicit and promote tourism in the region, including advertising the  
26 facilities of the county fair and recreation board and the resources of the community  
27 or area in which the district for the promotion of tourism is located.

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

1       **Section 1.** NRS 244A.920 is hereby amended to read as  
2 follows:

3       244A.920 1. A county fair and recreation board that collects  
4 any proceeds of the surcharges imposed by NRS 244A.910,  
5 268.7985 or 268.7987:

6       (a) Shall create an account administered by the board and  
7 deposit into such account all proceeds collected by the board from  
8 the surcharges imposed by NRS 244A.910, 268.7985 and 268.7987.  
9 The money in the account, including any interest and income earned  
10 on such money, must not be transferred to any other fund or account  
11 or used for any purpose other than the purposes set forth in  
12 subsection 2.

13       (b) Shall prescribe a procedure for the collection of the  
14 surcharges imposed by NRS 244A.910, 268.7985 and 268.7987,  
15 which may include, without limitation, procedures for the  
16 enforcement of the collection of any delinquent surcharges and the  
17 provision of penalties in connection therewith, including, without  
18 limitation, the suspension of the business license issued by a county,  
19 city or town to a hotel and the closure of a hotel for failure to pay  
20 any surcharge imposed by NRS 244A.910, 268.7985 or 268.7987.

21       (c) May adopt rules and regulations concerning the collection  
22 and administration of the surcharges imposed by NRS 244A.910,  
23 268.7985 and 268.7987 and provide penalties for the failure to  
24 comply therewith.

25       2. All money collected by a county fair and recreation board  
26 from the proceeds of the surcharges imposed by NRS 244A.910,  
27 268.7985 and 268.7987 must be used to implement a strategic plan  
28 for the promotion of tourism in the region. The strategic plan:

29       (a) Except as otherwise provided in ~~paragraph~~ *paragraphs* (b)  
30 ~~and (c)~~, may provide for the expenditure of any money received  
31 from the proceeds of the surcharges imposed by NRS 244A.910,  
32 268.7985 and 268.7987:

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



1 (2) For the maintenance of public recreational facilities  
2 located in the county which are owned by the county or an  
3 incorporated city in the county or under the control of the county  
4 fair and recreation board.

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

7 (4) ~~For~~ *For any other purpose identified in the strategic*  
8 *plan.*

9 *(b) Except as otherwise provided in paragraph (c), must*  
10 *provide for the expenditure of at least 90 percent of the money*  
11 *received from the proceeds of the surcharges imposed by NRS*  
12 *244A.910 to solicit and promote tourism, gaming and the use of*  
13 *public recreational facilities of the community or area, which may*  
14 *include advertising the facilities under the control of the county fair*  
15 *and recreation board and the resources of the community or area,*  
16 *including tourist accommodations, transportation, entertainment,*  
17 *gaming and climate. Such advertising may be done jointly with a*  
18 *private enterprise. The county fair and recreation board may enter*  
19 *into contracts for advertising pursuant to this subparagraph and pay*  
20 *the cost of the advertising, including a reasonable commission.*

21 ~~(5) For any other purpose identified in the strategic plan.~~

22 ~~(b)~~ (c) May not provide for the expenditure of any money  
23 received from the proceeds of the surcharges imposed by NRS  
24 244A.910, 268.7985 and 268.7987 for the operational expenses of  
25 the county fair and recreation board or for the purposes of  
26 promoting or marketing professional bowling.

27 3. On or before January 15, 2021, and on or before January 15  
28 of each fifth year thereafter, a county fair and recreation board that  
29 collects any money from the surcharge imposed and collected  
30 pursuant to NRS 244A.910, 268.7985 or 268.7987 shall prepare and  
31 submit to the Director of the Legislative Counsel Bureau for  
32 transmission to the next regular session of the Legislature a written  
33 report which must:

34 (a) Address, without limitation, the total amount collected from  
35 the surcharges imposed by NRS 244A.910, 268.7985 and 268.7987;

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

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

40 **Sec. 2.** This act becomes effective upon passage and approval.

