

SENATE BILL NO. 421—SENATOR SEGERBLOM

MARCH 20, 2017

Referred to Committee on Revenue and Economic Development

SUMMARY—Revising provisions governing certain taxes on the gross receipts from the rental of transient lodging in Clark County. (BDR S-447)

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 tourism infrastructure projects; revises provisions governing the transfer and distribution of the proceeds of certain taxes on the gross receipts from the rental of transient lodging in Clark County; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law establishes the Southern Nevada Tourism Improvements Act to,
2 among other things, establish a method to finance: (1) a National Football League
3 stadium project or, if certain conditions for a National Football League stadium
4 project are not satisfied, a college football stadium project for the University of
5 Nevada, Las Vegas; and (2) a renovation and expansion of the Las Vegas
6 Convention Center. (Chapter 2, Statutes of Nevada 2016, 30th Special Session, p.
7 13) Existing law establishes a stadium district within Clark County and requires the
8 Board of County Commissioners of Clark County to impose taxes on the gross
9 receipts from the rental of transient lodging in the stadium district. (Sections 21 and
10 33 of chapter 2, Statutes of Nevada 2016, 30th Special Session, pp. 19, 32)

11 Existing law provides that if certain conditions for the undertaking of the
12 National Football League stadium project are not satisfied, the President of the
13 University of Nevada, Las Vegas, may elect to pursue a college football stadium
14 project. If the President of the University elects to not pursue a college football
15 stadium project, the remaining balance of the taxes collected to carry out the
16 National Football League stadium project must be transferred to the Las Vegas
17 Convention Center and used to pay the costs to renovate or expand the Las Vegas
18 Convention Center. (Section 38 of chapter 2, Statutes of Nevada 2016, 30th Special
19 Session, p. 41) If the President of the University of Nevada, Las Vegas, elects to
20 pursue a college football stadium project, existing law requires the Board of County
21 Commissioners of Clark County to impose taxes on the gross receipts from the
22 rental of transient lodging in the stadium district for the support of the college



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23 stadium project. (Section 50 of chapter 2, Statutes of Nevada 2016, 30th Special
24 Session, p. 50) Additionally, existing law also requires that the remaining balance
25 of the taxes collected for the National Football League stadium project be
26 transferred to an account established to carry out the college football stadium
27 project. However, if the President of the University elects to pursue a college
28 football stadium project but subsequently fails to satisfy certain conditions, the
29 remaining balance of the proceeds of the taxes imposed or transferred to carry out
30 the National Football League stadium project and college stadium project must be
31 transferred to the Las Vegas Convention and Visitors Authority and used to pay the
32 costs to renovate or expand the Las Vegas Convention Center. (Section 38 of
33 chapter 2, Statutes of Nevada 2016, 30th Special Session, p. 41)

34 **Section 2** of this bill provides that if the President of the University does not
35 elect to pursue a college football stadium project or makes such an election but fails
36 to satisfy certain conditions, the remaining balance of the proceeds of the taxes
37 imposed or transferred to carry out the National Football League stadium project
38 and the college stadium project must be transferred to the fund for capital projects
39 of the Clark County School District. **Section 4** of this bill provides that if certain
40 conditions for a National Football League stadium project are not satisfied and the
41 President of the University of Nevada, Las Vegas does not elect to pursue a college
42 football stadium project, the tax imposed for the National Football League stadium
43 project is amended so that the proceeds of the tax are deposited in the fund for
44 capital projects of the Clark County School District.

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

1 **Section 1.** Section 2 of chapter 2, Statutes of Nevada 2016,
2 30th Special Session, at page 16, is hereby amended to read as
3 follows:

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

5 (a) For more than three decades, the State of Nevada has
6 been one of the fastest-growing states in the United States in
7 terms of population, with the overwhelming majority of this
8 population growth occurring in Clark County, Nevada, a
9 region that is projected to add over 3,000 new residents each
10 month for at least the next 10 years.

11 (b) Clark County is positioned to continue as one of the
12 fastest-growing areas in the nation, and it is both the home to
13 and the social, cultural and recreational arena and
14 marketplace for a booming population of over 2.14 million
15 residents, with over 2.08 million of those residents living and
16 recreating within the Las Vegas Valley urban area.

17 (c) The Las Vegas area is also a getaway to over 42
18 million tourists annually who visit for the world-class
19 entertainment, hospitality, gaming, fine dining and shopping
20 and who want to experience and enjoy the world-famous,
21 unique and incomparably distinctive Las Vegas Strip, known
22 as the heart of the Entertainment Capital of the World.



1 (d) The number of tourists visiting the Las Vegas area is
2 expected to increase annually, with some projections
3 estimating nearly 1 million additional visits each year.

4 2. The Legislature hereby finds that:

5 (a) Because the Las Vegas area is the most visited and
6 economically significant tourism market within this State, the
7 tourism industry within the Las Vegas area is critically
8 important to the economy of that local area and this State, and
9 the continued growth and success of the tourism industry
10 within the Las Vegas area is particularly vital to the general
11 welfare and prosperity of that local area and this State.

12 (b) A significant part of the continued growth and success
13 of the tourism industry within the Las Vegas area depends
14 upon the *development of an educated and skilled workforce,*
15 *the* unique attractiveness, excitement, atmosphere and vitality
16 of the Las Vegas Strip and the development of new,
17 innovative and diversified facilities, venues and forms of
18 entertainment within the Las Vegas area to ensure that the
19 area may:

20 (1) Continue to be the preferred and premier
21 destination for tourists from all walks of life in the ever-
22 advancing technological age of the 21st century;

23 (2) Remain competitive with other national and
24 international tourism destinations that are continually
25 evolving and seeking to draw more tourists to their facilities,
26 venues and forms of entertainment; and

27 (3) Retain its world-famous, unique and incomparably
28 distinctive status as the Entertainment Capital of the World.

29 3. The Legislature hereby finds that:

30 (a) The gaming industry has been an essential component
31 of the economic success of the tourism industry within the
32 Las Vegas area, and the continued growth and success of the
33 gaming industry within the Las Vegas area is particularly
34 vital to the general welfare and prosperity of that local area
35 and this State.

36 (b) Although the continued growth and success of the
37 gaming industry is essential to the welfare of the Las Vegas
38 area and this State, it is also essential to diversify the tourism
39 industry within the Las Vegas area by developing new,
40 innovative and diversified facilities, venues and forms of
41 entertainment, which will increase overall tourism and
42 economic activity within the Las Vegas area and thereby
43 inure to the benefit of not only the gaming industry and its
44 employees but other local businesses and their employees and
45 the residents of the area as well.



1 (c) *The development of new, innovative and diversified*
2 *facilities, venues and forms of entertainment within the Las*
3 *Vegas area requires the development of an educated and*
4 *skilled workforce to fill the high-value job opportunities*
5 *created by such new, innovative and diversified facilities*
6 *and forms of entertainment.*

7 (d) The diversification of the tourism industry within the
8 Las Vegas area promotes the Legislature's economic goals of
9 reducing Nevada's unemployment rate, stabilizing and
10 improving Nevada's economy, and developing high-value job
11 opportunities by diversifying Nevada's industries, creating
12 and fostering new businesses, retaining and expanding
13 existing businesses and attracting and relocating businesses
14 from outside this State.

15 4. The Legislature hereby finds that:

16 (a) It is in the public interest and beneficial to the public
17 welfare to diversify, enhance and grow the largest tourism
18 market in this State through the *education of the workforce*
19 *in the Las Vegas area and the* development of large-scale
20 and one-of-a-kind convention, entertainment and sports
21 venues and facilities within the Las Vegas area, including the
22 Las Vegas Strip, by constructing and operating:

23 (1) A state-of-the-art stadium capable of attracting
24 professional sports franchises, such as teams from the
25 National Football League or Major League Soccer, hosting
26 national sporting events, such as the Super Bowl and
27 collegiate bowl, playoff, tournament and championship
28 games, and holding other large-scale entertainment and sports
29 events, such as concerts, festivals, motor sports, prizefighting
30 and rodeos; and

31 (2) An improved, expanded and updated Las Vegas
32 Convention Center so that it is a premier facility for attracting
33 and retaining conventions and trade shows.

34 (b) Because the Las Vegas area, including the Las Vegas
35 Strip, is the largest tourism market in this State and because
36 the Las Vegas area, including the Las Vegas Strip, is world
37 famous, unique and incomparably distinctive, the Las Vegas
38 area is the only area in this State that:

39 (1) Is appropriate and suitable for the development of
40 such large-scale and one-of-a-kind convention, entertainment
41 and sports venues and facilities; and

42 (2) Has all the necessary local and special attributes,
43 conditions and resources that are essential to support such
44 large-scale and one-of-a-kind convention, entertainment and
45 sports venues and facilities, including, without limitation, the



1 necessary economic conditions, capital investment,
2 infrastructure, support industries and businesses, workforce,
3 population and visitors.

4 5. The Legislature hereby declares that:

5 (a) Because the Las Vegas area is the only area in this
6 State that is appropriate and suitable for the development of
7 such large-scale and one-of-a-kind convention, entertainment
8 and sports venues and facilities and has all the necessary local
9 and special attributes, conditions and resources that are
10 essential to support such venues and facilities, it is necessary
11 to enact a law of local and special application to promote,
12 develop and secure the advantages of the local and special
13 characteristics and circumstances within the Las Vegas area,
14 which are found nowhere else within this State, and to benefit
15 the residents of that local and special area.

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

25 **Sec. 2.** Section 38 of chapter 2, Statutes of Nevada 2016, 30th
26 Special Session, at page 41, is hereby amended to read as follows:

27 Sec. 38. 1. Within 90 days after receipt of notice that
28 the Board of Directors has voted to dissolve the Stadium
29 Authority and wind up its affairs for any reason set forth in
30 paragraphs (a) to (f), inclusive, of subsection 1 of section 37
31 of this act, the President of the University may elect to pursue
32 a college football stadium project. If the President of the
33 University elects to pursue a college football stadium project,
34 he or she must provide written notice to the Governor, the
35 Director of the Legislative Counsel Bureau and the Board of
36 County Commissioners that he or she intends to pursue a
37 college football stadium project.

38 2. If, within 90 calendar days after receipt of notice of
39 the vote of the Board of Directors to dissolve the Stadium
40 Authority and wind up its affairs pursuant to subsection 2 of
41 section 37 of this act, the President of the University has
42 provided notice to the Governor, the Director of the
43 Legislative Counsel Bureau and the Board of County
44 Commissioners that he or she intends to pursue a college
45 football stadium project, the Board of Directors of the



1 Stadium Authority must cause the money remaining in the
2 stadium tax account created pursuant to subsection 3 of
3 section 27 of this act, after provision is made for the payment
4 of any outstanding financial obligations or liabilities of the
5 Stadium Authority, to be transferred to the college football
6 stadium tax account created pursuant to subsection 3 of
7 section 45 of this act.

8 3. If, within 90 calendar days after receipt of notice of
9 the vote of the Board of Directors to dissolve the Stadium
10 Authority and wind up its affairs pursuant to subsection 2 of
11 section 37 of this act, the President of the University has not
12 provided notice to the Governor, the Director of the
13 Legislative Counsel Bureau and the Board of County
14 Commissioners that he or she intends to pursue a college
15 football stadium project, the Board of Directors must cause
16 the money remaining in the stadium tax account created
17 pursuant to subsection 3 of section 27 of this act, after
18 provision is made for the payment of any outstanding
19 financial obligations or liabilities of the Stadium Authority, to
20 be transferred to the ~~Convention Authority. The Convention~~
21 ~~Authority must use such money to pay the costs of the project~~
22 ~~described in paragraph (a) of subsection 3 of section 59 of~~
23 ~~this act or the principal and interest on bonds or other~~
24 ~~securities issued to defray the costs of that project.~~ *fund for*
25 *capital projects of the Clark County School District.*

26 4. If, within 90 calendar days after receipt of notice of
27 the vote of the Board of Directors to dissolve the Stadium
28 Authority and wind up its affairs pursuant to subsection 2 of
29 section 37 of this act, the President of the University provides
30 notice to the Governor, the Director of the Legislative
31 Counsel Bureau and the Board of County Commissioners that
32 he or she intends to pursue a college football stadium project
33 but, within 24 months after the date on which he or she
34 provides that notice, has not secured a commitment of private
35 money for the college football stadium project that, when
36 combined with the revenue of the University projected to be
37 generated from the college football stadium project, results in
38 a commitment of at least \$200,000,000 for the college
39 football stadium project, the money remaining in the college
40 football stadium tax account created pursuant to subsection 3
41 of section 45 of this act must be transferred to the
42 ~~Convention Authority. The Convention Authority must use~~
43 ~~such money to pay the costs of the project described in~~
44 ~~paragraph (a) of subsection 3 of section 59 of this act or the~~
45 ~~principal and interest on bonds or other securities issued to~~



~~defray the costs of that project.} fund for capital projects of the Clark County School District.~~

Sec. 3. Section 62 of chapter 2, Statutes of Nevada 2016, 30th Special Session, at page 61, is hereby amended to read as follows:

Sec. 62. 1. This section and sections 1 to 38, inclusive, and 53 to 61.7, inclusive, of this act become effective upon passage and approval.

2. Sections 21 to 37, inclusive, of this act expire by limitation ~~on~~:

(a) *On* the date on which the tax imposed pursuant to subsection 1 of section 50 of this act is first imposed, as specified in the ordinance adopted by the Board of County Commissioners of Clark County pursuant to section 50 of this act ~~H~~

(b) *If, within 90 calendar days after the President of the University of Nevada, Las Vegas receives notice of the vote of the Board of Directors of the Stadium Authority created by section 21 of this act to dissolve the Stadium Authority and wind down its affairs pursuant to subsection 2 of section 37 of this act, the President of the University of Nevada, Las Vegas has not provided notice to the Governor, the Director of the Legislative Counsel Bureau and the Board of County Commissioners of Clark County pursuant to subsection 1 of section 38 of this act that he or she intends to undertake a college football stadium project, as defined in section 8 of this act, on the date which is 90 calendar after the President of the University of Nevada, Las Vegas receives notice of the vote of the Board of Directors of the Stadium Authority created by section 21 of this act to dissolve the Stadium Authority and wind down its affairs pursuant to subsection 2 of section 37 of this act.*

3. Sections 39 to 52, inclusive, of this act:

(a) Become effective on the date on which the President of the University of Nevada, Las Vegas, provides notice to the Governor, the Director of the Legislative Counsel Bureau and the Board of County Commissioners of Clark County pursuant to subsection 1 of section 38 of this act that he or she intends to undertake a college football stadium project, as defined in section 8 of this act, only if the President of the University provides such notice within 90 calendar days after receipt of notice of the vote of the Board of Directors of the Stadium Authority created by section 21 of this act to dissolve the Stadium Authority and wind down its affairs pursuant to subsection 2 of section 37 of this act.



1 (b) Expire by limitation on the date on which the County
2 Treasurer of Clark County certifies to the Board of County
3 Commissioners of Clark County that the President of the
4 University of Nevada, Las Vegas, has not secured the
5 commitment of money for the college football stadium
6 project described in subsection 4 of section 38 of this act
7 within the 24-month period prescribed by that subsection.

8 ***4. Section 63 of this act becomes effective on the date***
9 ***which 90 calendar days after the President of the University***
10 ***of Nevada, Las Vegas receives notice of the vote of the***
11 ***Board of Directors of the Stadium Authority created by***
12 ***section 21 of this act to dissolve the Stadium Authority and***
13 ***wind down its affairs pursuant to subsection 2 of section 37***
14 ***of this act, only if the President of the University does not***
15 ***provide notice to the Governor, the Director of the***
16 ***Legislative Counsel Bureau and the Board of County***
17 ***Commissioners of Clark County pursuant to subsection 1 of***
18 ***section 38 of this act that he or she intends to undertake a***
19 ***college football stadium project, as defined in section 8 of***
20 ***this act.***

21 **Sec. 4.** Chapter 2, Statutes of Nevada 2016, 30th Special
22 Session, at page 13, is hereby amended by adding thereto a new
23 section to be designated as sec. 63, immediately following sec. 62,
24 to read as follows:

25 Sec. 63. Sec. 33 of this act this act is hereby amended to
26 read:

27 Sec. 33. 1. ***There is hereby created the workforce***
28 ***development district, consisting of all property located***
29 ***within:***

- 30 ***(a) The County, including, without limitation, all***
31 ***property within an incorporated city in the County; and***
32 ***(b) A radius of 25 miles from the location at which***
33 ***the Board of County Commissioners holds its regular***
34 ***meetings as of the effective date of this section.***

35 2. In addition to all other taxes imposed on the
36 revenue from the rental of transient lodging and
37 notwithstanding any other law, the Board of County
38 Commissioners shall by ordinance impose upon all
39 persons in the business of providing lodging in the
40 ~~stadium~~ ***workforce development*** district a tax at the rate
41 of:

42 (a) Eighty-eight one-hundredths of one percent of the
43 gross receipts from the rental of transient lodging within
44 the primary gaming corridor.



(b) One-half of one percent of the gross receipts from the rental of transient lodging in an area within the ~~{stadium}~~ *workforce development* district but outside the primary gaming corridor.

~~{2.}~~ **3.** The tax imposed pursuant to subsection 1 may be collected from paying guests and may be shown as an addition to the charge for the rental of transient lodging. The person providing the transient lodging is liable to the County for the tax whether or not the tax is actually collected from a paying guest.

~~{3.}~~ **4.** The tax imposed pursuant to subsection 1:

(a) Must be imposed in each incorporated city within the ~~{stadium}~~ *workforce development* district, in addition to being imposed in the portion of the ~~{stadium}~~ *workforce development* district which is not in an incorporated city;

(b) Must be in addition to all other taxes imposed on the revenue from the rental of transient lodging in the County or city; *and*

(c) Must be collected and enforced in the same manner as any other tax imposed in the County or city on the gross receipts from the rental of transient lodging, except that the tax must be remitted to the County by each person in the business of providing lodging in the ~~{stadium}~~ *workforce development* district. ~~{; and~~

~~—(d) May be pledged to the payment of the bonds or other securities issued pursuant to section 36 of this act.~~

~~—4.}~~ **5.** The ordinance enacted pursuant to this section must ~~{;~~

~~—(a) Specify the date on which the tax must first be imposed, which must be the first day of the month that is not less than 3 months or more than 4 months after the adoption of the ordinance.~~

~~—(b) Provide}~~ *provide* that any parcel of land, building or other structure located partially within the stadium district is deemed to be wholly within the ~~{stadium}~~ *workforce development* district.

~~{5.}~~ **6.** *The County Treasurer shall deposit the proceeds of the tax imposed pursuant to subsection 1 and any applicable penalty or interest in the fund for capital projects of the Clark County School District.*

7. Not later than 30 days after the adoption of the ordinance enacted pursuant to this section, the Board of County Commissioners shall amend the ordinance to include a provision establishing the geographic boundaries of the primary gaming corridor within the ~~{stadium}~~



1 *workforce development* district. The geographic
2 boundaries of the primary gaming corridor must be a
3 single, contiguous area. The initial amendment
4 establishing the geographic boundaries of the primary
5 gaming corridor must base those boundaries on the
6 geographic area comprising the submarket within the
7 ~~{stadium}~~ *workforce development* district with the greatest
8 amount of gaming revenue as reported in the most recent
9 edition of the Nevada Gaming Abstract produced by the
10 Nevada Gaming Control Board. The Board of County
11 Commissioners may from time to time amend or modify
12 the geographic boundaries of the primary gaming corridor
13 to include areas which would have been included within
14 the geographic boundaries of the primary gaming corridor
15 if the Board of County Commissioners were establishing
16 those boundaries at the time of the amendment or
17 modification, but any such amendment or modification of
18 the geographic boundaries of the primary gaming corridor
19 must not impair any outstanding bonds or any revenues
20 pledged to their payment. The rate of the tax set forth in
21 paragraph (a) of subsection 1 applies to all persons in the
22 business of providing lodging in the primary gaming
23 corridor established pursuant to this subsection, regardless
24 of whether that person is licensed to conduct gaming on
25 the premises of the business and regardless of whether the
26 business of that person is specifically included in the
27 Nevada Gaming Abstract produced by the Nevada
28 Gaming Control Board. Any amendment adopted pursuant
29 to this subsection must provide that any parcel of land,
30 building or other structure located partially within the
31 primary gaming corridor is deemed to be wholly within
32 the primary gaming corridor. The decision of the Board of
33 County Commissioners establishing the boundaries, and
34 any amendment thereof, is conclusive, absent fraud.

35 ~~{6.—Upon repayment of the bonds or other securities~~
36 ~~to which the proceeds of the tax imposed pursuant to~~
37 ~~subsection 1 may be pledged, the Board of County~~
38 ~~Commissioners shall amend the ordinance imposing the~~
39 ~~tax to reduce the rate of the tax to an amount deemed~~
40 ~~sufficient by the Board to pay the amounts set forth in~~
41 ~~subsection 5 of section 34 of this act, except that the rate~~
42 ~~of the tax imposed on persons described in paragraph (a)~~
43 ~~of subsection 1 and persons described in paragraph (b) of~~
44 ~~subsection 1 must be the same rate, and that rate must not~~
45 ~~exceed one-eighth of one percent.}~~



1 ~~17.1~~ 8. The provisions of NRS 237.030 to 237.150,
2 inclusive, do not apply to the adoption of the ordinance
3 enacted pursuant to this section, or any amendment
4 thereof, or to any other action of the Board of County
5 Commissioners relating to the adoption or amendment of
6 the ordinance.

7 ~~18.1~~ 9. As used in this section:

8 (a) "Gross receipts from the rental of transient
9 lodging" does not include the tax imposed or collected
10 from paying guests pursuant to this section.

11 (b) "Primary gaming corridor" means the primary
12 gaming corridor in the stadium district, the geographic
13 boundaries of which are established by the Board of
14 County Commissioners pursuant to subsection ~~15.1~~ 7.

15 **Sec. 5.** This act becomes effective upon passage and approval.

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