
ASSEMBLY BILL NO. 205—COMMITTEE ON TAXATION

FEBRUARY 26, 2003

Referred to Committee on Taxation

SUMMARY—Increases tax on rental of transient lodging within City of Sparks to pay certain costs related to promotion of tourism. (BDR S-256)

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 taxation; increasing the tax on the rental of transient lodging within the City of Sparks to pay for certain projects and capital improvements that are intended to attract and expand tourism; and providing other matters properly relating thereto.

1 WHEREAS, The Legislature hereby finds and declares that a
2 general law cannot be made applicable for all provisions of this act
3 because of the economic and geographical diversity of the local
4 governments of this state, the unique growth patterns in those local
5 governments and the special conditions experienced in the City of
6 Sparks and Washoe County related to the disparate tax structures
7 and the need to revitalize specific areas to promote tourism; now,
8 therefore,

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

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13 **Section 1.** Chapter 432, Statutes of Nevada 1999, at page
14 2011, is hereby amended by adding thereto new sections to be
15 designated as sections 6.7 and 6.9, immediately preceding section 7,
16 to read as follows:

17 **Sec. 6.7. 1. *A tax at the rate of 2 1/2 percent of the***
18 ***gross receipts from the rental of transient lodging is hereby***
19 ***imposed in the City of Sparks.***



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- 2. *The tax imposed pursuant to this section must:*
 - (a) *Be in addition to all other taxes imposed on the revenue from the rental of transient lodging in the City of Sparks and Washoe County;*
 - (b) *Be collected and enforced in the same manner as provided for the collection of the tax imposed by NRS 244.3352, subject to the limitations set forth in NRS 244.3356, except that the proceeds of the tax may be used to defray the costs of enforcing any applicable tax liens incurred by the Reno/Sparks Convention and Visitors Authority; and*
 - (c) *Be paid to the Reno/Sparks Convention and Visitors Authority, which shall distribute the proceeds from the tax to the City Council of the City of Sparks.*

3. *As used in this section, "gross receipts from the rental of transient lodging" does not include the tax imposed or collected from paying guests pursuant to this section.*

Sec. 6.9. 1. *The City Council of the City of Sparks may expend the proceeds of the tax imposed pursuant to section 6.7 of this act, and any applicable penalty or interest. The proceeds of the tax and any applicable penalty or interest:*

(a) *Must be used to develop, acquire, establish, improve and construct projects and capital improvements that are intended to attract and expand tourism and are, at the time the proceeds from the tax are expended, located in or to be located in:*

(1) *That portion of the Sparks Town Center Project which is identified as Victorian Square; or*

(2) *Any other portion of the Sparks Town Center Project, if the project or capital improvement provides a direct benefit to a project or capital improvement located within Victorian Square, as determined by the City Council of the City of Sparks.*

(b) *May be used to acquire, lease, rent and develop land, interests in land, including, without limitation, easements, reversionary estates, licenses and dedications, and improvements to land, that will be used for projects and capital improvements described in paragraph (a).*

(c) *May be used to demolish any improvements, rehabilitate existing capital improvements or construct new capital improvements described in paragraph (a).*



1 (d) May be used to maintain and repair capital
2 improvements acquired or constructed pursuant to
3 paragraphs (b) and (c).

4 (e) May be irrevocably pledged, by an ordinance adopted
5 by the City Council of the City of Sparks, for the payment of
6 general and special obligations issued for the purposes set
7 forth in this subsection and may be treated as pledged
8 revenues for the purposes of subsection 3 of NRS 350.020.

9 (f) May be used for advertising, promotion, operating
10 costs or expenses not related to maintenance for land,
11 improvements, events or general governmental operations
12 associated with the projects and capital improvements
13 described in paragraph (a).

14 (g) Must not be used to pay administrative costs
15 associated with projects and capital improvements described
16 in paragraph (a), except those administrative costs related to
17 developing, constructing and financing such projects and
18 capital improvements and costs related to the issuance of
19 any general or special obligations.

20 2. The City Council of the City of Sparks shall, before
21 expending any proceeds of the tax pursuant to this section,
22 obtain the advice and recommendations of the Sparks
23 Tourism and Marketing Committee created pursuant to
24 section 4 of this act concerning the expenditure of those
25 proceeds.

26 3. For the purposes of this section, a project or capital
27 improvement shall be deemed to be intended to attract and
28 expand tourism if it is used for retail, entertainment,
29 recreational, scientific, cultural, historic or artistic
30 purposes.

31 4. As used in this section:

32 (a) "Capital improvement" includes:

33 (1) Buildings, parking lots, parking structures,
34 landscape facilities, privately owned facilities or devices to
35 enhance the protection of persons or property, and capital
36 equipment for any of the foregoing;

37 (2) Off-street parking projects, park projects,
38 security walls, service facilities, sidewalk projects,
39 street beautification projects, telephone projects and
40 transportation projects, as defined, respectively, in NRS
41 271.150, 271.160, 271.203, 271.204, 271.205, 271.223,
42 271.232 and 271.237;

43 (3) Recreational facilities, amusement facilities and
44 public display facilities; and



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(4) Infrastructure designed to serve capital improvements that are intended to attract and expand tourism, including, without limitation, curb and gutter projects, drainage projects, electrical projects, sanitary sewer projects, storm sewer projects, street projects and water projects, as defined, respectively, in NRS 271.090, 271.095, 271.097, 271.200, 271.215, 271.225 and 271.250, and projects to install or move gas transmission facilities.
(b) "Sparks Town Center Project" means the Sparks Town Center Project No. 1 described in the Sparks Town Center 2000 Amended Redevelopment Plan adopted by the City Council of the City of Sparks in Ordinance No. 2071 on May 8, 2000.

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

