

REQUIRES TWO-THIRDS MAJORITY VOTE
(§§ 2, 3)

S.B. 461

SENATE BILL NO. 461—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 25, 2019

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the Tahoe-Douglas Visitor’s Authority. (BDR S-733)

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; imposing a surcharge on lodging within the Tahoe Township in Douglas County; authorizing the Tahoe-Douglas Visitor’s Authority to take certain actions respecting the establishment and operation of recreational facilities; authorizing the Authority to issue certain revenue bonds; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires the Tahoe-Douglas Visitor’s Authority to use a portion of
2 the proceeds of the occupancy tax on the rental of lodgings in the Tahoe Township
3 of Douglas County exclusively for: (1) the advertising, publicizing and promotion
4 of tourism and recreation; and (2) the planning, construction and operation of a
5 convention center in the Township. (Section 26 of chapter 496, Statutes of Nevada
6 1997, at p. 2378)

7 **Section 2** of this bill establishes a \$5 surcharge on the per-night charge for the
8 rental of lodgings in the Township. **Sections 1 and 4-12** of this bill make
9 conforming changes.

10 **Section 3** of this bill enacts provisions to govern the issuance of bonds by the
11 Authority, which are based on the provisions of existing law governing the issuance
12 of bonds by county fair and recreation boards. **Section 3** authorizes the Authority to
13 take certain actions in connection with the acquisition, improvement and operation
14 of recreational facilities in the Township. **Sections 3 and 13** of this bill authorize
15 the Authority to issue revenue bonds for the acquisition of such recreational
16 facilities, to be payable from the net revenues of such recreational facilities, the
17 occupancy tax, the tourism surcharge and any other revenue which may be legally
18 made available for the payment of such bonds. **Section 13** also authorizes a portion
19 of the proceeds of the occupancy tax and the tourism surcharge to be allocated to
20 pay the costs to administer and collect the surcharge, with the remaining proceeds



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21 to be used exclusively to pay the principal and interest on the revenue bonds or
22 other securities issued by the Authority.

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

1 **Section 1.** The Tahoe-Douglas Visitor's Authority Act, being
2 chapter 496, Statutes of Nevada 1997, at page 2375, is hereby
3 amended by adding thereto a new section to be designated as section
4 15.5, immediately following section 15, to read as follows:

5 *Sec. 15.5. "Tourism surcharge" means the surcharge*
6 *on lodging imposed by section 19.5 of this act.*

7 **Sec. 2.** The Tahoe-Douglas Visitor's Authority Act, being
8 chapter 496, Statutes of Nevada 1997, at page 2375, is hereby
9 amended by adding thereto a new section to be designated as section
10 19.5, immediately following section 19, to read as follows:

11 *Sec. 19.5. 1. There is hereby imposed a surcharge of*
12 *\$5 on the per night charge for the rental of lodgings in the*
13 *Township. The surcharge must not be applied for any time*
14 *during which the lodgings are provided to a guest free of*
15 *charge. The governing body shall administer the surcharge.*

16 *2. Every vendor who furnishes any lodgings within the*
17 *Township is exercising a taxable privilege.*

18 *3. A vendor is not exempt from the surcharge because*
19 *the taxable premises are at any time located in a political*
20 *subdivision other than the municipality.*

21 **Sec. 3.** The Tahoe-Douglas Visitor's Authority Act, being
22 chapter 496, Statutes of Nevada 1997, at page 2375, is hereby
23 amended by adding thereto new sections to be designated as
24 sections 27, 28, 29, 30, 31 and 32 immediately following section 26,
25 to read as follows:

26 *Sec. 27. In addition to powers elsewhere conferred, the*
27 *Authority, upon behalf of the county, is authorized and*
28 *empowered:*

29 *1. To establish, construct, purchase, lease, enter into a*
30 *lease purchase agreement respecting, rent, acquire by gift,*
31 *grant, bequest, devise, or otherwise acquire, reconstruct,*
32 *improve, extend, better, alter, repair, equip, furnish,*
33 *regulate, maintain, operate and manage recreational*
34 *facilities in the Township, including personal property, real*
35 *property, lands, improvements and fixtures thereon,*
36 *property of any nature appurtenant thereto or used in*
37 *connection therewith, and every estate, interest and right,*
38 *legal or equitable, therein, including terms for years.*



1 2. To insure or provide for the insurance of any
2 recreational facility against such risks and hazards as the
3 Authority may deem advisable.

4 3. To arrange or contract for the furnishing by any
5 person, agency, association or corporation, public or
6 private, of services, privileges, works or facilities for, or in
7 connection with, a recreational facility and to hire and
8 retain officers, agents and employees, including a fiscal
9 adviser, engineers, attorneys or other professional or
10 specialized personnel.

11 4. To direct the governing body, with the concurrence
12 of the governing body, to acquire by the exercise of the
13 power of eminent domain any real property which the
14 Authority may deem necessary for its purposes under this
15 section, after the adoption by the governing body of a
16 resolution declaring that its acquisition is necessary for
17 such purposes. This power shall be exercised in the manner
18 provided by any applicable statutory provisions and laws of
19 the State of Nevada. Title to property so acquired shall be
20 taken in the name of the county.

21 5. To sell, lease, exchange, transfer, assign or
22 otherwise dispose of any real or personal property, or any
23 interest therein acquired for the purpose of this section,
24 including the lease of any recreational facility acquired by
25 the Authority pursuant to this section, which is to be
26 operated and maintained as a public project and
27 recreational facility.

28 6. To fix, and from time to time increase or decrease,
29 rates, tolls or charges for services or facilities furnished in
30 connection with any recreational facility, and to take such
31 action as necessary or desirable to effect their collection,
32 and, with the consent of the governing body, to provide for
33 the levy by the governing body of ad valorem taxes, the
34 proceeds thereof to be used in connection with the
35 recreational facilities.

36 7. To receive, control, invest and order the expenditure
37 of any and all moneys and funds pertaining to any
38 recreational facility or related properties, including, but not
39 limited to, annual grants to the State, the county and
40 incorporated cities in the county for capital improvements
41 for recreational facilities.

42 8. To enter into contracts, leases or other arrangements
43 for commercial advertising purposes with any person,
44 partnership or corporation.



1 9. *To exercise all or any part or combination of the*
2 *powers herein granted to the Authority, except as herein*
3 *otherwise provided.*

4 10. *To sue and be sued.*

5 11. *To do and perform any and all other acts and*
6 *things necessary, convenient, desirable or appropriate to*
7 *carry out the provisions of this section.*

8 Sec. 28. *The Authority, in addition to the other powers*
9 *conferred upon the Authority pursuant to this act, may:*

10 1. *Set aside a fund in an amount that it considers*
11 *necessary and which may be expended in the discretion of*
12 *the Authority to promote or attract conventions, meetings*
13 *and like gatherings that will utilize the recreational facilities*
14 *authorized by section 27 of this act. The expenditure is*
15 *hereby declared to be an expenditure made for a public*
16 *purpose.*

17 2. *Solicit and promote tourism and gaming generally,*
18 *both individually and through annual grants in cash or in*
19 *kind, including lease of its facilities to nonprofit groups or*
20 *associations, and further promote generally the use of its*
21 *facilities, pursuant to lease agreements, by organized groups*
22 *or by the general public for the holding of conventions,*
23 *expositions, trade shows, entertainment, sporting events,*
24 *cultural activities or similar uses reasonably calculated to*
25 *produce revenue for the Authority and to enhance the*
26 *general economy. The promotion of tourism, gaming or the*
27 *use of facilities may include advertising the facilities under*
28 *control of the Authority and the resources of the community*
29 *or area, including tourist accommodations, transportation,*
30 *entertainment, gaming and climate. The advertising may be*
31 *done jointly with a private enterprise.*

32 3. *Enter into contracts for advertising pursuant to this*
33 *section and pay the cost of the advertising, including a*
34 *reasonable commission.*

35 Sec. 29. 1. *For the acquisition of any recreational*
36 *facilities authorized in section 27 of this act, the Authority,*
37 *at any time or from time to time may in the name of and on*
38 *behalf of the Authority, issue revenue bonds:*

39 (a) *Payable from the net revenues to be derived from the*
40 *operation of such recreational facilities;*

41 (b) *Secured by a pledge of revenues from the occupancy*
42 *tax;*

43 (c) *Secured by a pledge of revenues from the tourism*
44 *surcharge;*



1 (d) Secured by any other revenue that may be legally
2 made available for their payment; or

3 (e) Payable or secured by any combination of paragraph
4 (a), (b), (c) or (d).

5 2. Revenue bonds issued pursuant to this section must
6 be authorized by resolution of the Authority, and no further
7 approval by any person, board or commission is required.

8 3. All determinations of the Authority under this
9 section shall be deemed to be conclusive, absent fraud or a
10 gross abuse of discretion.

11 Sec. 30. The bonds and any coupons issued pursuant
12 to section 29 of this act must be executed in the manner
13 provided in the Local Government Securities Law, but the
14 bonds must also bear the manual or facsimile signature of
15 an officer of the Authority, or some other person specifically
16 authorized by the Authority to sign the bonds.

17 Sec. 31. The Authority is authorized to sell such bonds
18 from time to time in the manner prescribed in NRS 350.105
19 to 350.195, inclusive, and may employ legal, fiscal,
20 engineering or other expert services in connection with the
21 acquisition, improvement, extension or betterment of the
22 improvements or facilities and with the authorization,
23 issuance and sale of the bonds.

24 Sec. 32. In order to insure the payment of the revenue
25 bonds of the Authority, the payment of which is secured or
26 is additionally secured, as the case may be, by a pledge of
27 the revenues of the recreational facilities, of any such other
28 income-producing project and of any such excise taxes, as
29 provided in section 29 of this act, or other such special
30 obligation securities so secured or other such additionally
31 secured general obligation securities of the county, the
32 Authority may establish and maintain, and from time to
33 time revise, a schedule or schedules of fees, rates and
34 charges for services, facilities and commodities rendered by
35 or through the recreational facilities, and any such other
36 income-producing project and a schedule or schedules of
37 any such excise taxes, as the case may be, in an amount
38 sufficient for that purpose and also sufficient to discharge
39 any covenant in the proceedings of the Authority or
40 governing body authorizing the issuances of any of the
41 bonds or other securities, including any covenant for the
42 establishment of reasonable reserve funds.



1 **Sec. 4.** Section 3 of the Tahoe-Douglas Visitor's Authority
2 Act, being chapter 496, Statutes of Nevada 1997, at page 2375, is
3 hereby amended to read as follows:

4 Sec. 3. Except as otherwise provided in this act or
5 unless the context otherwise requires, terms used or referred
6 to in this act have the meanings ascribed to them in the Local
7 Government Securities Law, but the definitions in sections 4
8 to 18, inclusive, *and section 15.5* of this act, unless the
9 context otherwise requires, govern the construction of this act
10 and of the Local Government Securities Law as applied to the
11 Township.

12 **Sec. 5.** Section 7 of the Tahoe-Douglas Visitor's Authority
13 Act, being chapter 496, Statutes of Nevada 1997, at page 2376, is
14 hereby amended to read as follows:

15 Sec. 7. "Gross taxable rent" means the total amount of
16 rent paid for lodging, including any associated charges that
17 are normally included in the rent ~~§~~, *including, without*
18 *limitation, resort fees or similar mandatory fees or charges*
19 *directly related to the occupancy of transient lodgings, but*
20 *not including the tourism surcharge.*

21 **Sec. 6.** Section 11 of the Tahoe-Douglas Visitor's Authority
22 Act, being chapter 496, Statutes of Nevada 1997, at page 2376, is
23 hereby amended to read as follows:

24 Sec. 11. "Occupancy tax" means the tax on lodging
25 imposed by *section 19 of* this act.

26 **Sec. 7.** Section 14 of the Tahoe-Douglas Visitor's Authority
27 Act, being chapter 496, Statutes of Nevada 1997, at page 2376, is
28 hereby amended to read as follows:

29 Sec. 14. "Rent" means the consideration received by a
30 vendor in money, credits, property or other consideration
31 valued in money for lodgings subject to ~~§~~ *the* occupancy
32 tax *and tourism surcharge* authorized in this act.

33 **Sec. 8.** Section 21 of the Tahoe-Douglas Visitor's Authority
34 Act, being chapter 496, Statutes of Nevada 1997, at page 2377, is
35 hereby amended to read as follows:

36 Sec. 21. 1. The municipality may provide that the
37 occupancy tax *or tourism surcharge* does not apply:

38 (a) If a vendee:

39 (1) Has been a permanent resident of the taxable
40 premises for a period of at least 28 consecutive days; or

41 (2) Enters into or has entered into a written agreement
42 for lodgings at the taxable premises for a period of at least 28
43 consecutive days;

44 (b) If the rent paid by a vendee is less than \$2 a day;



1 (c) To lodgings at religious, charitable, educational or
2 philanthropic institutions, including accommodations at
3 summer camps operated by such institutions;

4 (d) To clinics, hospitals or other medical facilities;

5 (e) To privately owned and operated convalescent homes
6 or homes for the aged, infirm, indigent or chronically ill;

7 (f) If the taxable premises does not have at least three
8 rooms or three other units of accommodations for lodging; or

9 (g) To all or any combination of events or conditions
10 provided in paragraphs (a) to (f), inclusive.

11 2. The occupancy tax ~~does~~ *and tourism surcharge do*
12 not apply to:

13 (a) Lodgings at institutions of the Federal Government,
14 the State, the municipality or any other public body.

15 (b) The rental of any lodgings by an employee of the
16 Federal Government, the State or a political subdivision of
17 the State, if the transaction is conducted directly with the
18 governmental entity pursuant to a governmental credit card or
19 a contract, purchase order or similar document executed or
20 authorized by an appropriate official of the governmental
21 entity.

22 **Sec. 9.** Section 22 of the Tahoe-Douglas Visitor's Authority
23 Act, being chapter 496, Statutes of Nevada 1997, at page 2378, is
24 hereby amended to read as follows:

25 Sec. 22. 1. Every vendor providing lodging in the
26 Township shall collect the *occupancy tax and tourism*
27 *surcharge* and shall act as a trustee therefor.

28 2. Every vendor providing lodging in the Township shall
29 remit the proceeds of the occupancy tax *and tourism*
30 *surcharge* to the governing body.

31 3. The *occupancy tax and tourism surcharge* must be
32 charged separately from the rent fixed by the vendor for the
33 lodgings.

34 **Sec. 10.** Section 23 of the Tahoe-Douglas Visitor's Authority
35 Act, being chapter 496, Statutes of Nevada 1997, at page 2378, is
36 hereby amended to read as follows:

37 Sec. 23. 1. The governing body may provide by
38 ordinance that:

39 (a) The payment of the occupancy tax *or tourism*
40 *surcharge* pertaining to any lodgings is secured by a lien on
41 the real property at the taxable premises where the lodgings
42 are located;

43 (b) Any such lien securing the payment of a delinquent
44 occupancy tax *or tourism surcharge* may be enforced in the



1 same manner as liens for general taxes ad valorem on real
2 property; and

3 (c) A vendor is liable for the payment of the proceeds of
4 any occupancy tax *and tourism surcharge* which pertains to
5 the vendor's taxable premises and which the vendor failed to
6 remit to the municipality, because of the vendor's failure
7 to collect the tax *and surcharge* or otherwise.

8 2. The governing body may provide for a civil penalty
9 for any such failure in an amount of not more than 10 percent
10 of the amount which was not remitted to the municipality but
11 not less than \$10.

12 3. The municipality may bring an action in the district
13 court for the collection of any amounts due, including,
14 without limitation, penalties thereon, interest on the unpaid
15 principal at a rate not exceeding 1 percent per month, the
16 costs of collection and reasonable attorney's fees incurred in
17 connection therewith, except for any tax *or surcharge* being
18 collected by the enforcement of a lien pursuant to
19 subsection 1.

20 **Sec. 11.** Section 24 of the Tahoe-Douglas Visitor's Authority
21 Act, being chapter 496, Statutes of Nevada 1997, at page 2378, is
22 hereby amended to read as follows:

23 Sec. 24. The governing body may provide by ordinance
24 for penalties not to exceed 90 days' imprisonment or a \$300
25 fine for a failure by any person to pay the *occupancy tax* [X]
26 *and tourism surcharge*, to remit the proceeds thereof to the
27 municipality or to account properly for any lodging and the
28 tax *and surcharge* proceeds pertaining thereto.

29 **Sec. 12.** Section 25 of the Tahoe-Douglas Visitor's Authority
30 Act, being chapter 496, Statutes of Nevada 1997, at page 2378, is
31 hereby amended to read as follows:

32 Sec. 25. The governing body may provide by ordinance,
33 except as limited by or otherwise provided in this act:

34 1. A procedure for licensing each vendor and for
35 refusing to license a vendor after an opportunity has been
36 given to the vendor for a public hearing by the governing
37 body concerning the issuance of the license;

38 2. The times, place and method for the payment of the
39 *occupancy tax and tourism surcharge* to the municipality,
40 the account and other records to be maintained in connection
41 therewith, a procedure for making refunds and resolving
42 disputes relating to the tax [X] *and surcharge*, including
43 exemptions pertaining thereto, the preservation and
44 destruction of records and their inspection and investigation,
45 and, subject to the provisions of subsection 1 of section 23 of



1 this act, a procedure of liens and sales to satisfy such liens;
2 and

3 3. Other rights, privileges, powers and immunities and
4 other details relating to any licenses, the collection of the
5 occupancy tax *and tourism surcharge* and the remittance of
6 the proceeds thereof to the municipality.

7 **Sec. 13.** Section 26 of the Tahoe-Douglas Visitors' Authority
8 Act, being chapter 496, Statutes of Nevada 1997, as amended by
9 chapter 496, Statutes of Nevada 1997, at page 2379, is hereby
10 amended to read as follows:

11 Sec. 26. 1. From the proceeds of the occupancy tax
12 *and the tourism surcharge* paid by vendors located in the
13 township, the governing body shall:

14 (a) Pay the principal of, interest on and any prior
15 redemption premiums due in connection with any securities
16 issued by the county pursuant to the Douglas County Lodgers
17 Tax Law which were secured with the proceeds of the
18 occupancy tax collected pursuant to the Douglas County
19 Lodgers Tax Law.

20 (b) After allocation of those proceeds pursuant to
21 paragraph (a), pay any obligations incurred before July 1,
22 1997, pursuant to any contractual agreements between the
23 governing body and the Lake Tahoe Visitor's Authority.

24 2. A portion of the proceeds of the occupancy tax *and*
25 *the tourism surcharge* paid by vendors located in the
26 Township, not to exceed 1 percent of the amount collected,
27 may be used to collect and administer the tax **H** *and the*
28 *surcharge*.

29 3. One-eighth of the proceeds of the occupancy tax paid
30 by vendors located in the Township must be remitted to the
31 Authority.

32 4. After allocation pursuant to subsections 1, 2 and 3 of
33 the proceeds of the occupancy tax paid by vendors located in
34 the Township, the remaining proceeds must be allocated as
35 follows:

36 (a) Except as otherwise provided in paragraph (b), for
37 each Fiscal Year beginning on or after July 1, 1999, 50
38 percent of those proceeds must be retained by the governing
39 body for expenditure in any manner authorized for the
40 expenditure of the proceeds of a tax imposed pursuant to the
41 Douglas County Lodgers Tax Law and 50 percent of those
42 proceeds must be remitted to the Authority.

43 (b) Except as otherwise provided in paragraph (c), for
44 each Fiscal Year beginning on or after July 1, 2000, the
45 governing body shall revise the allocation required pursuant



1 to this subsection in such a manner that the amount of those
2 proceeds retained by the governing body is reduced, and the
3 amount remitted to the Authority is increased, from the
4 amounts for the prior fiscal year by not less than 2 percent
5 and not more than 5 percent of the total amount of the
6 proceeds allocated pursuant to this subsection, until the
7 amount retained by the governing body for each fiscal year
8 equals 35 percent of those proceeds and the amount remitted
9 to the Authority for each fiscal year equals 65 percent of
10 those proceeds.

11 (c) The governing body may, for not more than one of the
12 Fiscal Years beginning on or after July 1, 2000, elect not to
13 make a revision otherwise required pursuant to paragraph (b).

14 5. *After allocation pursuant to subsections 1 and 2 of*
15 *the proceeds of the tourism surcharge paid by vendors*
16 *located in the Township, the remaining proceeds must be*
17 *remitted to the Authority.*

18 6. The proceeds remitted to the Authority pursuant to
19 subsections 3, ~~and~~ 4 and 5 must be used exclusively for:

20 (a) The advertising, publicizing and promotion of tourism
21 and recreation; ~~and~~

22 (b) The planning, construction and operation of a
23 convention center in the Township ~~};~~ and

24 (c) *The payment of principal and interest on the bonds*
25 *or other securities issued pursuant to section 29 of this act.*

26 **Sec. 14.** This act becomes effective on July 1, 2019.

