

Convention Center Expansion and Renovation
Legislative Recommendation | Preliminary Draft

EXPLANATION: Matter in *bolded italics* is new; matter between brackets ~~[omitted material]~~ is material to be removed.

OVERVIEW

SECTION 1 amends NRS 244 to increase the room tax by one-half of one percentage point (0.5 percent) in counties with 700,000 people or more. **SECTION 2** specifies allowable uses of the additional room tax revenue created in **SECTION 1**. **SECTION 3** enumerates prohibited uses of the additional room tax revenue created in **SECTION 1**. **SECTION 4** amends NRS 244A to cap the local government collection allowance for the transient lodging tax to an amount not greater than \$25 million per year in counties with a population of 700,000 or more. **SECTION 5** specifies allowable uses of the additional room tax revenue created in **SECTION 4**. **SECTION 6** enumerates prohibited uses of the additional room tax revenue created in **SECTION 4**. **SECTION 7** creates a committee for convention facilities in counties with a population of 700,000 or more. **SECTION 8** establishes the duty of the county fair and recreation board to provide support and information to an oversight committee for convention facilities. **SECTION 9** establishes certain bond request reporting and approval duties of an oversight committee for convention facilities.

LANGUAGE FOR CONSIDERATION

SECTION 1. *NRS 244.335X Additional mandatory tax on revenues from rental of transient lodging: Imposition and collection; schedule for payment; penalty and interest for late payment.*

1. The board of county commissioners:

(a) In a county whose population is 700,000 or more, shall impose a tax in addition to any tax imposed in this section or any other of one-half of one percent (0.5%) of the gross receipts from the rental of transient lodging in that county upon all persons in the business of providing lodging. This tax must be imposed by the board of county commissioners in each county, regardless of the existence or nonexistence of any other license fee or tax imposed on the revenues from the rental of transient lodging. The ordinance imposing the tax must include a schedule for the payment of the tax and the provisions of subsection 4.

2. The tax imposed pursuant to subsection 1 must be collected and administered pursuant to NRS 244.335.

3. The tax imposed pursuant to subsection 1 may be collected from the 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 it is actually collected from the paying guest.

4. If the tax imposed pursuant to subsection 1 is not paid within the time set forth in the schedule for payment, the county shall charge and collect in addition to the tax:

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

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

5. As used in this section, "gross receipts from the rental of transient lodging" does not include the tax imposed and collected from paying guests pursuant to this section or NRS 268.096.

SECTION 2. *NRS244.33X Additional mandatory tax on revenues from rental of transient lodging: Distribution of proceeds; Use of funds.*

1. The proceeds of the tax received by the county fair and recreation board under Section 1 must be accounted for separately and used only:

(a) To expand an existing convention center owned and operated by the fair and recreation board with the addition of no less than 600,000 square feet of leasable exhibition and meeting space, and to further expand, construct, purchase, acquire, improve and maintain the facilities of the county fair and recreation board; and

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(b) To pay the principal and interest on notes, bonds or other securities issued to fund the cost of projects described in subsection 1.

2. Such proceeds shall be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

SECTION 3. NRS244.33X Additional mandatory tax on revenues from rental of transient lodging: Prohibited uses of proceeds. The proceeds of the tax imposed pursuant to Section 1 may not be used:

1. As additional security for the payment of, or to redeem, any general obligation bonds issued prior to the passage of this Act;

2. To defray the costs of collecting or administering the tax incurred by the county fair and recreation board;

3. To operate and maintain recreational facilities under the jurisdiction of the county fair and recreation board;

4. To improve and expand recreational facilities other than those authorized in Section 2;

5. To construct, purchase or acquire recreational facilities other than those authorized in Section 2; or

6. For any other purpose inconsistent with Section 2.

SECTION 4. NRS 244A.645 Powers of board concerning license taxes assigned or appropriated by cities, towns and counties. In connection with any license taxes assigned or appropriated by any city, town or county, or any combination thereof, for use in connection with NRS 244A.597 to 244A.655, inclusive, the county fair and recreation board of any county, upon behalf of the county, in addition to powers elsewhere conferred, may:

1. Collect the proceeds of such taxes from time to time, receive, control, invest and order the expenditure of all money pertaining thereto, prescribe a procedure therefor, including, but not limited to:

(a) Enforcing the collection of any delinquent taxes and providing penalties in connection therewith, including, without limitation, the suspension of the business license issued by a county, city or town to a transient lodging facility and the closure of a transient lodging facility for failure to pay the tax on transient lodging; and

(b) Creating an office and hiring personnel therefor.

2. Defray the reasonable costs of collecting and otherwise administering such taxes from not exceeding 10 percent of the gross revenues so collected, excluding from this limitation and from those gross revenues any costs of collecting any delinquent taxes borne by any delinquent taxpayer.

(a) In a county whose population is 700,000 or more:

(1) The incorporated cities collectively and any county may enter into an agreement with the board for the payment of collection fees which may be more or less than 10 percent of the gross revenues collected by a particular city or the county, except that the total payment of collection fees to all the cities and the county must not exceed the lesser of:

(I) 10 percent of the combined gross revenues so collected;

(II) The total payment of collection fees to all the cities and the county in any single fiscal year, the total amount of fees collected by all the cities and the county shall not exceed \$25 million annually.

(b) In a county whose population is less than 700,000:

(1) The incorporated cities collectively and any county may enter into an agreement with the board for the payment of collection fees which may be more or less than 10 percent of the gross revenues collected by a particular city or the county, except that the total payment of collection fees to all the cities and the county must not exceed 10 percent of the combined gross revenues so collected.

SECTION 5. NRS244.650X Revenues in excess of maximum collection allowance from taxes imposed on the rental of transient lodging: Distribution of proceeds; Use of funds.

1. The proceeds of the tax received by the county fair and recreation board under Section 4 must be accounted for separately and used only:

(a) To expand an existing convention center owned and operated by the county fair and recreation board with the addition of no less than 600,000 square feet of leasable exhibition and meeting space, and to further expand, construct, purchase, acquire, improve and maintain the facilities of the county fair and recreation board; and

(b) To pay the principal and interest on notes, bonds or other securities issued to fund the cost of projects described in Subsection 1.

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2. Such proceeds shall be treated as pledged revenues of the project for the purposes of subsection 3 of NRS 350.020.

SECTION 6. NRS244.650X Additional mandatory tax on revenues from rental of transient lodging: Prohibited uses of proceeds. The proceeds of the tax imposed pursuant to Section 4 may not be used:

- 1. As additional security for the payment of, or to redeem, any general obligation bonds issued prior to the passage of this Act;*
- 2. To defray the costs of collecting or administering the tax incurred by the county fair and recreation board;*
- 3. To operate and maintain recreational facilities under the jurisdiction of the county fair and recreation board;*
- 4. To improve and expand recreational facilities other than those authorized in Section 5;*
- 5. To construct, purchase or acquire recreational facilities other than those authorized in Section 5; or*
- 6. For any other purpose inconsistent with Section 5.*

SECTION 7. NRS 244A.XXX Oversight panel for convention facilities: Establishment in counties whose population is 700,000 or more; membership; terms of members; meetings.

- 1. The oversight committee shall be comprised of five (5) members;*
- 2. Oversight committee members shall be nominated by the board of county commissioners, city councils of any incorporated city in the county with a population of 500,000 or more, the Majority Leader of the Nevada State Senate, and the Speaker of the Nevada State Senate and shall be appointed by the Governor.*
- 3. The five members appointed by the Governor shall include:*
 - (a) One member who has experience in structural or civil engineering;*
 - (b) One member who has experience in matters relating to the construction of convention facilities;*
 - (c) One member who has experience in the financing or estimation of the cost of construction projects; and*
 - (d) Two members who are representative of the gaming industry.*
- 4. After the initial terms, the term of each member of the oversight panel is two (2) years. Members of the oversight panel are eligible for reappointment.*
- 5. The oversight panel for convention facilities may meet at the call of the chair of the oversight panel, but is not required to hold meetings except for the purposes of carrying out its duties pursuant to this Act, or at the request of the Legislature, the Governor or county fair and recreation board.*

SECTION 8. NRS 244A.XXX Oversight panel for convention facilities: Duty of county fair and recreation board to provide support and information. The county fair and recreation board in a county whose population is 700,000 or more shall:

- 1. Provide administrative support to the oversight panel for convention facilities to ensure its ability to fulfill the duties and responsibilities pursuant to this Act;*
- 2. Comply with all requests by the oversight panel for information;*
- 3. Prepare a 3-year plan for the renovation of convention facilities and a 5-year plan for the construction of convention facilities for submission to the oversight panel for its review and recommendations on or before June 30 of each even-numbered fiscal year;*
- 4. Consider each recommendation made by the oversight panel and, if the county fair and recreation board does not adopt a recommendation, state in writing the reason for its action and include the statement in the minutes of the board of trustees, if applicable;*
- 5. On or before July 31 of each fiscal year, submit to the oversight panel for convention facilities for review an annual third-party audit of all construction payment; and*
- 6. On or before July 31 of each fiscal year, submit to the oversight panel for convention facilities for review an annual third-party audit of all bond activity and uses.*

SECTION 9. NRS 244A.XXX Duty to submit recommendations for financing costs for construction to Legislature; oversight panel required to approve or deny request for issuance of certain bonds.

- 1. If an oversight panel for convention facilities established pursuant to this Act approves a request by the fair and recreation board for the issuance of general obligation bonds, the oversight panel shall, on or before July 1*

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of each even-numbered year during the period in which those bonds are outstanding, submit to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature written recommendations for financing the costs of new construction, design, maintenance and repair of convention facilities.

2. In a county whose population is 700,000 or more, the oversight panel for convention facilities shall review and approve or disapprove a request of the county fair and recreation board for the issuance of bonds or any other form of indebtedness pursuant to the Act.