

**Carson City Culture & Tourism Authority
Agenda Report**

Date Submitted: 02/03/21

Agenda Date Requested: 02/08/21

Time Requested: 5-10 Minutes

To: Carson City Culture & Tourism Authority - Board of Directors

From: David Peterson, Executive Director (dpeterson@visitcarsoncity.com)

Subject Title: Discussion and possible action to recommend to the Carson City Board of Supervisors that the Board approve the continuation of the 1 percent transient occupancy tax dedicated to the Arts and Culture Program.

Staff Summary: On May 5, 2016, the Carson City Board of Supervisors adopted Ordinance No. 2016-7 imposing a 1 percent transient occupancy tax to be used primarily for the implementation of the Carson City Arts & Cultural Master Plan and development of a Cultural Tourism Campaign. The tax expires by limitation on June 1, 2021. This recommendation to the Carson City Board of Supervisors is to support the ordinance that will continue the 1 percent transient occupancy tax for the Arts and Culture Program.

Type of Action Requested:

Resolution

Ordinance

Formal Action/Motion

Other (Specify) Presentation Only

Recommended Board Action: I move to recommend that the board of supervisors approve the ordinance.

Applicable Statute, Code, Policy, Rule or Regulation: CCMC 4.08.080 – Imposition and rate of tax.

Fiscal Impact: The FY21 estimated budget for the Arts & Culture Program was \$161,744.00, there is no additional fiscal impact.

Explanation of Impact: n/a

Funding Source: 7409887-4183354 Art & Culture

Supporting Material/Attachments: Ordinance No. 2016-7
Proposed Ordinance No. 2021-___

Prepared By: Chris Kipp, Operations Manager

ORDINANCE NO. 2016-7

BILL NO. 106

AN ORDINANCE AMENDING TITLE 4 LICENSES AND BUSINESS REGULATIONS CHAPTER 4.08 (ROOM RENTAL TAX) OF THE CARSON CITY MUNICIPAL CODE BY CHANGING SECTION NUMBER 4.08.080 (IMPOSITION AND RATE OF TAX) BY ADDING PARAGRAPH 4, ADDING A TAX OF ONE PERCENT (1%) OF THE GROSS RECEIPTS FROM THE RENTAL OF LODGING IN CARSON CITY UPON ALL PERSONS IN THE BUSINESS OF PROVIDING LODGING TO BE USED PRIMARILY FOR THE IMPLEMENTATION OF THE CARSON CITY ARTS & CULTURAL MASTER PLAN, CULTURAL TOURISM CAMPAIGN AND OTHER MATTERS PROPERLY RELATED THERETO.

THE BOARD OF SUPERVISORS OF CARSON CITY DOES ORDAIN:

SECTION I:

That Title 4 Chapter 4.08 of the Carson City Municipal Code is hereby amended to change section 4.08.080 by correcting a typographical error in subsection 2 and by adding subsection 4 as follows:

4.08.080 Imposition and rate of tax.

1. There is hereby fixed and imposed a transient lodging tax on every licensee operating a rental business within the city in the amount of seven percent (7%) of the amount of gross income derived from room rentals received by each licensee from the renting of rooms within the corporate limits of the city. This transient lodging tax is in addition to any license, fee or charge fixed or imposed by any other provision of the CCMC. Two percent (2%) of the above seven percent (7%) tax may only be used to redeem the general obligation bonds issued for any recreational facilities in Carson City.

In addition to the transient lodging tax imposed above, there shall be a tax of one percent (1%) of the gross receipts from the rental of lodging in Carson City upon all persons in the business of providing lodging. Three-eighths of this amount shall be paid to the department of taxation for deposit with the state treasurer for credit to the fund for the promotion of tourism. Five-eighths of the additional one percent tax shall be deposited with the Carson City Convention and Visitors' Bureau to be used to advertise the resources of Carson City related to tourism, including available accommodations, transportation, entertainment, natural resources and climate, and to promote special events related thereto.

3. In addition to the transient lodging tax imposed above, there shall be a tax of two percent (2%) of the gross receipts from the rental of lodging in Carson City upon all persons in the business of providing lodging. The additional two percent (2%) shall be deposited with the Carson City Convention and Visitors' Bureau to be used primarily for the payment of capital costs, including construction, administration and the retirement of bonds for the Virginia and Truckee Railroad Reconstruction Project route between Virginia City and Carson City, Nevada. Additionally, any remaining funds shall be used for, but not limited to, upgrades, maintenance, operations, planning and administration for the Virginia and Truckee Railroad project as directed by the Board of Directors of the Carson City Convention and Visitor's Bureau. The imposition of this tax will be a single purpose directed levy for the reconstruction of the Virginia and Truckee Railroad. At which time the project is completed, abandoned prior to reconstruction, or for any reason no longer requires this funding, the tax will sunset and expire without further action of the Carson City Convention and Visitor's Bureau.

4. In addition to the transient lodging tax imposed above, there shall be a tax of one percent (1%) of the gross receipts from the rental of lodging in Carson City upon all persons in the business of providing lodging. The additional one percent (1%) shall be deposited with the Carson City Convention and Visitors' Bureau to be used primarily for the implementation of the Carson City Arts & Cultural Master Plan and development of a Cultural Tourism Campaign. The imposition of this tax will be a single purpose directed levy for the implementation of the Carson City Arts & Cultural Master Plan and development of a Cultural Tourism Campaign. This subsection expires by limitation on June 1, 2021.

SECTION II:

This ordinance becomes effective June 1, 2016.

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SECTION III:

That no other provisions of Chapter 4.08 of the Carson City Municipal Code are affected by this ordinance.

PROPOSED ON April 21, 2016 by Supervisor Karen Abowd.

ADOPTED May 5, 2016 by the following vote:

AYES: Supervisor Brad Bonkowski
Supervisor Jim Shirk
Supervisor Karen Abowd
Supervisor Lori Bagwell
Mayor Robert Crowell

NAYS: None.

ABSENT: None.

ABSTAIN: None.

ROBERT L. CROWELL, Mayor

ATTEST:

SUSAN MERRIWETHER, Clerk-Recorder

This ordinance shall be in force and effect from and after the 1st day of June, 2016.

SUMMARY: An ordinance revising various provisions relating to the transient lodging tax.

BILL NO. ____

ORDINANCE No. 2021-____

AN ORDINANCE RELATING TO TAXATION; AMENDING TITLE 4 (LICENSES AND BUSINESS REGULATIONS), CHAPTER 4.08 (ROOM RENTAL TAX) OF THE CARSON CITY MUNICIPAL CODE TO AMEND VARIOUS PROVISIONS RELATING TO THE TRANSIENT LODGING TAX; AND PROVIDING OTHER MATTERS PROPERLY RELATED THERETO.

The Board of Supervisors of Carson City do ordain:

SECTION I:

That Title 4 (LICENSES AND BUSINESS REGULATIONS), Chapter 4.08 (ROOM RENTAL TAX) is hereby amended by adding thereto a new section (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

4.08.015 – Authority defined.

The term “Authority” means a county fair and recreation board established under NRS 244A.597 to 244A.655, however that board may elect to be named. The Authority in the city is currently designated as the Carson City Culture & Tourism Authority, doing business as Visit Carson City.

SECTION II:

That Title 4 (LICENSES AND BUSINESS REGULATIONS), Chapter 4.08 (ROOM RENTAL TAX) is hereby amended by adding thereto a new section (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

4.08.165 – Reporting.

The Authority must present a report of the proceeds and use of the proceeds from the tax collected under CCMC 4.08.080(3) to the Board of Directors of the Authority at least once annually.

SECTION III:

That Title 4 (LICENSES AND BUSINESS REGULATIONS), Chapter 4.08 (ROOM RENTAL TAX), Section 4.08.080 (IMPOSITION AND RATE OF TAX) is hereby amended (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

4.08.080 – Imposition and rate of tax.

There is hereby imposed a transient lodging tax of 11 percent of the gross receipts from the rental of lodging in the city upon all persons in the business of providing lodging. This transient lodging tax is in addition to any license, fee or charge fixed or imposed by any other provision of the CCMC.

1. Three-eighths of one percent of the gross receipts shall be paid to the department of taxation for deposit with the state treasurer for credit to the fund for the promotion of tourism.

2. Five-eighths of one percent of the gross receipts shall be deposited with the Authority to be used to advertise the resources of the city related to tourism, including available accommodations, transportation, entertainment, natural resources and climate, and to promote special events related thereto.

3. One percent of the gross receipts shall be deposited with the Authority to be used for the implementation of the Carson City Arts and Cultural Master Plan and development of a cultural tourism campaign.

4. Two percent of the gross receipts shall be deposited with the Authority to be used:
(a) until the bonds for the Virginia and Truckee Railroad Reconstruction Project have been retired;

(1) for the payment of capital costs, including construction, administration and the retirement of bonds for the Virginia and Truckee Railroad Reconstruction Project;

(2) if any amounts remain after using the funds as described in the preceding subsection, for upgrades, maintenance, operations, planning and administration for the Virginia and Truckee Railroad as directed by the Authority; or

(3) if any amounts remain after using the funds as described in the preceding two subsections, for the promotion of tourism related to Carson City and the Virginia and Truckee Railroad; and

(b) after the bonds for the Virginia and Truckee Railroad Reconstruction Project have been retired;

(1) for upgrades, maintenance, operations, planning and administration needs as demonstrated by the Virginia and Truckee Railroad and as directed by the Authority; or

(2) if any amounts remain after using the funds as described in the preceding subsection, for any authorized purpose of the Authority.

5. Up to two percent of the gross receipts may be committed to service, retire, or redeem any general obligation bonds issued for any recreational facilities in the city. Any amounts committed to service, retire, or redeem such bonds must be used for that purpose.

6. The remaining amounts may be used for any authorized purpose of the Authority.

~~1. There is hereby fixed and imposed a transient lodging tax on every licensee operating a rental business within the city in the amount of seven percent (7%) of the amount of gross income derived from room rentals received by each licensee from the renting of rooms within the corporate limits of the city. This transient lodging tax is in addition to any license, fee or charge fixed or imposed by any other provision of the CCMC. Two percent (2%) of the above seven percent (7%) tax may only be used to redeem the general obligation bonds issued for any recreational facilities in Carson City.~~

~~2. In addition to the transient lodging tax imposed above, there shall be a tax of one percent (1%) of the gross receipts from the rental of lodging in Carson City upon all persons in the business of providing lodging. Three eighths of this amount shall be paid to the department of taxation for deposit with the state treasurer for credit to the fund for the promotion of tourism. Five eighths of the additional one percent tax shall be deposited with the Carson City Convention and Visitor's Bureau to be used to advertise the resources of Carson City related to tourism, including available accommodations, transportation, entertainment, natural resources and climate, and to promote special events related thereto.~~

~~3. In addition to the transient lodging tax imposed above, there shall be a tax of two percent (2%) of the gross receipts from the rental of lodging in Carson City upon all persons in the business of providing lodging. The additional two percent (2%) shall be deposited with the Carson City Convention and Visitor's Bureau to be used primarily for the payment of capital costs, including construction, administration and the retirement of bonds for the Virginia and Truckee Railroad Reconstruction Project route between Virginia City and Carson City, Nevada. Additionally, any remaining funds shall be used for, but not limited to, upgrades, maintenance, operations, planning and administration for the Virginia and Truckee Railroad project as directed by the Board of Directors of the Carson City Convention and Visitor's Bureau. The imposition of this tax will be a single purpose directed levy for the reconstruction of the Virginia and Truckee Railroad. At which time the project is completed, abandoned prior to reconstruction, or for any reason no longer requires this funding, the tax will sunset and expire without further action of the Carson City Convention and Visitor's Bureau.~~

~~4. In addition to the transient lodging tax imposed above, there shall be a tax of one percent (1%) of the gross receipts from the rental of lodging in Carson City upon all persons in the business of providing lodging. The additional one percent (1%) shall be deposited with the Carson City Convention and Visitor's Bureau to be used primarily for the implementation of the Carson City Arts and Cultural Master Plan and development of a Cultural Tourism Campaign. The imposition of this tax will be a single purpose directed levy for the implementation of the Carson City Arts and Cultural Master Plan and development of a Cultural Tourism Campaign. This subsection expires by limitation on June 1, 2021.]~~

SECTION IV:

That Title 4 (LICENSES AND BUSINESS REGULATIONS), Chapter 4.08 (ROOM RENTAL TAX), Section 4.08.090 (LICENSE REQUIRED) is hereby amended (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

4.08.090 – License required.

1. The city treasurer shall issue written business licenses, in such form as may be prescribed by the board, upon application therefor, and it shall be unlawful for any person, either for himself or for any other person to commence or carry on any rental business within the city without first having procured a business license from the city treasurer to do so.

2. The carrying on of any such rental business without first having procured a business license from the city treasurer shall constitute a separate violation for each day that such business is so carried on.

3. No business license shall be issued or renewed by the city treasurer pursuant to this section unless it is first determined that all transient lodging taxes, penalties and interest are paid in full, and no delinquencies exist with respect to the rental business whether or not the delinquencies were incurred by the applicant for license or renewal. The ~~Bureau~~ **Authority** is to notify the treasurer of all license holders with any delinquencies prior to December 1st of each year.

SECTION V:

That Title 4 (LICENSES AND BUSINESS REGULATIONS), Chapter 4.08 (ROOM RENTAL TAX), Section 4.08.130 (PAYMENT OF TAX) is hereby amended (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

4.08.130 – Payment of tax.

Transient lodging taxes shall become due and payable to the ~~Convention and Visitor's Bureau~~ **Authority** on the last day of each month next succeeding the calendar month or fraction thereof during which the license taxes accrued, and shall become delinquent if not paid on or before the first day of the second succeeding month.

SECTION VI:

That Title 4 (LICENSES AND BUSINESS REGULATIONS), Chapter 4.08 (ROOM RENTAL TAX), Section 4.08.160 (ASSIGNMENT OF TAX PROCEEDS) is hereby amended (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

4.08.160 – Assignment of tax proceeds.

All proceeds of the transient lodging tax fixed and imposed by this chapter are hereby assigned to the ~~{Convention and Visitor's Bureau}~~ **Authority** in accordance with, under the authority of, and for the purposes and to the full extent set forth in Nevada Revised Statutes, Section 269.095 and Sections 244A.597 to 244A-.655, inclusive.

SECTION VII:

That Title 4 (LICENSES AND BUSINESS REGULATIONS), Chapter 4.08 (ROOM RENTAL TAX), Section 4.08.170 (DELEGATION OF AUTHORITY TO ENFORCE TRANSIENT LODGING TAX LIENS) is hereby amended (**bold, underlined text** is added, ~~{stricken}~~ text is deleted) as follows:

4.08.170 – Delegation of authority to enforce transient lodging tax liens.

The power and authority to enforce the transient lodging tax liens created by this chapter are hereby delegated to the ~~{Carson City Convention and Visitor's Bureau.}~~ **Authority.**

SECTION VIII:

That Title 4 (LICENSES AND BUSINESS REGULATIONS), Chapter 4.08 (ROOM RENTAL TAX), Section 4.08.180 (PENALTY FOR DELINQUENT PAYMENT OF TRANSIENT LODGING TAX) is hereby amended (**bold, underlined text** is added, ~~{stricken}~~ text is deleted) as follows:

4.08.180 – Penalty for delinquent payment of transient lodging tax.

1. If any transient lodging taxes provided for in this chapter are delinquent, a penalty shall be imposed and collected. The penalty shall be computed at the rate of ten percent (10%) of the delinquency or an administrative fee of seventy-five dollars (\$75.00), whichever is greater. Additionally, there shall be charged interest at the rate of one point five percent (1.5%) per month or fraction of the month on all delinquencies. Penalties shall not be compounded.

2. In the event, upon audit or otherwise, it is determined by the executive director of the ~~{Carson City Convention and Visitor's Bureau}~~ **Authority** that any delinquency is due to unintentional conduct on the part of the licensee, the executive director, upon prior written notice to the governing body of the bureau, may waive all or some of the delinquency imposed pursuant to subsection (1) of this section and may impose a penalty of no less than ten percent (10%) or seventy-five dollars (\$75.00), whichever is greater, of the delinquency. The authority delegated herein to the executive director shall not extend to delinquencies attributed to transient lodging taxes authorized and mandated to be collected by NRS 244.3352 or to cases of fraud, intentional conduct, or evasion of payment on the part of a licensee.

3. As a further means of deterring tax delinquencies, if any licensee has two (2) or more delinquencies for any calendar year, then said licensee shall be required, on or before February 1st of the year following the delinquencies, to post a bond in an amount equal to the preceding year's taxes for which the licensee is, or was, obligated. In the event of a new business the ~~{Carson City Convention and Visitors Bureau}~~ **Authority** shall determine, by reference to similarly situated businesses in Carson City, the amount of the bond. The bond must be duly obtained and posted in order for the licensee to continue in business. The ~~{Carson City Convention and Visitors Bureau}~~ **Authority** shall notify the Carson City treasurer of any non-compliance with this section. The bond shall be in effect for a minimum of one (1) year commencing on the date of its effectiveness. All costs in connection with the bond shall be the responsibility of the licensee. The bond shall be written and posted by a company acceptable to the ~~{Carson City Convention and Visitors Bureau}~~ **Authority**. The bond shall run in favor of the ~~{Carson City Convention and Visitor's Bureau}~~ **Authority**. Any owner of real property upon which a licensee operates a hotel/motel is responsible for payment of room taxes should the licensee fail to pay. In the event that the real property upon which the hotel/motel is located is sold or otherwise transferred, the new owner is likewise responsible to pay all room taxes generated but not paid by prior licensee or owners.

4. A return must be filed for each reporting period regardless of tax liability. Failure to file a return will result in a penalty of seventy-five dollars (\$75.00) for each return not filed.

5. Every person, either for himself or as an agent of another, who commences, engages in, conducts or carries out any rental business for which a license is herein required, without first procuring such license or who shall fail or refuse to pay the room tax as herein provided, or who shall violate any of the provisions of this chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding five hundred dollars (\$500.00) or by imprisonment in the jail for not exceeding six (6) months or by both such fine and imprisonment.

SECTION IX:

That no other provisions of the Carson City Municipal Code are affected by this ordinance.

SECTION X:

This ordinance shall be in force and effect from and after the first day of the month of June of the year 2021.

PROPOSED on _____, 2021.

PROPOSED by Supervisor _____.

PASSED on _____, 2021.

VOTE: AYES: SUPERVISORS: _____

 NAYS: SUPERVISORS: _____

 ABSENT: SUPERVISORS: _____

LORI BAGWELL
Mayor

ATTEST:

AUBREY ROWLATT
Carson City Clerk-Recorder