



## STAFF REPORT

**Report To:** Board of Supervisors                      **Meeting Date:** February 18, 2021

**Staff Contact:** Nancy Paulson, City Manager

**Agenda Title:** For Discussion Only: Discussion and presentation regarding the transient lodging tax, including continuation of the 1% transient lodging tax ("tax") dedicated to the Arts and Culture Program currently administered by the Carson City Culture and Tourism Authority ("CTA"). (Nancy Paulson, npaulson@carson.org)

Staff Summary: On May 5, 2016, the Carson City Board of Supervisors adopted Ordinance No. 2016-7 imposing a 1% transient lodging 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 is set to expire by limitation on June 1, 2021.

**Agenda Action:** Other / Presentation                      **Time Requested:** 10 minutes

### Proposed Motion

N/A

### Board's Strategic Goal

Quality of Life

### Previous Action

On February 8, 2021, the CTA approved a recommendation to the Board of Supervisors to approve an ordinance continuing the tax by a vote of 4-0 (1 vacancy).

On December 17, 2020, the Board of Supervisors approved an amendment to the Interlocal Agreement for Administrative Services and Facility Use and Management between Carson City, the Carson City District Attorney's Office ("CCDA") and the CTA to amend and delete provisions related to the administration of the 1% tax dedicated to the implementation of the City's Arts & Culture Master Plan and the development of a Cultural Tourism Campaign.

On November 19, 2020, during a special joint meeting of the Carson City Cultural Commission ("Commission") and the CTA, the Commission and the CTA approved a recommendation to the Board of Supervisors to move the administration of the tax, dedicated to the implementation of the Carson City Arts & Culture Master Plan and the development of a cultural tourism campaign, back under the authority of the CTA.

On August 15, 2019, the Board of Supervisors approved a new Interlocal Agreement for Administrative Services and Facility Use and Management between the City, CCDA and CTA.

On March 1, 2018, the Board of Supervisors approved the 1st Amended Cooperative Agreement between the City and the CTA for administrative services and facility use and management to be funded by 2% (includes the 1% dedicated to the Arts & Culture Program) of the total 11% transient lodging tax rate.

On February 12, 2018, the CTA unanimously approved an amended agreement to allow the CTA Arts and Culture Director (Coordinator) position to be brought under the purview of the City and for the 1% transient lodging tax intended for this purpose to be administered by the City.

On May 5, 2016, the Carson City Board of Supervisors adopted Ordinance No. 2016-7 imposing a 1% transient lodging 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.

**Background/Issues & Analysis**

The Board of Supervisors increased the overall transient lodging tax rate from 10% to 11% on May 5, 2016. The additional 1% Tax is dedicated to the implementation of the City's Arts & Culture Master Plan and the development of a Cultural Tourism Campaign. Carson City Municipal Code ("CCMC") 4.08.080(4). According to the staff report, the tax would sunset after five years on June 1, 2021 unless recommended for continuation by the CTA, with a majority support of the Carson City lodging properties and approval by the Board of Supervisors.

Based on communications between the Executive Director of the CTA and the 23 lodging properties that pay the tax, there were 17 properties (74%) in support of the continuation of the tax, 1 property (4%) not in support, and the other 5 properties (22%) have not responded.

**Applicable Statute, Code, Policy, Rule or Regulation**

CCMC 4.08 (Room Rental Tax)

**Financial Information**

**Is there a fiscal impact?** Yes

**If yes, account name/number:** CTA Budget

**Is it currently budgeted?** No

**Explanation of Fiscal Impact:** Approximately \$177,000 in annual revenue to the CTA.

**Alternatives**

N/A

**Attachments:**

[2016-7 and staff report\\_.pdf](#)

**Board Action Taken:**

Motion: _____	1) _____	Aye/Nay
	2) _____	_____
		_____
		_____
		_____

\_\_\_\_\_  
(Vote Recorded By)



# STAFF REPORT

2016-7

**Report To:** Board of Supervisors

**Meeting Date:** May 5, 2016

**Staff Contact:** Joel Dunn, jdunn@visitcarsoncity.com

**Agenda Title:** For Possible Action: To adopt on second reading, 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 4.08.080 (imposition and rate of tax) by adding subsection 4 adding a tax of one (1%) percent 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.

**Staff Summary:** The Carson City Visitors Bureau Board of Directors approved a recommendation to the Carson City Board of Supervisors for a 1% increase in transient occupancy tax dedicated to the required funding for the CCVB to diversify its current offerings in an effort to allow Carson City to compete in the cultural tourism market. Additionally, the funds will allow the bureau to hire an Arts and Culture Coordinator and cover operational costs associated with the implementation of Carson City Arts and Culture Master Plan.

**Agenda Action:** Ordinance - Second Reading

**Time Requested:** 5 mins

**Proposed Motion**

I move to adopt on second reading, Bill No. 106, Ordinance No. \_\_\_\_\_, an ordinance amending Title 4 Licenses and Business Regulations, Chapter 4.08 (room rental tax) of the Carson City Municipal Code by changing Section 4.08.080 (imposition and rate of tax) by adding subsection 4 adding a tax of one (1%) percent 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.

**Board's Strategic Goal**  
Economic Development

**Previous Action**

The Carson City Visitors Bureau Board of Directors approved recommending to the Board of Supervisors to increase TOT by 1 percent by a vote of 4 ayes, 0 nays and 1 absent. Joel Dunn, CCVB Executive Director, conducted site visits with all 24 properties (Owners and/or General Managers) that contribute more than .01 percent to TOT. During these meetings the CCVB received support for the increase in TOT from 23 of the properties. The 24th property took a no-position as the property was in escrow.

A business impact statement was prepared, and accepted by the Board of Supervisors at their March 17, 2016 meeting. This ordinance was introduced on first reading at the April 21, 2016 Board of Supervisors meeting.

*copy to Joel  
Dunn via  
email  
5.26.16*

**Background/Issues & Analysis**

Final Version: 12/04/15

The 1 percent increase in room tax is estimated to bring \$160,000 annually and will sunset after five years unless approved for continuation by the CCVB Board of Directors, with a majority support of the Carson City Lodging Properties and ratification by the Board of Supervisors.

Joel Dunn, CCVB Executive Director, conducted site visits with all 24 properties (Owners and/or General Managers) that contribute more than .01 percent to TOT. During these meetings the CCVB received support for the increase in TOT from 23 of the properties. The 24th property took a no-position as the property was in escrow. Other interested persons may obtain a copy of this summary from the Executive Director's office of the Carson City Visitors Bureau.

**Applicable Statute, Code, Policy, Rule or Regulation**

CCMC 4.08.080

**Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number:

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact: Approximately \$160,000 annually in revenue to the Carson City Visitors Bureau.

**Alternatives**

**Board Action Taken:**

Motion: App

1) BB  
2) JS

Aye/Nay 5/0  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

dm  
(Vote Recorded By)

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.
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 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 1<sup>st</sup> day of June, 2016.