



## STAFF REPORT

**Report To:** Board of Supervisors                      **Meeting Date:** March 4, 2021

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

**Agenda Title:** For Possible Action: Discussion and possible action to introduce, on first reading, a proposed ordinance amending Title 4 of the Carson City Municipal Code ("CCMC") to establish a reporting requirement and remove the expiration of an existing 1% transient lodging tax supporting the Carson City Arts and Cultural Master Plan and the development of a cultural tourism campaign. (Nancy Paulson, npaulson@carson.org)

Staff Summary: This will be the first reading of a proposed ordinance which, if enacted, will remove the expiration of an existing 1% transient lodging tax supporting the Carson City Arts and Cultural Master Plan and the development of a cultural tourism campaign. It will also establish a reporting requirement to the Carson City Culture and Tourism Authority ("CTA") and the Carson City Board of Supervisors on the proceeds and use of the proceeds from the tax.

**Agenda Action:** Ordinance - First Reading                      **Time Requested:** 10 Minutes

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### Proposed Motion

I move to introduce, on first reading, Bill No. \_\_\_\_\_.

### 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 1% transient lodging tax and to establish annual reporting requirements to the CTA and the Board of Supervisors 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 ("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 Carson City Arts and Cultural 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 and Cultural 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 and Cultural 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 and 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 Carson City Arts and Cultural Master Plan and the development of a cultural tourism campaign. 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%) that 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**

Modify or do not introduce the ordinance.

**Attachments:**

[CTA 1% Extension Ordinance \[draft\] v2.1 \(1% only\) title revised.pdf](#)

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

[Public Comment to CTA Board.pdf](#)

**Board Action Taken:**

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

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(Vote Recorded By)

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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 ESTABLISH A REPORTING REQUIREMENT AND REMOVE THE EXPIRATION OF AN EXISTING 1% 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:

**4.08.165 – Reporting.**

**The Carson City Culture & Tourism Authority shall present a report of the proceeds and use of the proceeds of the tax collected under CCMC 4.08.080(4) to the board of directors of the Carson City Culture & Tourism Authority three times each year and to the board once each year.**

SECTION II:

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.**

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 III:

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

### SECTION IV:

This ordinance shall be in force and effect from and after the first day of the month of May 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



# 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.

Transcript of public comments made during the February 8, 2021, Carson City CTA Board Meeting

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Chair Jones (3:52): Right now I will ask for public comment. Desi, is there anyone, for public comment?

Desi Navarro: Yes Mr. Chair, we have a couple callers. Callers, when you hear the beep it is your turn for public comment. Please state your name for the record.

[silence]

Desi Navarro: Caller, it is your turn for public comment. Please state your name for the record.

[silence]

Chair Jones: Did we lose them?

Desi Navarro: Mr. Chair, they're, they're there, I'm just not sure that they can hear us.

First Caller: Can you guys hear me?

Desi Navarro: Ah, there we go.

Chair Jones: Alright, go ahead caller.

First Caller: Hi, can you guys hear me okay?

Chair Jones: Yes.

First Caller: Okay, perfect. My name is Sandra and I am representing the Hampton Inns here in Carson. Um, good afternoon. Um I, I just want to publicly put in my vote of confidence for the, um, for the one percent. Having been one of the original people that was here during the first go around, um, I can say that, in all honesty I was a little hesitant when the subject came around again, um, just basing it off of everything we had experienced during the first round. Um, the only thing that I could ask is that there be a lot of transparency, um, a lot of reporting, things that you know, the lodging properties can see and be a part of. Whereas the last round we weren't included. We weren't informed of anything, um, and that was definitely the real concern. I know with this go around I, I am confident that it is going to be much better, and knowing a lot of artists in you know and having a kid that is also a very artsy kid you know I am one hundred percent full support of what ever we decide to do with the arts.

Chair Jones: Alright, well Sandra, thank you. We appreciate the comments.

First Caller: Thank you.

Chair Jones (6:24): Is there anyone else for public comment?

Desi Navarro: Caller, it is your turn for public comment.

[silence]

Desi Navarro: Caller, can you hear us, are you there?

[silence]

Desi Navarro: That is all for public comment Mr. Chair.

Chair Jones (7:00): Alright, um, if there is no other people on the phone, board member Kehm, I believe that you have a public comment that you would like to make.

Board Member Kehm: Yeah, I would also speak in support of the bill. I think it is a good idea for the, um, obvious reasons that she mentioned, and I think it does a great deal for providing additional heads in beds which is the goal, I think, for all of us. So, I would be in support of it a hundred percent.

Chair Jones (7:31): Thank you, um, I think I would like to make a public comment at this time. I will take off my chair hat and put on my lodging property hat and um, speak um, in support of continuing the one percent um tax for arts and culture. I uh I think um when I, I have said it many times that any um successful DMO and um, tourism agency has to have an arts and culture, you know, portion to it. If you don't, you're ah, I think missing the boat. I think a lot of people come to our city for a core event maybe it is a sporting event but they also look for ah other things to do when they're there. So um, um, as a lodging property operator in the city I'm um in full support of the one percent continuation um, of the tax. I just wanted to make that a public comment.

Chair Jones: (8:32): Is there any other public comment? Oh, we do have one more?

Second Caller: Yes, can anybody hear me?

Chair Jones: Yes.

Second Caller: Hi, this is Fernando calling from the new Staybridge Suites. Uh, Fernando Madrigal, I'd like to make a public comment. Our hotel ah, will be the, the newest hotel in the market. And ah, as really an outsider, someone who is, has been in, in, in Reno um for the last three years. Who has witnessed all our ah the micro events and really the, the, the stimulation to the local economy. Um, it is unbelievable, I am not original, originally from this area, I uh, uh I have been amazed at how much activity does go on. Um, primarily with the art cultures. You know Burning Man brings a significant, you know, just singling out one event and, and, and really the, the, the attitude toward art is extremely welcoming here in this city and geographically I think that we, as Carson City, you know, we're, we couldn't be in a more ah in a better geographical position. We're in between one of the fastest growing cities, you know a report came out that Reno specifically has, ah number four in terms of just ah, you know ah, ah, ah soft, bedrock for the local economy during everything that is going, you know that is happening right now. Um, were right in, um were gonna were gonna be a feeder that is going to be a feeder city for us, they are you know they are they committed to the art and you know we have one of the most pristine art pictures, and art, artsy um you know, ah, ah, Lake Tahoe, what a piece of art, you know, that we have in our backyard. So we're in between both of those worlds' um natural art and just the, the, the artistic point were you do have people in this city who are interested in, in, in really pushing that agenda forward. And the way I see it this isn't a one-year project that's, you know we have the ability to push for the next three to five years, you know, five to ten years to be a, a hub for arts and tourism. And um, I fully support all of the efforts being made and the tax. So that's, I just wanted to make that public.

Chair Jones: Well, thank you for [break] I appreciate the public comments.

Desi Navarro: Christopher, it is your turn for public comment.

[silence]

Desi Navarro: Christopher, can you hear us, it is your turn for public comment.

[silence]

Chair Jones: Christopher?

[silence]

Chair Jones: Did we lose him Desi?

Desi Navarro: We must have Mr. Chair.

Chair Jones (12:09): Well, um, we'll invite Christopher back, we have a public comment at the end of the meeting that he is more than welcome to call into. With that, we'll move on . . . .

. . . .