

**RENO MUNICIPAL CODE
ROOM TAX**

Sec. 2.10.200. Tax imposed.

(a) *Amount of tax.* There is fixed and imposed a license tax for revenue on each operator of transient lodging in the city in the amount of one percent of the gross receipts derived by each operator from the renting of transient lodging within the city limits. There will be a transient lodging tax for revenue on each operator of transient lodging in the amount of one percent of the gross receipts derived by each operator from the renting of transient lodging within the Assessment District created on April 4, 1995 to defray the cost of additional police protection beginning January 1, 1999. Additionally there will be a transient lodging tax for revenue on each operator of transient lodging in the amount of one and one-half percent of the gross receipts derived by each operator from the renting of transient lodging within the area determined by the city council on October 9, 2001 to specially benefit from the capital improvements projects to be financed by bonds issued by the Reno Redevelopment Agency.

(b) *Penalty and interest.* If the transient lodging tax imposed by subsection (a) is not paid prior to becoming delinquent, the Reno-Sparks Convention and Visitors Authority ("authority") shall charge and collect in addition to the tax:

(1) A penalty of ten percent of the amount due, exclusive of interest, or an administrative fee of \$100.00, whichever is greater; and

(2) Interest on the amount due at the rate of one and one-half percent per month or fraction thereof from the date on which the tax became due until the date of payment.

(c) *Definitions.*

(1) "*Authority*" means the Reno-Sparks Convention and Visitors Authority.

(2) "*Gross receipts*" means the total actual charges for transient lodging received by operators for the reporting period. This includes, but is not limited to, actual rent payments or consideration received by an operator in money, cash-value player points, trade or barter, property or other consideration valued in money for lodgings, any forfeited deposits, cancellation fees and no-show charges received by operators from transient guests, the prorated lodging portion of package programs, commissions, and all other revenues and fees received by operators and associated with the rental of transient lodging as provided in the regulations promulgated by the authority. Gross receipts do not include the amount of the transient lodging tax imposed pursuant to statute or ordinance, whether billed to the transient guest as transient lodging tax or not.

(3) "*Occupancy*" means the use or possession, or the right to the use or possession of any room or portion thereof, in transient lodging for dwelling, lodging, or sleeping purposes.

(4) "*Occupant*" means any natural person who, for rent or consideration, uses, possesses or has the right to use or possess any room in a transient lodging facility under any lease, concession, permit, right of access, license, contract or agreement.

(5) "*Operator*" means the person who is the proprietor of transient lodging, whether in the capacity of owner, lessee, sub-lessee, mortgagee, licensee, realtor, real estate agency renting transient lodging, on-line discount booking agency, exchange company or any other capacity. Where the operator performs his or her functions through a managing agent of any type or character other than an employee, the managing agency shall also be deemed an operator for the purposes of this chapter and shall have the same duties and liabilities as his or her principal. Compliance with the provisions of this chapter by either the principal or the managing agent shall, however, be considered to be compliance by both.

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(6) "*Transient guest*" means any individual occupant who has or shall have the right of occupancy to any room for dwelling, lodging or sleeping purposes in a transient lodging facility for less than 28 consecutive days.

(7) "*Transient lodging*" means but is not limited to any facility, structure, or portion of any structure or accommodation having three or more units for rent and real estate rental services offering three or more units for rent which is occupied or intended or designed for occupancy by transient guests who pay rent or other consideration for dwelling, lodging, or sleeping purposes, and includes any hotel, resort hotel, motel, motor court, motor lodge, bed and breakfast, lodging house, rooming house, resident hotel and motel, guest house, tourist camp, resort and "dude" ranch, cabin, condominium, timeshare properties, vacation home, apartment house, recreational vehicle park/campground, guest ranch, or other similar structure or facility, or portion thereof. The term "transient lodging" does not include any of the following: any hospital, sanitarium, medical clinic, convalescent home, nursing home, home for aged people, foster home, or other similar facility operated for the care or treatment of human beings; any asylum, jail, prison, orphanage or other facility in which human beings are being detained and housed under legal restraint; and housing owned or controlled by an educational institution and used exclusively to house students, faculty or other employees, and any fraternity or sorority house or similar facility occupied exclusively by students and employees of such educational institution, and officially recognized by it; any housing operated or used exclusively for religious, charitable or educational purposes by any organization having qualifications for exemption from property taxes under the laws of the state; any housing owned by a governmental agency and used to house its employees for governmental purposes; any room within a private dwelling house or other single-family dwelling unit if the permanent or principal owner also resides in and occupies the dwelling; any unit within a time-share project occupied by an owner, or the nonpaying guests of an owner, of a time-share in the time-share project, or in the time-share plan of which the time-share project is a part, who has the right to use or occupy a unit, pursuant to (a) a time-share instrument or (b) a time-share exchange program. The burden of establishing that the housing or facility is not transient lodging as defined herein shall be on the owner thereof, who shall file with the tax administrator such information as the tax administrator may require to establish and maintain such status.

(8) "*Transient lodging tax*" means the license tax or taxes levied pursuant to NRS 244.3351 to NRS 244.3359 of the County Tax Act and NRS 268.096 to NRS 268.0968 of the City Tax Act and heretofore, hereby or hereafter any other license tax or taxes appropriated or assigned by the county or city levying, fixing or imposing the same for administration by the recreation board.

(Ord. No. 4921, § 1, 10-27-98; Ord. No. 5271, § 1, 10-9-01; Ord. No. 5985, § 1, 11-28-07)

Sec. 2.10.210. License required.

It shall be unlawful for a person, either for himself or for another person, to commence or conduct the rental of transient lodging without having first obtained the license required by this article from the authority. The act of conducting the rental of transient lodging subject to the requirements of this article without first having procured the license required herein constitutes a separate and distinct violation for each day that such business is so conducted. The authority shall issue a written license to each operator in such a form as the authority may prescribe, upon the operator's application therefore.

(Ord. No. 4921, § 1, 10-27-98; Ord. No. 5985, § 1, 11-28-07)

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Sec. 2.10.220. Exemption - length of residence.

(a) There is hereby exempted from the transient lodging tax fixed and imposed by this article each rental by any operator of transient lodging for a period of 28 consecutive days or more. Except as otherwise provided herein, no rental shall be deemed to have been made for a period of 28 days or more unless the room or rooms rented to the occupant are paid for at least such a period in advance, and continuously occupied by the occupant for the entire period of 28 days without any termination of the tenancy or any portion of the advance rental refunded to the occupant.

(b) An operator is entitled to an exemption for any occupant who is a natural person, that signs a contract, lease, or other written rental agreement, to stay at that transient lodging facility for a period of at least 28 days. This exemption may be used at the operator's discretion. If the occupant does not honor the contract, lease or other written rental agreement and leaves before staying at least 28 days, the operator will owe the transient lodging tax for the period the room was occupied.

(c) An operator classified by the authority as a 28-day rental (property that derives at least one-third of its annual gross income from 28-day rentals exempt under this section 2.10.220), is entitled to an exemption for any occupant who is a natural person, that signs an affidavit of permanent residency in a form prescribed by regulation by the authority documenting that the room is the occupant's permanent residence and that the occupant intends to reside at the transient lodging facility for a period of at least ten days. No rental shall be deemed to have been made for a period of ten days or more unless the room or rooms rented to the occupant are continuously occupied by the occupant for the entire period of ten days without any termination of the tenancy. This exemption may be used at the operator's discretion. If the occupant leaves before staying at least ten days, the operator will owe the transient lodging tax for the period the room was occupied.

(Ord. No. 4921, § 1, 10-27-98; Ord. No. 5384, § 1, 11-5-02; Ord. No. 5985, § 1, 11-28-07)

Sec. 2.10.230. Reserved.

Editor's note: Ord. No. 5985, § 1, adopted November 28, 2007, repealed § 2.10.230, which pertained to exemption--certain existing contracts. See also the Code Comparative Table.

Sec. 2.10.240. Collection by operator.

(a) Each operator shall add the amount of the transient lodging tax imposed by this article to the amount of room rental charged and collect the transient lodging tax from each transient guest. The operator shall display the amount of the transient lodging tax separately from the amount of the rental of the room on the guest registration card or other proof of registration.

(b) The operator is liable for the transient lodging tax whether or not it is actually collected from the transient guest.

(Ord. No. 4921, § 1, 10-27-98; Ord. No. 5985, § 1, 11-28-07)

Sec. 2.10.250. Notice to guest.

Each operator shall prominently display in each room or suite or, at the operator's option, in a lobby at or in the immediate vicinity of the registration desk for the business, a sign, disclosing the existence and rate of the transient lodging tax to be collected from the transient guests.

(Ord. No. 4921, § 1, 10-27-98; Ord. No. 5985, § 1, 11-28-07)

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Sec. 2.10.260. Collection and payment by authority.

(a) The authority is hereby designated, authorized and empowered to collect the proceeds of the transient lodging tax imposed by this article. The authority shall collect and pay over to the city on a timely basis, such proceeds as established by an interlocal agreement. The authority shall provide six months' written notice of its desire to terminate the collection authorized by this section.

(b) The authority shall pay the transient lodging tax collected over to the city on a monthly basis together with an accounting of all money received and accounts delinquent and transactions exempted pursuant to section 2.10.240 of this article. The amount received from the one percent allocated for railroad grade separation projects will be specified by the authority.

(Ord. No. 4921, § 1, 10-27-98; Ord. No. 5985, § 1, 11-28-07)

Sec. 2.10.270. Payment of tax.

Effective February 1, 1990, the transient lodging tax imposed by this article becomes due and payable to the city on the first day of each month next succeeding the calendar month or fraction thereof which the transient lodging tax accrued and becomes delinquent after the fifteenth day of the same month.

(Ord. No. 4921, § 1, 10-27-98; Ord. No. 5985, § 1, 11-28-07)

Sec. 2.10.280. Examination of financial records.

(a) The authority is empowered, for and on behalf of the city so long as the authority serves as the collecting agent for the transient lodging tax imposed by this article, to examine and audit the books, papers and records of any operator of transient lodging and to make investigations in connection therewith.

(b) The authority shall permit the city's director of finance, or his/her designee, all reasonable access to the authority's financial records relating to the collection and payment of the transient lodging tax.

(Ord. No. 4921, § 1, 10-27-98; Ord. No. 5985, § 1, 11-28-07)

Sec. 2.10.290. Fund established.

There is hereby established the special room tax fund into which shall be paid the proceeds from the transient lodging tax imposed by this article. The money paid into this fund shall be accounted for separately.

(Ord. No. 4921, § 1, 10-27-98; Ord. No. 5985, § 1, 11-28-07)

Sec. 2.10.300. Revenue uses.

The revenue provided by the transient lodging tax imposed by this article must be used:

(a) One-half of the money, collected city-wide, for the purpose of developing, building, maintaining, expanding or repairing city parks and other recreational facilities administered by the department of parks and recreation, provided that none of the money spent for this fund may be used to replace or otherwise relived the present funding of such purposes or activity from any other source of city revenue.

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(b) One-half of the money, collected city-wide, for city improvements or programs the primary purpose of which is the improvement or betterment of the city as a final destination for visitors and tourism, including, but not limited to:

- (1) Development of downtown event facilities;
- (2) Programs and facilities to improve the situation of the homeless;
- (3) Development of new attractions and events; and
- (4) Tourism-related social programs including, but not limited to, day-care, affordable housing and the arts.
- (5) Additional public safety personnel and equipment not to exceed one-third of the revenue generated with regard to Sec. 11(b) herein.

(c) The additional one percent collected from within the boundaries of the Assessment District created on April 4, 1995 to defray the cost of additional police protection will be used solely for railroad grade separation projects.

(d) The additional one and one-half percent collected from within the boundaries of the area determined by the city council on October 9, 2001 to specially benefit from the capital improvements projects to be financed by bonds issued by the Reno Redevelopment Agency will be used solely to acquire, establish, construct, expand, equip, improve, operate and maintain capital improvement projects identified by the Truckee Meadows Tourism Facility and Revitalization Steering Committee and to pay principal and interest on notes, bonds or other obligations issued by the Reno Redevelopment Agency to fund the acquisition, establishment, construction or expansion of the projects so identified.

(Ord. No. 4921, § 1, 10-27-98; Ord. No. 5271, § 2, 10-9-01; Ord. No. 5985, § 1, 11-28-07)