

BUSINESS IMPACT STATEMENT

BILL NO. 2022-16

(Amends various sections of LVMC Chapter 6.75, pertaining to short-term residential rentals, to conform to and incorporate various recently-adopted provisions of State law, and amends other provisions of LVMC Titles 4, 6 and 19 to make corresponding changes)

This business impact statement was prepared pursuant to NRS 237.090 to address the impact of the contents of a proposed ordinance, Bill No. 2022-16, that will amend various sections of LVMC Chapter 6.75, pertaining to short-term residential rentals, to conform to and incorporate various recently-adopted provisions of State law, and amends other provisions of LVMC Titles 4, 6 and 19 to make corresponding changes.

1. The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their responses and an explanation of the manner in which other interested persons may obtain a copy of the summary.

Notification of the proposal was sent by email to approximately 188 business licensees in categories pertaining to short-term rentals, as well as approximately 48 chambers of commerce and other interested entities and organizations. In addition, approximately 28 notices were sent by U.S. mail to entities and individuals to whom emails were sent, but where such emails were returned or marked as undeliverable. Recipients of the notification were invited to respond in writing and to submit comments, data or arguments regarding whether the proposal would impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business.

The City received three written responses to the solicitation. Included in the responses were objections to certain aspects of the proposal as being contrary to Federal law, impractical or unnecessary, or needing clarification. In terms of responses specific to economic burdens, one respondent indicated the proposed license fees were too high, discriminatory and would unduly burden small operators. The preceding sentences of this paragraph are the means by which the summary is made available to interested persons.

2. The estimated economic effect of the rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:

Adverse effects:

The proposal includes a number of additional requirements and limitations on operators and accommodations facilitators, some of which are required or imposed by State law. The new licensing requirements and fees pertaining to accommodations facilitators are said to be too high and therefore burdensome to new or existing operations.

Beneficial effects:

The proposal includes many provisions that are required by State law, and a number of provisions will assist the City in monitoring and requiring accountability, as well as benefiting users and neighbors of short-term rentals.

Direct effects:

See adverse and beneficial effects above.

Indirect effects:

None identified.

3. The following constitutes a description of the methods the local government considered to reduce the impact of the rule on businesses and a statement regarding whether any, and if so which, of these methods were used:

Not applicable.

4. The estimate of the annual cost to the local government for enforcement of the rule is:

\$60,400 (calculated as the estimated annual salary expense for staff assigned to enforcement).

5. If the rule provides for a new fee or increases an existing fee, the total annual amount expected to be collected is:

\$54,000 (calculated as the total estimated annual license fees anticipated to be collected from accommodations facilitators known to be actively conducting business within the City).

6. If the rule provides for a new fee or increases an existing fee, the money generated by the new fee or increase in existing fee will be used by the local government to:

Offset the expected costs associated to the additional monitoring and oversight of the tax collection, compliance of State operational requirements for licensed properties and enforcement of unlicensed properties

7. If the rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity, the following explains why such duplicative or more stringent provisions are necessary:

Any new provisions of the proposal that are not required by State law are deemed necessary or important to assist the City in its enforcement efforts and to benefit the public.

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8. The reasons for the conclusions regarding the impact of the rule on businesses:

It is believed that the proposal represents a balanced and reasonable approach to allowing short-term rental activity as required by State law but maintaining protection of neighborhoods and the public interest.

CERTIFICATION

I certify that, to the best of my knowledge or belief, the information contained in this business impact statement was prepared properly and is accurate.



By: City Manager
Date: July 5, 2022