

City Budget Takes Another Hit

Special to BC Free

September 24, 2010

Boulder City's shrinking General Fund budget, already suffering from a \$800,000 shortfall as a result of SolBio Energy's failure to come through with its overdue lease payment, took another sizeable hit recently when the Las Vegas Convention and Visitors Authority released its most recent room tax revenue figures.



Actual city room tax revenues have declined 28 percent from the comparable budgeted room tax amount during the past fiscal, resulting in even more pressure on the city's already beleaguered General Fund budget.

According to numbers disclosed at the LVCVA's August 10th board of directors meeting, Boulder City received a little more than \$343,000 in room tax revenue during the last fiscal year that ended June 30, 2010, which is \$132,000, or 28 percent, less than the \$475,000 city officials had budgeted.

The amount actually received in FY 09, a year earlier, was \$435,502 while this fiscal year's FY 11 projected budget figure is \$400,000.

By comparison, using the LVCVA's numbers, the amount received by the city this past fiscal year is more than \$50,000 short of what was returned to the city in the FY 09 fiscal year. The difference between FY 10 and the preceding fiscal year amounts to nearly a 13 percent loss. A discrepancy exists between the LVCVA's tax numbers and the city tax numbers for FY 09. The city reported in its final budget that it had received \$435,502 for the FY 09 fiscal year while the LVCVA said Boulder City collected a little more than \$393,000 from the convention authority.

All room tax monies collected by hotel and motel operators locally are paid to the city, which then forwards the total amount received to the LVCVA where the LVCVA takes its share and then redistributes the remainder to each entity. The decline in revenue to Boulder City is significant given that the city has close to 400 hotel and motel rooms and the city increased the room tax by 3 percent in mid-2009 after voters earlier had approved a measure to help fund K-12 education.

The increase was the result of voters approving a 3 percent hike in November 2008 and the state Legislature approving an initiative petition in March 2009 that cemented the increase, making it effective July 1, 2009. In Boulder City, lodging places with more than 100 rooms – only Boulder Inn and Suites fits that category with 114 rooms - now collects an 11 percent room tax when it had been 8 percent. For establishments with less than 100 rooms - all seven other motels plus the Boulder Dam Hotel - the rate is 9 percent when it had been 6 percent.

Under Title 4, Chapter 3 of the City Code, the room tax is only collected from lodging patrons who stay 30 days or less, but is not collected from a "resident guest," who is defined as any continuous resident of a lodging place that stays 31 days or more.