

SENATE BILL NO. 270—SENATOR SCHNEIDER

MARCH 13, 2003

Referred to Committee on Taxation

SUMMARY—Establishes source and procedure for funding grants to regional organizations for economic development. (BDR 32-781)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; increasing the state tax on transfers of real property; providing for the disposition and use of the proceeds of the increase for economic development; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 375.020 is hereby amended to read as follows:
- 2 375.020 1. A tax, at the rate of:
- 3 (a) In a county whose population is 400,000 or more, ~~[\$1.25;]~~
- 4 ***\$1.35;*** and
- 5 (b) In a county whose population is less than 400,000, ~~[65]~~ ***75***
- 6 cents,
- 7 for each \$500 of value or fraction thereof, is hereby imposed on
- 8 each deed by which any lands, tenements or other realty is granted,
- 9 assigned, transferred or otherwise conveyed to, or vested in, another
- 10 person, if the consideration or value of the interest or property
- 11 conveyed exceeds \$100.
- 12 2. The amount of tax must be computed on the basis of the
- 13 value of the transferred real property as declared pursuant to
- 14 NRS 375.060.



1 **Sec. 2.** NRS 375.070 is hereby amended to read as follows:
2 375.070 1. The county recorder shall transmit the proceeds of
3 the real property transfer tax at the end of each quarter in the
4 following manner:

5 (a) An amount equal to that portion of the proceeds which is
6 equivalent to 10 cents for each \$500 of value or fraction thereof
7 must be transmitted to the State Controller, who shall deposit that
8 amount in the Account for Low-Income Housing created pursuant to
9 NRS 319.500.

10 (b) *An amount equal to that portion of the proceeds which is*
11 *equivalent to 10 cents for each \$500 of value or fraction thereof*
12 *must be transmitted to the State Controller, who shall deposit the*
13 *money in a separate account in the State General Fund for use by*
14 *the Commission on Economic Development pursuant to section 3*
15 *of this act.*

16 (c) In a county whose population is more than 400,000, an
17 amount equal to that portion of the proceeds which is equivalent to
18 60 cents for each \$500 of value or fraction thereof must be
19 transmitted to the county treasurer for deposit in the county school
20 district's fund for capital projects established pursuant to NRS
21 387.328, to be held and expended in the same manner as other
22 money deposited in that fund.

23 ~~(e)~~ (d) The remaining proceeds must be transmitted to the
24 State Controller for deposit in the Local Government Tax
25 Distribution Account created by NRS 360.660 for credit to the
26 respective accounts of Carson City and each county.

27 2. In addition to any other authorized use of the proceeds it
28 receives pursuant to subsection 1, a county or city may use the
29 proceeds to pay expenses related to or incurred for the development
30 of affordable housing for families whose income does not exceed 80
31 percent of the median income for families residing in the same
32 county, as that percentage is defined by the United States
33 Department of Housing and Urban Development. A county or city
34 that uses the proceeds in that manner must give priority to the
35 development of affordable housing for persons who are disabled or
36 elderly.

37 3. The expenses authorized by subsection 2 include, but are not
38 limited to:

- 39 (a) The costs to acquire land and developmental rights;
40 (b) Related predevelopment expenses;
41 (c) The costs to develop the land, including the payment of
42 related rebates;
43 (d) Contributions toward down payments made for the purchase
44 of affordable housing; and
45 (e) The creation of related trust funds.



1 **Sec. 3.** Chapter 231 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *The Commission on Economic Development may, from the*
4 *amount of the proceeds of the tax on transfers of real property*
5 *deposited in a separate account pursuant to paragraph (b) of*
6 *subsection 1 of NRS 375.070, expend:*

7 1. *Not more than 10 percent of that amount to carry out its*
8 *programs for economic development; and*

9 2. *The remaining amount to provide and administer grants of*
10 *money to local or regional organizations for economic*
11 *development to assist them in meeting their staffing needs, in*
12 *promoting the advantages of their communities and in recruiting*
13 *businesses to relocate in those communities. The amount of money*
14 *allocated for disbursement in each county pursuant to this section*
15 *must be directly proportional to the amount of money collected in*
16 *that county for use pursuant to this section.*

17 **Sec. 4.** NRS 231.020 is hereby amended to read as follows:

18 231.020 As used in NRS 231.020 to 231.139, inclusive, *and*
19 *section 3 of this act*, unless the context otherwise requires, “motion
20 pictures” includes feature films, movies made for broadcast on
21 television and programs made for broadcast on television in
22 episodes.

23 **Sec. 5.** NRS 231.067 is hereby amended to read as follows:

24 231.067 The Commission on Economic Development shall:

25 1. Develop a State Plan for Industrial Development and
26 Diversification.

27 2. Promote, encourage and aid the development of commercial,
28 industrial, agricultural, mining and other vital economic interests of
29 this state, except for travel and tourism, except that in a county
30 whose population is less than 50,000, the county may include
31 community development and the development of the nongaming
32 recreation and tourism industry in its economic development efforts.

33 3. Identify sources of financing and assist businesses and
34 industries which wish to locate in Nevada in obtaining financing.

35 4. Provide and administer grants of money to political
36 subdivisions of the State and to local or regional organizations for
37 economic development to assist them in promoting the advantages
38 of their communities and in recruiting businesses to relocate in those
39 communities. Each recipient must provide an amount of money, at
40 least equal to the grant, for the same purpose, except ~~[, in]~~ *that:*

41 (a) *This requirement does not apply to any grants provided*
42 *pursuant to section 3 of this act; and*



1 **(b) In** a county whose population is less than 50,000, the
2 Commission may, if convinced that the recipient is financially
3 unable to do so, provide ~~[such]~~ a grant *pursuant to this subsection*
4 with less than equal matching money provided by the recipient.

5 5. Encourage and assist state, county and city agencies in
6 planning and preparing projects for economic or industrial
7 development and financing those projects with revenue bonds.

8 6. Coordinate and assist the activities of counties, cities, local
9 and regional organizations for economic development and fair and
10 recreation boards in the State which affect industrial development,
11 except for travel and tourism, except that in a county whose
12 population is less than 50,000, the county may include community
13 development and the development of the nongaming recreation and
14 tourism industry in its economic development efforts.

15 7. Arrange by cooperative agreements with local governments
16 to serve as the single agency in the State where relocating or
17 expanding businesses may obtain all required permits.

18 8. Promote close cooperation between public agencies and
19 private persons who have an interest in industrial development and
20 diversification in Nevada.

21 9. Organize and coordinate the activities of a group of
22 volunteers which will aggressively select and recruit businesses and
23 industries, especially small industries, to locate their offices and
24 facilities in Nevada.

25 **Sec. 6.** NRS 231.090 is hereby amended to read as follows:

26 231.090 The Executive Director of the Commission on
27 Economic Development shall direct and supervise all its
28 administrative and technical activities, including coordinating its
29 plans for economic development, promoting the production of
30 motion pictures, scheduling the Commission's programs, analyzing
31 the effectiveness of those programs and associated expenditures, and
32 cooperating with other governmental agencies which have programs
33 related to economic development. In addition to other powers and
34 duties, the Executive Director:

35 1. Shall attend all meetings of the Commission and act as its
36 Secretary, keeping minutes of its proceedings.

37 2. Shall report regularly to the Commission concerning the
38 administration of its policies and programs.

39 3. Shall report annually to the Governor and the Commission
40 regarding the work of the Commission and may make such special
41 reports as he considers desirable to the Governor.

42 4. May perform any other lawful acts which he considers
43 desirable to carry out the provisions of NRS 231.020 to 231.130,
44 inclusive ~~[]~~, *and section 3 of this act.*



1 **Sec. 7.** The amendatory provisions of section 2 of this act do
2 not apply to any proceeds of the tax imposed pursuant to NRS
3 375.020 for any period ending on or before June 30, 2003.
4 **Sec. 8.** This act becomes effective on July 1, 2003.

