
ASSEMBLY BILL NO. 73—COMMITTEE ON TAXATION

(ON BEHALF OF THE CITY OF LAS VEGAS)

PREFILED NOVEMBER 20, 2018

Referred to Committee on Taxation

SUMMARY—Provides for additional sources of funding for services and affordable housing for persons who are homeless or indigent. (BDR 32-461)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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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 indigent persons; imposing an additional tax on the transfer of real property in certain larger counties to provide funding for services and affordable housing for persons who are homeless or indigent in the county; authorizing the governing body of an incorporated city to impose an annual surcharge on users of the sewer service of the incorporated city to provide funding for support services and affordable housing for persons who are homeless or indigent in the incorporated city; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law provides for the imposition of taxes on certain transfers of real
2 property. (Chapter 375 of NRS) **Section 1** of this bill imposes such a tax at the rate
3 of 25 cents for each \$500 of value in each county whose population is 700,000 or
4 more (currently Clark County). Under **section 1**, the county and cities within the
5 county are required to use the proceeds of the tax to provide services or affordable
6 housing to persons who are homeless or indigent in the county. **Sections 2, 3 and**
7 **5-7** of this bill provide that the tax imposed by **section 1** is administered in the
8 same manner as all other taxes imposed by existing law or transfers of real property
9 and that the exemptions from those taxes also apply to a tax imposed pursuant to
10 **section 1**.

11 **Section 4** of this bill authorizes the governing body of an incorporated city to
12 impose an annual surcharge on users of the sewer service of the incorporated city in
13 an amount not to exceed \$25 multiplied by the “equivalent residential unit”
14 calculated for the user by the incorporated city. Under **section 4**, the incorporated



15 city is required to account separately for the proceeds of the surcharge and use
16 those proceeds to provide services for persons who are homeless or indigent within
17 the incorporated city. **Section 4** defines "equivalent residential unit" to mean the
18 average amount of wastewater discharged by a class of users of the city's sewer
19 service divided by the average amount of wastewater discharged by a single-family
20 dwelling.

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

1 **Section 1.** Chapter 375 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. In addition to all other taxes imposed on transfers of real*
4 *property, a tax, at the rate of 25 cents for each \$500 of value or*
5 *fraction thereof, is hereby imposed in each county whose*
6 *population is 700,000 or more on each deed by which any lands,*
7 *tenements or other realty is granted, assigned, transferred or*
8 *otherwise conveyed to, or vested in, another person, or land sale*
9 *installment contract, if the consideration or value of the interest or*
10 *property conveyed exceeds \$100.*

11 *2. The amount of the tax must be computed on the basis of*
12 *the value of the real property that is the subject of the transfer or*
13 *land sale installment contract as declared pursuant to*
14 *NRS 375.060.*

15 *3. The county recorder shall collect the tax in the manner*
16 *provided in NRS 375.030, except that he or she shall transmit all*
17 *the proceeds from the tax imposed pursuant to this section to the*
18 *Local Government Tax Distribution Account created by NRS*
19 *360.660, for credit to the account of the county in which the tax is*
20 *imposed.*

21 *4. The proceeds received by the county and each city*
22 *pursuant to subsection 3 must be used by the county or city to*
23 *provide services or affordable housing to homeless or indigent*
24 *persons within the county or city, as applicable.*

25 **Sec. 2.** NRS 375.030 is hereby amended to read as follows:

26 375.030 1. If any deed evidencing a transfer of title or land
27 sale installment contract subject to the tax imposed by NRS 375.020
28 and 375.023 and, if applicable, NRS 375.026 *and section 1 of this*
29 *act* is offered for recordation, the county recorder shall compute the
30 amount of the tax due and shall collect that amount before
31 acceptance of the deed for recordation.

32 2. The buyer and seller are jointly and severally liable for the
33 payment of the taxes imposed by NRS 375.020, 375.023 and
34 375.026 and *section 1 of this act and* any penalties and interest
35 imposed pursuant to subsection 3. The escrow holder is not liable



1 for the payment of the taxes imposed by NRS 375.020, 375.023 and
2 375.026 *and section 1 of this act* or any penalties or interest
3 imposed pursuant to subsection 3.

4 3. If, after recordation of the deed or land sale installment
5 contract, the county recorder disallows an exemption that was
6 claimed at the time the deed was recorded or through audit or
7 otherwise determines that an additional amount of tax is due, the
8 county recorder shall promptly notify the person who requested the
9 recording of the deed or land sale installment contract and the buyer
10 and seller of the additional amount of tax due. If the additional
11 amount of tax is not paid within 30 days after the date the buyer and
12 seller are notified, the county recorder shall impose a penalty of 10
13 percent of the additional amount due in addition to interest at the
14 rate of 1 percent per month, or portion thereof, of the additional
15 amount due calculated from the date of the original recordation of
16 the deed or land sale installment contract on which the additional
17 amount is due through the date on which the additional amount due,
18 penalty and interest are paid to the county recorder.

19 4. This section does not prohibit a buyer and seller from
20 agreeing by contract or otherwise that one party or the other will be
21 responsible for the payment of the tax due pursuant to this chapter,
22 but such an agreement does not affect the ability of the county
23 recorder to collect the tax and any penalties and interest from either
24 the buyer or the seller.

25 **Sec. 3.** NRS 375.090 is hereby amended to read as follows:

26 375.090 The taxes imposed by NRS 375.020, 375.023 and
27 375.026 *and section 1 of this act* do not apply to:

28 1. A mere change in identity, form or place of organization,
29 such as a transfer between a business entity and its parent, its
30 subsidiary or an affiliated business entity if the affiliated business
31 entity has identical common ownership.

32 2. A transfer of title to the United States, any territory or state
33 or any agency, department, instrumentality or political subdivision
34 thereof.

35 3. A transfer of title recognizing the true status of ownership of
36 the real property, including, without limitation, a transfer by an
37 instrument in writing pursuant to the terms of a land sale installment
38 contract previously recorded and upon which the taxes imposed by
39 this chapter have been paid.

40 4. A transfer of title without consideration from one joint
41 tenant or tenant in common to one or more remaining joint tenants
42 or tenants in common.

43 5. A transfer, assignment or other conveyance of real property
44 if the owner of the property is related to the person to whom it is
45 conveyed within the first degree of lineal consanguinity or affinity.



1 6. A transfer of title between former spouses in compliance
2 with a decree of divorce.

3 7. A transfer of title to or from a trust without consideration if a
4 certificate of trust is presented at the time of transfer.

5 8. Transfers, assignments or conveyances of unpatented mines
6 or mining claims.

7 9. A transfer, assignment or other conveyance of real property
8 to a corporation or other business organization if the person
9 conveying the property owns 100 percent of the corporation or
10 organization to which the conveyance is made.

11 10. A conveyance of real property by deed which becomes
12 effective upon the death of the grantor pursuant to NRS 111.655 to
13 111.699, inclusive.

14 11. The making, delivery or filing of conveyances of real
15 property to make effective any plan of reorganization or adjustment:

16 (a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C.
17 §§ 101 et seq.;

18 (b) Approved in an equity receivership proceeding involving a
19 railroad, as defined in the Bankruptcy Act; or

20 (c) Approved in an equity receivership proceeding involving a
21 corporation, as defined in the Bankruptcy Act,

22 ↪ if the making, delivery or filing of instruments of transfer or
23 conveyance occurs within 5 years after the date of the confirmation,
24 approval or change.

25 12. A transfer to an educational foundation. As used in this
26 subsection, "educational foundation" has the meaning ascribed to it
27 in subsection 3 of NRS 388.750.

28 13. A transfer to a university foundation. As used in this
29 subsection, "university foundation" has the meaning ascribed to it in
30 subsection 3 of NRS 396.405.

31 14. A transfer to a library foundation. As used in this
32 subsection, "library foundation" has the meaning ascribed to it in
33 NRS 379.0056.

34 **Sec. 4.** Chapter 268 of NRS is hereby amended by adding
35 thereto a new section to read as follows:

36 *1. The governing body of an incorporated city may impose,
37 and provide for the collection and enforcement of, an annual
38 surcharge on each user of the sanitary sewer system of the
39 incorporated city in an amount not to exceed \$25 multiplied by the
40 equivalent residential unit calculated for the class of user in which
41 the user is placed by the incorporated city.*

42 *2. An annual surcharge imposed pursuant to this section is in
43 addition to any sewer service fees or sewer connection fees, and
44 any other surcharge on the use of the sanitary sewer system of the*



1 *incorporated city, imposed on the users of the sanitary sewer*
2 *system of the incorporated city.*

3 3. *The proceeds of an annual surcharge imposed pursuant to*
4 *this section must be accounted for separately in the general fund*
5 *of the incorporated city and used by the incorporated city to*
6 *provide services or affordable housing to homeless or indigent*
7 *persons in the incorporated city.*

8 4. *As used in this section, "equivalent residential unit" means*
9 *a fraction, the numerator of which is the average amount of*
10 *wastewater discharged by the class of customer in which the user*
11 *of sewer services is placed by the incorporated city and the*
12 *denominator of which is the average amount of wastewater*
13 *discharged by a single-family dwelling, as determined by the*
14 *incorporated city.*

15 **Sec. 5.** NRS 379.1495 is hereby amended to read as follows:

16 379.1495 1. A library foundation:

17 (a) Shall comply with the provisions of chapter 241 of NRS;

18 (b) Except as otherwise provided in subsection 2, shall make its
19 records public and open to inspection pursuant to NRS 239.010;

20 (c) Is exempt from the taxes imposed by NRS 375.020, 375.023
21 and 375.026 *and section 1 of this act* pursuant to subsection 14 of
22 NRS 375.090; and

23 (d) May allow a trustee or the executive director or other head
24 administrator, or a designee thereof, of the library which it supports
25 to serve as a member of its governing body.

26 2. A library foundation is not required to disclose the name of
27 any contributor or potential contributor to the library foundation, the
28 amount of his or her contribution or any information which may
29 reveal or lead to the discovery of his or her identity. The library
30 foundation shall, upon request, allow a contributor to examine,
31 during regular business hours, any record, document or other
32 information of the library foundation relating to that contributor.

33 **Sec. 6.** NRS 388.750 is hereby amended to read as follows:

34 388.750 1. An educational foundation:

35 (a) Shall comply with the provisions of chapter 241 of NRS;

36 (b) Except as otherwise provided in subsection 2, shall make its
37 records public and open to inspection pursuant to NRS 239.010; and

38 (c) Is exempt from the taxes imposed by NRS 375.020, 375.023
39 and 375.026 *and section 1 of this act* pursuant to subsection 12 of
40 NRS 375.090.

41 2. An educational foundation is not required to disclose the
42 names of the contributors to the foundation or the amount of their
43 contributions. The educational foundation shall, upon request, allow
44 a contributor to examine, during regular business hours, any record,



1 document or other information of the foundation relating to that
2 contributor.

3 3. As used in this section, “educational foundation” means a
4 nonprofit corporation, association or institution or a charitable
5 organization that is:

6 (a) Organized and operated exclusively for the purpose of
7 supporting one or more kindergartens, elementary schools, junior
8 high or middle schools or high schools, or any combination thereof;

9 (b) Formed pursuant to the laws of this State; and

10 (c) Exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

11 **Sec. 7.** NRS 396.405 is hereby amended to read as follows:

12 396.405 1. A university foundation:

13 (a) Shall comply with the provisions of chapter 241 of NRS;

14 (b) Except as otherwise provided in subsection 2, shall make its
15 records public and open to inspection pursuant to NRS 239.010;

16 (c) Is exempt from the taxes imposed by NRS 375.020, 375.023
17 and 375.026 *and section 1 of this act* pursuant to subsection 13 of
18 NRS 375.090; and

19 (d) May allow a president or an administrator of the university,
20 state college or community college which it supports to serve as a
21 member of its governing body.

22 2. A university foundation is not required to disclose the name
23 of any contributor or potential contributor to the university
24 foundation, the amount of his or her contribution or any information
25 which may reveal or lead to the discovery of his or her identity. The
26 university foundation shall, upon request, allow a contributor to
27 examine, during regular business hours, any record, document or
28 other information of the foundation relating to that contributor.

29 3. As used in this section, “university foundation” means a
30 nonprofit corporation, association or institution or a charitable
31 organization that is:

32 (a) Organized and operated primarily for the purpose of
33 fundraising in support of a university, state college or a community
34 college;

35 (b) Formed pursuant to the laws of this State; and

36 (c) Exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

37 **Sec. 8.** 1. This section and section 4 of this act become
38 effective upon passage and approval.

39 2. Sections 1, 2, 3, 5, 6 and 7 of this act become effective upon
40 passage and approval for the purpose of adopting regulations and
41 performing any other administrative tasks that are necessary to carry
42 out the provisions of this act and on October 1, 2019, for all other
43 purposes.

