

SENATE BILL NO. 402—COMMITTEE ON TAXATION

MARCH 12, 1999

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to property tax. (BDR 32-1568)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: 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 property tax; exempting certain property from taxation; 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 361.086 is hereby amended to read as follows:
2 361.086 All real property and tangible personal property used
3 exclusively for housing and related facilities for elderly or handicapped
4 persons are exempt from taxation if:
5 1. The property ~~was~~ :
6 ***(a) Was*** wholly or partially financed by a loan under the Housing Act of
7 1959, as amended, 12 U.S.C. § 1701q; and
8 ~~2. The property is~~
9 ***(b) Is*** owned or operated:
10 ~~(a)~~ ***(1)*** By a nonprofit corporation organized under the laws of the
11 State of Nevada; or
12 ~~(b)~~ ***(2)*** By a nonprofit corporation organized under the laws of another
13 state and qualified to do business as a nonprofit corporation under the laws
14 of the State of Nevada ~~;~~ ***;*** or
15 ***2. The property was donated to a nonprofit corporation described in***
16 ***subparagraph (1) or (2) of subsection 1 and is owned and operated by***
17 ***that nonprofit corporation.***
18 **Sec. 2.** NRS 361.157 is hereby amended to read as follows:
19 361.157 1. When any real estate or portion of real estate which for
20 any reason is exempt from taxation is leased, loaned or otherwise made

1 available to and used by a natural person, association, partnership or
2 corporation in connection with a business conducted for profit or as a
3 residence, or both, the leasehold interest, possessory interest, beneficial
4 interest or beneficial use of the lessee or user of the property is subject to
5 taxation to the extent the:

6 (a) Portion of the property leased or used; and

7 (b) Percentage of time during the fiscal year that the property is leased
8 by the lessee or used by the user,
9 can be segregated and identified. The taxable value of the interest or use
10 must be determined in the manner provided in subsection 3 of NRS
11 361.227.

12 2. Subsection 1 does not apply to:

13 (a) Property located upon a public airport, park, market or fairground or
14 any property owned by a public airport, unless the property owned by the
15 public airport is not located upon the public airport and the property is
16 leased, loaned or otherwise made available for purposes other than for the
17 purposes of a public airport, including, without limitation, residential,
18 commercial or industrial purposes;

19 (b) Federal property for which payments are made in lieu of taxes in
20 amounts equivalent to taxes which might otherwise be lawfully assessed;

21 (c) Property of any state-supported educational institution;

22 (d) Property leased or otherwise made available to and used by a natural
23 person, private association, private corporation, municipal corporation,
24 quasi-municipal corporation or a political subdivision under the provisions
25 of the Taylor Grazing Act or by the United States Forest Service or the
26 Bureau of Reclamation of the United States Department of the Interior;

27 (e) Property of any Indian or of any Indian tribe, band or community
28 which is held in trust by the United States or subject to a restriction against
29 alienation by the United States;

30 (f) Vending stand locations and facilities operated by blind persons
31 under the auspices of the bureau of services to the blind and visually
32 impaired of the rehabilitation division of the department of employment,
33 training and rehabilitation, whether or not the property is owned by the
34 federal, state or a local government;

35 (g) Leases held by a natural person, corporation, association, municipal
36 corporation, quasi-municipal corporation or political subdivision for
37 development of geothermal resources, but only for resources which have
38 not been put into commercial production;

39 (h) The use of exempt property that is leased, loaned or made available
40 to a public officer or employee, incident to or in the course of public
41 employment;

42 (i) A parsonage owned by a recognized religious society or corporation

43 when used exclusively as a parsonage;

- 1 (j) Property owned by a charitable or religious organization all or a
2 portion of which is made available to and is used as a residence by a natural
3 person in connection with carrying out the activities of the organization;
4 (k) Property owned by a **nonprofit corporation or** governmental entity
5 and used to provide shelter ~~at a reduced rate~~ **or housing** to elderly **or**
6 **handicapped** persons or persons having low incomes;
7 (l) The occasional rental of meeting rooms or similar facilities for
8 periods of less than 30 consecutive days; or
9 (m) The use of exempt property to provide day care for children if the
10 day care is provided by a nonprofit organization.
11 3. Taxes must be assessed to lessees or users of exempt real estate and
12 collected in the same manner as taxes assessed to owners of other real
13 estate, except that taxes due under this section do not become a lien against
14 the property. When due, the taxes constitute a debt due from the lessee or
15 user to the county for which the taxes were assessed and, if unpaid, are
16 recoverable by the county in the proper court of the county.
17 4. As used in this section, the term "park" does not include a golf
18 course.
19 **Sec. 3.** This act becomes effective on July 1, 1999.