

ASSEMBLY BILL NO. 501—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF STATE PLANNING COMMISSION FOR THE
NEW CONSTRUCTION, DESIGN, MAINTENANCE AND
REPAIR OF SCHOOL FACILITIES)

MARCH 21, 2001

Referred to Committee on Taxation

SUMMARY—Makes various changes relating to taxes imposed for support of school districts. (BDR 34-1004)

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 education; authorizing the board of trustees of certain school districts to submit an advisory question to the voters in the district to determine whether the board of county commissioners should impose certain taxes for the support of school districts; authorizing the board of county commissioners in certain counties to levy certain taxes for the support of school districts; 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 387.328 is hereby amended to read as follows:
2 387.328 1. The board of trustees of each school district shall
3 establish a fund for capital projects for the purposes set forth in subsection
4 1 of NRS 387.335. The money in the fund for capital projects may be
5 transferred to the debt service fund to pay the cost of the school district's
6 debt service.
7 2. The board of trustees may accumulate money in the fund for capital
8 projects for a period not to exceed 20 years.
9 3. That portion of the vehicle privilege tax whose allocation to the
10 school district pursuant to NRS 482.180 is based on the amount of the
11 property tax levy attributable to its debt service must be deposited in the
12 county treasury to the credit of the fund established under subsection 1 or
13 the school district's debt service fund.



1 4. No money in the fund for capital projects at the end of the fiscal
2 year may revert to the county school district fund, nor may the money be a
3 surplus for any other purpose than those specified in subsection 1.

4 5. The proceeds of the taxes deposited in the fund for capital projects
5 pursuant to NRS 244.3354, 268.0962 and 375.070 *and section 3 of this act*
6 may be pledged to the payment of the principal and interest on bonds or
7 other obligations issued for one or more of the purposes set forth in NRS
8 387.335. The proceeds of such taxes so pledged may be treated as pledged
9 revenues for the purposes of subsection 3 of NRS 350.020, and the board
10 of trustees of a school district may issue bonds for those purposes in
11 accordance with the provisions of chapter 350 of NRS.

12 **Sec. 2.** NRS 387.331 is hereby amended to read as follows:

13 387.331 1. The tax on residential construction authorized by this
14 section is a specified amount which must be the same for each:

- 15 (a) Lot for a mobile home;
16 (b) Residential dwelling unit; and
17 (c) Suite in an apartment house,

18 imposed on the privilege of constructing apartment houses and residential
19 dwelling units and developing lots for mobile homes.

20 2. The board of trustees of any school district whose population is less
21 than 40,000 may request that the board of county commissioners of the
22 county in which the school district is located impose a tax on residential
23 construction in the school district to construct, remodel and make additions
24 to school buildings. Whenever the board of trustees takes that action it
25 shall notify the board of county commissioners and shall specify the areas
26 of the county to be served by the buildings to be erected or enlarged.

27 3. If the board of county commissioners decides that the tax should be
28 imposed, it shall notify the Nevada tax commission. If the commission
29 approves, the board of county commissioners may then impose the tax,
30 whose specified amount must not exceed \$1,600.

31 4. The board shall collect the tax so imposed, in the areas of the county
32 to which it applies, and may require that administrative costs, not to exceed
33 1 percent, be paid from the amount collected.

34 5. The money collected must be deposited with the county treasurer in
35 the school district's fund for capital projects to be held and expended in the
36 same manner as other money deposited in that fund.

37 *6. The board of trustees of a school district in a county whose*
38 *population is less than 40,000 may, at any general election or general*
39 *city election, submit an advisory question to the registered voters within*
40 *the county in the manner prescribed in NRS 293.482:*

41 *(a) Asking whether the board of county commissioners should enact a*
42 *tax pursuant to this section; and*

43 *(b) Setting forth the rate of tax that the board of county*
44 *commissioners, if approved, should impose.*

45 **Sec. 3.** Chapter 244 of NRS is hereby amended by adding thereto a
46 new section to read as follows:

47 *1. In addition to other taxes on rental of transient lodging, for the*
48 *sole purpose of supporting school districts, a board of county*
49 *commissioners in a county whose population is less than 400,000 may, by*



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1 ordinance, impose a tax at the rate of 1 percent of the gross receipts from
2 the rental of transient lodging in that county upon all persons in the
3 business of providing lodging.

4 2. A tax imposed pursuant to this section must be collected and
5 administered pursuant to NRS 244.335.

6 3. The tax imposed pursuant to subsection 1 may be collected from
7 the paying guests and may be shown as an addition to the charge for the
8 rental of transient lodging. The person providing the transient lodging is
9 liable to the county for the tax whether or not it is actually collected from
10 the paying guest.

11 4. If the tax imposed pursuant to subsection 1 is not paid within the
12 time set forth in the schedule for payment, the county shall charge and
13 collect in addition to the tax:

14 (a) A penalty of not more than 10 percent of the amount due,
15 exclusive of interest, or an administrative fee established by the board of
16 county commissioners, whichever is greater; and

17 (b) Interest on the amount due at the rate of not more than 1.5 percent
18 per month or fraction thereof from the date on which the tax became due
19 until the date of payment.

20 5. The proceeds of a tax collected pursuant to subsection 1 and any
21 penalty, fee or interest collected pursuant to subsection 4 must be
22 transmitted to the county treasurer for deposit in the county school
23 district's fund for capital projects established pursuant to NRS 387.328,
24 to be held and expended in the same manner as other money deposited in
25 that fund.

26 6. The board of trustees of a school district in a county whose
27 population is less than 400,000 may, at any general election or general
28 city election, submit an advisory question to the registered voters within
29 the county in the manner prescribed in NRS 293.482:

30 (a) Asking whether the board of county commissioners should enact a
31 tax pursuant to subsection 1; and

32 (b) Setting forth the rate of tax that the board of county
33 commissioners, if approved, should impose.

34 7. As used in this section, "gross receipts from the rental of transient
35 lodging" does not include the tax imposed and collected from paying
36 guests pursuant to this section or NRS 244.3352 or 268.096.

37 **Sec. 4.** NRS 244.3352 is hereby amended to read as follows:
38 244.3352 1. The board of county commissioners:

39 (a) In a county whose population is 400,000 or more, shall impose a tax
40 at a rate of 2 percent; and

41 (b) In a county whose population is less than 400,000, shall impose a
42 tax at the rate of 1 percent,
43 of the gross receipts from the rental of transient lodging in that county
44 upon all persons in the business of providing lodging. This tax must be
45 imposed by the board of county commissioners in each county, regardless
46 of the existence or nonexistence of any other license fee or tax imposed on
47 the revenues from the rental of transient lodging. The ordinance imposing
48 the tax must include a schedule for the payment of the tax and the
49 provisions of subsection 4.



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1 2. The tax imposed pursuant to subsection 1 must be collected and
2 administered pursuant to NRS 244.335.
3 3. The tax imposed pursuant to subsection 1 may be collected from the
4 paying guests and may be shown as an addition to the charge for the rental
5 of transient lodging. The person providing the transient lodging is liable to
6 the county for the tax whether or not it is actually collected from the paying
7 guest.
8 4. If the tax imposed pursuant to subsection 1 is not paid within the
9 time set forth in the schedule for payment, the county shall charge and
10 collect in addition to the tax:
11 (a) A penalty of not more than 10 percent of the amount due, exclusive
12 of interest, or an administrative fee established by the board of county
13 commissioners, whichever is greater; and
14 (b) Interest on the amount due at the rate of not more than 1.5 percent
15 per month or fraction thereof from the date on which the tax became due
16 until the date of payment.
17 5. As used in this section, "gross receipts from the rental of transient
18 lodging" does not include the tax imposed and collected from paying
19 guests pursuant to this section or NRS 268.096 ~~H~~ *or section 3 of this act.*
20 **Sec. 5.** NRS 268.096 is hereby amended to read as follows:
21 268.096 1. The city council or other governing body of each
22 incorporated city:
23 (a) In a county whose population is 400,000 or more, shall impose a tax
24 at a rate of 2 percent; and
25 (b) In a county whose population is less than 400,000, shall impose a
26 tax at the rate of 1 percent,
27 of the gross receipts from the rental of transient lodging in that city upon
28 all persons in the business of providing lodging. This tax must be imposed
29 by the city council or other governing body of each incorporated city,
30 regardless of the existence or nonexistence of any other license fee or tax
31 imposed on the revenues from the rental of transient lodging. The
32 ordinance imposing the tax must include a schedule for the payment of the
33 tax and the provisions of subsection 4.
34 2. The tax imposed pursuant to subsection 1 must be collected and
35 administered pursuant to NRS 268.095.
36 3. The tax imposed pursuant to subsection 1 may be collected from the
37 paying guests and may be shown as an addition to the charge for the rental
38 of transient lodging. The person providing the transient lodging is liable to
39 the city for the tax whether or not it is actually collected from the paying
40 guest.
41 4. If the tax imposed pursuant to subsection 1 is not paid within the
42 time set forth in the schedule for payment, the city shall charge and collect
43 in addition to the tax:
44 (a) A penalty of not more than 10 percent of the amount due, exclusive
45 of interest, or an administrative fee established by the governing body,
46 whichever is greater; and
47 (b) Interest on the amount due at the rate of not more than 1.5 percent
48 per month or fraction thereof from the date on which the tax became due
49 until the date of payment.



1 5. As used in this section, "gross receipts from the rental of transient
2 lodging" does not include the tax imposed or collected from paying guests
3 pursuant to this section or NRS 244.3352 ~~or~~ *or section 3 of this act.*

4 **Sec. 6.** Chapter 375 of NRS is hereby amended by adding thereto a
5 new section to read as follows:

6 *1. In addition to all other taxes imposed on transfers of real property,*
7 *for the sole purpose of providing support to school districts, a board of*
8 *county commissioners in a county whose population is less than 400,000*
9 *may, by ordinance, impose a tax at a rate of up to 60 cents for each \$500*
10 *of value or fraction thereof, on each deed by which any lands, tenements*
11 *or other realty is granted, assigned, transferred or otherwise conveyed to,*
12 *or vested in, another person, if the consideration or value of the interest*
13 *or property conveyed, exclusive of the value of any lien or encumbrance*
14 *remaining on the interest or property at the time of the sale, exceeds*
15 *\$100.*

16 *2. The amount of tax must be computed on the basis of the value of*
17 *the transferred real property as declared pursuant to NRS 375.060.*

18 *3. The board of trustees of a school district in a county whose*
19 *population is less than 400,000 may, at any general election or general*
20 *city election, submit an advisory question to the registered voters within*
21 *the county in the manner prescribed in NRS 293.482:*

22 *(a) Asking whether the board of county commissioners should enact a*
23 *tax pursuant to subsection 1; and*

24 *(b) Setting forth the rate of tax that the board of county*
25 *commissioners, if approved, should impose.*

26 **Sec. 7.** NRS 375.030 is hereby amended to read as follows:

27 375.030 1. If any deed evidencing a transfer of title subject to the tax
28 imposed by NRS 375.020 *or section 6 of this act*, and, if applicable, NRS
29 375.025, is offered for recordation, the county recorder shall compute the
30 amount of the tax due and shall collect that amount before acceptance of
31 the deed for recordation.

32 2. The buyer and seller are jointly and severally liable for the payment
33 of the taxes imposed by NRS 375.020 and 375.025 *and section 6 of this*
34 *act* and any penalties and interest imposed pursuant to subsection 3. The
35 escrow holder is not liable for the payment of the taxes imposed by NRS
36 375.020 and 375.025 *and section 6 of this act* or any penalties or interest
37 imposed pursuant to subsection 3.

38 3. If after recordation of the deed, the county recorder disallows an
39 exemption that was claimed at the time the deed was recorded or through
40 audit or otherwise determines that an additional amount of tax is due, the
41 county recorder shall promptly notify the buyer or seller, or both, of the
42 additional amount of tax due. In addition to the additional amount
43 determined to be due, the county recorder shall impose a penalty of 10
44 percent of the additional amount due in addition to interest at the rate of
45 1 1/2 percent per month, or portion thereof, of the additional amount due
46 calculated from the date of the original recordation of the deed on which
47 the additional amount is due through the date on which the additional
48 amount due, penalty and interest are paid to the county recorder.



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

6 **Sec. 8.** NRS 375.070 is hereby amended to read as follows:

7 375.070 1. The county recorder shall transmit the proceeds of the
8 real property transfer tax at the end of each quarter in the following
9 manner:

10 (a) An amount equal to that portion of the proceeds which is equivalent
11 to 10 cents for each \$500 of value or fraction thereof must be transmitted to
12 the state treasurer who shall deposit that amount in the account for low-
13 income housing created pursuant to NRS 319.500.

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

20 (c) *If a board of county commissioners imposes a tax pursuant to*
21 *section 6 of this act, all proceeds of such tax must be transmitted to the*
22 *county treasurer for deposit in the county school district's fund for*
23 *capital projects established pursuant to NRS 387.328, to be held and*
24 *expended in the same manner as other money deposited in that fund.*

25 (d) The remaining proceeds must be transmitted to the state treasurer for
26 deposit in the local government tax distribution account created by NRS
27 360.660 for credit to the respective accounts of Carson City and each
28 county.

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

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

40 (a) The costs to acquire land and developmental rights;

41 (b) Related predevelopment expenses;

42 (c) The costs to develop the land, including the payment of related
43 rebates;

44 (d) Contributions toward down payments made for the purchase of
45 affordable housing; and

46 (e) The creation of related trust funds.

47 **Sec. 9.** NRS 375.090 is hereby amended to read as follows:

48 375.090 The tax imposed by NRS 375.020 and 375.025 *and section 6*
49 *of this act* does not apply to:



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- 1 1. Any transaction wherein an interest in real property is encumbered
- 2 for the purposes of securing a debt.
- 3 2. A transfer of title to or from the United States, any territory or state
- 4 or any agency, department, instrumentality or political subdivision thereof.
- 5 3. A transfer of title recognizing the true status of ownership of the real
- 6 property.
- 7 4. A transfer of title without consideration from one joint tenant or
- 8 tenant in common to one or more remaining joint tenants or tenants in
- 9 common.
- 10 5. A transfer of title to community property without consideration
- 11 when held in the name of one spouse to both spouses as joint tenants or
- 12 tenants in common, or as community property.
- 13 6. A transfer of title between spouses, including gifts.
- 14 7. A transfer of title between spouses to effect a property settlement
- 15 agreement or between former spouses in compliance with a decree of
- 16 divorce.
- 17 8. A transfer of title to or from a trust, if the transfer is made without
- 18 consideration.
- 19 9. Transfers, assignments or conveyances of unpatented mines or
- 20 mining claims.
- 21 10. A transfer, assignment or other conveyance of real property to a
- 22 corporation or other business organization if the person conveying the
- 23 property owns 100 percent of the corporation or organization to which the
- 24 conveyance is made.
- 25 11. A transfer, assignment or other conveyance of real property if the
- 26 owner of the property is related to the person to whom it is conveyed
- 27 within the first degree of consanguinity.
- 28 12. The making, delivery or filing of conveyances of real property to
- 29 make effective any plan of reorganization or adjustment:
- 30 (a) Confirmed under the Bankruptcy Act, as amended, Title 11 of
- 31 U.S.C.;
- 32 (b) Approved in an equity receivership proceeding involving a railroad
- 33 as defined in the Bankruptcy Act;
- 34 (c) Approved in an equity receivership proceeding involving a
- 35 corporation, as defined in the Bankruptcy Act; or
- 36 (d) Whereby a mere change in identity, form or place of organization is
- 37 effected, such as a transfer between a corporation and its parent
- 38 corporation, a subsidiary or an affiliated corporation,
- 39 if the making, delivery or filing of instruments of transfer or conveyance
- 40 occurs within 5 years after the date of the confirmation, approval or
- 41 change.
- 42 13. The making or delivery of conveyances of real property to make
- 43 effective any order of the Securities and Exchange Commission if:
- 44 (a) The order of the Securities and Exchange Commission in obedience
- 45 to which the transfer or conveyance is made recites that the transfer or
- 46 conveyance is necessary or appropriate to effectuate the provisions
- 47 of section 11 of the Public Utility Holding Company Act of 1935, 15
- 48 U.S.C. § 79k;



1 (b) The order specifies and itemizes the property which is ordered to be
2 transferred or conveyed; and

3 (c) The transfer or conveyance is made in obedience to the order.

4 14. A transfer to or from an educational foundation. As used in this
5 subsection, “educational foundation” has the meaning ascribed to it in
6 subsection 3 of NRS 388.750.

7 15. A transfer to or from a university foundation. As used in this
8 subsection, “university foundation” has the meaning ascribed to it in
9 subsection 3 of NRS 396.405.

10 16. A transfer, assignment or other conveyance of real property to a
11 corporation sole from another corporation sole. As used in this subsection,
12 “corporation sole” means a corporation which is organized pursuant to the
13 provisions of chapter 84 of NRS.

14 **Sec. 10.** Chapter 377B of NRS is hereby amended by adding thereto a
15 new section to read as follows:

16 *The board of trustees of a school district in a county whose population*
17 *is less than 100,000 may, at any general election or general city election,*
18 *submit an advisory question to the registered voters within the county in*
19 *the manner prescribed in NRS 293.482:*

20 *(1) Asking whether the board of county commissioners should enact a*
21 *tax for the construction or renovation of facilities for schools; and*

22 *(2) Setting forth the rate of tax that the board of county*
23 *commissioners, if approved, should impose.*

