

(REPRINTED WITH ADOPTED AMENDMENTS)
FIRST REPRINT **A.B. 501**

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; making certain changes to the method of calculating the amount of basic governmental services tax to be distributed to a county school district; 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 387.331 is hereby amended to read as follows:
2 387.331 1. The tax on residential construction authorized by this
3 section is a specified amount which must be the same for each:
4 (a) Lot for a mobile home;
5 (b) Residential dwelling unit; and
6 (c) Suite in an apartment house,
7 imposed on the privilege of constructing apartment houses and residential
8 dwelling units and developing lots for mobile homes.
9 2. The board of trustees of any school district whose population is less
10 than 40,000 may request that the board of county commissioners of the
11 county in which the school district is located impose a tax on residential
12 construction in the school district to construct, remodel and make additions
13 to school buildings. Whenever the board of trustees takes that action it



1 shall notify the board of county commissioners and shall specify the areas
2 of the county to be served by the buildings to be erected or enlarged.

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

7 4. The board shall collect the tax so imposed, in the areas of the county
8 to which it applies, and may require that administrative costs, not to exceed
9 1 percent, be paid from the amount collected.

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

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

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

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

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

23 1. *In addition to all other taxes imposed on transfers of real property,*
24 *for the sole purpose of providing support to school districts, a board of*
25 *county commissioners in a county whose population is less than 100,000*
26 *may, by ordinance, impose a tax at a rate of up to 60 cents for each \$500*
27 *of value or fraction thereof, on each deed by which any lands, tenements*
28 *or other realty is granted, assigned, transferred or otherwise conveyed to,*
29 *or vested in, another person, if the consideration or value of the interest*
30 *or property conveyed, exclusive of the value of any lien or encumbrance*
31 *remaining on the interest or property at the time of the sale, exceeds*
32 *\$100.*

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

35 3. *The board of trustees of a school district in a county whose*
36 *population is less than 100,000 may, at any general election or general*
37 *city election, submit an advisory question to the registered voters within*
38 *the county in the manner prescribed in NRS 293.482:*

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

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

43 **Sec. 3.** NRS 375.030 is hereby amended to read as follows:

44 375.030 1. If any deed evidencing a transfer of title subject to the tax
45 imposed by NRS 375.020 *or section 2 of this act*, and, if applicable, NRS
46 375.025, is offered for recordation, the county recorder shall compute the
47 amount of the tax due and shall collect that amount before acceptance of
48 the deed for recordation.



1 2. The buyer and seller are jointly and severally liable for the payment
2 of the taxes imposed by NRS 375.020 and 375.025 *and section 2 of this*
3 *act* and any penalties and interest imposed pursuant to subsection 3. The
4 escrow holder is not liable for the payment of the taxes imposed by NRS
5 375.020 and 375.025 *and section 2 of this act* or any penalties or interest
6 imposed pursuant to subsection 3.

7 3. If after recordation of the deed, the county recorder disallows an
8 exemption that was claimed at the time the deed was recorded or through
9 audit or otherwise determines that an additional amount of tax is due, the
10 county recorder shall promptly notify the buyer or seller, or both, of the
11 additional amount of tax due. In addition to the additional amount
12 determined to be due, the county recorder shall impose a penalty of 10
13 percent of the additional amount due in addition to interest at the rate of
14 1 1/2 percent per month, or portion thereof, of the additional amount due
15 calculated from the date of the original recordation of the deed on which
16 the additional amount is due through the date on which the additional
17 amount due, penalty and interest are paid to the county recorder.

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

23 **Sec. 4.** NRS 375.070 is hereby amended to read as follows:

24 375.070 1. The county recorder shall transmit the proceeds of the
25 real property transfer tax at the end of each quarter in the following
26 manner:

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

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

37 (c) *If a board of county commissioners imposes a tax pursuant to*
38 *section 2 of this act, all proceeds of such tax must be transmitted to the*
39 *county treasurer for deposit in the county school district's fund for*
40 *capital projects established pursuant to NRS 387.328, to be held and*
41 *expended in the same manner as other money deposited in that fund.*

42 (d) The remaining proceeds must be transmitted to the state treasurer for
43 deposit in the local government tax distribution account created by NRS
44 360.660 for credit to the respective accounts of Carson City and each
45 county.

46 2. In addition to any other authorized use of the proceeds it receives
47 pursuant to subsection 1, a county or city may use the proceeds to pay
48 expenses related to or incurred for the development of affordable housing
49 for families whose income does not exceed 80 percent of the median



1 income for families residing in the same county, as that percentage is
2 defined by the United States Department of Housing and Urban
3 Development. A county or city that uses the proceeds in that manner must
4 give priority to the development of affordable housing for persons who are
5 disabled or elderly.

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

- 8 (a) The costs to acquire land and developmental rights;
- 9 (b) Related predevelopment expenses;
- 10 (c) The costs to develop the land, including the payment of related
11 rebates;
- 12 (d) Contributions toward down payments made for the purchase of
13 affordable housing; and
- 14 (e) The creation of related trust funds.

15 **Sec. 5.** NRS 375.090 is hereby amended to read as follows:

16 375.090 The tax imposed by NRS 375.020 and 375.025 *and section 2*
17 *of this act* does not apply to:

18 1. Any transaction wherein an interest in real property is encumbered
19 for the purposes of securing a debt.

20 2. A transfer of title to or from the United States, any territory or state
21 or any agency, department, instrumentality or political subdivision thereof.

22 3. A transfer of title recognizing the true status of ownership of the real
23 property.

24 4. A transfer of title without consideration from one joint tenant or
25 tenant in common to one or more remaining joint tenants or tenants in
26 common.

27 5. A transfer of title to community property without consideration
28 when held in the name of one spouse to both spouses as joint tenants or
29 tenants in common, or as community property.

30 6. A transfer of title between spouses, including gifts.

31 7. A transfer of title between spouses to effect a property settlement
32 agreement or between former spouses in compliance with a decree of
33 divorce.

34 8. A transfer of title to or from a trust, if the transfer is made without
35 consideration.

36 9. Transfers, assignments or conveyances of unpatented mines or
37 mining claims.

38 10. A transfer, assignment or other conveyance of real property to a
39 corporation or other business organization if the person conveying the
40 property owns 100 percent of the corporation or organization to which the
41 conveyance is made.

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

45 12. The making, delivery or filing of conveyances of real property to
46 make effective any plan of reorganization or adjustment:

47 (a) Confirmed under the Bankruptcy Act, as amended, Title 11 of
48 U.S.C.;



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1 (b) Approved in an equity receivership proceeding involving a railroad
2 as defined in the Bankruptcy Act;

3 (c) Approved in an equity receivership proceeding involving a
4 corporation, as defined in the Bankruptcy Act; or

5 (d) Whereby a mere change in identity, form or place of organization is
6 effected, such as a transfer between a corporation and its parent
7 corporation, a subsidiary or an affiliated corporation,
8 if the making, delivery or filing of instruments of transfer or conveyance
9 occurs within 5 years after the date of the confirmation, approval or
10 change.

11 13. The making or delivery of conveyances of real property to make
12 effective any order of the Securities and Exchange Commission if:

13 (a) The order of the Securities and Exchange Commission in obedience
14 to which the transfer or conveyance is made recites that the transfer or
15 conveyance is necessary or appropriate to effectuate the provisions
16 of section 11 of the Public Utility Holding Company Act of 1935, 15
17 U.S.C. § 79k;

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

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

21 14. A transfer to or from an educational foundation. As used in this
22 subsection, "educational foundation" has the meaning ascribed to it in
23 subsection 3 of NRS 388.750.

24 15. A transfer to or from a university foundation. As used in this
25 subsection, "university foundation" has the meaning ascribed to it in
26 subsection 3 of NRS 396.405.

27 16. A transfer, assignment or other conveyance of real property to a
28 corporation sole from another corporation sole. As used in this subsection,
29 "corporation sole" means a corporation which is organized pursuant to the
30 provisions of chapter 84 of NRS.

31 **Sec. 6.** Chapter 377B of NRS is hereby amended by adding thereto a
32 new section to read as follows:

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

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

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

41 **Sec. 7.** NRS 482.181 is hereby amended to read as follows:

42 482.181 1. Except as otherwise provided in subsection 4, the
43 department shall certify monthly to the state board of examiners the
44 amount of the basic and supplemental governmental services taxes
45 collected for each county by the department and its agents during the
46 preceding month, and that money must be distributed monthly as provided
47 in this section.



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1 2. Any supplemental governmental services tax collected for a county
2 must be distributed only to the county, to be used as provided in NRS
3 371.045 and 371.047.

4 3. The distribution of the basic governmental services tax within a
5 county must be made to local governments, special districts and enterprise
6 districts pursuant to the provisions of NRS 360.680 and 360.690. The
7 distribution of the basic governmental services tax must be made to the
8 county school district within the county before the distribution of the basic
9 governmental services tax pursuant to the provisions of NRS 360.680 and
10 360.690 and in the same ratio as all property taxes were levied in the
11 county in the previous fiscal year, but the State of Nevada is not entitled to
12 share in that distribution. For the purpose of calculating the amount of the
13 basic governmental services tax to be distributed to the county school
14 district, the taxes levied by each local government, special district and
15 enterprise district are the product of its certified valuation, determined
16 pursuant to subsection 2 of NRS 361.405, and its tax rate, established
17 pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980,
18 except that the tax rate for school districts, including the rate attributable to
19 a district's debt service, is the rate established pursuant to NRS 361.455 for
20 the fiscal year beginning on July 1, 1978, but if, *in any fiscal year*, the
21 *sum of the* rate attributable to a district's debt service in ~~any~~ *that* fiscal
22 year *and any rate levied for capital projects pursuant to NRS 387.3285 in*
23 *that fiscal year* is greater than its rate for the fiscal year beginning on
24 July 1, 1978, the higher rate must be used to determine the amount
25 attributable to debt service.

26 4. An amount equal to any basic governmental services tax distributed
27 to a redevelopment agency in the fiscal year 1987-1988 must continue to
28 be distributed to that agency as long as it exists but must not be increased.

29 5. The department shall make distributions of the basic governmental
30 services tax directly to county school districts.

31 6. As used in this section:

- 32 (a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.
33 (b) "Local government" has the meaning ascribed to it in NRS 360.640.
34 (c) "Special district" has the meaning ascribed to it in NRS 360.650.

35 **Sec. 8.** 1. The amendatory provisions of section 7 of this act do not
36 apply to modify, directly or indirectly, any taxes levied or revenues
37 pledged in such a manner as to impair adversely any outstanding
38 obligations of a local government, special district or enterprise district,
39 including, without limitation, bonds, medium-term financing, letters of
40 credit and any other financial obligation, until all such obligations have
41 been discharged in full or provision for their payment and redemption has
42 been fully made.

43 2. As used in this section:

- 44 (a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.
45 (b) "Local government" has the meaning ascribed to it in NRS 360.640.
46 (c) "Special district" has the meaning ascribed to it in NRS 360.650.

