

SENATE BILL NO. 468—COMMITTEE ON NATURAL RESOURCES

MARCH 22, 2001

Referred to Committee on Taxation

SUMMARY—Authorizes board of county commissioners to impose additional tax on transfer of real property for certain purposes. (BDR 32-1473)

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; authorizing a board of county commissioners to impose an additional tax on the transfer of real property; requiring that the proceeds of the tax be used in the plant industry program for certain purposes; requiring the state department of agriculture to present certain programs relating to invasive species to each board of county commissioners each fiscal year; 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.** Chapter 375 of NRS is hereby amended by adding thereto a  
2 new section to read as follows:  
3     1. *In addition to all other taxes imposed on transfers of real property,*  
4 *a board of county commissioners may impose a tax at the rate of up to 5*  
5 *cents for each \$500 of value, or fraction thereof, on each deed by which*  
6 *any lands, tenements or other realty is granted, assigned, transferred or*  
7 *otherwise conveyed to, or vested in, another person, if the consideration*  
8 *or value of the interest or property conveyed, exclusive of the value of*  
9 *any lien or encumbrance remaining on the interest or property at the*  
10 *time of the sale, exceeds \$100.*  
11     2. *The amount of the tax must be computed on the basis of the value*  
12 *of the transferred real property as declared pursuant to NRS 375.060.*  
13     3. *The county recorder shall collect the tax in the manner provided*  
14 *in NRS 375.030, except that he shall transmit all the proceeds from the*  
15 *tax imposed pursuant to this section to the state treasurer for use in the*  
16 *plant industry program established in NRS 561.355 for use in*  
17 *accordance with that section.*



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

2     375.030 1. If any deed evidencing a transfer of title subject to the tax  
3 imposed by NRS 375.020 and, if applicable, NRS 375.025 ~~and~~ *and section*  
4 *1 of this act*, is offered for recordation, the county recorder shall compute  
5 the amount of the tax due and shall collect that amount before acceptance  
6 of the deed for recordation.

7     2. The buyer and seller are jointly and severally liable for the payment  
8 of the taxes imposed by NRS 375.020 and 375.025 *and section 1 of this*  
9 *act* and any penalties and interest imposed pursuant to subsection 3. The  
10 escrow holder is not liable for the payment of the taxes imposed by NRS  
11 375.020 and 375.025 *and section 1 of this act* or any penalties or interest  
12 imposed pursuant to subsection 3.

13     3. If , after recordation of the deed, the county recorder disallows an  
14 exemption that was claimed at the time the deed was recorded , or through  
15 audit or otherwise determines that an additional amount of tax is due, the  
16 county recorder shall promptly notify the buyer or seller, or both, of the  
17 additional amount of tax due. In addition to the additional amount  
18 determined to be due, the county recorder shall impose a penalty of 10  
19 percent of the additional amount due in addition to interest at the rate of  
20 1 1/2 percent per month, or portion thereof, of the additional amount due  
21 calculated from the date of the original recordation of the deed on which  
22 the additional amount is due through the date on which the additional  
23 amount due, penalty and interest are paid to the county recorder.

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

29     **Sec. 3.** NRS 375.070 is hereby amended to read as follows:

30     375.070 1. ~~Except~~ *Except as otherwise provided in section 1 of this*  
31 *act*, the county recorder shall transmit the proceeds of the real property  
32 transfer tax at the end of each quarter in the following manner:

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

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

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

47     2. In addition to any other authorized use of the proceeds it receives  
48 pursuant to subsection 1, a county or city may use the proceeds to pay  
49 expenses related to or incurred for the development of affordable housing



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1 for families whose income does not exceed 80 percent of the median  
2 income for families residing in the same county, as that percentage is  
3 defined by the United States Department of Housing and Urban  
4 Development. A county or city that uses the proceeds in that manner must  
5 give priority to the development of affordable housing for persons who are  
6 disabled or elderly.

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

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

16 **Sec. 4.** NRS 375.090 is hereby amended to read as follows:

17 375.090 The tax imposed by NRS 375.020 and 375.025 *and section 1*  
18 *of this act* does not apply to:

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

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

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

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

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

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

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

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

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

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

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

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

48 (a) Confirmed under the Bankruptcy Act, as amended, Title 11 of  
49 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 of  
16 section 11 of the Public Utility Holding Company Act of 1935, 15 U.S.C. §  
17 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. 5.** NRS 561.355 is hereby amended to read as follows:  
32 561.355 1. The plant industry program is hereby established.  
33 2. The following fees and money ~~shall~~ **must** be used in the plant  
34 industry program:  
35 (a) Fees and money collected pursuant to the provisions of chapters 555,  
36 581, 582 and 587 of NRS.  
37 (b) Laboratory fees collected for the diagnosis of infectious, contagious  
38 and destructive diseases of agricultural commodities, and infestations  
39 thereof by pests, as authorized by NRS 561.305, and as may be necessary  
40 under the provisions of **chapter 554 of** NRS . ~~{554.010 to 554.240,~~  
41 ~~inclusive.}~~  
42 (c) Laboratory fees collected for the survey and identification of insect  
43 pests, plant diseases and noxious weeds, as authorized by NRS 561.305,  
44 and as may be necessary under the provisions of NRS ~~{555.010}~~ **555.005** to  
45 555.249, inclusive.  
46 (d) Laboratory fees collected for the testing of the purity and  
47 germinating power of agricultural seeds, as authorized by NRS 561.305,  
48 and as may be necessary under the provisions of NRS 587.015 to 587.123,  
49 inclusive.



- 1     (e) *Money received from the tax on the transfer of real property*  
2     *pursuant to section 1 of this act.*
- 3     3. Expenditures for the plant industry program ~~shall~~ *must* be made  
4     only for the purposes of carrying out the provisions of chapters 554, 555,  
5     581, 582 and 587 of NRS, and the provisions of this chapter.
- 6     4. *The money credited to the program pursuant to section 1 of this*  
7     *act must only be used:*
- 8     (a) *By the department for programs on the exclusion, detection and*  
9     *control of invasive species; and*
- 10    (b) *For grants to local governments and nonprofit organizations for*  
11    *the control or management of invasive species.*
- 12    5. *Each fiscal year, the department shall present to each board of*  
13    *county commissioners for approval by the board proposed programs for*  
14    *the exclusion, detection and control of invasive species that involve*  
15    *cooperative action between the department and the county.*
- 16    6. *As used in this section:*
- 17    (a) *“Invasive species” means any living organism not native to this*  
18    *state that may present a threat to the economy, environment or public*  
19    *health of this state.*
- 20    (b) *“Local government” has the meaning ascribed to it in*  
21    *NRS 237.050.*
- 22    Sec. 6. This act becomes effective on July 1, 2001.

