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SENATE COMMERCE AND LABOR COMMITTEE

March 25, 2003

Proposed Amendments to S.B. 270

(Submitted on behalf of the Nevada Development Authority)

[New language is in **bold, italics and underlined**. Deleted language is highlighted.]

Intent

To apply the proposed increase to the Real Property Transfer Tax only to transfers of non-residential property.

Proposed Amendments

1. New Section to read as follows:

Section 1. NRS 375.010 is hereby amended by adding thereto new subsections to read as follows:

"Residential dwelling unit" means a building or a portion of a building, planned, designed or used as a residence for one family only, living independently of other families or persons, and having its own bathroom and housekeeping facilities included in the unit, and where each unit is individually owned. The term does not include timeshares or similar developments as defined by the jurisdiction in which the property is located.

"Not used for residential purposes" means any lands, tenements or other realty on which there does not exist a residential dwelling unit.

2. Page 1, line 1: "Section 1. 2. NRS 375.020 is hereby amended to read as follows:"

3. Page 1, line 2: "375.020 Imposition and rate on residential property 1. A tax, at a rate of:"

4. Page 1, lines 3-4: "(a) In a county whose population is 400,000 or more, [~~\$1.25~~] \$1.35; \$1.25; and"

5. Page 1, lines 5-6: "(b) In a county whose population is 400,000 or less [65] 75 65 cents,"

6. Page 1, line 8: "each deed by which any lands, tenements or other realty" on which a residential dwelling unit exists is granted,"

7. New Section to read as follows:

Sec. 3. Chapter 375 of NRS is hereby amended by adding thereto a new section to read as follows:

Imposition and rate on nonresidential property.

1. A tax, at the rate of:

(a) In a county whose population is 400,000 or more, \$1.25 \$1.35; and

(b) In a county whose population is less than 400,000, 65 75 cents,
for each \$500 of value or fraction thereof, is hereby imposed on each deed by which any lands, tenements or other realty not used for residential purposes is granted, assigned, transferred or otherwise conveyed to, or vested in, another person, if the consideration or value of the interest or property conveyed exceeds \$100.

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

8. Page 2, line 1: "Sec. 2 4. NRS 375.070 is hereby amended to read as follows:"

9. Page 2, lines 2-3: "375.070 Disposition and use of proceeds from residential property. 1. The county recorder shall transmit the proceeds of the real property transfer tax received pursuant to NRS 375.020 at the end of each quarter in the following manner:"

10. Page 2, lines 10-15: Delete.

11. Page 2, line 16: "(c) (b) In a county whose population is more than 400,000, an"

12. Page 2, line 23: "[~~(e)~~] (d) (c) The remaining proceeds must be transmitted to the"

13. New Section to read as follows:

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

NRS 375.070 Disposition and use of proceeds from nonresidential property.

1. The county recorder shall transmit the proceeds of the real property transfer tax received pursuant to Section 3 of this Act at the end of each quarter in the following manner:

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

(b) An amount equal to that portion of the proceeds which is equivalent to 10 cents for each \$500 of value or fraction thereof must be transmitted to the State Controller, who shall deposit the money in a separate account in the State General Fund for use by the Commission on Economic Development pursuant to section 6 of this Act.

(b) (c) In a county whose population is more than 400,000, an amount equal to that portion of the proceeds which is equivalent to 60 cents for each \$500 of value or fraction thereof must be transmitted to the county treasurer for deposit in the county school district's fund for

capital projects established pursuant to NRS 387.328, to be held and expended in the same manner as other money deposited in that fund.

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

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

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

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

(b) Related predevelopment expenses;

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

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

and

(e) The creation of related trust funds.

14. Page 3, line 1: "Sec. 3. 6. Chapter 231 of NRS is hereby amended by adding"

15. Page 3, lines 3-6: "*The Commission on Economic Development may, from the amount of the proceeds of the tax on transfers of real property deposited in a separate account pursuant to paragraph (b) of subsection 1 of NRS 375.070, Section 5 of this Act, expend:*"

16. Page 3, line 17: "Sec. 4. 7. NRS 231.020 is hereby amended to read as follows:"

17. Page 3, line 19: "*section 3 6 of this act*, unless the context otherwise requires, 'motion'"

18. Page 3, line 23: "Sec. 5. 8. NRS 231.067 is hereby amended to read as follows:"

19. Page 3, line 42: "*pursuant to section 3 6 of this Act; and*"

20. Page 4, line 25: "Sec. 6. 9. NRS 231.090 is hereby amended to read as follows:"

21. Page 4, line 44: "inclusive [-], *and section 3 6 of this act.*"

22. Page 5, line 1: "Sec. 7. 10. The amendatory provisions of section 2 of this act do"

23. Page 5, line 4: "Sec. 8. 11. This act becomes effective on July 1, 2003.