

SENATE BILL NO. 141—SENATORS RAGGIO,
TOWNSEND, MATHEWS AND WASHINGTON

FEBRUARY 22, 2007

JOINT SPONSORS: ASSEMBLYMEN ANDERSON, MARVEL,
LESLIE, BOBZIEN, GANSERT AND SMITH

Referred to Committee on Taxation

SUMMARY—Contingently increases the rate of the tax on transfers of real property in certain counties to fund capital projects for the county school district. (BDR 32-757)

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; contingently increasing the rate of the tax on transfers of real property in certain counties; requiring any proceeds of the increased tax to be deposited in the county school district's fund for capital projects; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, subject to certain exceptions, a tax is imposed on the transfer of real property in each county. In a county whose population is 400,000 or more (currently Clark County), the tax is imposed at a rate of \$1.25 for each \$500 of value of the property. In all other counties, the tax is imposed at a rate of 65 cents for each \$500 of value. (NRS 375.020, 375.090) **Section 1** of this bill makes the rate of \$1.25 for each \$500 of value applicable in a county whose population is 100,000 or more, thereby increasing the rate of the tax in counties whose population is 100,000 or more but less than 400,000 (currently Washoe County).

Under existing law, in a county whose population is 400,000 or more, a portion of the proceeds of the tax that is equal to 60 cents for each \$500 of value must be deposited in the county school district's fund for capital projects. (NRS 375.070) **Section 2** of this bill makes that requirement applicable in a county whose population is 100,000 or more.



* S B 1 4 1 R 1 *

14 The provisions of **sections 1 and 2** of this bill will become effective on
15 January 1, 2009, only if the voters of the affected counties approve of the effect of
16 those provisions at the 2008 General Election.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 375.020 is hereby amended to read as follows:
2 375.020 1. A tax, at the rate of:

3 (a) In a county whose population is ~~[400,000]~~ **100,000** or more,
4 \$1.25; and

5 (b) In a county whose population is less than ~~[400,000,]~~
6 **100,000**, 65 cents,

7 ➔ for each \$500 of value or fraction thereof, is hereby imposed on
8 each deed by which any lands, tenements or other realty is granted,
9 assigned, transferred or otherwise conveyed to, or vested in, another
10 person, if the consideration or value of the interest or property
11 conveyed exceeds \$100.

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

15 **Sec. 2.** NRS 375.070 is hereby amended to read as follows:

16 375.070 1. The county recorder shall transmit the proceeds of
17 the tax imposed by NRS 375.020 at the end of each quarter in the
18 following manner:

19 (a) An amount equal to that portion of the proceeds which is
20 equivalent to 10 cents for each \$500 of value or fraction thereof
21 must be transmitted to the State Controller who shall deposit that
22 amount in the Account for Low-Income Housing created pursuant to
23 NRS 319.500.

24 (b) In a county whose population is ~~[more than 400,000,]~~
25 **100,000 or more**, an amount equal to that portion of the proceeds
26 which is equivalent to 60 cents for each \$500 of value or fraction
27 thereof must be transmitted to the county treasurer for deposit in the
28 county school district's fund for capital projects established
29 pursuant to NRS 387.328, to be held and expended in the same
30 manner as other money deposited in that fund.

31 (c) The remaining proceeds must be transmitted to the State
32 Controller for deposit in the Local Government Tax Distribution
33 Account created by NRS 360.660 for credit to the respective
34 accounts of Carson City and each county.

35 2. In addition to any other authorized use of the proceeds it
36 receives pursuant to subsection 1, a county or city may use the
37 proceeds to pay expenses related to or incurred for the development
38 of affordable housing for families whose income does not exceed 80



1 percent of the median income for families residing in the same
2 county, as that percentage is defined by the United States
3 Department of Housing and Urban Development. A county or city
4 that uses the proceeds in that manner must give priority to the
5 development of affordable housing for persons who are disabled or
6 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
12 related rebates;

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

15 (e) The creation of related trust funds.

16 **Sec. 3.** At the general election on November 4, 2008, in each
17 county whose population is 100,000 or more but less than 400,000,
18 a question must be placed on the general election ballot in
19 substantially the following form:

20 Shall the tax on transfers of real property in this county be
21 increased by 60 cents for each \$500 of the value of the transferred
22 property to fund capital projects for the county school district?

23 **Sec. 4.** 1. This section and section 3 of this act become
24 effective on July 1, 2007.

25 2. Sections 1 and 2 of this act become effective on January 1,
26 2009, only if a majority of the voters voting on the question placed
27 on the ballot pursuant to section 3 of this act vote affirmatively on
28 the question in all the counties in which the question was placed on
29 the ballot.

