

SENATE BILL NO. 154—COMMITTEE ON TAXATION

FEBRUARY 26, 2007

Referred to Committee on Taxation

SUMMARY—Clarifies certain provisions governing taxes on transfers of real property and contingently allows the imposition of additional taxes in Washoe County to fund capital projects for the county school district. (BDR 32-712)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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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; clarifying the applicability of an exemption from the taxes on transfers of real property for transfers relating to changes in identity, form or place of organization; contingently allowing the imposition in Washoe County of additional taxes to fund capital projects for the county school district; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law provides for the imposition of taxes on transfers of real property.
- 2 (NRS 375.020, 375.023, 375.026)
- 3 Existing law also provides that certain transfers are exempt from such taxes.
- 4 (NRS 375.090) **Section 3** of this bill revises an exemption for transfers relating to a
- 5 change in identity, form or place of organization to clarify that the exemption
- 6 applies to the reorganization of any business entity.
- 7 **Sections 10.1-10.4** of this bill create the Washoe County Schools Construction
- 8 and Revitalization Advisory Committee, require the Advisory Committee to
- 9 prepare recommendations for the imposition of taxes to fund capital projects for the
- 10 Washoe County School District, require the Board of County Commissioners to
- 11 impose the taxes only if the voters of the County approve of the imposition of those
- 12 taxes at the 2008 General Election, and require the Committee on Local
- 13 Government Finance to adopt regulations prescribing the contents of any ordinance
- 14 imposing those taxes.



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

Section 1. (Deleted by amendment.)

Sec. 2. (Deleted by amendment.)

Sec. 3. NRS 375.090 is hereby amended to read as follows:

375.090 The taxes imposed by NRS 375.020, 375.023 and 375.026 do not apply to:

1. A mere change in identity, form or place of organization, such as a transfer between a ~~{corporation}~~ **business entity** and its parent ~~{corporation, a}~~ , **its** subsidiary or an affiliated ~~{corporation}~~ **business entity** if the affiliated ~~{corporation}~~ **business entity** has identical common ownership.

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

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

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

5. A transfer, assignment or other conveyance of real property if the owner of the property is related to the person to whom it is conveyed within the first degree of lineal consanguinity or affinity.

6. A transfer of title between former spouses in compliance with a decree of divorce.

7. A transfer of title to or from a trust without consideration if a certificate of trust is presented at the time of transfer.

8. Transfers, assignments or conveyances of unpatented mines or mining claims.

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

10. A conveyance of real property by deed which becomes effective upon the death of the grantor pursuant to NRS 111.109.

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

(a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C. §§ 101 et seq.;

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

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



1 ➔ if the making, delivery or filing of instruments of transfer or
2 conveyance occurs within 5 years after the date of the confirmation,
3 approval or change.

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

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

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

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

16 13. A transfer to an educational foundation. As used in this
17 subsection, "educational foundation" has the meaning ascribed to it
18 in subsection 3 of NRS 388.750.

19 14. A transfer to a university foundation. As used in this
20 subsection, "university foundation" has the meaning ascribed to it in
21 subsection 3 of NRS 396.405.

22 **Sec. 4.** (Deleted by amendment.)

23 **Sec. 5.** (Deleted by amendment.)

24 **Sec. 6.** (Deleted by amendment.)

25 **Sec. 7.** (Deleted by amendment.)

26 **Sec. 8.** (Deleted by amendment.)

27 **Sec. 9.** (Deleted by amendment.)

28 **Sec. 10.** (Deleted by amendment.)

29 **Sec. 10.1.** 1. The Washoe County Schools Construction and
30 Revitalization Advisory Committee is hereby created. The Advisory
31 Committee consists of the Superintendent of Schools of the Washoe
32 County School District and 14 additional members who must be
33 appointed as follows:

34 (a) Two members of the Senate who are representative of
35 Washoe County, appointed by the Majority Leader of the Senate.
36 Each of the members appointed pursuant to this paragraph must be a
37 member of a different major political party.

38 (b) Two members of the Assembly who are representative of
39 Washoe County, appointed by the Speaker of the Assembly. Each of
40 the members appointed pursuant to this paragraph must be a
41 member of a different major political party.

42 (c) One member who is a representative of gaming, appointed
43 by the association of gaming establishments whose membership
44 collectively paid the most gross revenue fees to the State pursuant to
45 NRS 463.370 in the county in the preceding year.



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(d) One member who is a representative of business or commercial interests other than gaming, appointed by the Reno-Sparks Chamber of Commerce.

(e) One member who is a representative of the Nevada Association of Realtors, appointed by the Nevada Association of Realtors.

(f) One member whose is a representative of the association of homebuilders with the largest membership in the county, appointed by that association.

(g) One member who is a representative of the county fair and recreation board, appointed by that board.

(h) One member who is a representative of the largest publicly-traded electric utility in the county, appointed by that utility.

(i) One member who is a representative of a labor organization, appointed by the State of Nevada AFL-CIO.

(j) One member who is a representative of the largest organization of educators in the county, appointed by that organization.

(k) One member who is a representative of the general public, appointed by the parent-teacher association with the largest membership in the county.

(l) One member who is a representative of the general public, appointed by the Governor. The member appointed pursuant to this paragraph must be a registered voter in the county.

2. Each of the members appointed pursuant to paragraphs (c) to (i), inclusive, of subsection 1 must be a member of the governing board or an executive officer of the entity entitled to appoint the member.

3. The Legislative Commission shall appoint the Chairman of the Advisory Committee from among the members appointed pursuant to paragraphs (a) and (b) of subsection 1.

4. Any vacancy occurring on the Advisory Committee must be filled by the person or entity entitled to appoint the member whose position is vacant.

5. The members of the Advisory Committee who are not Legislators shall serve without salary, but they are entitled to receive out of the Legislative Fund the per diem expense allowances and travel expenses provided for state officers and employees generally. Except during a regular or special session of the Legislature, members of the Advisory Committee who are Legislators are entitled to receive out of the Legislative Fund the compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding session for each day or portion of a day of attendance, and the per diem expense allowances provided



1 for state officers and employees generally and the travel expenses
2 provided pursuant to NRS 218.2207.

3 6. The Superintendent of Schools of the Washoe County
4 School District shall provide such staff and other support as is
5 necessary for the Advisory Committee to perform its duty.

6 **Sec. 10.2.** 1. The Washoe County Schools Construction and
7 Revitalization Advisory Committee shall, not later than May 1,
8 2008:

9 (a) Prepare recommendations for the imposition of one or more
10 taxes in the county to provide funding for the Washoe County
11 School District for the purposes set forth in subsection 1 of NRS
12 387.335; and

13 (b) Submit the recommendations to the Board of Trustees of the
14 Washoe County School District.

15 2. Each recommendation submitted to the Board of Trustees
16 pursuant to subsection 1 must be approved by at least 10 members
17 of the Advisory Committee.

18 3. The Board of Trustees shall adopt and transmit to the Board
19 of County Commissioners of Washoe County a resolution
20 requesting the Board of County Commissioners to adopt an
21 ordinance imposing any tax or taxes recommended by the Advisory
22 Committee and submitted to the Board of Trustees pursuant to this
23 section. The Board of County Commissioners shall:

24 (a) At the general election on November 4, 2008, submit a
25 question to the voters of the county asking whether the
26 recommended tax or taxes should be imposed in the county; and

27 (b) If a majority of the voters voting on the question vote
28 affirmatively on the question, adopt an ordinance imposing the
29 recommended tax or taxes. The tax or taxes may be imposed
30 notwithstanding the provisions of any specific statute to the
31 contrary.

32 **Sec. 10.3.** 1. The Committee on Local Government Finance
33 shall, not later than November 1, 2008, adopt regulations
34 prescribing the contents of any ordinance which may be adopted
35 pursuant to section 10.2 of this act. The regulations:

36 (a) Must:

37 (1) Prescribe procedures for the administration and
38 enforcement of any tax or taxes imposed; and

39 (2) Prohibit the collection before January 1, 2009, of any tax
40 or taxes imposed; and

41 (b) May include such other matters as the Committee deems to
42 be appropriate.

43 2. Any regulations adopted by the Committee on Local
44 Government Finance pursuant to this section must be adopted in the
45 manner prescribed for state agencies in chapter 233B of NRS.



1 **Sec. 10.4.** The proceeds of any tax or taxes imposed under an
2 ordinance adopted pursuant to section 10.2 of this act:

3 1. Must be deposited in the county school district's fund for
4 capital projects established pursuant to NRS 387.328, to be held and
5 expended in the same manner as other money deposited in that fund;
6 and

7 2. Must not be:

8 (a) Considered in any negotiations between a recognized
9 organization of employees of a school district and the school
10 district; or

11 (b) Used to reduce or supplant the amount of any money which
12 would otherwise be made available for the purposes described in
13 subsection 1 of NRS 387.335.

14 **Sec. 11.** 1. This act becomes effective on July 1, 2007.

15 2. Section 10.1 of this act expires by limitation on May 1,
16 2008.

