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FIRST REPRINT

A.B. 131

ASSEMBLY BILL NO. 131—ASSEMBLYMEMBER JACKSON

PREFILED JANUARY 28, 2025

Referred to Committee on Government Affairs

SUMMARY—Provides an exemption from property taxation for accessory dwelling units rented or leased to certain tenants. (BDR 32-694)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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 housing; providing an exemption from property taxation for accessory dwelling units rented or leased to tenants receiving certain tenant-based housing assistance; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing federal law authorizes the Secretary of the United States Department of Housing and Urban Development to provide assistance to public housing agencies for tenant-based assistance through the Housing Choice Voucher Program. (**Section 8** of the United States Housing Act of 1937, 42 U.S.C. § 1437f) **Section 6** of this bill provides an exemption from property taxes for an accessory dwelling unit if the accessory dwelling unit: (1) is rented or leased to a tenant receiving assistance under the Program pursuant to a lease which is for a period of not less than 12 consecutive months; (2) is located on the same parcel as a single-family residence which is the primary residence of the owner of the accessory dwelling unit; (3) complies with all applicable local zoning laws; and (4) if the parcel is located within a common-interest community, complies with all applicable covenants, conditions and restrictions of the community. **Section 6** requires a person claiming the exemption to annually file with the county assessor: (1) certain verifications from the appropriate public housing authority; and (2) a copy of the lease. **Section 6** also: (1) prohibits the exemption from being granted for more than one accessory dwelling unit per parcel; and (2) requires the county assessor to determine the value of the accessory dwelling unit based on the cost of replacing the accessory dwelling unit. **Section 7** of this bill makes a conforming change to indicate the proper placement of **section 6** in the Nevada Revised Statutes.



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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. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. Chapter 361 of NRS is hereby amended by adding
thereto a new section to read as follows:

1. An accessory dwelling unit is exempt from taxation if, for the year in which the exemption applies, the accessory dwelling unit:

(a) Is rented or leased to a qualified tenant receiving assistance under the Housing Choice Voucher Program pursuant to a written lease which is for a period of not less than 12 consecutive months;

(b) Is located on the same parcel as a single-family residence which is the primary residence of the owner of the accessory dwelling unit;

(c) Complies with all applicable local zoning laws; and

(d) If the parcel is located within a common-interest community, complies with all applicable covenants, conditions and restrictions of the common-interest community.

2. Any person claiming an exemption pursuant to this section must file annually with the county assessor:

(a) Verification from the appropriate public housing authority that:

(1) The person has entered into a housing assistance payment contract with the public housing authority to receive tenant-based assistance payments under the Housing Choice Voucher Program for the accessory dwelling unit;

(2) The qualified tenant to whom the accessory dwelling unit is rented or leased is receiving assistance under the Housing Choice Voucher Program pursuant to a written lease which is for a period of not less than 12 consecutive months; and

(3) The accessory dwelling unit, at the time it was last inspected, met the housing quality standards set forth in 42 U.S.C. 1437f(o); and

(b) A copy of the lease for the accessory dwelling unit, which must set forth, without limitation, the total square footage of the accessory dwelling unit.

3. The person may claim an exemption pursuant to this section for one accessory dwelling unit per parcel.



4. To determine the value of the accessory dwelling unit for the purposes of an exemption claimed pursuant to this section, the value is equal to the cost of replacing the accessory dwelling unit, which must be calculated by the county assessor in accordance with the regulations adopted by the Nevada Tax Commission pursuant to subsection 6 of NRS 361.227.

5. A county assessor may prescribe forms and adopt procedures for claiming the exemption pursuant to this section not inconsistent with any regulations, forms and procedures prescribed or adopted by the Department or the Nevada Tax Commission.

6. As used in this section:

(a) "Accessory dwelling unit" means an ancillary or secondary living unit that has a separate egress, kitchen, bathroom and sleeping area existing on the same lot as a single-family residence.

(b) "Housing Choice Voucher Program" means the federal tenant-based assistance program established under 42 U.S.C. 1437f(o).

(c) "Qualified tenant" means a person who is not employed by or related to the owner of the property on which the accessory dwelling unit is located by consanguinity or affinity within the third degree.

Sec. 7. NRS 361.160 is hereby amended to read as follows:

361.160 1. Personal property in transit through this State is personal property:

(a) Which is moving in interstate commerce through or over the territory of the State of Nevada; or

(b) Which was consigned to a warehouse, public or private, within the State of Nevada from outside the State of Nevada for storage in transit to a final destination outside the State of Nevada, whether specified when transportation begins or afterward.

➤ Such property is deemed to have acquired no situs in Nevada for purposes of taxation. Such property is not deprived of exemption because while in the warehouse the property is assembled, bound, joined, manufactured, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged, or because the property is being held for resale to customers outside the State of Nevada. The exemption granted shall be liberally construed to effect the purposes of NRS 361.160 to 361.185, inclusive.

2. Personal property within this State as mentioned in NRS 361.030 and 361.045 to 361.155, inclusive, *and section 6 of this act* does not include personal property in transit through this State as defined in this section.

Sec. 8. The Legislature hereby finds that the exemption provided by this act from any ad valorem tax on property:



1 1. Will achieve a bona fide social or economic purpose and that
2 the benefits of the exemption are expected to exceed any adverse
3 effect of the exemption on the provision of services to the public by
4 the State or a local government that would otherwise receive
5 revenue from the tax from which the exemption would be granted;
6 and

7 2. Will not impair adversely the ability of the State or a local
8 government to pay, when due, all interest and principal on any
9 outstanding bonds or any other obligations for which revenue from
10 the tax from which the exemption would be granted was pledged.

11 **Sec. 9.** 1. This section becomes effective upon passage and
12 approval.

13 2. Sections 1 to 8, inclusive, of this act become effective:

14 (a) Upon passage and approval for the purpose of adopting any
15 regulations and performing any other preparatory administrative
16 tasks that are necessary to carry out the provisions of this act; and

17 (b) On July 1, 2026, for all other purposes.

