

STUDY OF THE AVAILABILITY OF
LOW-INCOME HOUSING
IN NEVADA



Bulletin No. 89-2

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

DECEMBER 1988

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LEGISLATIVE COMMISSION
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LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA
DECEMBER 1988

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ASSEMBLY CONCURRENT RESOLUTION NO. 24 (FILE NUMBER 151,
STATUTES OF NEVADA, 1987)

Assembly Concurrent Resolution No. 24--Assemblymen Myrna Williams,
Wisdom, Banner, Carpenter, Brookman, McGaughey, Nicholas,
Thomas, May, Dini, Spriggs, Haller, Humke, Nevin, Porter, Getto,
Arberry, Tebbs, Callister, Evans, Freeman, Thompson, Swain,
Garner, Sedway, Bergevin, DuBois, Adler, Kissam, Lambert,
Craddock, Triggs, Spinello, Sader, Fay and Gaston
FILE NUMBER...151.

ASSEMBLY CONCURRENT RESOLUTION--Directing the Legislative Commission to
conduct an interim study of the availability of low-income housing.

WHEREAS, The number of persons living below the poverty level in
Nevada is increasing more rapidly than in any other state in the United
States; and

WHEREAS, The demand for affordable housing far exceeds the supply; and

WHEREAS, The Tax Reform Act of 1986 is expected to create a substantial
increase in rents and diminish incentives for builders to construct low-cost
housing; and

WHEREAS, The capability of a person with a low income to purchase or
rent decent, safe and sanitary housing in this state is of great concern to the
Nevada Legislature; now, therefore, be it

RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE SENATE
CONCURRING, That the Legislative Commission is hereby directed to conduct
an interim study to:

1. Determine the adequacy of the supply of affordable housing that is
available to residents of Nevada who earn low incomes;
 2. Recommend programs which would encourage the construction of
affordable housing in Nevada; and
 3. Identify potential sources of revenue which could be used to finance
any recommended programs;
- and be it further

RESOLVED, That the Legislative Commission is directed to submit a report
of its findings, with any recommended policies, programs and proposed
legislation, to the 65th session of the Nevada Legislature.

REPORT OF THE LEGISLATIVE COMMISSION

TO THE MEMBERS OF THE 65TH SESSION OF THE NEVADA
LEGISLATURE:

This report is submitted in compliance with Assembly
Concurrent Resolution No. 24 of the 64th session of the
Nevada legislature which directed the legislative commission
to study the availability of low-income housing in Nevada.

The members of the subcommittee appointed by the legislative
commission to conduct the study were:

Assemblyman Morse Arberry, Jr., Chairman
Assemblyman Robert E. Price, Vice Chairman
Assemblyman Eileen B. Brookman
Assemblyman Virgil M. Getto
Assemblyman David D. Nicholas

Legislative counsel bureau staff services for the
subcommittee were provided by Paul T. Mouritsen of the
research division (principal staff), Steve Coburn of the
legal division (legal counsel) and Ellen R. Nelson of the
research division (subcommittee secretary).

In this report, the subcommittee has attempted to concisely
present its findings and recommendations. All the
supporting documents and the minutes of subcommittee
hearings are on file with the research library of the
legislative counsel bureau and are available for review.

This report is transmitted to the members of the 65th
session of the Nevada legislature for their consideration
and appropriate action.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

Carson City, Nevada
December 1988

* * * * *

LEGISLATIVE COMMISSION

Senator Lawrence E. Jacobsen, Chairman
Senator Sue Wagner, Vice Chairman

Senator James I. Gibson	Assemblyman Louis W. Bergevin
Senator Nicholas J. Horn	Assemblyman Joseph E. Dini, Jr.
Senator Ann O'Connell	Assemblyman John B. DuBois
Senator John M. Vergiels	Assemblyman Robert M. Sader
	Assemblyman James W. Schofield
	Assemblyman Danny L. Thompson

SUMMARY OF RECOMMENDATIONS

The legislative commission's subcommittee to study the availability of low-income housing recommends for the consideration of the 65th session of the Nevada legislature that:

1. A housing trust fund be created to pay for low-income housing projects. This trust fund should be administered by the division of housing, department of commerce.
 - a. Revenues for the fund should come from the following sources:
 - (1) An appropriation of \$20 million from the general fund; and
 - (2) A 2-cent increase in the cigarette tax.
 - b. The following criteria should apply to expenditures from the fund:
 - (1) Seventy percent should be spent for the benefit of persons below poverty level;
 - (2) Twenty-five percent should be spent for the benefit of persons whose incomes are between poverty level and 50 percent of median income; and
 - (3) Five percent should be spent for the benefit of persons whose incomes are up to 120 percent of median income.
 - c. Allow communities to identify the types of programs which should be funded by grants from the housing trust fund.
 - d. The following types of projects should be eligible for funding:
 - (1) Rent subsidies for very low-income persons or persons below poverty level;
 - (2) New construction, rehabilitation or acquisition of housing for very low-income persons and persons below poverty level;

- (3) Technical assistance to nonprofit organizations involved in the construction, acquisition or rehabilitation of low-income housing;
 - (4) Administrative costs to assist in obtaining grants from sources other than the housing trust fund;
 - (5) Mortgage insurance or guarantees for eligible projects;
 - (6) Acquisition of low-income housing units by the public sector or not-for-profit corporations;
 - (7) Loans or guarantees for the payment of rental deposits and first and last months' rent for homeless persons; and
 - (8) Other projects which alleviate the shortage or provide access to affordable housing for very low-income or poverty level families.
(BDR 25-190)
2. The manufactured housing division in the department of commerce be required to collect information regarding rental costs and vacancy rates from mobile home parks.
(BDR 10-193)
3. Cities and counties be required to include in their master plan a housing plan and update it every 3 years. Require that the plan be submitted to Nevada's office of community services for approval. (BDR 22-191)
4. Nevada's office of community services be required to establish the position of housing planner who should prepare a statewide housing plan. (BDR 22-191)
5. All low-income housing owned by not-for-profit corporations be exempted from property taxes.
(BDR 32-195)
6. All facilities for the homeless which are funded in whole, or in part, by the Stewart B. McKinney Act or the Homeless Assistance Act be exempted from property taxes. (BDR 32-196)
7. Payments to Aid to Dependent Children recipients who do not live in subsidized housing be increased by \$50 per month.

8. Ties between the state rural housing authority and the State of Nevada be decreased to allow the authority greater flexibility in competing for federal grant funds. (BDR 25-198)
9. A resolution be adopted calling upon local governments to review their zoning ordinances and building codes to determine whether they should be amended to encourage the construction of more affordable housing. (BDR R-192)
10. A resolution be adopted calling upon the United States Congress to extend the authorization of the low-income housing tax credit beyond 1989. (BDR R-199)
11. A resolution be adopted urging Congress to enact legislation providing federal land for use in constructing low-income housing, including mobile home parks for low-income mobile home owners. (BDR R-194)

The subcommittee also recommends that the legislative commission adopt:

A resolution calling upon Congress to remove the "sunset" date of December 31, 1988, on the tax-exempt mortgage revenue bond program in order to allow the housing division to continue to finance single-family homes for first-time home buyers.

(Such a resolution was adopted by the legislative commission on September 29, 1988. A copy is included as Appendix A.)

REPORT TO THE 65TH SESSION OF THE NEVADA LEGISLATURE
BY THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO
STUDY THE AVAILABILITY OF LOW-INCOME HOUSING
IN NEVADA

I. INTRODUCTION

In 1987, the 64th session of the Nevada legislature adopted Assembly Concurrent Resolution No. 24 (File No. 151) which directed the legislative commission to study the availability of low-income housing in Nevada. To fulfill this mandate, the legislative commission appointed a subcommittee to conduct the study.

The subcommittee met four times between October 1987 and May 1988. Two of these meetings were held in Las Vegas, Nevada; one was held in Reno, Nevada; and one was held in Carson City, Nevada. Extensive testimony was taken from state agency personnel, clergymen, representatives of legal services organizations, representatives of local housing authorities, spokesmen for various nonprofit corporations involved in housing issues, spokesmen for the United States Department of Housing and Urban Development (HUD), and interested members of the public.

After the third meeting, an informal advisory committee was organized with the encouragement of the chairman and other members of the subcommittee. This informal group, consisting of 14 individuals representing various groups interested in housing policy, met several times to consider alternative approaches to solving Nevada's low-income housing shortage. Although this group did not act in any official capacity, it performed an invaluable service in collecting and analyzing information for the subcommittee and assisting the members in their consideration of the frequently complex issues of housing policy. The advisory committee presented its report to the legislative subcommittee at its final meeting.

The subcommittee's activities focused on two tasks: first, documenting the extent of need for low-income housing in Nevada, now and in the future; and second, proposing appropriate policies by which the State of Nevada may ameliorate this shortage.

II. THE NEED FOR LOW-INCOME HOUSING

Over the past several years, Nevada has experienced significant population increases. Between 1980 and the end of 1987, Nevada's population increased by about 30 percent. More than a quarter of a million people were added to the state population, a number higher than the entire current population of Washoe County, Nevada.

These population increases have placed a serious strain on Nevada's housing stock, the symptoms of which have been rapidly increasing housing prices and rents. By 1985, the rent on an average apartment in Nevada had risen to over \$343 per month.

Many of Nevada's citizens have found that decent housing is beyond their reach, or that it costs so much that they must dedicate a disproportionate share of their incomes to housing costs. According to some estimates, about 85,000 to 94,000 of Nevada's citizens are below the poverty level. Persons working at minimum wage, or depending upon public welfare for their existence, have been particularly hard hit. In 1987, a family of three receiving Aid to Dependent Children (ADC) in Nevada was receiving only about \$300 per month for all family expenses, an amount substantially less than would be required to rent an average apartment.

Rising housing costs have also contributed to the growing problem of homelessness in Nevada. An estimated 20,000 to 40,000 people in Nevada are without permanent housing -- living in automobiles, emergency shelters, motels or with friends. Increasingly, the ranks of the homeless are made up not only of single men, but also include women and, in many cases, children.

At the same time that the need for low-income housing has increased so dramatically, the resources available to meet this need have diminished. The Federal Government, long the principal source of funds for housing subsidies, has become much less active in this area. According to some estimates, funding for federal housing programs has been cut back by almost 60 percent during the 1980's. The number of federally subsidized units built or rehabilitated nationwide each year has decreased from 200,000 to only about 27,000. The income restrictions on many existing subsidized housing units will expire soon, resulting in a large loss of available low-income housing.

At the same time, incentives for private developers to build low-income housing have diminished. Under the Tax Reform Act of 1986, the private sector will find low-income housing a much less attractive investment than it was in the past. This change will result in further rent increases and housing shortages.

In addition, funding for Community Development Block Grants, a federal program that was often used to modernize or rehabilitate housing for low-income families, was reduced by 30 percent during the 1980's.

These nationwide trends have been reflected in Nevada's housing situation. Public housing authorities report increasing demand for subsidized housing and lengthening lists of families waiting for units to become available. For example, the Housing Authority of North Las Vegas, Nevada, has about 700 families on its mailing list. The same housing authority reports that senior citizens can expect to wait between 6 to 12 months for subsidized housing to become available. A family with two children could wait 12 to 28 months. Large families may wait 3 years or longer.

In round numbers, the low-income housing shortage in Nevada is staggering. There are, at present, 15,530 subsidized units in the state. By some estimates, an additional 64,802 units are needed to accommodate all those who might be eligible for housing assistance. By the year 1992, the number of units needed will grow to 76,959.

Closing the gap between the number of low-income housing units available and the number needed will not be inexpensive. According to estimates presented to the subcommittee, a one-time expenditure of \$2.5 billion would be required to build new units to accommodate low-income persons in Nevada. Alternatively, an expenditure of about \$218 million per year would be required to subsidize low-income persons living in existing housing. (See Appendix B.)

III. THE SUBCOMMITTEE'S RECOMMENDATIONS

In view of the gravity of the low-income housing problem in Nevada, the subcommittee believes that it is necessary for the State of Nevada to take a larger and more active role in housing policy. During its deliberations, the subcommittee carefully considered the form which this increased activity should take. Suggestions were solicited from a wide variety of groups and individuals. All proposals were carefully

examined in light of the contribution which they could make to the solution of the problem. The final recommendations of the subcommittee represent those policies which the members of the subcommittee believe would be most viable and effective. The background for each of these recommendations is summarized in the following sections.

A. THE HOUSING TRUST FUND

The centerpiece of the subcommittee's recommendations is the proposal to create a trust fund to provide financial resources for low-income housing projects.

1. Source of Revenue

The subcommittee proposes that revenues for the fund come from two sources. First, \$20 million should be appropriated from the general fund. The subcommittee directed its chairman to write to the governor requesting that this amount be included in the executive budget for the 1989-1990 biennium. A letter also was addressed to the chairman of the legislative commission's subcommittee on fiscal affairs of state and local governments (Assembly Bill 397, chapter 765, Statutes of Nevada, 1987) asking that the need for continuing appropriations for the development of low-income housing be considered in the preparation of long-term revenue and expenditure projections. In addition, letters have been prepared for submission to the chairmen of the senate committee on finance and the assembly committee on ways and means asking that they consider making this appropriation to the housing trust fund.

The second source of revenue recommended by the subcommittee for the housing trust fund is a 2-cent increase in the cigarette tax.

Therefore, the subcommittee recommends that:

1. A housing trust fund be created to pay for low-income housing projects. This trust fund should be administered by the division of housing, department of commerce:
 - a. Revenues for the fund should come from the following sources:
 - (1) An appropriation of \$20 million from the general fund; and

(2) A 2-cent increase in the cigarette tax.
(BDR 25-190)

Several other revenue sources, such as an increase in the liquor tax, the real estate transfer tax, the room tax and the statewide property tax, were discussed by the subcommittee but were not recommended. The subcommittee also discussed the possibility of requiring that escrow funds now placed in noninterest-bearing accounts be shifted to interest-bearing accounts with the proceeds dedicated to the housing trust fund. This proposal was also rejected.

2. Beneficiaries of the Fund

In order to assure that expenditures from the trust fund benefit low-income individuals, the subcommittee felt that some income criteria should be placed in the law.

Therefore, the subcommittee recommends that:

b. The following criteria should apply to expenditures from the fund:

- (1) Seventy percent should be spent for the benefit of persons below poverty level;
- (2) Twenty-five percent should be spent for the benefit of persons whose incomes are between poverty level and 50 percent of median income; and
- (3) Five percent should be spent for the benefit of persons whose incomes are up to 120 percent of median income.

c. Allow communities to identify the types of programs which should be funded by grants from the housing trust fund. (BDR 25-190)

The following table shows how these eligibility criteria would apply to families living in various parts of Nevada based on 1987 estimates of median household income:

TABLE I

	<u>Estimated</u> <u>Household</u> <u>Median</u> <u>Income</u>	<u>50 Percent</u> <u>of</u> <u>Median</u> <u>Income</u>	<u>120 Percent</u> <u>of</u> <u>Median</u> <u>Income</u>
Nevada	\$27,173	\$13,587	\$32,608
Carson City	27,384	13,692	32,861
Churchill	21,381	10,691	25,657
Clark	27,115	13,558	32,538
Douglas	30,489	15,145	36,587
Elko	22,997	11,499	27,596
Esmeralda	22,844	11,422	27,413
Eureka	16,263	8,132	19,516
Humboldt	21,795	10,898	26,154
Lander	24,554	12,277	29,465
Lincoln	20,655	10,328	24,786
Lyon	23,450	11,725	28,140
Mineral	21,501	10,751	25,801
Nye	23,293	11,647	27,952
Pershing	20,882	10,441	25,058
Storey	26,000	13,000	31,200
Washoe	29,159	14,580	34,991
White Pine	23,855	11,928	28,626

Source: Donelly Demographics, Dialogue.

3. Distribution of the Funds

As contemplated by the subcommittee, the housing trust fund would be administered by the housing division in the department of commerce. The housing division was selected because it has had more experience than any other state agency in financing and developing housing.

The subcommittee anticipates that 50 percent of the money from the housing trust fund would be distributed as block grants to local governments. The remaining 50 percent would be distributed on a competitive basis to local governments and to profit or nonprofit developers engaged in providing low-income housing.

Grants from the housing trust fund could be used to finance various types of projects.

Therefore, the subcommittee recommends that:

d. The following types of projects should be eligible for funding:

- (1) Rent subsidies for very low-income persons or persons below poverty level;
- (2) New construction, rehabilitation or acquisition of housing for very low-income persons and persons below poverty level;
- (3) Technical assistance to nonprofit organizations involved in the construction, acquisition or rehabilitation of low-income housing;
- (4) Administrative costs to assist in obtaining grants from sources other than the housing trust fund;
- (5) Mortgage insurance or guarantees for eligible projects;
- (6) Acquisition of low-income housing units by the public sector or not-for-profit corporations;
- (7) Loans or guarantees for the payment of rental deposits and first and last months' rent for homeless persons; and
- (8) Other projects which alleviate the shortage or provide access to affordable housing for very low-income or poverty level families. (BDR 25-190)

B. THE COLLECTION OF INFORMATION ON MOBILE HOME PARK RENTAL COSTS

Mobile homes are a major source of housing for low-income households, particularly senior citizens, in Nevada. Unfortunately, few mobile home owners presently qualify for federal Section 8 rent subsidies. These subsidies are based upon federal estimates of fair market rents in the community. These estimates appear to be too low, and consequently, few mobile home parks in Nevada qualify for the subsidy.

The subcommittee feels that this problem could be resolved if more accurate data regarding the cost of renting mobile home spaces were available.

It is recommended that:

2. The manufactured housing division in the department of commerce be required to collect information regarding rental costs and vacancy rates from mobile home parks. (BDR 10-193)

This data could be collected at little cost by adding a few lines to the questionnaire which the manufactured housing division currently sends to mobile home parks. These questionnaires are used to collect information required to determine the fees which must be paid to the division.

C. THE PREPARATION OF HOUSING PLANS

The solution to Nevada's low-income housing problems will take careful planning and a concerted effort to make the best possible use of the resources which are available. Therefore, the subcommittee feels that a statewide housing plan is needed, as well as local housing plans.

The subcommittee concluded that local planning commissions should prepare a housing plan for each community, and that these plans should be updated every 3 years. Local housing plans and updates should be submitted to the state for use in preparing the statewide plan. The subcommittee further determined that a full-time state housing planner should be hired and that his office should be located in Nevada's office of community services in order to coordinate this program and prepare the state plan.

It is recommended that:

3. Cities and counties be required to include in their master plan a housing plan and update it every 3 years. Require that the plan be submitted to Nevada's office of community services for approval. (BDR 22-191)
4. Nevada's office of community services be required to establish the position of housing planner who should prepare a statewide housing plan. (BDR 22-191)

D. PROPERTY TAX EXEMPTIONS

Property taxes are a major expense in the operation of low-income housing. At present, only not-for-profit entities operating housing for the elderly or handicapped funded by federal Section 202 subsidies are exempt from property taxes.

The subcommittee, therefore, recommends that:

5. All low-income housing owned by not-for-profit corporations be exempted from property taxes.
(BDR 32-195)

Further, the subcommittee recommends that:

6. All facilities for the homeless which are funded in whole, or in part, by the Stewart B. McKinney Act or the Homeless Assistance Act be exempted from property taxes. (BDR 32-196)

E. INCREASE IN AID TO DEPENDENT CHILDREN

According to projections for 1988, approximately 17,800 Nevadans receive Aid to Dependent Children. Only about 42 percent of these ADC recipients live in subsidized housing. The remainder are forced to live in private housing which generally costs far more. In October 1987, a family of three on ADC received \$300 per month if they lived in subsidized housing; \$325 per month if they did not. The \$25 difference was much too small to make up the expense of renting unsubsidized housing.

The subcommittee recommends that:

7. Payments to Aid to Dependent Children recipients who do not live in subsidized housing be increased by \$50 per month.

The welfare division of the department of human resources estimates that this increase would cost about \$6,194,400 in total. Half of this cost would be borne by the Federal Government. The state's share would be about \$3,097,200 per year. (See Appendix C.)

F. STATE RURAL HOUSING AUTHORITY

The state rural housing authority serves Nevada's 15 rural counties. It applies for federal funds, operates low-income

housing projects and monitors the implementation of federal housing programs in rural Nevada. The authority was organized under the auspices of the state and relies on state agencies for certain services such as personnel administration and the supervision of some types of financial transactions.

According to a spokesman for the authority, its close relationship with state government has hindered efficiency. State supervision has sometimes made it difficult for the authority to react quickly to new opportunities and compete effectively for federal funds.

The subcommittee, therefore, recommends that:

8. Ties between the state rural housing authority and the State of Nevada be decreased to allow the authority greater flexibility in competing for federal grant funds. (BDR 25-198)

G. AFFORDABLE HOUSING

During the last few years, housing prices in many Nevada communities have risen sharply. As a result, many families (particularly young families) are unable to purchase a home. These price increases are likely to continue unless action is taken to make it possible to build more affordable housing. The Nevada Association of Realtors estimates that a home costing \$84,600 in 1985 will cost more than \$217,000 by the year 2000.

A large portion of the price increases is a result of high costs for land and lot preparation. In Washoe County, Nevada, for example, a finished lot of 5,000 square feet will cost \$32,000 to \$38,000. Building and utility hookup fees also add to housing costs.

According to spokesmen for HUD, demonstration projects in Nevada and elsewhere have shown that attractive, substantial housing can be produced at savings of 10 to 20 percent if some flexibility is allowed in local building and zoning codes.

The subcommittee, therefore, recommends that:

9. A resolution be adopted calling upon local governments to review their zoning ordinances and building codes to determine whether they should be amended to encourage the construction of more affordable housing. (BDR R-192)

H. LOW-INCOME HOUSING TAX CREDIT

In 1986, Congress authorized a low-income housing tax credit. The intent of this credit was to encourage developers to produce housing units which would be affordable for low-income households.

In Nevada, the credit has been administered by the housing division. According to spokesmen for the division, the credit may enable Nevada to provide as many as 1,200 new low-income housing units by 1989.

Unfortunately, the bill which provided for the tax credit also contained a "sunset" date of December 31, 1989. If Congress does not vote before that time to repeal the "sunset," the credit will no longer be available.

The subcommittee urges that:

10. A resolution be adopted calling upon Congress to extend the authorization of the low-income housing tax credit beyond 1989. (BDR R-199)

I. FEDERAL LAND FOR MOBILE HOME PARKS

Manufactured and mobile home housing could provide many of the low-income units which will be needed to solve Nevada's housing problems. This type of housing is often reasonably priced. Many low-income families already own mobile homes. The main drawback is a continuing shortage of mobile home park spaces with reasonable rents.

According to testimony presented to the subcommittee, a large number of mobile home parks in Nevada were developed many years ago. At the time they were established, land was inexpensive. Since that time, the areas adjacent to some of these parks have been intensely developed, and the land on which the parks are located is now very valuable. Consequently, some park owners may wish to sell their property and make it available for other uses. Therefore, some parks may be expected to close in the near future. Testimony before the subcommittee indicated that two mobile home parks in Clark County, Nevada, containing a total of 312 spaces, are scheduled to close soon.

Park closures present a serious problem for many of the residents. Their mobile homes are frequently old and do not meet the standards required by other parks for new residents. Therefore, it may be impossible for them to find

another park which will accept them. In addition, many of these displaced households are composed of elderly citizens who have low-incomes.

For about 6 years, a nonprofit group in Clark County has been attempting to secure vacant land from the Federal Government for the development of a mobile home park in which low-income families could live. The donation of the land from the Federal Government would make it possible to keep space rents in an affordable range. The United States Bureau of Land Management has indicated that, under federal law, land is not available for this purpose at less than fair market value. Therefore, special federal legislation may be required.

Bills have been introduced in both houses of Congress by members of Nevada's congressional delegation to make this land available (S. 2127 and H.R. 4097). (See Appendix D.)

The subcommittee asks that:

11. A resolution be adopted urging Congress to enact legislation providing federal land for use in constructing low-income housing, including mobile home parks for low-income mobile home owners.
(BDR R-194)

J. MORTGAGE REVENUE BONDS

One of the greatest obstacles to first-time home buyers is the high cost of mortgage interest payments. Over the past few years, Nevada's housing division has confronted this problem by issuing tax-exempt mortgage revenue bonds. Because the interest on these bonds is exempt from federal income taxes, investors are willing to accept a lower rate of return than they would demand of conventional bonds. This lower bond rate makes it possible to lend the proceeds of the bonds to home owners at reduced interest rates.

The housing division has used the mortgage revenue bond program to assist over 8,000 first-time home buyers. Since 1978, over 71 percent of the beneficiaries have been families earning less than \$25,000 per year.

Because of federal budget problems, Congress has sought to curtail the use of tax-exempt bonds. The Tax Reform Act of 1986 includes a "sunset" clause which provides that no tax-exempt mortgage revenue bonds be issued after December 31, 1988. This "sunset" will, of course, put an end to a

program which has made it possible for thousands of Nevada families of moderate means to purchase their own homes.

The subcommittee recommends that the legislative commission adopt:

A resolution calling upon Congress to remove the "sunset" date of December 31, 1988, on the tax-exempt mortgage revenue bond program in order to allow the housing division to continue to finance single-family homes for first-time home buyers.

Such a resolution was adopted by the legislative commission on September 29, 1988. A copy of the resolution is included as Appendix A of this document.

IV. APPENDICES

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APPENDIX A

Resolution Of The Legislative Commission Of The
State Of Nevada Urging Congress To Continue
The Federal Tax Exemption For
Mortgage Revenue Bonds

APPENDIX A

Resolution of the Legislative Commission
of the State of Nevada

Urging Congress to continue the federal tax exemption
for mortgage revenue bonds.

WHEREAS, Assisting families to purchase their own homes is beneficial to the stability and quality of life in the State of Nevada; and

WHEREAS, The housing division of the department of commerce of this state administers a program to provide loans for the purchase of homes by families of low to moderate income out of money it obtains from the issuance of mortgage revenue bonds that qualify for an exemption from federal income taxes under 26 U.S.C. § 143; and

WHEREAS, Approximately 8,200 families with insufficient financial resources to qualify for conventional financing have purchased their first homes in this state with money loaned pursuant to that program; and

WHEREAS, The tax exemption for mortgage revenue bonds is currently scheduled to expire on December 31, 1988, which would severely impair the ability of the housing division to assist families in the purchase of homes; now, therefore, be it

RESOLVED BY THE LEGISLATIVE COMMISSION OF THE STATE OF NEVADA, That Congress is hereby urged to continue the tax exemption for mortgage revenue bonds provided in 26 U.S.C. § 143 beyond December 31, 1988; and be it further

RESOLVED, That a copy of this resolution be transmitted by the secretary of the Legislative Commission to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation.

Adopted by the Legislative Commission

Senator Lawrence E. Jacobsen
Chairman of the Legislative Commission

Donald A. Rhodes
Director and Secretary of the
Legislative Commission

APPENDIX B

Blue-Ribbon Committee Report On The
Availability Of Low Income Housing,
State Of Nevada 1988

APPENDIX B

BLUE-RIBBON COMMITTEE
REPORT ON
THE AVAILABILITY OF LOW INCOME HOUSING
STATE OF NEVADA 1988

April 29, 1988

The Honorable Morse Arberry, Jr.
425 Lass Circle
North Las Vegas, Nevada 89030

Re: A.C.R. 24

Dear Mr. Arberry:

The Volunteer Blue-Ribbon Committee respectfully submits the enclosed information and recommendations on affordable housing.

I would like to recognize and thank the members of the Blue-Ribbon Committee who volunteered to chair and serve on the subcommittees responsible for the various components of this report. The subcommittee's have done an excellent job

Priorities:

Jon Sasser - Chairman
Charles Horsey
Erma O'Neal
Carolyn Strunge
Wanda Thatcher

Revenue Sources:

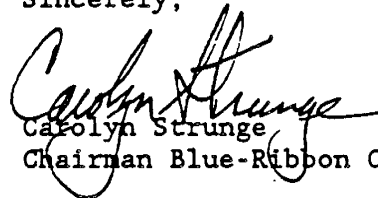
Chris Harris - Chairman
Bob Jones
Marilyn Mann
Jon Sasser

Proposed legislation:

Ernie Nielsen - Chairman
Pam Barrett
Charles Horsey
Bob Jones
Frank Vivert

I hope you will find this report useful in making your final recommendation to the Legislature. If you have any question regarding the report please call me at 329-3630.

Sincerely,



Carolyn Strunge
Chairman Blue-Ribbon Committee

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HOUSING AND STATE ACTION

INTRODUCTION

The future of affordable housing in the State of Nevada may depend on the action taken by our state legislators today.

The traditional, and probably the most effective, strategies for addressing the need for affordable housing involves the use of federal programs operating on a national basis. The federal government has operated affordable housing programs since the 1930s and began an increase in the supply of such units in the late 1960s and through the 1970s. These programs have provided approximately twenty percent of the low-income population with affordable housing.

In the 1980s, the federal government has eliminated and cut the funding available for affordable housing by 60 percent. The cuts have come from the elimination of housing development programs. Without the development programs, we can not meet the increasing need for affordable housing, replace the aging affordable housing stock, or replace projects whose commitment to serve the low income will soon expire. The number of affordable housing units supported by the existing federal housing programs will gradually decrease until they are eliminated.

The groundwork is now being laid for the 1990s. The recent media attention to the homeless problem has raised the consciousness of our federal government and lead to the development of programs to assist the homeless and a renewed concern for affordable housing. However, the federal government is no longer willing to assume full responsibility and support for these programs. Many of the homeless programs require a commitment of matching local funds; if a source of local funds is not available the federal funds cannot be received and affordable housing will not be made available.

On March 29, 1988 an article appeared in the *Reno Gazette-Journal* reporting the findings of the private National Housing Task Force. The task force has recommended a twelve year federal housing program. One component of the program would "allocate \$1.5 billion to the states, which would be required to match the funds." In response to the report Samuel R. Pierce, Secretary of Housing and Urban Development (HUD) stated, in part: his department "emphasizes the need for participation by state and local governments".

The move toward required state participation in the funding and administration of new housing programs has begun. The Stewart B. McKinney Act signed into law in July, 1987 provides funding for various homeless programs. It requires each state to develop a statewide comprehensive homeless assistance plan as a condition of receiving assistance. It requires the state to apply for and administer certain grants available under the program and requires the state to provide matching funds in order to be eligible for certain federal funds.

The Housing and Community Development Act of 1987 contains language intended to decrease the number of affordable units lost as a result of the ending of low-income restrictions on occupancy (i.e., Section 236 program). The language allows for a state to develop the strategy to be used to preserve these units. The act also authorizes a rural housing guaranteed loan program with loan guarantees available to each state.

The federal government has made its intention to require state involvement and financial participation in housing programs clear. It is your job to assure that our state is prepared to accept the responsibility for the administration of these programs and to provide a source of matching funds when required.

The state recently lost an opportunity to acquire permanent affordable housing for homeless handicapped persons including mentally handicapped. The funding was available under the Stewart B. McKinney Act's Supportive Housing Demonstration Program. The state was required to submit the application to HUD and to providing matching funds for the program -- our state did not apply for funding. Without the permanent housing that this program could have provided, homeless handicapped persons will continue to cycle in and out of various state institutions because they have no place else to go.

What can a lost opportunity to participate in a federal housing program mean? To illustrate the potential loss, I will outline the funding recently received by Reno Housing Authority when it was successful in obtaining a Transitional Housing Demonstration Grant from HUD. In order to apply for funding, the Authority had to have local matching funds, and received \$150,000 from the City of Reno. These funds leveraged a \$1.2 million transitional housing grant which will provide temporary shelter for approximately 276 families per year for the next five years. In addition, the Authority will receive 200 vouchers which will be available for five years to provide permanent affordable housing for these families. Each voucher will pay a portion of a family's rent to a private landlord in our community. The average payment to a landlord is expected to be \$400 per month; therefore each voucher will place \$4,800 per year in circulation. This money will find its way into, and affect all segments of our economy while providing a low-income family with affordable housing. The total amount of money that will be available to assist low-income families and available to spend in our state from the vouchers will be:

Number of vouchers available:	200
Monthly cash value of each	X 400
Total monthly value	\$ 80,000
Months available (5 years)	X 60
Total value	\$ 4,800,000

PROGRAM BENEFITS VERSUS COST

Total cash benefit to the economy:

Investment Required:

Grant \$ 1,200,000

Matching fund \$150,000

Vouchers \$ 4,800,000

Qualified staff available to submit
grant application and administer program

Total \$ 6,000,000

Participation in federal housing programs can benefit our low-income families and the economy. Without a source of matching funds and qualified administrators the low-income persons and the state lose.

SUBSIDIZED LOW INCOME UNITS CURRENTLY AVAILABLE

The attached summary of subsidized units available was compiled from data supply by Nevada Housing Authorities and the Las Vegas HUD office. We believe the data is current for 1988.

Nevada has a total of 15,530 subsidized units in the State and a need for an additional 65,000 units.

The first group of units, Conventional units, can be expected to provide low income housing for the life of the structures.

The Section 8 existing units currently have contracts which will expire in 1991 however, we do expect these contracts to be renewed.

The Section 8 new construction units have contracts which will expire over the next ten to twenty years.

The vouchers are issued with a five year contract.

The Moderate Rehabilitation units have fifteen year contracts which are not likely to be renewed.

All of the Non-Housing Authority projects have contracts which are not likely to be renewed and have begun to expire. Time did not permit an analysis of when these contracts will expire. I have enclosed a detailed list of the units in the appendix which can be used to obtain this data.

SUBSIDIZED HOUSING UNITS

HOUSING AUTHORITY OPERATED

PROGRAM:	LAS VEGAS	NORTH LAS VEGAS	CLARK COUNTY	RENO WASHOE CO SPARKS	CARSON & RURAL AREA	NEVADA
CONVENTIONAL						
Elderly	685	120	241	250		1296
Family	2200	151	457	478		3286
Sub Total	2885	271	698	728	0	4582
						0
SECTION 8						0
Existing	560	541	870	463	588	3022
New Construction	0	0	120	224	130	474
Vouchers	400	75	161	123	25	784
Moderate -						0
Rehabilitation	116	36	160	346	0	658
Sub-Total	1076	652	1311	1156	743	4938
						0
OTHER						0
Mobile Home Park	50		107			157
Non-Aided	257			12		269
Sub-total	307	0	107	12	0	426
						0
Total	4268	923	2116	1896	743	9946
INDIAN HOUSING						950

NON-HOUSING AUTHORITY SUBSIDIES

202 ELDERLY	330		188	40		558
221 D-4	1060		164	28	92	1344
236	621			215	100	936
SECTION 8	8					8
223F	218					218
UNINSURED	132				98	230
221 D-3			26	234		260
					130	130
TOTAL	2369	0	378	517	420	3684
GROSS TOTAL	6637	923	2494	2413	1163	15530

NEED

Housing needs can fall into several categories: emergency shelter needs, transition housing needs, permanent housing (including home ownership and rentals), and various types of facilities offering related care such as convalescent hospitals. The data necessary to determine the level of need in these categories is not available. The Census Bureau does maintain detailed statistical information on rental units. Therefore we will limit our attached analysis to the need for permanent affordable rental units.

Our analysis indicates Nevada now needs 64,802 additional units of affordable housing to meet the needs of families with incomes below 50% of median income. By 1992 the need will grow to 76,959.

To meet the need units can be built specific built for that purpose or existing units can be made affordable through rent subsidy programs.

If units are built to meet the need, the total cost exceeds 2.5 Billion for construction. The rental revenue received from the units would pay for the initial investment (without interest or replacement reserve) in forty five years.

If existing units are subsidized the annual cost in exceeds 216 Million Dollars per year with no payback.

The statistical information utilized in the need calculation is attached as Appendix A. The need calculations make several assumptions:

1. No allowance for inflation has been incorporated.
2. The median income level used is assumed to be 12,499. This figure does not reflect actual median income. However, it is close to actual and reflects a category used by the census bureau to collect data. reported from other sources, including the U.S. Department of Housing and Urban Development.
3. The number of homeowners and the number of rental units available remain the same as a percentage of the whole from 1980 through 1992.
4. Affordable rent is considered to be 30 percent of income.
5. All persons with incomes below 50% of median who are paying in excess or 30% of income for housing are considered in need of affordable housing.

Summary of Need for affordable housing units

	1980	1987	1992
Total Households	304327	386906	448620
Homeowner Households	181255	230438	267195
Renter Households	123072	156468	181425
Poverty Level Households	72496	34930	40502
Homeowners	9879	12560	14563
Renters	17596	22370	25939
*With affordable rent @30%	1617	1617	1617
Households needing affordable rentals	15979	20753	24322
Above poverty but less than 50% of Median Households \$12,499	73078	92984	107727
Homeowners	30787	39141	45384
Renters	42291	53843	62431
*With affordable rent @30%	9794	9794	9794
Households needing affordable rentals	32497	44049	52637
Shortfall of affordable rental units			
Poverty Level Below 50% median	15979	20753	24322
	32497	44049	52637
Total need	48476	64802	76959

COST TO MEET THE NEED

I have attached three work sheets one showing the cost to meet the need by building units, one which shows the cost to subsidize existing units and one which shows the amount of rent each tenant would be expected to pay.

The cost to build \$2,527,278,000.

The cost to subsidize \$216,839,940.00 per year.

Subsidy Required to meet need
1988.

Assume all units are 2 Bedroom at \$579.00 Rents

Poverty Level

Market Rent	\$579.00
Tenant Pays 30% of income	\$275.00

Subsidy	\$304.00 month
	\$3,648.00 annual

X # of units needed	20753	\$75,706,944.00
---------------------	-------	-----------------

50% Median

Market Rent	\$579.00
Tenant Pays 30% of Income	\$312.00

Subsidy	\$267.00 month
	\$3,204.00 annual

x # of units needed	44049	\$141,132,996.00
---------------------	-------	------------------

120% of Median

Market Rent	\$579.00
Tenant Pays 30% of Income	\$875.00

Subsidy	\$0.00
---------	--------

Total Subsidy

\$216,839,940.00

General Data

- 1) Cost to Build; 1 bedroom unit \$37000, 2 bedroom unit \$39000,
3 bedroom unit \$43000
- 2) Assume all 2 bedroom units
- 3) Ongoing Maintenance Costs; \$228.48 per month, \$2741 per
annum (based on FY1988 R.H.A. costs)

BUILDING COSTS

LEVEL		1988
Level I-Poverty (20753)	Build	\$809,367,000
	Maint.	\$56,883,973
Level II-50% Median (44049)	Build	\$1,717,911,000
	Maint.	\$120,738,309
TOTAL COSTS	Build	\$2,527,278,000
	Maint.	\$177,622,282
	Rent	\$233,668,650
Available for debt service		\$56,066,368
Years to pay back		45.08

Rental Revenue
1988

Proverty Level

\$11,000

X 30%

3300 Annual
275 Monthly

X # units needed

20753

\$68,484,900.00

50% Median

\$12,499

X 30%

3750 Annual
312 Monthly

X # units needed

44049

\$165,183,750.00

120% of median

\$34999

X 30%

10500 Annual
875 Monthly

X # units needed

16427

\$172,483,500.00

Total Annual Revenue from Rents

\$406,152,150.00

BLUE-RIBBON COMMITTEE APPROACH

The ACR 24 Volunteer Blue-Ribbon Committee consists of professionals from the private and public sectors who are involved and concerned with housing in Nevada. The primary purpose of the Committee is to assist the Legislative Subcommittee in conducting the interim study of availability of low-income housing as mandated by A.C.R. 24.

The public hearings held by the Subcommittee have provided data on the need for housing and many suggested solutions to the problems. The Blue-Ribbon Committee has reviewed the testimony from the hearings and discussed and evaluated each recommendation. A summary of the recommendations presented in the hearings and the action recommended on each follows. Details regarding these recommendations can be found in the Blue-Ribbon Committee meeting minutes (Appendix B).

SUMMARY OF SUGGESTIONS MADE AT PUBLIC HEARING
AND RECOMMENDATIONS OF THE VOLUNTEER
BLUE-RIBBON COMMITTEE

Funding Sources

Recommended:

Taxes: Room, property, sin, real estate transfer

Not recommended:

Stewart B. McKinney Act - inappropriate state source

Nevada Division of Housing reserves

Commercial construction tax

Lottery

Taxes: Gaming, corporate income, sales, gas

Nevada Division of Housing borrowing capacity - not a funding source

No recommendation made:

Interest from escrow accounts (brokers, impounds, title companies)

Blue-ribbon committee recommendation:

Inclusion in Executive Budget

State appropriation - general fund

Inclusion in State tax structure study

Group to be served:

Very low income (working poor, fixed income, zero income).

Large Families

120% of Median

Blue-ribbon committee recommendation:

70% of funding at or below poverty level;

25 percent at 50% of median income.

5% of funding for families up to 120% of median income.

Types of assistance or programs:

Direct rental assistance

Revolving funds for first month,

last month and security deposits

Low-interest financing

Pool of funds to use for leveraging

Purchase of FHA repossessed houses

State incentives for lenders

Blue-ribbon Committee recommends:

Allow communities to identify types of programs needed.

Government acquisition

Tax incentive

Coop housing

Emergency housing

BRIDGE

Political support

Employer-provided housing

Proposed legislative action

Recommended:

Resolution to extend sunset date

Allow "granny flats"

Donations of BLM land

Housing trust fund

Not recommended:

Extend or clarify composite bonds (not needed)

Local government authority to guarantee bonds (not allowed)

Require landlords to accept Section 8 subsidy (not needed)

Increase in fair market rents for mobile home spaces (no determination of need established)

Increase in Section 8 units for State

Requiring response time to health and safety repairs

Escrow accounts (broker, title companies, impound)

Mobile home in-park sales

No recommendation:

Cut Rural Housing Authority ties to the State

Increase ADC

Additional Blue-Ribbon Committee Recommendations

Request extension of tax credits beyond 1989

Statewide housing plan

Mobile home space rental data collection

Tax exemption for homeless facilities

PRIORITIES

The Blue-Ribbon Committee takes the position that any state low-income housing programs adopted by the 1989 Legislature upon recommendations under ACR 24 should give the highest priority for services to the lowest of low-income persons. We recommend that 70 percent of any funds allocated be spent for the benefit of persons whose income falls below poverty level and 25 percent be spent for persons whose incomes are up to 50 percent of a county's median income. The remaining 5 percent could be spent on projects benefiting persons up to 120 percent on an area's median income, if they are designed to generate income for the benefit of low-income tenants.

Currently to qualify under most HUD low-income housing programs, a family's income may not exceed 50 percent of the median income for the geographical area within which the tenant lives. In Washoe County, for example, a family of four may earn up to \$19,000 per year, while in Clark County, a family of four may earn approximately \$16,000 per year.

The Blue-Ribbon Committee advocates spending the very limited state dollars which are likely to be available on those who are in the greatest need. According to the 1980 census, there were 69,000 Nevadans whose incomes fell below the federal poverty level. Although there are no official 1988 projections for Nevada's population, trends indicate there would be in the neighborhood of 90,000 to 100,000 persons today.

There can be little doubt that every penny which may be appropriated by the state could be spent on this group without coming close to meeting the full need. This group contains a wide range of incomes. For example, the 1987 federal poverty level for a family of three was \$775.00 a month which is a household with a wage earner earning \$4.50 per hour. An ADC family of three received a benefit of only \$325.00 monthly. If the income tests utilized under the statute focused not on gross income but allowed certain expenses and payroll deductions to be subtracted prior to determining income levels, then wage-earners grossing \$7.00 or \$8.00 an hour would qualify under these criteria.

One concern, of course, is that multi-family projects contain a certain "economic mix" within the complexes. Our proposal deals with this problem in several ways. First, some programs which could potentially be funded under the proposal would not involve the building of a project. Money could be provided to help families with first and last month's rent and security deposits or could go into direct subsidies in the form of a voucher or certificate which could be taken to any available housing in the community which met certain criteria. "Economic mix" would not be an issue under these types of programs and their benefits should be directed to those most in need.

As to any funds which are spent on concentrated projects, the proposed legislation does allow up to 25 percent of the total funds spent under the statute to be for the benefit of persons up to 50 percent of an area's median income. (As noted earlier, in Washoe county that is \$19,000.00 for a family of four.) Because money on voucher-type programs would be targeted for the

lowest income people, projects could be allowed to have roughly 50-50 mix between those below poverty level and those up to 50 percent of median income. Of course, once a person is in a project and their income rises they are not evicted but can stay and pay market rent. If all persons whose incomes fall below 50 percent of median can qualify, approximately 200,000 to 300,000 Nevadans would be eligible for the program. This broad base of eligible persons, would contribute to achieving "economic mix".

Of course, as a bottom line the lower the income of a tenant, the less rent the tenant can afford to pay. Therefore, these lower income tenants will need larger direct subsidies to make up the difference between market rent and the amount they can pay. If the lowest income people are targeted, fewer people can be served for the same amount of money than if higher income people are targeted.

The Blue-Ribbon Committee feels, however, that even though it may be more costly to serve the lower income family, that family will suffer a far greater hardship if it is not served than one of higher income. For the below-poverty level family, a subsidy may make the difference between joining the ranks of the homeless or having a roof over the family's head. For this family paying fair market rent for an apartment, will surely mean that the family must do without other basic necessities of life (food, clothing, shelter, medical care, etc. It should be remembered that persons whose incomes fall between ADC and SSI levels and the poverty level do not generally receive Medicaid, food stamps, etc.). This failure to provide basic necessities, especially to families with children, can lead to long term effects on education, delinquency, crime, teen pregnancy, etc...

While life is no bed of roses for those over poverty level, the lack of a housing subsidy is less likely to have a major impact on a family's ability to provide basic necessities. Instead, the family's ability to purchase luxuries or have a better lifestyle is more likely to be impacted. While we can feel sympathy for such people, we cannot see assistance to them as one of the highest priorities for the use of limited tax-payer funds. Therefore, we recommend that the 70 percent of the funds be spent for the benefit of those below poverty.

The proposal would allow 5 percent of the funds to be spent for persons with incomes up to 120 percent of median income (\$38,400 in Clark County for a family of four). These monies could be used for projects which would return a surplus to the housing fund at some future date. This flexibility would also allow experimental programs.

The Blue-Ribbon Committee's recommendations are embodied in the proposed low-income housing trust fund legislation discussed in the following section. We recommend its adoption.

REVENUE SOURCES

The Blue-Ribbon Committee suggests that the Legislative Subcommittee recommend funding sources to the 1989 Legislature to meet the needs previously described. The mechanism for distributing any revenues raised would be through the low-income Housing Trust Fund described in the Proposed Legislative section. Because the need is so large and because a master plan for low-income housing statewide has not been developed, it is difficult for the Blue-Ribbon Committee to suggest a target amount of money to be raised for the first two years of the program. Because the total cost to build affordable units exceeds \$2.5 Billion and the total cost to subsidize all families in need exceeds \$216 Million per year, we recognize that there is no way that all the money needed to do the full job can be appropriated by the Legislature. We suggest the figure of \$20 million, less than 10% of the subsidy need but it will allow the program to get off to a constructive start.

We suggest that the Legislative Subcommittee recommend four general approaches simultaneously. The Blue-Ribbon Committee felt the best opportunity to receive adequate funding for a low-income housing trust fund is to obtain the active support of the Executive Branch. The first and second approaches are intended to actively demonstrate the Executive Branch's support of affordable housing. We recommend that a low-income housing trust fund be included in the Executive budget proposed to the Legislature with an appropriation from the general fund, including monies for necessary staff. Second, the Executive Branch should introduce the bill creating the Housing Trust Fund and naming a funding source. The third and fourth approaches seek to obtain an ongoing source of funding. The Legislative Subcommittee write to request the Legislative Commission Subcommittee under AB 397, which is examining the long-range tax structure and revenue needs of the state, to include programs for low-income housing in their 20-year projection of the state's financial needs. Finally, the Legislative Subcommittee propose legislation in the 1989 session to earmark the proceeds from a specific tax increase to provide revenue for a low-income housing trust fund. Each recommendation is described in more detail below.

A. Inclusion in the Executive Budget

The Subcommittee should encourage the Governor to include an appropriation for the housing trust fund in the Executive Budget request for the Housing Division of the Department of Commerce.

The Legislative Subcommittee and the individual interest groups represented on the Blue-Ribbon Committee can actively encourage the Governor, the Budget Director, and the Department of Commerce to include this item in the Executive Budget and lobby to insure its inclusion in the final Executive Budget.

B. Executive Branch Bill

Alternatively the Legislative Subcommittee could ask that the Executive Branch to include the low-income housing trust fund legislation with one of the revenue sources identified in Section D as one of the Executive Branch's

bills. If this were accomplished, the Governor's staff and the Department of Commerce could actively testify and lobby on behalf of the bill.

Without the active support of the Executive Branch, the Blue-Ribbon Committee feels it will be very difficult to receive an appropriation from the general fund. After passage by either an Assembly or Senate policy committee, the bill would have to go to the appropriate finance committee because it would contain a fiscal note. The hearings on these bills in the finance committees generally take place late in the session after most of the general fund revenues have already been earmarked for programs which are contained in the Executive Budget. It is extremely doubtful that under this scenario a sizeable appropriation could be expected for low-income housing in the 1989 Session.

C. Inclusion in the Long Range State Needs Being Addressed by the Study on the State's Tax Structure

Under AB 397, a consulting firm has been hired under the oversight of the legislative committee to look at Nevada's long range governmental needs and to recommend a tax structure to support those needs. Affordable housing is and will continue over a 20 year period to be a critical need. The tax structure study must include housing needs and the recommended tax base to support the program.

Between now and mid-June, the consulting firm conducting the study will be working on its 20 year projections of the state's needs. Because low-income housing programs have traditionally not been included in the State Budget, it is unlikely that these consultants will consider housing needs unless they receive information regarding the work of the Legislative Subcommittee. It is suggested that this Legislative Subcommittee communicate in writing to the oversight committee under AB 397 with a copy of its preliminary recommendations for inclusion in their study.

D. Legislation Regarding a Targeted Revenue Source for Low-income Housing

If a low-income housing program is not included in the Executive Budget and legislation for a housing trust fund is not requested by the Executive Branch the Blue-Ribbon Committee feels that the next best chance for achieving significant funding in the 1989 Legislature is to propose a bill which would go to the tax committees which would earmark a specific tax to fund this program. This strategy is similar to that employed by county governments in 1985 and 1987 to obtain a 3% increase in the property tax to deal with the rising cost of county medically-indigent programs.

Below is a prioritized list of potential revenue sources and the amounts of money that they could generate. The Blue-Ribbon Committee will, of course, defer to the Subcommittee's political judgment as to which revenue source(s) might have the best opportunity for adoption.

1. The Property Tax. It is projected that for each one cent per hundred dollar valuation increase in the property tax that \$1.6 million would be generated. Property tax, of course, is historically a general tax which has been used to support the general needs of the state and counties. Logically the lack of affordable housing and the resulting social problems should be

concern of all Nevada citizens and should therefore be paid for by a broad-based tax.

The Blue-Ribbon Committee recommends a 10 cent increase in the property tax. Generating approximately \$16 million the tax would create a stable revenue base which would grow as assessed value of property grows. This continuing revenue could make a significant impact on our low income housing needs.

2. The Room Tax. Currently, there is a one percent tax on the gross receipts from the rental of hotel and motel rooms. The proceeds of this one percent tax are divided between 3/8 of one percent which goes to the State Commission on Tourism and 5/8 of one percent which goes to counties to promote tourism within each county. Most counties have also imposed an additional room tax for the benefit of the county's tourism and economic development efforts ranging up to 7 percent above the mandated one percent. Based on FY 1987 room tax collections, a one percent increase in the room tax would generate \$8.8 million annually. As the number of rooms and the room rates increase in the future, the amount of such collections would also increase. The committee recommends a 2 percent increase in the room tax which would generate approximately \$17.6 million dollars.

It may be anticipated that this proposal would be opposed by the gaming industry and the hotel/motel industry. However, the lower-paid employees in these industries would benefit greatly from an increased stock of affordable housing. The room tax has the added benefit of being paid by tourists, not Nevadans. A 2 percent room tax would increase the price of a \$50 room by only \$1.00 per night. Because Nevada hotel rooms remain bargains compared to those in other states, there should be no detrimental effect on the tourist trade. If feasible, the tax should be charged directly to the customer and itemized on his or her bill.

3. Other Earmarked Taxes

a. An Increase in the Real Estate Transfer Tax. Currently there is a tax on the transfer of real estate at the rate of 55 cents per hundred dollars valuation. This tax generates about \$3.4 million per year that goes to the counties. It is considered an unstable revenue source and generates much less than might be anticipated. The transfers of gaming properties, for example, are generally stock transfers and not real estate transfers subject to the tax. It is also believed that the interim study on infrastructure under A.C.R. 18 may be looking at this tax as a source of revenue. The county governments may also resist any attempt to look at this traditional source of their revenues.

b. "Sin" Taxes. The tobacco tax is currently set at 20 cents per pack of cigarettes and generates \$13 million per year, half of which goes to the general fund and the other half to counties. A one cent increase would generate approximately \$130,000 per year. The liquor tax is set at the rate of \$2.05 per gallon for liquor, 75 cents per gallon for cordials, 40 cents per gallon from wine, and 9 cents per gallon for beer. It raises approximately \$11 million per year and a one cent increase would generate approximately \$356,000 from beer, \$50,000 from wine, \$3,600 from cordials and \$38,000 from hard liquor annually.

D. Appropriation from General Fund

The Blue-Ribbon Committee recommends that the Housing Trust Fund described under "Proposed Legislation" also be introduced as separate legislation with a fiscal note attached. If other revenue sources fail to materialize, an acquisition by the Finance Committee from the general fund could then be sought. While this proposal is less likely to generate significant funding, it would provide a fall-back position if the other strategies prove to be unsuccessful.

E. Interest on Escrow Accounts

At earlier meetings of the Legislative Subcommittee, proposals were submitted suggesting that various non-interest bearing escrow accounts be contributed to accounts earning interest. The interest from such accounts could go into the low income housing trust fund.

Attempts to obtain information by the Legislative Counsel Bureau from title companies has proved futile. Attached is a letter from Bill Rohrbaugh, President of the Nevada Land Title Association, which fails to give the average daily balance in such trust accounts existing in Nevada. The letter suggests, moreover, that there is very little money in such accounts because they are in existence for a period of less than 24 hours. It is obvious that significant political opposition to this proposal would be forthcoming from this and related industries.

The earnest money deposit, generally \$500 to \$1,000, is often held not by the title company but by individual realtors for periods of 60 - 90 days prior to closing. There is an indication that there is less resistance from realtors to place this money into interest-bearing accounts. If such monies were deposited at an earlier stage into title company accounts, then their arguments regarding lack of significant funds would be blunted. However, their cooperation would still be required. If these monies were placed into escrow accounts held by the realtors to generate interest, there would be the difficulty of the large number of small accounts.

Some of the resistance by the title companies is based on a false assumption that additional service charges which may be imposed by banks would have to be passed along to the consumer. Under the language and the proposed bill submitted to the Legislative Subcommittee, those costs would be paid for out of interest earned and the balance would be sent to the state.

Because of the political opposition and the lack of information at this point, the Blue-Ribbon Committee does not recommend that the Subcommittee propose legislation at this time regarding these proposals. If there is a way to accumulate the earnest monies, currently held by individual realtors for 60-90 days, in interest-bearing accounts which do not incur the strong political opposition of either the realtors or related parties, then this idea may be worthwhile if reasonable amounts could be generated. The Blue-Ribbon Committee suggests that the fiscal committee report include language supporting legislation (either mandatory or voluntary) if a meaningful amount of funds could be raised with no detrimental consequences to the real estate industry.

LEGISLATIVE
RECOMMENDATIONS

OVERVIEW

The following is a discussion of a variety of topics concerning affordable housing, all of which were discussed at some point during the three previous Subcommittee meetings. The Blue-Ribbon Committee has proposed five pieces of legislation (not counting those that relate to funding sources) and three resolutions. Copies of the actual proposed legislation are attached to this section.

A. Housing Trust Fund

The proposed legislation is attached as Exhibit A. It has changed somewhat since the time of its introduction to this subcommittee on December 15, 1987. The changes the Blue-Ribbon Committee has recommended result from a series of discussions with interest groups participating on the Blue-Ribbon Committee. Most noteworthy are those discussions with the Department of Commerce, Division of Housing.

Of critical note is the distinction described below between the block grant portion of the fund and the state level competitive fund.

1. Additional criteria have been added which will govern the distribution of funds.

a. More language was provided to show that high priority should be given for projects which would leverage federal funds.

b. Regarding the state level "competitive fund," consideration will be given to the relative severity of the requesting community's needs as defined by the state's master plan.

c. Also regarding the "competitive fund," the frequency and date of other allocations would be considered in determining selections, e.g., all other things being equal, the choice between two local government's proposals would be determined by the fact that one of them had recently received an allocation from the "competitive fund."

2. A major change is that the rental subsidy use may be funded only out of the block grants. As mentioned above, the fund is divided into two portions. One is a block grant distributed on a pro-rata basis (presumably by population, or the dictates of the revenue source). The second portion remains within the Division of Housing Trust Fund and is allocated to eligible project developers via a competitive process administered by the Housing Division. This restriction takes the allocation of rent subsidies out of the hands of the Housing Division and puts it squarely on the local government, giving the municipalities and counties a choice as to how to use those funds. We leave it to the committee to determine if the block grant is best allocated to the counties exclusively or to municipalities. However, criteria established by the Housing Division will determine the parameters of the use of these block grant funds. Such criteria will allow rental subsidies and will define that such rental subsidies can be used in conjunction with applications to the competitive fund.

The monitoring of any rental subsidy will be performed (under this proposed legislation) by the Governor's Office of Community Services (OCS). Even though it is presumed that the local governments will subcontract administration of the rental subsidy process to housing authorities who have much experience in this area, there needs to be an oversight agency to monitor the housing authorities' behavior. The cost for monitoring the use of rental subsidy (which we have determined not to exceed 2 percent of the rental subsidy's funds) will be paid out of the block grant allocations.

The monitoring role related to rental subsidies is outside of the Housing Division's expertise. The Housing Division is normally involved with project development and financing.

The Rural Housing Authority was considered by the Blue-Ribbon Committee a candidate to perform monitoring functions on the rental subsidies. Though that organization administers rental subsidies like the state's other housing authorities, it has little expertise in monitoring that process. We chose the Governor's Office of Community Services for that role only because they provide monitoring of federal pass-through programs. That organization may resist primarily because of the lack of success it has had in getting general fund dollars for administration purposes in the past. Thus, since somebody must perform this function, we propose that the OCS be paid to perform the monitoring function from the block grant portion of the Housing Trust Fund at the rate of 2 percent of the total rental subsidy funds monitored.

3. Over the last eight to ten months, a number of housing opportunities have been presented to the various housing authorities in Nevada by the U.S. Department of Housing and Urban Development, which required some matching funds. Fortunately, Reno Housing Authority was able to garner \$150,000 of City of Reno matching funds for the Mirador Motel Transitional Housing Program for the homeless. Were it not for those funds, the project would never be. We understand from the housing authorities that much of the homeless money will require local or state matching funds. Many times these requests for proposals allow only a short response time. In order to qualify for such federal funds, the Blue-Ribbon Committee discussed the need for a "fast track" method to allow project developers to quickly get the match commitment.

Elsewhere we have discussed that such programs should be given a high priority by Division of Housing regulations. In addition, the local governments could decide that 10 or 20 percent of the block grant funds be preserved for such "fast track" needs.

4. Definitions: The Blue-Ribbon Committee suggested removing certain ambiguities related to the word "recipient" from the trust fund legislation. We also clarified who were the recipients, explicitly including housing authorities.

5. We have added certain uses for the Housing Trust Fund.

a. We suggest allowing the funds to be invested in a negative annuity, which is a mechanism by which a developer manages a fund which can be used to offset operating costs over the life of the commitment to provide the

low income housing. This is an arrangement in which the developer acquires up front the discounted cash value of the 10-year tax credit and reinvests that in a negative annuity. The use we are describing here allows the payment of housing trust fund dollar to that annuity along with the developer's own funds. Matching one trust fund dollar with one private dollar, a developer can make housing affordable for persons with income near the 50 percent median income level. With a four or five State dollars to one private dollar, the mechanism will make housing affordable for persons at the poverty level.

These dollars would be a one-time grant for each unit and would be invested by the developer with his/her own funds in a negative annuity. We are viewing these not as direct rental subsidies but as payments to the developer for reducing the cost of the units.

b. Again, we are restricting the use of the funds for rental subsidies to the block grants for reasons stated above.

c. We are allowing the Housing Division's cost of administration of up to \$40,000 or 15 percent, whichever is less. We are allowing use of the block grant portion of the funds (up to 2 percent of the rental subsidies) for the cost of monitoring the program.

6. We are adding an advisory group in order to accommodate the Blue-Ribbon Committee's desire to maintain this group's momentum. However, the use of the advisory group will be determined by the Housing Division. Certainly we expect the advisory group to function during the development of regulations by the Division. The proposed legislation is attached as Exhibit A.

B. Planning (Exhibit B)

The Blue-Ribbon Committee believes that a state-wide planning component needs to be incorporated somewhere in the state administration. No housing planning is being done at the state level at this time. The Blue-Ribbon Committee is concerned that the federal government's plans for greater state participation in providing affordable housing will leave Nevadans out in the cold without data and planning base.

The legislation requires planning district to prepare a housing plan and provide updates to it every three years. The legislation further requires the counties and cities to provide such housing plans and updates (which have been adopted by the locality) to the housing planner located in the Governor's Office of Community Services.

The housing planner would be funded from general funds and we believe would cost, including operational costs, about \$40,000 per year. The housing planner would be charged with acquiring detailed demographic information and developing a state master plan. Though concerned with all housing, the planner would focus on affordability and quantify the needs.

C. Manufactured Housing Division Amendment (Exhibit C)

We have given the Manufactured Housing Division of the Department of Commerce the additional authority to collect specific data from mobile home parks. The data we believe must be collected is the current rental costs for single and double-wide units and the vacancies related thereto. With this

information, we can have an accurate data base to provide the state housing planner and also identify any need to request that HUD raise its defined fair market value rents, which would allow a greater proportion of mobile home lots to qualify for federal Section 8 subsidies. There is some belief in the community that the fair market rents which qualify a mobile home part lot for Section 8 certificates is too low for Nevada's market costs.

The cost to collect this data is minimal. According to the Manufactured Housing Division, which seems to favor this additional authority, the information would be collected by adding several lines onto a current form now used to collect information to determine the annual fees mobile home parks pay the Division. This proposed legislation is attached and labeled Exhibit C.

D. Tax Exemptions for Housing for Certain Homeless Persons (Exhibit D)

The Blue-Ribbon Committee recommends that certain housing for the homeless be exempt from real estate and personal property taxes. Now, only not-for-profit entities operating elderly and handicapped housing funded in part or wholly by federal 202 project funds are exempt. This proposal would extend that exemption to facilities operated by not-for-profits and housing authorities when such project assist homeless persons and are funded wholly or in part by the Stewart B. McKinney Act or its predecessor, the Homeless Assistance Act.

Though this legislation is written only to exempt the described housing, the Blue-Ribbon Committee only took a quick look at the problem. There may well be a critical advantage to further expanding exemption to all low-income housing owned by not-for-profit corporations. We leave discussion to the committee.

E. "Granny flats"

We determined that it is appropriate for municipalities to amend their ordinance to allow granny flats. Though we are aware that there is a question about abuse of such a system, the legislation allows municipalities to include whatever protection the municipalities desire. The idea is to allow relatives to live on the same lot. The Blue-Ribbon Committee feels that this aspect benefits the seniors who may otherwise need to be institutionalized. This kind of arrangement may not affect the same issues as those who are concerned about density.

F. We have provided a number of resolutions:

1. An extension to the sunset relating to the state's authority to sell bonds to benefit single family first-time home buyers.

2. A request that the federal government extend the tax credit act beyond 1989.

3. A request that the Bureau of Land Management consider allocating land for affordable housing.

G. Bonds

Though we have proposed no legislation here, there are three topics of concern which the Blue-Ribbon Committee addressed:

1. We looked at benefits aggregating a number of projects under one bond issue. This would reduce the overall percentage of bond costs per project. Although not fully researched, it is the opinion of the Blue-Ribbon Committee that no legislation would be needed in order to authorize the Housing Division to aggregate such projects.

2. Though there have been few requests in recent memory, it is felt that the state should have the authority to issue bonds to break down interest rates to assist multi-family rehabilitation. The Blue-Ribbon Committee has been advised that legislation may not be necessary to allow the state to do this, but it may be best that the LCB look at that issue more closely.

3. It is unconstitutional to allow a municipality to guarantee a state bond issue for the benefit of a private party. The thought was that a municipal guarantee would reduce interest rates. However (though legislation is probably required), it would be constitutional to allow such guarantee of bonds to benefit a public body like a housing authority. It is unresearched whether that would provide a lower interest rate.

The Blue-Ribbon Committee takes no position concerning whether the Rural Housing Authority should be further separated from the State's executive branch.

PROPOSED LEGISLATION
CREATING HOUSING TRUST FUND

SUMMARY: Establishes trust fund to stimulate development of the income housing and to subsidize rent.

FISCAL NOTE:

Effect on local government; No.

Effect on state or on industrial insurance; No.

Explanation: Matter underlined is new to NRS; matter in brackets is material to be omitted.

AN ACT relating to assistance to finance housing; establishing a Housing Trust Fund to be used to develop low-income housing and to provide subsidies for rents to certain families; authorizing the Housing Division of the Department of Commerce to establish a program to provide assistance for paying the rents of certain families of low income and for providing subsidies to stimulate the development of low-income housing; and providing other matters properly related thereto.

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

Section 1. Chapter 319 of NRS is hereby amended by adding thereto the provision set forth as Section 2, 3 and 4 of this act.

Section 2. "Family of very low income" means a family or a person whose total income is less than 50 percent of the median total income for a family in the country in which the family resides.

Section 3. "A family below poverty level income" means a family or a person whose total income is at or below 100 percent of the poverty level as defined and as amended by the United States Office of Management and Budget.

Section 4. "Eligible project developers are those developers (both profit or non profit) which provide access to housing for very low income families and below poverty level families.

Section 5.

1. There is hereby created a Housing Trust Fund, which shall be administered by the administrator of the division. All money received by the division which is dedicated for the uses described by Section 5 of this Act including those received pursuant to any state statute, appropriations by the Nevada legislature, private or public gifts or grants of funds and all other sources, and all interest earned on the deposit or investment of that money that must be deposited in the fund.

2. Money deposited in the fund may be expended only for the purposes of Section 6 of the Act.

3. All claims against the funds must be paid as other claims against the state are paid.

Section 6.

1. The division shall distribute annually money from the Housing Trust Fund as follows:

a. Shall distribute each fiscal year in the manner described in this act a minimum of 50 percent of the funds received in the prior fiscal year. However, the balance of funds at the end of each fiscal year, not including those funds received in that year shall not exceed four million dollars (\$4,000,000.00).

b. Of the funds distributed each year, at least 70 percent of the funds must be expended so as to benefit families below the poverty level as defined in this Chapter, at least 25 percent of the remainder to be distributed so as to benefit families of very low income as defined in this Chapter. The remaining 5 percent may be expended so as to benefit families below 120 percent of the median income so long as revenues are generated from such projects which will be expended to benefit families of very low income and families below poverty level.

c. The funds distributed each year shall be used for the following:

i. Assistance to families of very low income and families below the poverty level in the payment of their rent.

ii. New construction, rehabilitational or acquisition of housing for very low income and below poverty level families.

iii. Technical systems, design and finance services and consultation and administrative costs for eligible non-profit organizations, so long as said assistance is directed toward construction or rehabilitation or acquisition and rehabilitation of housing for use by very low income and below poverty level families.

iv. Administrative costs when such grant or loan will substantially increase the recipient's access to housing funds other than those funds available from the Housing Trust Fund.

v. Mortgage subsidies for new construction or rehabilitation of eligible multi-family units.

vi. Mortgage insurance, guarantee or payments for eligible projects.

vii. Acquisition of housing units by public sector or not for profit corporations for the purpose of preservation a very low income housing.

viii. Loans, or guarantees for payment of rental deposits and first and last months' rent as defined by the divisions regulations.

ix. For any other purpose consistent with this Section which alleviates the shortage of or provides access to affordable housing to very low income and below poverty level income families.

d. The funds will be distributed by the division in two ways:

i. Fifty percent (50 percent) will be allocated in block grants to local governments and

ii. Fifty percent (50 percent) to eligible recipients (including developers) (private or non profit) and local government allocated on a competition bases.

(1) Under the block grant program the local government must decide the use of such funds within one year of receipt and must use such funds for grant or low interest loan programs consistent with the uses described in Subsection (c) to this Section and any regulations promulgated by the division pursuant to this Act. The availability of such funds must be publicly advertised. Periodic allocations of such block grant funds must be based on criteria established by the local governments not inconsistent with the uses described in Subsection (c) of this Section and regulations promulgated pursuant to this Act.

Allocation to the project developer must be made on a competitive basis using criteria established by division. Such criteria shall require preference for those projects which could not occur without the funding or those projects which most highly leverage the funds from the Housing Trust Funds.

Administration of the funds shall remain in with the local government or to its agent or designee. However, the local government shall remain responsible to enforce the purposes and requirements of this Act and any regulations promulgated pursuant to this Act.

(2) Those allocations made by the division directly to eligible project developers will be determined by the division. Eligibility shall be defined by the division's regulations, but shall include private and not for profit developers and housing authorities as defined by NRS 315.170. The criteria for allocating funds established by the division will promote participation by local governments via such mechanisms such as tax exempt financing or linkage programs (such as donated land or density bonuses) or other available mechanisms.

Administration both during the development and operational phase of this project shall be the responsibility of the municipality, or county, if not in a municipality, in which the project is located or agent or designee. However, in all cases, the local government shall retain responsibility to see that the purposes of this act and any regulation promulgated by the division pursuant to this Act are enforced.

(3) Eligible project developers in the relevant responsible local governments as described above, must provide annual reports pursuant to criteria established by the division as the division concerning projects funded with Housing Trust Fund monies.

In addition to the local government, the division, eligible developer, or any other person who is or is eligible to receive affordable

housing because of the Housing Trust Fund, shall have the authority to enforce this act and regulations promulgated hereunder.

2. Project developers and persons provided affordable housing by the Housing Trust Fund must be selected without regard to race, creed, national origin, or sex.

3. The division shall adopt regulations:

a. Establishing who is an eligible project developer as defined in this Act.

b. Establishing what are eligible uses consistent with Section 6, of this Act.

c. Establishing criteria to be used by itself and local governments to determine which eligible recipients are funded.

d. To regulate the maximum state granted subsidies which may be associated with each project, establishing criteria (of Housing Trust funds monies for assistance in the payment of rent and) the maximum amount of such use by each project funded by Housing Trust Fund monies.

e. Under the completion fund, coordinate the project selection process with any local or state government of location of rental subsidy process.

f. To the extent necessary, to establish additional criteria for the allocation of funds consistent with this Act.

g. Necessary to carry out the provisions of this Section and Section 3 of the Act.

Section 7. NRS 319.010 is hereby amended to read as follows: 319.010 This Chapter may be cited as the Nevada Housing Financial and Rental Assistance Law.

Section 8. NRS 319.020 is hereby amended to read as follows:
319.020 The legislature finds and declares that:

1. There exists a serious shortage of decent, safe and sanitary housing in this state available to persons and families of low and moderate income.

2. This condition (is):

a. Is conducive to disease, crime, environmental decline and poverty (.impairs):

b. Impairs the economic value of large areas, which are characterized by depreciated value, impaired investments, reduced capacity to pay taxes, and lack of new development of meet the needs of area residents (, and is); and

c. Is a menace to the health, safety, morals and welfare of the citizens of this state.

3. This condition results in a loss of population and further deterioration accompanied by added costs to communities for creation of new public facilities and services elsewhere.

4. It is difficult and uneconomic for individual owners independently to remedy this condition.

5. One major cause of this condition has been recurrent shortages of money from private sources, and such shortages have contributed to reduction in construction of new residential housing and have made the sale and purchase of existing residential housing a virtual impossibility in certain parts of the state.

6. Additional causes for the shortage and affordable housing are increasing rents and the inadequate supply of subsidies for housing provided by the Federal Government.

7. The ordinary operations of private enterprise have not in the past corrected these conditions.

(7.) 8. The reduction of housing construction has caused substantial unemployment and underemployment in the construction industry which results in hardships, wastes human resources, increases the public assistance burdens of the state impairs the security of family life, impedes the economic and physical development of the state and adversely affects the welfare, health and prosperity of all the people of this state.

(8.) 9. A stable supply of adequate money for the financing of housing is required to encourage new housing in an orderly and sustained manner and thereby to reduce these detrimental results.

(9.)10. A stable supply of funds is required to reduce housing costs to be affordable for very low income and below poverty level income families.

(10.)

11. It is necessary to create a Housing Division in the Department of Commerce to encourage the investment of private capital, (and) stimulate the financing of housing through the use of public financing to provide mortgage loans, (and to), make loans to and purchase mortgage loans from mortgage lenders.

12. All of the purposes set forth in Subsection (9) 11 are public purposes and uses for which public monies may be borrowed, expended, advanced, loaned or granted. This Chapter (shall) must be liberally construed to accomplish the public purposes and alleviate the detrimental conditions set forth in this Section.

13. The legislature declares that it is in the public interest to establish a continuously renewable resource known as a Housing Trust Fund to assist very low income families and families below poverty level in meeting their basic housing needs, and that the needs of families below poverty level should be given priority.

Section 9. A new section is added to Chapter 3.9, as follows:

The Housing Division shall periodically consult with an advisory committee. The committee shall include persons representing housing authorities low income groups, private and not for profit developers, builders and other housing providers.

Section 10. Section 523.131 of the NRS is amended as follows:

523.131 Duties of Director. The Director shall:

1. Acquire and analyze information relating to energy and to the supply, demand and conservation of its sources.
2. Utilize all available public and private means to provide information to the public about problems relating to energy and to explain how conservation of energy and its sources may be accomplished.
3. Review and evaluate information which identifies trends and permits forecasting of the energy available to the state. Such forecasts must include estimates on:
 - a. The level of demand for energy in the state for 5, 10- and 20- year periods.
 - b. The amount of energy available to meet each level of demand;
 - c. The probable implications of the forecast on the demand and supply of energy; and
 - d. The alternative sources of energy which are available and their possible effects.
4. Study means of reducing wasteful, inefficient, unnecessary or uneconomical uses of energy and encourage the maximum utilization of existing sources of energy in the state.
5. Encourage the development of any existing and alternative sources of energy which will benefit the state.
6. In conjunction with the desert research institute, review policies relating to the research and development of the state's geothermal resources and make recommendations to the appropriate state and federal agencies for establishing methods of developing the geothermal resources within the state.
7. Shall monitor the use for compliance with Division of Housing regulations all Housing Trust Fund monies used for rental subsidies paid by project developers or their assignees directly to low income or poverty income families and make annual reports to the LCB showing compliance.

Section 10. A new section is added to NRS Chapter 523 as follows:

(1) The office of Community Services will be paid an amount equivalent to 2 percent of the Housing Trust Fund's Block Grant program. Such payment will be from the Housing Trust Fund's Block Grant program.

PROPOSED LEGISLATION ADDING HOUSING FUNCTION TO
REGIONAL PLANNING DISTRICT; STATE RESPONSIBILITY

SUMMARY: This Act adds a housing plan as one of the mandatory functions of a master plan.

FISCAL NOTE:

Effect on local government; Yes

Effect on state or industrial insurance; Yes

Explanation: Matter underlined is new to NRS; matter in brackets is material to be omitted.

AN ACT Relating to state and local housing planning; includes housing as a necessary component in master plans; redefines what has to be included in housing portion of a master plan and expands responsibility of Governor's Office of Community Services with respect to planning.

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

Section 1. Chapter 278.150 of the NRS is hereby amended as follows:

278.150 master plan: adoption by planning commission.

1. The planning commission shall prepare and adopt a comprehensive, long term general plan for the physical development of the city, county or region which in the commission's judgment bears relation to the planning thereof.

2. The plan shall be known as the master plan, and must be so prepared that all or portions thereof, except as provided in subsection 3, may be adopted by the governing body, as provided in NRS 278.010 to 278.630, inclusive, as a basis for the development of the city, county or region for such reasonable period of time next ensuing as of the adoption thereof as may practically be covered thereby.

3. In counties having a population of 100,000 or more, if the governing body of the city or county adopts only a portion of the master plan, it shall include in that portion a conservation plan [and], a population plan and a housing plan as provided in NRS 278.160.

4. The planning commission shall update the housing plan every three years (concurrent with the U.S. Department of Housing & Urban Development three-year Housing Assistance Plan cycle) and submit same to the city or county for approval.

5. The governing body of the city or county shall submit the approved housing plan and approved updates to the Governor's Office of Community Services.

Section 3. Chapter 278.160 of NRS is hereby amended as follows:

278.160 Subject matter of master plan.

1. The master plan, with the accompanying charts, drawings, diagrams, schedules and reports, shall include such of the following subject matter or portions thereof as are appropriate to the city, county or region, and as may be made the basis for the physical development thereof:

(a) **Community design.** Standards and principles governing the subdivision of land and suggestive patterns for community design and development.

(b) **Conservation plan.** For the conservation, development and utilization of natural resources, including water and its hydraulic force, underground water, water supply, forests, soils, rivers and other waters, harbors, fisheries, wildlife, minerals and other natural resources. The plan shall also cover the reclamation of land and waters, flood control, prevention and control of the pollution of streams and other waters, regulation of the use of land in stream channels and other areas required for the accomplishment of the conservation plan, prevention, control and correction of the erosion of soils through proper clearing, grading and landscaping, beaches and shores, and protection of watersheds. The plan shall also indicate the maximum tolerable air pollution level.

(c) **Economic plan.** Showing recommended schedules for the allocation and expenditure of public funds in order to provide for the economical and timely execution of the various components of the plan.

(d) **Housing[.] plan.** Survey [of] housing conditions, costs, and supply of housing, relate the cost and supply to affordability, quantify the need for additional affordable housing now and for the next three years [and needs] and identify plans and procedures for 1 improvement of housing standards 2 the provision of additional affordable housing [and for the provision of adequate housing].

(e) **Land use plan.** An inventory and classification of natural land types and of existing land cover and uses, and comprehensive plans for the most desirable utilization of land.

(f) **Population plan.** An estimate of the total population which the natural resources of the city, county or region will support on a continuing basis without unreasonable impairment.

(g) **Public buildings.** Showing locations and arrangement of civic centers and all other public buildings, including the architecture thereof and the landscape treatment of the grounds thereof.

(h) **Public services and facilities.** Showing general plans for sewage, drainage and utilities, and rights of way, easements and facilities therefor.

(i) **Recreation plan.** Showing a comprehensive system of recreation areas, including natural reservations, parks, parkways, reserved riverbank

strips, beaches, playgrounds and other recreation areas, including, when practicable, the locations and proposed development thereof.

(j) **Seismic safety plan.** Consisting of an identification and appraisal of seismic hazards such as susceptibility to surface ruptures from faulting, to ground shaking or to ground failures.

(k) **Solid waste disposal plan.** Showing general plans for disposal of solid waste.

(l) **Streets and highways plan.** Showing the general locations and widths of a comprehensive system of major traffic thoroughfares and other traffic ways and of streets and the recommended treatment thereof, building line setbacks, and a system of street naming or numbering, and house numbering, with recommendations concerning proposed changes.

(m) **Transit plan.** Showing a proposed system of transit lines, including rapid transit, streetcar, motorcoach and trolley coach lines and related facilities.

(n) **Transportation plan.** Showing a comprehensive transportation system, including locations of rights of way, terminals, viaducts and grade separations. The plan may also include port, harbor, aviation and related facilities.

2. The commission may prepare and adopt, as part of the master plan, other and additional plans and reports dealing with such other subjects as may in its judgment relate to the physical development of the city, county or region, and nothing contained in NRS 278.010 to 278.630, inclusive, shall be deemed to prohibit the preparation and adoption of any such subject as a part of the master plan.

Section 3. Chapter 523 of NRS is hereby amended by adding thereto the provision set forth as Section 4 and 5 of this act.

Section 4. NRS 523.131 is hereby amended as follows:

523.131 **Duties of director.** The director shall:

1. Acquire and analyze information relating to energy and to the supply, demand and conservation of its sources.

2. Utilize all available public and private means to provide information to the public about problems relating to energy and to explain how conservation of energy and its sources may be accomplished.

3. Review and evaluate information which identifies trends and permits forecasting of the energy available to the state. Such forecasts must include estimates on:

(a) The level of demand for energy in the state for 5-, 10-, and 20-year periods;

(b) The amount of energy available to meet each level of demand:

(c) The probable implications of the forecast on the demand and supply of energy; and

(d) The alternative sources of energy which are available and their possible effects.

4. Study means of reducing wasteful, inefficient, unnecessary or uneconomical uses of energy and encourage the maximum utilization of existing sources of energy in the state.

5. Encourage the development of any existing and alternative sources of energy which will benefit the state.

6. In conjunction with the Desert Research Institute, review policies relating to the research and development of the state's geothermal resources and make recommendations to the appropriate state and federal agencies for establishing methods of developing the geothermal resources within the state.

7. Acquire and analyze information relating to housing and to its supply, costs and affordability and maintain a state master housing plan. The office will receive regional housing plans from a variety of cities and counties as set forth in NRS 278.150, and will document all federal housing funds received by entities within the state, noting their use.

Section 5. Chapter 523 shall be amended by adding the following section to that chapter:

Section ____ State plan for affordable housing. The director shall prepare a state housing plan and periodically update same. The plan will identify the needs for additional housing units in terms of numbers of households, household size, household income, housing costs, housing types. It will identify any of such additional housing supply which will not be affordable. Affordable is defined as: The cost of a dwelling (includes rent or mortgage and related costs plus necessary utilities) which is equivalent or less than 30 percent of the household's income. A household can be a single person. The plan will describe any known method by which deficiencies in affordability can be reduced and any known resources which can be used to make the housing affordable. The plan will also describe strategies by which the state, working with local government and the other known resources, can best reduce the affordable housing deficiencies. Such plan shall incorporate and harmonize the housing plans received from the regional planning districts.

Section 6. Chapter 523 shall be amended by adding the following section to that chapter.

Section ____ A new position of Housing Planner is created within the Office of Community Services. Such position and related operating costs are funded by state general funds.

PROPOSED LEGISLATION POWERS OF MANUFACTURED HOUSING DIVISION

SUMMARY: This Act establishes authority within division to collect information from mobile home parks, including rents for single and double wide lots.

FISCAL NOTE:

Effect on local government; No

Effect on state or on industrial insurance; No

Explanation Matter underlined is new to NRS; matter in brackets is material to be omitted.

AN ACT relating to the collection of data by the Manufactured Housing Division so that such information can be used to learn the affordability of mobile home park lots.

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

Section 1. Chapter 461A of NRS is hereby amended by adding thereto the provisions set forth as Section 2 of this act.

Section 2. NRS 461.090 is hereby amended to read as follows:

461A.090 Powers of administrator or person designated by agency for enforcement.

1. In order to carry out the provisions of this chapter, the administrator or a person designated by an agency for enforcement may:

- (a) Issue subpoenas for the attendance of witnesses or the production of books, papers and documents; and
- (b) Conduct hearings.

2. The administrator may make inspections of and approve or disapprove plans and specifications for proposed mobile home parks and alteration of mobile home parks. When it is necessary to make an inspection to enforce any of the provisions of this chapter or when the administrator or his authorized representative has reasonable cause to believe that there exists in any mobile home, mobile home lot or mobile home park any condition or violation which makes it unsafe, dangerous or hazardous, the administrator or his authorized representative may enter it at any reasonable time to inspect it or to perform any duty imposed on the administrator with respect to it. The administrator shall first make a reasonable effort to locate the owner or other person having charge or control of the mobile home or mobile home lot or park, and if that person is located, shall present to him proper credentials and request entry. If that person is not located or entry is

refused, the administrator or his authorized representative has recourse to every remedy provided by law to secure entry.

3. A magistrate shall issue a warrant to permit an inspection if the administrator has shown:

- (a) Evidence that a violation of a provision of this chapter or a regulation adopted under it has been committed or is being committed; or
- (b) That the mobile home or mobile home lot or park has been chosen for an inspection on the basis of a general administrative plan for the enforcement of the provisions of this chapter and the regulations adopted under it.

4. The administrator shall adopt regulations to carry out the purposes of this chapter and to govern the use and occupancy of mobile homes and premises. The regulations must establish minimum requirements to protect the health and safety of the occupants and the public and must provide for the abatement of any substandard, unsafe or unsanitary condition of a mobile home or premises or of the electrical, mechanical or plumbing systems therein.

5. The administrator shall adopt regulations to govern the construction and alteration of mobile home parks and lots within the parks and the abatement of any substandard, unsafe or unsanitary condition of a mobile home park. The regulations must establish standards to protect the health, safety and general welfare of the residents of the parks, and must contain provisions relating to:

- (a) The construction and maintenance of roadways, driveways, walkways and permanent buildings;
- (b) Plumbing and the supply of water;
- (c) Disposal of refuse and sewage;
- (d) Electrical wiring, fixtures and equipment, any related installations;
- (e) Gas equipment and related installations;
- (f) Prevention of fire and fire protection; and
- (g) Other matters which relate to the health and safety of residents.

6. When construction, rebuilding or other work is being performed or is about to be performed in violation of the provisions of this chapter or a regulation adopted pursuant to this chapter, the administrator may order the work stopped by written notice served on any person performing the work or causing the work to be done, and the person shall immediately stop the work until authorized by the administrator to proceed.

7. Annually collect economic and demographic data as determined as necessary by the agency from each mobile home park licensed in the state of Nevada. Such information shall include the rent charge for the various types of mobile home lots in each park, as well as the related vacancy rates.

RATIONALE FOR AMENDMENT TO CHAPTER 461A REGARDING MANUFACTURED
HOUSING DIVISION

We propose the amendment so that the Manufactured Housing Division can collect the prices charged for single and double wide lots in all of the mobile home parks in the state and the vacancy rates thereto so that any entity, including the Governor's Office of Community Services, may analyze the data for purposes of planning as it relates to affordable housing. The division does not have authority to collect such data and we have been advised that the costs of collecting that data would be simply the adding of two lines onto a form that the division annually sends out to mobile home parks as part of its fee assessments. Pre-requests are mailed to the parks during June of each year and returned before the end of July.

The issue came up because we didn't have sufficient data to determine the need to request that HUD raise the ceilings for its use of Section 8 certificates in mobile home parks. The information can also be used to help the planning suggested for the Governor's Office of Community Services as it related to affordable housing in the state. We believe that mobile homes are a critical source of affordable housing and the concern relating to land costs has been well documented in this proceeding.

PROPOSED LEGISLATION ADDITIONAL EXEMPTIONS FROM
REAL AND PERSONAL PROPERTY TAXATION

SUMMARY: This Act adds exemption to properties required to pay real and personal property tax.

FISCAL NOTE:

Effect on local government; Yes

Effect on state or industrial insurance; No

Explanation: Matter underlined is new to NRS; matter in brackets is material to be omitted.

AN ACT Relating to exemption of certain property used for housing homeless persons; authorizes projects developed using federal funds from the Stewart B. McKinney Act be exempt from real and personal property tax.

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

Section 1. Chapter 361.086 of NRS is hereby amended as follows:

361.086 Exemption of certain property used for housing elderly (or) handicapped or certain homeless persons. Is all real property, intangible personal property used exclusively for housing and related facilities for elderly (or), handicapped or funded by federal funds generated by the Stewart B. McKinney Act are exempt from taxation if:

- (1) The property was wholly or partially financed by a loan under the Housing Act of 1959, as amended, 12 USC Paragraph 1701Q; and the Stewart B. McKinney Homeless Assistant Act.
- (2) The property is owned or operated by:
 - (a) A non-profit corporation organized under the laws of the state of Nevada; or
 - (b) A non-profit corporation organized under the laws of another state and qualified to do business as a non profit corporation under the laws of the state of Nevada.
 - (c) A Public Housing Authority

PROPOSED LEGISLATION
ADDING THE ABILITY TO CONSTRUCT
"GRANNY FLATS"
IN SINGLE FAMILY ZONING

SUMMARY: This proposed legislation expands allowable uses in a single family zone to encourage "Granny Flats" for relatives.

FISCAL NOTE:

Effect on local government; YES

Effect on state or on industrial insurance; No.

Explanation: Matter underlined is new to NRS.

AN ACT relating to encourage the development and utilization of "granny flats" to house relatives who would otherwise be subject to institutionalization.

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

Section 1. Chapter 278.010 of the NRS is hereby amended as follows:

16. "Granny Flat" means a studio unit of no more than 400 square feet or dwelling unit of lessor size to be used by an elderly or disabled relative of the property owner.

Section 2. Chapter 278.021 of the NRS is hereby expanded as follows:

278.021 Expanding the definition of single-family residence in ordinances to allow for the construction of "Granny Flat" on the property site. In the ordinance adopted by a city or county, the definition of "single-family residence should include a provision to allow the construction of a "granny flat".

RESOLUTIONS PROPOSED BY THE ACR 24 VOLUNTEER BLUE-RIBBON COMMITTEE

1. LEGISLATIVE COMMISSION'S RESOLUTION -- urging the U. S. Congress to extend Congressional authority beyond 1988 to allow states to operate mortgage revenue bond programs

WHEREAS, the Nevada Division of Housing operates a mortgage revenue bond program; and

WHEREAS, during the operation of such program 8,200 low- or moderate-income Nevadan families have been assisted in the first-time purchase of single family residences who would not have otherwise qualified for conventional financing; and

WHEREAS, 71.3 percent of participating households earned less than \$30,000 per year and 38.9 percent of those households earned less than \$25,000 per year; and

WHEREAS, the average loan for the program was \$69,620 which is significantly below the Safe Harbor limit established by the Federal Treasury; and

WHEREAS, it is axiomatic that increasing the percentage of home ownership within Nevada's housing stock will increase the ability to preserve such housing stock; and

WHEREAS, home ownership stabilizes neighborhoods; and

WHEREAS, the program has provided enormous public benefit by offering housing opportunities for families otherwise unable to purchase homes; and

WHEREAS, the end of the program would eliminate the ability for many Nevadans to become first-time home buyers; and

WHEREAS, the program provides significant benefits compared to moderate costs, and

WHEREAS, the authority for the state to operate mortgage revenue bond programs expires December 31, 1988. Thus it is in the best interests for Nevadans that Congress extends the authorization to operate a mortgage revenue bond program;

NOW, THEREFORE, BE IT RESOLVED by the Legislative Commission's Subcommittee to Study the Availability of Low Income Housing: That the legislative commission urges the United States Congress to authorize the states, including Nevada, to continue operating a mortgage revenue bond program; specifically to support H.R. 2640 and S. 1522 which would extend authorization through December 31, 1992; and be it further

RESOLVED, That a copy of this resolution be prepared and transmitted forthwith to the Nevada delegation to the U. S. Congress, to the Chairpersons and members of all Congressional committees considering the extension of the mortgage revenue bond program.

2. LEGISLATIVE COMMISSION'S RESOLUTION -- urging the U. S. Congress to extend authorization of the low-income housing tax credit beyond 1989

WHEREAS, there is a low-income housing tax credit authorized in the 1986 Federal Tax Act which provides an incentive to project developers to produce housing units affordable to low-income persons; and

WHEREAS, the State of Nevada has the authority to allocate 1.26 million dollars of tax credit each year; and

WHEREAS, during 1987 all of the tax credit authorization, except that relating to not-for-profit entities, was fully allocated; and

WHEREAS, as of April 30, 1988 over \$640,000 of the State's authorization has been allocated; and

WHEREAS, during 1987 approximately 330 rehabilitated housing units have been made available to low-income Nevada households because of the low-income housing tax credits; and

WHEREAS, during 1987 68 newly constructed housing units have been made available to low-income Nevada households because of the low-income housing tax credits; and

WHEREAS, projections through 1989 suggest that up to 1,200 housing units will have been made available to low-income Nevada households because of the low-income housing tax credit associated with the 1986 Federal Tax Act; and

WHEREAS, the low-income housing tax credit expires after 1989; and

WHEREAS, there is a critical shortage of affordable units for low-income Nevadans;

NOW, THEREFORE, BE IT RESOLVED by the Legislative Commission's Subcommittee to Study the Availability of Low Income Housing: That the Nevada Senate and Assembly urge the U.S. Congress to extend the operation of the low-income housing tax credit beyond December 31, 1989 and for as long as there is a deficit of affordable housing in Nevada; and be it further

RESOLVED, That a copy of this resolution be prepared and transmitted forthwith to the Nevada delegation to the U. S. Congress, to the Chairpersons and members of all Congressional committees likely to consider the extension of the low-income housing tax credit.

3. LEGISLATIVE COMMISSION'S RESOLUTION -- urging the Bureau of Land Management to consider allocating land for affordable housing

WHEREAS: Today, in the State of Nevada, there are 90,000 to 100,000 low-income families desperately in need of affordable housing, including an expanding population of senior citizens, a segment of the population which has increased 112 percent since 1977; and

WHEREAS: Top public officials recognize the crying need for affordable housing for low-income families in the State of Nevada; and

WHEREAS: Mobile home parks, particularly for low-income senior citizens, have always been considered a chief source of affordable housing; and

WHEREAS: Land cost is directly related to the current high cost of housing, whether that housing consists of mobile home parks or standard construction housing; and

WHEREAS: The Bureau of Land Management, a federal agency entrusted with the allocation of federal land in Nevada, can play a key role in establishing affordable housing for the low-income segment of our population, including a growing number of senior citizens living on poverty level income,

NOW, THEREFORE, BE IT RESOLVED by the Legislative Commission's Subcommittee to Study the Availability of Low Income Housing: That the Bureau of Land Management be urged to consider affordable housing for low-income families a number one priority and make possible allocation of federal land, either at very low cost or at no cost, to be used for the development of low-cost, affordable mobile home parks in the State of Nevada.

APPENDIX C

Memorandum Dated January 12, 1988, From Linda A. Ryan,
Administrator, State Welfare Division, Department Of
Human Resources, To Paul Mouritsen, Senior Research
Analyst, Research Division Of The Legislative
Counsel Bureau, Concerning \$50 Increase
In ADC Grant



STATE OF NEVADA
DEPARTMENT OF HUMAN RESOURCES

WELFARE DIVISION

2527 North Carson Street
Carson City, Nevada 89710
(702) 885-4128

January 12, 1988

RICHARD H. BRYAN
Governor

JERRY GRIEPENTROG
Director

LINDA A. RYAN
Welfare Administrator

MEMORANDUM

TO: PAUL MOURITSEN, SENIOR RESEARCH ANALYST, LEGISLATIVE COUNSEL BUREAU
FROM: LINDA A. RYAN, ADMINISTRATOR, STATE WELFARE DIVISION
SUBJECT: \$50 INCREASE IN ADC GRANT

This is in response to your request for the additional cost incurred if ADC recipients, not receiving public housing assistance, were granted an additional \$50 per month.

ADC recipients for fiscal year 1988 are projected between 17,400 to 17,800. The higher figure will be used for budgeting purposes.

Fifty-eight percent (58%) of ADC recipients for the months of October and November did not receive public housing assistance. The computation of the \$50 increase is as follows:

17,800 recipients X 58% = 10,324

Recipients without housing assistance X \$50 X 12 months = \$6,194,400

The cost would be 50% State and 50% Federal funds

The computation for cases receiving the increase would be as follows:

17,800 recipients : 2.8 recipients per case, in November 1987, = 6,357
cases X 62% are cases without public housing = 3,941 cases X \$50 X
12 months = \$2,364,600. The funding is 50% Federal and State.

Should you have questions, contact Joel Pinkerton at 885-4709.

LAR/JP/mh

cc: April Hess
Janet Johnson

APPENDIX D

Letter Dated April 26, 1988, And Enclosures From
Representative James H. Bilbray, Congress Of
The United States, To Brian Davie, Principal
Research Analyst, Research Division Of The
Legislative Counsel Bureau, Regarding
Allocation Of Certain Federal Lands
For Mobile Home Parks

AMES H. BILBRAY
1st DISTRICT, NEVADA

COMMITTEE ON
FOREIGN AFFAIRS

COMMITTEE ON
SMALL BUSINESS

SELECT COMMITTEE
ON AGING



Congress of the United States
House of Representatives
Washington, DC 20515

1431 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4865

DISTRICT OFFICE
1701 W. CHARLES ST. SUITE 300
LAS VEGAS, NV 89102
(702) 477-1000

April 26, 1988

Brian Davie
Legislative Council Bureau - Research Division
Legislative Building
Capitol Complex
Carson City, Nevada 89710

Dear Mr. Davie:

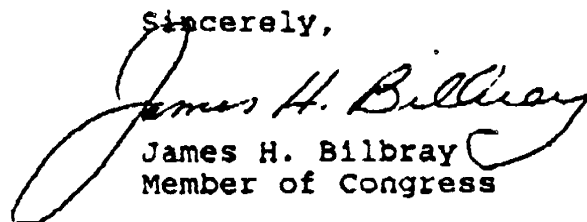
As you are aware, I have cosponsored legislation to make the mobile home park for senior citizens in south-west Las Vegas a reality.

I would like to update you on the April 26th hearing that was held before the Subcommittee on National Parks and Public Lands with County Commissioners Manny Cortez and Paul Christensen. The Commissioners testified as to the merits of the bill.

As an aside, I would like to point out that the Subcommittee Chairman Bruce Vento has indicated to my staff that there may in fact be a need for this type of legislation as the BLM refused to "grandfather in" this parcel of land. Even though BLM officials had agreed to relinquish the land for the seniors mobile home park.

If you have any further questions, please contact my Legislative Assistant in Washington, John Pasquantino (202) 225-5965.

Sincerely,


James H. Bilbray
Member of Congress

1 DOCUMENT FOUND

ENTER SCAN, SHCRT, LONG, OR SPECIFY DISPLAY OPTIONS.

long

1 OF 1 15 LINES

DS

***** 100TH CONG. STATUS PROFILE FOR H.R.4097

SPONSOR..... Vujanovich

DATE INTRODUCED... March 3, 1988

HOUSE COMMITTEE... Interior and Insular Affairs

OFFICIAL TITLE.... A bill to direct the Secretary of the Interior to
transfer a certain parcel of land in Clark
County, Nevada.

CO-SPONSORS..... 1 CURRENT COSPONSOR

Mar 3, 88 Referred to House Committee on Interior and Insular
Affairs.

Mar 17, 88 Referred to Subcommittee on National Parks and
Public Lands.

Mar 22, 88 Executive Comment Requested from Interior.

COS CO-SPONSORS..... 1 CURRENT COSPONSOR

AS INTRODUCED... Bilbray.

PLEASE ENTER A REQUEST.

By Mr. BYRD:

S. Con. Res. 101. A concurrent resolution providing for a conditional adjournment of the Senate from March 3 or 4, 1988, until March 14, 1988; considered and agreed to.

By Mr. DANFORTH (for himself, Mr. PHIL Mr. BOND, and Mr. SARANTIS):

S. Con. Res. 102. A concurrent resolution to express the sense of the Congress regarding the contributions of John Foster Dulles in international affairs; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 2125. A bill to amend the Internal Revenue Code of 1986 to terminate the exclusion from gross income of Americans working abroad, and for other purposes; to the Committee on Finance.

TERMINATION OF EXCLUSION FOR CITIZENS OR RESIDENTS OF THE UNITED STATES

Mr. PROXMIRE. Mr. President, I am today introducing legislation to close a \$1.2 billion tax loophole. This loophole allows Americans who work and reside abroad to exclude \$70,000 from their earned income in calculating their taxes.

When the current exclusion was proposed in 1981, it was looked to as a means of lowering our trade deficit. Congress hoped to increase the number of Americans working abroad and lower the costs to U.S. firms of doing business overseas, thus giving a great boost to U.S. companies trying to market their products in a foreign market.

Some of these people, however, are working for foreign companies, helping them to increase their share of the U.S. market or to compete with U.S. firms in overseas markets. At a time when too many U.S. companies are buying parts from abroad or moving their production facilities altogether out of the United States this loophole just doesn't make sense. It is not based on need or situation.

Over the past 10 years this exclusion has jumped from \$20,000 to \$70,000 for every person. Meanwhile, the trade deficit has ballooned to over \$159 billion per year.

Most economists would agree that reducing the budget deficit would be a major step toward improving the trade deficit. This \$1.2 billion tax loophole would be a good place to start.

In the face of these huge budget deficits, how can we in Congress ask our citizens at home to tighten their belts while those abroad continue to live high on the hog?

It is ludicrous to give people nearly a \$20,000 break on their taxes to help them face the hardships of living in Toronto, London, Paris, or other places favored by Americans overseas. These people are using many of the services of the U.S. Government. They receive the protection of the American military and the benefit of the U.S. Embassy in their area. They should

pay taxes just as American citizens at home.

This legislation will go much further in reducing the twin deficits of trade and budget than this tax break ever has. I would urge my colleagues to co-sponsor this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2125

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TERMINATION OF EXCLUSION FOR CITIZENS OR RESIDENTS OF UNITED STATES.

(a) IN GENERAL.—Section 911 of the Internal Revenue Code of 1986 (relating to exclusion of earned income of citizens or residents of the United States living abroad) is amended by adding at the end thereof the following new subsection:

"(g) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 1988."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1988.

By Mr. HECHT:

S. 2126. A bill to require the construction of certain facilities at the Ioannis A. Lougaris Veterans' Administration Medical Center in Reno, NV; referred to the Committee on Veterans' Affairs.

CONSTRUCTION AT THE IOANNIS A. LOUGARIS VETERANS' ADMINISTRATION MEDICAL CENTER

Mr. HECHT. Mr. President, I rise today to introduce legislation which will provide the veterans of Nevada with the first-rate health care they deserve. Specifically, my legislation will help to rebuild and modernize the Ioannis Lougaris Veterans' Administration Medical Center in Reno, NV.

Currently, this is the only VA hospital located in Nevada, so you can see how important it is to have a facility in good condition. Quite frankly, Mr. President, the Reno VA Hospital is badly in need of repair. It was designed before World War II and constructed from 1945 to 1948. The building falls considerably below modern building standards. Central air-conditioning is nonexistent in patient rooms, which can be especially dangerous because of the extreme variation of temperature in Reno's high desert climate. The mechanical, electrical, and plumbing systems in this building are 30 to 40 years old and nearly at the end of their useful lives. Even basic fire sprinklers and smoke evacuation systems do not exist in the main building. Mr. President, this hospital just isn't safe anymore for Nevada's veterans.

And, yet, the need, Mr. President, for a modern state-of-the-art facility is growing as the number of veterans in the State increases. Nevada has one of the fastest growing veterans populations in the country. Because of the State's beautiful dry climate, many

veterans are attracted to Nevada for retirement. In both Clark County and the remainder of the State, Nevada's veterans population increased by about 2,000 individuals a year.

In fact, Mr. President, considering the small population of our State, the percentage of veterans in Nevada compared to the rest of the population is one of the highest in the country.

Not only is the Reno VA Medical Center the only acute care facility in the State, but it also draws patients from one of the largest geographical areas in the VA system. This hospital serves all veterans of Nevada except those in Clark County and those in counties which border Utah. In any given year, the hospital in Reno treats about 5,000 inpatients. It also serves veterans in California who are located in the eastern slope counties of the Sierra Nevada.

Mr. President, we have been successful in moving up the construction date for a Joint Air Force/Veterans' Administration Hospital at Nellis Air Force Base near Las Vegas to 1990. Nevertheless, Nevada's veterans can't wait until 1990. They need top-flight health care now.

This is why it is so crucial, Mr. President, that this project get under way now. For the veterans who have given so much to protect this country and the world, my legislation to rebuild and modernize the Reno VA Medical Center must be passed by this Congress.

By Mr. HECHT (for himself and Mr. REID):

S. 2127. A bill to direct the Secretary of the Interior to transfer a certain parcel of land in Clark County, NE, to the Committee on Energy and Natural Resources.

TRANSFER OF CERTAIN LAND IN CLARK COUNTY, NEVADA

Mr. HECHT. Mr. President, I rise today to introduce important legislation on behalf of Nevada's senior citizens. My legislation will ensure the establishment of a low-income mobile home park for senior citizens in southern Nevada.

In 1978, the Las Vegas Jaycees asked the Bureau of Land Management [BLM] for a specific parcel of land for a low-income mobile home park for senior citizens. Since this exchange had never been tried in the past by a nonprofit group, the Jaycees agreed to develop and run the project through the Clark County Housing Authority. Unfortunately, a lawsuit then occurred with a competing interest, and for the next 8 years plans to establish the mobile home park were blocked.

Mr. President, my legislation will ensure that the Federal land in question will be transferred to Clark County, NE, by the Secretary of the Interior for a low-income mobile home park for senior citizens. Mr. President, there is a great need in Nevada for low-cost housing for seniors. Because

of the State's beautiful dry climate, many retirees are attracted to Nevada for retirement. Las Vegas is home to approximately 103,000 seniors, who comprise roughly 18 to 20 percent of the population. Though retirement projects are being built at a rapid rate everywhere in Nevada, these projects are priced for the middle- to upper-income seniors. Rental prices which often include meals and other services run from \$335 to \$1,370 or more per month for a two bedroom apartment. Many retirees just can't afford these prices and so they are often forced to accept inadequate housing or even leave for other States where more housing options are available to them.

Mr. President, the number of senior citizens is growing rapidly in the United States. Researchers predict that by the year 2025, one in every four Americans will be over the age of 65. The older population in this country today is the largest it has ever been. It is growing almost twice as fast as the rest of the population. The reason for this rapid growth is clear. Americans are simply living longer today than they ever have before. Moreover, they find themselves in excellent health and while maybe not maintaining the hectic schedules of their youth, wish to remain creative, active members of society. But how can they be contributing members of our society if they are prevented from living in affordable and comfortable housing.

Mr. President, in these troubled economic times, it would be very shortsighted indeed to shut our retirees out of housing. The most important gift America's younger generation can offer to our retirees is the ability to enjoy their golden years viably, in economic security, and in a comfortable home.

This is why, Mr. President, this project to create a low-income mobile home park for Seniors is so critical. For retirees, who have decided to come to Las Vegas to retire or who have been lifelong Nevada residents, this legislation to establish a mobile home park in southern Nevada cannot wait. I urge my colleagues to give their full support to this important legislation. ©

By Mr. WARNER (for himself, Mr. CHAFET, Mr. TABLIZ, Mr. MURKOWSKI, Mr. COHEN, Mr. MITCHELL, Mr. STEVENS, and Mr. PELL):

S. 2123. A bill to amend the Internal Revenue Code of 1986 to permit tax-free sales of diesel fuel for use by fishery vessels; to the Committee on Finance.

TAX EXEMPTION FOR DIESEL FUEL USED BY FISHERY VESSELS

Mr. WARNER. Mr. President, today I am introducing legislation cosponsored by Senators TABLIZ, MURKOWSKI, COHEN, MITCHELL, STEVENS, RAFFERTY, and PELL to make several important changes in the procedure for

collecting diesel enacted Budget Reconciliation Act.

The Reconciliation Act contained a revenue provision that would change the collection point for the diesel fuel excise tax on Federal highway users from retailers to wholesalers. Clearly, this new tax collection procedure, which is scheduled to take effect April 1, was intended to strengthen enforcement and collection of the diesel tax from those who use our Nation's highways. I am sure we all agree that this is a worthy goal.

However, the unintended effect of this provision will be to force virtually all diesel consumers to pay the tax up front on their fuel. Only thereafter can those who can demonstrate that they did not use the fuel on a federally funded highway be eligible to apply for a refund from the Internal Revenue Service.

Before this act passed, a retailer, who was collecting the tax, was presumed to be able to distinguish between sales of fuel to highway and nonhighway users. Under the new procedure a diesel wholesaler will have no idea who the end user of the fuel will be and will thus have to charge the tax on all fuel sales.

The Reconciliation Act does provide for several exceptions: commercial aviation, home heating oil, State and local governments, and railroads are exempted. These exceptions are provided because it was generally believed that these categories of users could be easily identified as nonhighway users at the wholesale level. Because the same generally holds true for the fishery industry, my bill would simply add them to the list of exceptions already enacted into law.

If there is one group that clearly is not purchasing fuel for highway use it is the fishery industry, yet they are nonetheless "netted" under the law.

Other bills which have been introduced in recent weeks, seek to relieve the burden on other nonhighway users, such as farmers, who will have to forfeit the tax up front and then apply later for a refund. My bill merely seeks to ensure that the fishery industry receives adequate and fair consideration.

I know there is currently a great deal of congressional concern over the effects of this new tax collection procedure on industries which are particularly sensitive to the price of diesel fuel. However, I am skeptical that Congress can act in time to avoid the April 1 effective date. Up front diesel fuel costs will rise by approximately 20 percent as fishermen have to pay for taxed fuel and then wait, in many cases up to a year, for their refund from the IRS. There is no doubt that this new procedure will impose a severe cash drain in fishery vessel operators.

As my colleagues know, these small businessmen operate on a narrow margin. They cannot afford to lend the Federal Government thousands of

dollars interest free, which are needed to make mortgage and insurance payments on vessels, meet payrolls for crew members, and repair boats and replace gear. In fact, in many fisheries, fuel cost is the most significant cost associated with vessel operations. Fuel purchases accounts for over 27 percent of operating costs for vessel operators in the southeastern United States.

Further, this change in tax collection procedures will impose an onerous recordkeeping burden on these small businessmen, who are least able to comply with it. Fishery vessel operators and owners will have to maintain meticulous records of all fuel purchases for IRS inspection in order to obtain refunds of a tax they were never meant to pay.

Although I believe an unfair tax procedure should be corrected even when that correction may cost the Federal Government some revenue, I believe equally as strongly that we must continue our efforts to reduce the Federal budget deficit. Therefore, I intend to have the Joint Committee on Taxation prepare a revenue estimate on this legislation.

I appreciate the improved tax enforcement intentions behind the original legislation contained in last year's Reconciliation Act, to eliminate documented as well-known abuses. However, the application of this new tax collection procedure across the board to all users of diesel fuel, no matter how unrelated their activities are to use of the Nation's highways, is a prime case of an over reaction to correct a specific problem. It seems ludicrous to think that a fisherman working, way, several miles off the coast of the Commonwealth of Virginia will be burning fuel that is taxed, even if temporarily, because the IRS believes it might just possibly be used on the highway.

I hope my colleagues will join with me in cosponsoring this legislation to free fishery vessel owners and operators from this bureaucratic nightmare that will descend upon them on, ironically, April Fool's Day. I ask unanimous consent that the full text of the bill and an accompanying letter from the Alaska Factory Trawlers Association in support of this bill be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 2128

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAX EXEMPTION FOR DIESEL FUEL USED BY FISHERY VESSELS.

(a) IN GENERAL.—Section 4093 of the Internal Revenue Code of 1986, as added by section 10502 of the Revenue Act of 1987, is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following new subsection:

"(d) FISHERY USE.—

To direct the Secretary of the Interior to transfer a certain parcel of land in Clark County, Nevada.

IN THE SENATE OF THE UNITED STATES

MARCH 3 (legislative day, MARCH 2), 1988

Mr. HECHT (for himself and Mr. REID) introduced the following bill: which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To direct the Secretary of the Interior to transfer a certain parcel of land in Clark County, Nevada.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. FINDINGS.

4 The Congress finds that—

5 (1) in April 1980, the Bureau of Land Manage-
6 ment accepted the application of the Clark County
7 Housing Authority for the conveyance of a parcel of
8 land pursuant to the Act popularly known as the
9 Recreation and Public Purposes Act (43 U.S.C. 869 et

1 seq.) to be used for a mobile home park for low-income
2 senior citizens;

3 (2) beginning in January 1981, the application
4 was subject to litigation which was disposed of by the
5 Federal District Court for Nevada on March 9, 1987;
6 and

7 (3) during the period referred to in paragraph (2),
8 the Bureau of Land Management changed its regula-
9 tions issued under the Recreation and Public Purposes
10 Act such that the proposed mobile home park for low-
11 income senior citizens was no longer a use for which
12 land could be conveyed under that Act.

13 SEC. 2. LAND TRANSFER.

14 (a) IN GENERAL.—The Secretary of the Interior shall
15 transfer, without consideration, all right, title, and interest of
16 the United States in and to the land described in subsection
17 (b) to Clark County, Nevada, for use as a mobile home park
18 for senior citizens, reserving to the United States all minerals
19 in such land together with the right to prospect for, mine,
20 and remove such minerals.

21 (b) LAND DESCRIPTION.—The lands referred to in sub-
22 section (a) are approximately eighty acres of land in Clark
23 County, Nevada, more particularly described as township 21
24 south, range 60 east, Mount Diablo Meridian, section 24,
25 north half southwest quarter.

York City, pursuant to 40 U.S.C. 806(a) to the Committee on Public Works and Transportation.

3052. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed amended legislation to authorize appropriations for the Nuclear Regulatory Commission for fiscal year 1989 and for other purposes, pursuant to 31 U.S.C. 1110; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHNER:

H.R. 4074. A bill to amend the Federal Aviation Act of 1958 to provide for use of the Nation's airports on a cost-recovery basis; to the Committee on Public Works and Transportation.

By Mr. HUGHES (for himself, Mr. SAXTON, Mr. CARPER, Mr. DYSON, Mr. HOWARD, and Mr. SMITH of New Jersey):

H.R. 4075. A bill to impose special fees on the ocean disposal of municipal sludge, to prohibit disposal of municipal sludge into the ocean after December 31, 1991, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BOCCHER (for himself and Mr. DINGELL):

H.R. 4076. A bill to amend title 18, United States Code, to extend penalties for the operation of a locomotive, and to provide increased penalties for the operation of a common carrier, under the influence of alcohol or drugs if such operation results in serious bodily injury or death; to the Committee on the Judiciary.

By Mrs. BOXER:

H.R. 4077. A bill to permit persons who will be eighteen years of age on the date of a Federal election to vote in the related primary election; to the Committee on House Administration.

By Mr. CROCKETT (for himself, Mr. DYMALLY, Mr. FRANK, Mr. PONTROY, Mr. HAWKINS, Mr. HARTS of Illinois, Mr. GONZALEZ, Mr. SAVAGE, Mr. WEHAR, Mr. OWENS of New York, Mr. BORTON of Michigan, Mr. CLAY, Mr. LELAND, Mr. RABALL, Mr. MORRISON of Connecticut, Mr. BATES, Mr. RANGLER, and Mr. CORTEZ):

H.R. 4078. A bill to repeal the Anti-Terrorism Act of 1987; to the Committee on Foreign Affairs.

By Mr. DIOGUARDI:

H.R. 4079. A bill to amend the Immigration and Nationality Act to provide lawful temporary resident status for certain aliens based upon petitions submitted to the Attorney General on behalf of such aliens by sponsoring employers and labor unions, and for other purposes; to the Committee on the Judiciary.

H.R. 4080. A bill to provide for the legalization of certain aliens and to provide for units of assessment to determine the qualification of aliens for such benefit; to the Committee on the Judiciary.

H.R. 4081. A bill to authorize the original enlistment of certain aliens in the armed forces of the United States and the militias of the several States, to provide temporary and permanent resident status to such enlisted members, and for other purposes; jointly, to the Committees on Armed Services and the Judiciary.

By Mr. DUNCAN:

H.R. 4082. A bill to amend the Internal Revenue Code of 1986 to provide that the Internal Revenue Service may waive interest on underpayments attributable to retroactive tax legislation; to the Committee on Ways and Means.

By Mr. EDWARDS of California (for himself, Mrs. SCHROEDER, Mr. PASARAYAN, Mr. SOLUZ, Mr. HORTON, and Mr. DYMALLY):

H.R. 4083. A bill to amend title 5, United States Code, to authorize the establishment of the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GARCIA:

H.R. 4084. A bill to amend the Bretton Woods Agreements Act to require the United States Executive Director of the International Monetary Fund to propose the establishment of an independent audit unit within the Fund; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BUTTO (for himself, Mr. JONES of North Carolina and Mr. DAVIS of Michigan):

H.R. 4085. A bill to authorize appropriations for the Coast Guard for fiscal year 1989, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. KASTENMEIER:

H.R. 4086. A bill to amend title 25, United States Code, to set forth the basis for determining whether a person has engaged in conduct constituting misuse or illegal extension of a patent, and for other purposes; to the Committee on the Judiciary.

By Mr. KENNEDY:

H.R. 4087. A bill to provide for adjustment of status of certain aliens who arrived in the United States before September 1, 1987, and who have continuously resided in the United States since such date; to the Committee on the Judiciary.

By Mr. KOLTER:

H.R. 4088. A bill to amend the Internal Revenue Code of 1984 to terminate the exclusion from gross income of Americans working abroad, and for other purposes; to the Committee on Ways and Means.

By Mr. MARKEY (for himself and Mr. RINALDO):

H.R. 4089. A bill to coordinate the regulatory authority of the Federal Energy Regulatory Commission with that of State or local regulatory agencies relative to service which would bypass local utility service and to facilitate the resolution at the State or local regulatory level of competition policy issues relating to local service; to the Committee on Energy and Commerce.

By Mr. RAY (for himself, Mr. HATCHER, Mr. CONGEST, Mr. BARNARD, Mr. KYL, Mr. LACOMARINO, Mr. MARLETT, Mr. MONTGOMERY, Mr. ROWLAND of Georgia, Mr. SISISKY, Mr. STENQUIST, Mr. WILSON, and Mr. STENHOLM):

H.R. 4090. A bill to amend the Solid Waste Disposal Act to modify the requirements respecting liability insurance for underground storage tanks, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SCHUETTE:

H.R. 4091. A bill to provide for the issuance of educational savings bonds a portion of the interest on which is exempt from taxation, and for other purposes; to the Committee on Ways and Means.

By Mr. SMITH of New Jersey:

H.R. 4092. A bill to continue until January 1, 1990, a reduced rate of duty on ceramic statues, statuettes, and hand-made flowers; to the Committee on Ways and Means.

By Mr. ROBERT F. SMITH (for himself and Mr. DENNY SMITH):

H.R. 4093. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Umatilla Basin Project, OR, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SNOWE (for herself and Mr. BARNARD):

H.R. 4094. A bill to require the provision of certain employee protection arrangements in certain railroad transactions involving parties under common control unless the Interstate Commerce Commission imposes employee protection arrangements within 6 months; to the Committee on Energy and Commerce.

By Mr. SOLOMON:

H.R. 4095. A bill to reform procedures for the imposition of capital punishment, and for other purposes; to the Committee on the Judiciary.

H.R. 4096. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mrs. VUCANOVICH (for herself and Mr. BRISBAUGH):

H.R. 4097. A bill to direct the Secretary of the Interior to transfer a certain parcel of land in Clark County, NV, to the Committee on Interior and Insular Affairs.

By Mr. WALGREN (for himself, Mr. THOMAS A. LUKE, Mr. MURPHY, Mr. ECHOLS, Mr. GRAY of Illinois, Mr. AFFRATIZ, Mr. MURPHY, and Mr. GARDNER):

H.R. 4098. A bill to amend the provisions of the Solid Waste Disposal Act regarding the regulation of storage tanks containing hazardous substances; to the Committee on Energy and Commerce.

By Mr. EDWARDS of Oklahoma:

H.J. Res. 484. Joint resolution to provide assistance and support for peace, democracy and reconciliation in Central America; considered and amended; failed of passage.

By Mr. DINGELL (for himself and Mr. STUBBS):

H.J. Res. 485. Joint resolution designating June 26 through July 2, 1988, as "National Safety Belt Use Week"; to the Committee on Post Office and Civil Service.

By Mr. JONES of North Carolina (for himself, Mr. BACCI, Mr. ANDERSON, Mr. STUBBS, Mr. HUBBARD, Mr. LOWRY of Washington, Mr. BUTTO, Mr. TATUM, Mr. HARTZ, Mr. DYSON, Mr. BORDO, Mr. CARPER, Mr. TALLON, Mr. THOMAS of Georgia, Mr. MANTON, Mr. BARNARD, Mr. HORNSTEINER, Mr. DAVIS of Michigan, Mr. YOUNG of Alaska, Mr. FINES, Mr. LEVY, Mr. BATTMAN, Mr. MILLER of Washington, Mrs. BENTLEY, Mr. COBLE, Mr. WILSON, and Mrs. SARKIS):

H.J. Res. 486. Joint resolution to designate the week beginning October 30, 1988, as "National Marine Technology Week"; to the Committee on Post Office and Civil Service.

By Mr. CROCKETT (for himself, Mr. LACOMARINO, Mr. STUBBS, Mr. HYDE, Mr. GEDDISON, Mr. DORAN of California, Mr. KOSTMAYER, Mr. MACE, Mr. WEISS, Mr. DeWINE, Mr. FOSTER, Mr. SOLARZ, and Mr. BOWEN):

H. Con. Res. 259. Concurrent resolution marking the fourth anniversary of the closing of ABC Color, the only independent newspaper of Paraguay; condemning the refusal of the Government of Paraguay to permit the reopening of ABC Color; and urging the Government of Paraguay to guarantee freedom of the press; to the Committee on Foreign Affairs.

100TH CONGRESS
2D SESSION

H. R. 4097

To direct the Secretary of the Interior to transfer a certain parcel of land in Clark County, Nevada.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1988

Mr. VUCANOVICH (for himself and Mr. BILBAY) introduced the following bill;
which was referred to the Committee on Interior and Insular Affairs

A BILL

To direct the Secretary of the Interior to transfer a certain
parcel of land in Clark County, Nevada.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. FINDINGS.

4 The Congress finds that—

5 (1) in April 1980, the Bureau of Land Manage-
6 ment accepted the application of the Clark County
7 Housing Authority for the conveyance of a parcel of
8 land pursuant to the Act popularly known as the
9 Recreation and Public Purposes Act (43 U.S.C. 869 et

1 seq.) to be used for a mobile home park for low income
2 senior citizens;

3 (2) beginning in January 1981, the application
4 was subject to litigation which was disposed of by the
5 Federal District Court for Nevada on March 9, 1987;
6 and

7 (3) during the period referred to in paragraph (2),
8 the Bureau of Land Management changed its regula-
9 tions issued under the Recreation and Public Purposes
10 Act such that the proposed mobile home park for low
11 income senior citizens was no longer a use for which
12 land could be conveyed under that Act.

13 SEC. 2. LAND TRANSFER.

14 (a) IN GENERAL.—The Secretary of the Interior shall
15 transfer, without consideration, all right, title, and interest of
16 the United States in and to the land described in subsection
17 (b) to Clark County, Nevada, for use only as a mobile home
18 park for low income senior citizens, reserving to the United
19 States all minerals in such land together with the right to
20 prospect for, mine, and remove such minerals. If such land
21 ceases to be used as a mobile home park for low income
22 senior citizens, all right, title, and interest in and to such land
23 shall revert to the United States.

24 (b) LAND DESCRIPTION.—The lands referred to in sub-
25 section (a) are approximately 80 acres of land in Clark

1 County, Nevada. more particularly described as T21S.

2 R60E, MDM. Section 24, N $\frac{1}{2}$ SW $\frac{1}{4}$.



APPENDIX E

Suggested Legislation

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SUMMARY--Establishes trust fund for low-income housing. (BDR 25-190)

FISCAL NOTE: Effect on Local Government: Yes.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to housing; establishing a trust fund for low-income housing; providing for the administration of the fund; providing for the use of money in the fund; providing a penalty; and providing other matters properly relating thereto.

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

Section 1. Chapter 319 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. *1. There is hereby created in the state treasury the trust fund for low-income housing, to be administered by the division. Support for the fund must be provided by legislative appropriation.*

2. The money in the fund must be invested as provided in chapters 355 and 356 of NRS. The interest and income earned on the money in the fund, after deducting any applicable charges, must be credited to the fund. All claims against the fund must be paid as other claims against the state are paid.

Sec. 3. 1. Money deposited in the trust fund for low-income housing must be used:

(a) For the acquisition, construction or rehabilitation of housing for eligible families;

(b) To provide technical and financial assistance to public and private charitable organizations for the acquisition, construction or rehabilitation of housing for eligible families;

(c) To assist in or guarantee the payment of rent or deposits as security for rent for eligible families, including homeless persons;

(d) To reimburse the division for the costs of administering the fund and obtaining money for low-income housing from other sources; and

(e) In any other manner consistent with this section to assist eligible families in obtaining or keeping housing.

2. The division must not use more than 15 percent of the amount annually allocated from the fund as reimbursement for the cost of administering the fund. The remaining money allocated from the fund must be used so that approximately:

(a) Seventy percent of the amount annually allocated benefits eligible families whose income is at or below the federally designated level signifying poverty;

(b) Twenty-five percent of the amount annually allocated benefits eligible families whose income is greater than that described in paragraph (a), but less than half of the median income for families residing in the same county; and

(c) Five percent of the amount annually allocated benefits eligible families whose income is greater than that described in paragraphs (a) and (b), but less than 120 percent of the median income for families residing in the same county.

Sec. 4. *1. The administrator shall consult with representatives of housing authorities, organizations of persons with low income, providers of housing, financial institutions and other persons interested in the provision of low-income housing, and adopt regulations establishing:*

(a) Criteria for the distribution and use of money from the trust fund for low-income housing; and

(b) Procedures for the division to monitor the use of money from the fund and to enforce the provisions of this section and sections 2 and 3 of this act.

The regulations must be designed to maximize the efficient use of money in the fund, and to promote the participation and assistance of local governments.

2. The governing body of a city or county may specify, within the geographical area of its jurisdiction and pursuant to the criteria established by the administrator, eligible recipients for money from the fund. The division must not allocate money from the fund to any person deemed ineligible by that governing body.

3. A recipient of money from the fund shall comply with the regulations of the administrator and provide such reports upon the use of the money as the administrator requires.

Sec. 5. NRS 319.020 is hereby amended to read as follows:

319.020 The legislature finds and declares that:

1. There exists a serious shortage of decent, safe and sanitary housing in this state available to persons and families of low and moderate income and that many other persons and families are unable to secure or afford, without assistance, decent, safe and sanitary housing.

2. This condition is conducive to disease, crime, environmental decline and poverty, impairs the economic value of large areas, which are characterized by depreciated value, impaired investments, reduced capacity to pay taxes, and lack of new development to meet the needs of area residents, and is a menace to the health, safety, morals and welfare of the residents of this state.

3. This condition results in a loss of population and further deterioration accompanied by added costs to communities for creation of new public facilities and services elsewhere.

4. It is difficult and uneconomic for individual owners independently to remedy this condition.

5. One major cause of this condition has been recurrent shortages of money from private sources, and such shortages have contributed to reductions in construction of new residential housing and have made the sale and purchase of existing residential housing a virtual impossibility in certain parts of the state. *Other causes of this condition include increases in rental values and decreases in the availability of federal funding for housing.*

6. The ordinary operations of private enterprise have not in the past corrected these conditions.

7. The reduction in housing construction has caused substantial unemployment and underemployment in the construction industry which , *together with the shortage of affordable housing*, results in hardships, wastes human resources, increases the public assistance burdens of the state, impairs the security of family life, impedes the economic and physical development of the state and adversely affects the welfare, health and prosperity of all the people of this state.

8. A stable supply of adequate money for the financing *and provision* of *other assistance to obtain* housing is required to encourage new housing in an orderly and sustained manner , *to increase the availability of affordable housing*, and thereby to reduce these detrimental results.

9. It is necessary to create a housing division in the department of commerce to encourage the investment of private capital and stimulate the financing of housing through the use of public financing to provide mortgage loans and to make loans to and purchase mortgage loans from mortgage lenders, and to perform any other function authorized by this chapter.

10. It is appropriate for the housing division to issue obligations regardless of their characterization for the purposes of federal income taxation by the United States Department of the Treasury.

11. All of the purposes set forth in this chapter are public purposes and uses for which public money may be borrowed, expended, advanced, loaned or granted.

This chapter must be liberally construed to accomplish the public purposes and alleviate the detrimental conditions set forth in this section.

Sec. 6. NRS 319.060 is hereby amended to read as follows:

319.060 "Eligible family" means a person or family, selected without regard to race, creed, national origin or sex, determined by the division to require such assistance as is made available by this chapter on account of insufficient personal or family income after taking into consideration, without limitation, such factors as:

1. The amount of the total income of that person or family available for housing needs;
2. The size of the family;
3. The cost and condition of housing facilities available;
4. The ability of the person or family to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing decent, safe and sanitary housing;
5. If appropriate, standards established for various federal programs determining eligibility based on income of those persons and families; and
6. Service in the Armed Forces of the United States with a minimum of 90 days on active duty at some time between:

- (a) April 21, 1898, and June 15, 1903;
- (b) April 6, 1917, and November 11, 1918;
- (c) December 7, 1941, and December 31, 1946;
- (d) June 25, 1950, and January 31, 1955; or
- (e) January 1, 1961, and May 7, 1975,

and at least 2 years' continuous residence in Nevada immediately preceding any application for [a loan] *assistance* under this chapter.

Sec. 7. NRS 319.170 is hereby amended to read as follows:

319.170 [The] *Except as provided in section 2 of this act, the* division may:

1. Establish such funds or accounts as may be necessary or desirable for furtherance of the purposes of this chapter.
2. Invest or deposit its [moneys,] *money*, subject to any agreement with bondholders or noteholders, and is not required to keep any of its [moneys] *money* in the state treasury. The provisions of chapters 355 and 356 of NRS do not apply to such investments or deposits.

Sec. 8. NRS 319.171 is hereby amended to read as follows:

319.171 [The] *Except as provided in section 2 of this act, the* division may invest its money in collateralized mortgage obligations or in trusts created to finance, acquire or invest in collateralized mortgage obligations if the collateralized mortgage obligations or trusts so created are:

1. In furtherance of the purposes of the division; and
2. Rated within one of the top three rating categories of a national rating service at the time the investment is made.

Sec. 9. NRS 319.400 is hereby amended to read as follows:

319.400 Any person who knowingly makes or causes to be made, either directly or indirectly, or through any agency whatsoever, any false statement in writing concerning [a loan] *an* applicant's income, employment, financial position, the size of his family, his intent to occupy [the mortgaged] premises as his primary residence or the cost of the [mortgaged] residence, with intent that

the statement be relied upon for the purpose of obtaining [a loan] *financial assistance* from the division is guilty of a gross misdemeanor.

Sec. 10. NRS 319.010 is hereby repealed.

TEXT OF REPEALED SECTION

319.010 Short title. This chapter may be cited as the Nevada Housing Finance Law.

SUMMARY--Requires preparation of housing plans and creates position of state housing planner. (BDR 22-191)

FISCAL NOTE: Effect on Local Government: Yes.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to planning for the use of land; requiring the preparation of local, regional and statewide housing plans; creating the position of state housing planner in the office of community services; and providing other matters properly relating thereto.

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

Section 1. Chapter 278 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *The planning commission or governing body adopting a housing plan pursuant to NRS 278.150 or 278.170 shall prepare and adopt an updated housing plan every third year and, immediately after adoption, submit the updated plan to the office of community services.*

Sec. 3. 1. The position of state housing planner is hereby created in the office of community services. The director of the office of community services may:

(a) Assign the duties of the state housing planner to an employee of the office of community services; or

(b) Appoint a state housing planner.

2. The state housing planner, under the administrative supervision of the director of the office of community services, shall:

(a) Identify the amount of federal money for housing received by state agencies and local governments, and the specific purposes for which the money is expended;

(b) Analyze information received by the office of community services concerning housing; and

(c) Prepare and periodically update a statewide housing plan that:

(1) Incorporates and harmonizes local and regional housing plans received by the office of community services;

(2) Identifies the need for additional housing in the state, specifying:

(I) The costs and types of housing needed; and

(II) The number, size and income of households, including households of one person, for which housing is needed;

(3) Identifies the amount of housing for which the monthly cost, including necessary utilities, rent or payments on mortgage and related costs, is greater than 30 percent of the median monthly gross income for households in the state;

(4) Describes methods to increase the availability of more affordable housing; and

(5) Describes strategies by which the state, alone or in concert with other entities, can alleviate any deficiencies in affordable housing or provide resources to increase the availability of more affordable housing.

Sec. 4. NRS 278.010 is hereby amended to read as follows:

278.010 As used in NRS 278.010 to 278.630, inclusive, *and sections 2 and 3 of this act*, unless the context otherwise requires:

1. "Acre site" consists of 43,560 square feet of land, and includes any public streets and alleys or other rights of way or easements.
2. "Building code" means ordinances, plans, regulations, or rulings adopted by the governing body for the purpose of regulating and specifying the soundness of construction of structures.
3. "Cities and counties" means all counties and cities located in counties. Carson City is considered as a county.
4. "Commission" means the planning commission of the city, the county or the region, as established by ordinance.
5. "County surveyor" means a person appointed as such or a person designated by a board of county commissioners or the board of supervisors of Carson City to perform the duties of a county surveyor under this chapter.
6. "Final map" means a map prepared in accordance with the provisions of NRS 278.010 to 278.630, inclusive, *and sections 2 and 3 of this act*, and those of any applicable local ordinance, which is designed to be placed on record in

the office of the county recorder of the county in which any part of the subdivision is located or the recorder of Carson City.

7. "Governing body" means the city council or other legislative body of the city or the board of county commissioners or, in the case of Carson City, the board of supervisors.

8. "Improvement" means such street work and utilities to be installed on land dedicated or to be dedicated for streets and easements as are necessary for local drainage, local traffic and the general use of property owners in the subdivision.

9. "Local ordinance" means an ordinance enacted by the governing body of any city or county, under the powers granted in NRS 278.010 to 278.630, inclusive, *and sections 2 and 3 of this act*, and within the limitations therein set forth, regulating the design and improvement of land subdivisions.

10. "Lot" means a distinct part or parcel of land which has been divided to transfer ownership or to build. The term does not include a parcel of land used or intended solely for use as a location for a water well.

11. "Parcel map" means a map as provided in NRS 278.461, 278.462 and 278.464 to 278.467, inclusive.

12. "Right of way" includes all public and private rights of way and all areas required for public use in accordance with any master plan or parts thereof.

13. "Streets" includes streets, avenues, boulevards, roads, lanes, alleys, viaducts, public easements and rights of way, and other ways.

14. "Subdivider" means a person who causes land to be divided into a subdivision for himself or for others.

15. "Tentative map" means a map made to show the design of a proposed subdivision and the existing conditions in and around it.

Sec. 5. NRS 278.150 is hereby amended to read as follows:

278.150 1. The planning commission shall prepare and adopt a comprehensive, long-term general plan for the physical development of the city, county or region which in the commission's judgment bears relation to the planning thereof.

2. The plan [shall] *must* be known as the master plan, and must be so prepared that all or portions thereof, except as provided in subsection 3, may be adopted by the governing body, as provided in NRS 278.010 to 278.630, inclusive, *and sections 2 and 3 of this act*, as a basis for the development of the city, county or region for such reasonable period of time next ensuing after the adoption thereof as may practically be covered thereby.

3. In counties having a population of 100,000 or more, if the governing body of the city or county adopts only a portion of the master plan, it shall include in that portion a conservation plan , *a housing plan* and a population plan as provided in NRS 278.160.

Sec. 6. NRS 278.160 is hereby amended to read as follows:

278.160 1. The master plan, with the accompanying charts, drawings, diagrams, schedules and reports, [shall] *must* include such of the following subject matter or portions thereof as are appropriate to the city,

county or region, and as may be made the basis for the physical development thereof:

(a) Community design. Standards and principles governing the subdivision of land and suggestive patterns for community design and development.

(b) Conservation plan. For the conservation, development and [utilization] *use* of natural resources, including water and its hydraulic force, underground water, water supply, forests, soils, rivers and other waters, harbors, fisheries, wildlife, minerals and other natural resources. The plan [shall] *must* also cover the reclamation of land and waters, flood control, prevention and control of the pollution of streams and other waters, regulation of the use of land in stream channels and other areas required for the accomplishment of the conservation plan, prevention, control and correction of the erosion of soils through proper clearing, grading and landscaping, beaches and shores, and protection of watersheds. The plan [shall] *must* also indicate the maximum tolerable *level of* air pollution . [level.]

(c) Economic plan. Showing recommended schedules for the allocation and expenditure of public funds in order to provide for the economical and timely execution of the various components of the plan.

(d) Housing [. Survey of housing conditions and needs and plans and procedure for improvement of housing standards and for the provision of adequate housing.] *plan. A survey of housing conditions and costs, with an analysis of the availability of housing to persons whose income is below the median level of income for the city, county or region. The plan must identify:*

(1) The current need for additional affordable housing;

(2) *The expected need for additional affordable housing during the next 3 years; and*

(3) *Proposed plans and procedures to:*

(I) *Improve housing standards; and*

(II) *Provide additional affordable housing.*

(e) Land use plan. An inventory and classification of natural land types and of existing land cover and uses, and comprehensive plans for the most desirable [utilization] *use* of land.

(f) Population plan. An estimate of the total population which the natural resources of the city, county or region will support on a continuing basis without unreasonable impairment.

(g) Public buildings. Showing locations and arrangement of civic centers and all other public buildings, including the architecture thereof and the [landscape treatment] *landscaping* of the grounds thereof.

(h) Public services and facilities. Showing general plans for sewage, drainage and utilities, and rights of way, easements and facilities therefor.

(i) Recreation plan. Showing a comprehensive system of [recreation] *recreational* areas, including natural reservations, parks, parkways, reserved *strips of riverbank* , [strips,] beaches, playgrounds and other [recreation] *recreational* areas, including, when practicable, the locations and proposed development thereof.

(j) Seismic safety plan. Consisting of an identification and appraisal of seismic hazards such as susceptibility to surface ruptures from faulting, to ground shaking or to ground failures.

(k) Solid waste disposal plan. Showing general plans for disposal of solid waste.

(l) Streets and highways plan. Showing the general locations and widths of a comprehensive system of major traffic thoroughfares and other traffic ways and of streets and the recommended treatment thereof, building line setbacks, and a system of street naming or numbering, and house numbering, with recommendations concerning proposed changes.

(m) Transit plan. Showing a proposed system of transit lines, including rapid transit, streetcar, motorcoach and trolley coach lines and related facilities.

(n) Transportation plan. Showing a comprehensive *system of* transportation , [system,] including locations of rights of way, terminals, viaducts and grade separations. The plan may also include port, harbor, aviation and related facilities.

2. The commission may prepare and adopt, as part of the master plan, [other and] additional plans and reports dealing with such other subjects as may in its judgment relate to the physical development of the city, county or region, and nothing contained in NRS 278.010 to 278.630, inclusive, *and sections 2 and 3 of this act*, shall be deemed to prohibit the preparation and adoption of [any] such *a* subject as a part of the master plan.

Sec. 7. NRS 278.170 is hereby amended to read as follows:

278.170 1. The commission may prepare and adopt all or any part of the master plan or any subject thereof, except as provided in subsection 2, for all or any part of the city, county or [region; but master regional] *region*,

except that master plans for regions must be coordinated with similar plans of adjoining regions, and master [county and city] plans *for counties and cities* within each region must be coordinated so as to fit properly into the master plan for the region.

2. In counties [having a population of] *whose population is* 100,000 or more, if the commission prepares and adopts less than all subjects of the master plan, as outlined in NRS 278.160, it shall include, in its preparation and adoption, the conservation , *housing* and population plans described in that section.

Sec. 8. A planning commission or governing body required to adopt a housing plan pursuant to NRS 278.150 or 278.170, as amended by this act, shall submit its adopted housing plan to the office of community services before December 31, 1989.

SUMMARY--Urges local governments to revise zoning ordinances and building codes to encourage construction of more affordable housing. (BDR R-192)

CONCURRENT RESOLUTION--Urging local governments to revise their zoning ordinances and building codes to encourage the construction of more affordable housing.

WHEREAS, Federal assistance for the provision of affordable housing has been drastically reduced since 1980; and

WHEREAS, It has been estimated that the State of Nevada has 90,000 to 100,000 families of low income who are currently in need of affordable housing; and

WHEREAS, It is the policy of this state to promote the health and welfare of its residents by improving their access to affordable housing; and

WHEREAS, The construction of more affordable housing could be encouraged through the revision of local zoning ordinances and building codes; now, therefore, be it

RESOLVED BY THE OF THE STATE OF NEVADA, THE
CONCURRING, That the legislature urges local governments of the State of Nevada to revise their zoning ordinances and building codes to encourage the construction of more affordable housing for the residents of this state; and be it further

RESOLVED, That copies of this resolution be prepared and transmitted forthwith by the _____ of the _____ to all local governments of the State of Nevada.

SUMMARY--Requires collection of certain data concerning mobile home parks. (BDR 10-193)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to mobile home parks; requiring the administrator of the manufactured housing division of the department of commerce to collect certain data; and providing other matters properly relating thereto.

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

Section 1. Chapter 118B of NRS is hereby amended by adding thereto a new section to read as follows:

The administrator shall collect economic and demographic data annually from each mobile home park, including the amount of rent and rate of vacancy for each type of lot in the park.

SUMMARY--Urges Congress to enact legislation allocating federal land for affordable mobile home parks. (BDR R-194)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: No.

JOINT RESOLUTION--Urging Congress to enact legislation allocating federal land for affordable mobile home parks.

WHEREAS, The State of Nevada has approximately 90,000 to 100,000 families of low income who are in need of affordable housing; and

WHEREAS, These families include a large number of senior citizens, a segment of the population that has increased by approximately 112 percent since 1977; and

WHEREAS, The current shortage of affordable housing is directly related to the high cost of available land; and

WHEREAS, Mobile home parks provide a major source of affordable housing, especially for senior citizens of low income; and

WHEREAS, Congress controls a considerable amount of federal land in this state that could be used to provide affordable mobile home parks for senior citizens and other persons of low income; now, therefore, be it

RESOLVED BY THE AND OF THE STATE OF NEVADA, JOINTLY, That Congress is hereby urged to enact legislation

allocating federal land for affordable mobile home parks in the State of Nevada; and be it further

RESOLVED, That a copy of this resolution be transmitted by the _____ of the _____ to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation.

SUMMARY--Exempts property owned by nonprofit corporation and used for low-income housing from taxation. (BDR 32-195)

FISCAL NOTE: Effect on Local Government: Yes.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to property tax; exempting property owned by a nonprofit corporation and used for low-income housing from taxation; and providing other matters properly relating thereto.

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

Section 1. Chapter 361 of NRS is hereby amended by adding thereto a new section to read as follows:

All real property and tangible personal property used exclusively for housing and related facilities for households having a gross income that is 50 percent or less of the median gross income for households of the same size in the state are exempt from taxation if the property is owned or operated by a nonprofit corporation organized under the laws of:

- 1. The State of Nevada; or*

2. Another state and qualified to do business as a nonprofit corporation under the laws of the State of Nevada.

Sec. 2. 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 [shall not be] *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] *must* 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 [NRS] 361.045 to 361.155, inclusive, [shall] *and section 1 of this act, does not* include personal property in transit through this state as defined in this section.

SUMMARY--Exempts certain facilities for homeless from property tax.

(BDR 32-196)

FISCAL NOTE: Effect on Local Government: Yes.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to property tax; exempting certain facilities for the homeless from taxation; and providing other matters properly relating thereto.

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

Section 1. NRS 361.086 is hereby amended to read as follows:

361.086 All real property and tangible personal property used exclusively for housing and related facilities for elderly , *homeless* or handicapped persons are exempt from taxation if:

1. The property [was] :

(a) Is wholly or partially funded under the Stewart B. McKinney Homeless Assistance Act, 42 U.S.C. §§ 11301 et seq.; or

(b) Was wholly or partially financed by a loan under the Housing Act of 1959, as amended, 12 U.S.C. § 1701q; and

2. The property is owned or operated:

(a) By a nonprofit corporation organized under the laws of the State of Nevada; or

(b) By a nonprofit corporation organized under the laws of another state and qualified to do business as a nonprofit corporation under the laws of the State of Nevada.

SUMMARY--Reorganizes Nevada rural housing authority. (BDR 25-198)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: No.

AN ACT relating to housing authorities; reorganizing the Nevada rural housing authority; clarifying the applicability of certain statutes to the Nevada rural housing authority; and providing other matters properly relating thereto.

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

Section 1. NRS 315.620 is hereby amended to read as follows:

315.620 Neither the commissioners of an authority nor any person executing the bonds [shall be] *are* liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of an authority [(and such bonds and obligations shall so state on their face) shall not be] *are not, and must state on their face that they are not,* a debt of the city, the county, the state or any *other* political subdivision thereof, and neither the city, the county, the state nor any *other* political subdivision thereof [shall be] *is* liable thereon, nor in any event [shall such] *are the* bonds or obligations [be] payable out of

any funds or properties other than those of the authority. The bonds [shall] *do* not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Sec. 2. NRS 315.977 is hereby amended to read as follows:

315.977 1. The Nevada rural housing authority, consisting of [five] commissioners appointed by the [governor.] *governing bodies of cities and counties in its area of operation*, is hereby created.

2. [The governor shall appoint:

(a) Two commissioners who have experience in banking, real estate or homebuilding.

(b) Three commissioners who are representatives of the general public.

3. At least four of the commissioners must be residents of counties whose population is less than 100,000.] *The governing body of each city and county in the authority's area of operation shall appoint a commissioner.*

3. *After the initial terms, the term of office of a commissioner is 4 years or until his successor takes office.*

4. *The initial term of office of a commissioner appointed to the Nevada rural housing authority by a city which comes into existence on or after January 1, 1990, ends on January 1 of the next even-numbered year following the date of appointment.*

5. A majority of the commissioners constitutes a quorum, and a vote of the majority is necessary to carry any question.

Sec. 3. NRS 315.979 is hereby amended to read as follows:

315.979 1. As soon as possible after their appointment, the commissioners shall organize for the transaction of business by choosing a chairman and vice chairman and by adopting bylaws and rules and regulations suitable to the purpose of organizing the authority and conducting the business thereof.

2. The commissioners shall appoint an executive director and such other officers and employees as the authority may require for the performance of its duties. [The executive director is in the unclassified service of the state. The remaining positions are in the classified service of the state.] The commissioners shall prescribe the duties of each officer and employee , [and shall] fix their salaries [in accordance with the pay plan of the state.] , *and establish the terms and conditions of their employment.*

3. At least once a year the authority shall file with the [governor] *governing body of each city and county in its area of operation* a report of its activities for the preceding year and shall make recommendations with reference to such additional legislation or other actions as it deems necessary in order to carry out the purposes of NRS 315.961 to 315.996, inclusive.

Sec. 4. NRS 315.982 is hereby amended to read as follows:

315.982 A commissioner of the authority may be removed from office [in accordance with the provisions of NRS 283.440 or 283.450.] , *after public hearing, by a majority vote of the other commissioners for neglect of duty or malfeasance in office. Any vacancy in office must be filled for the remainder of the unexpired term by the governing body which appointed the commissioner.*

Sec. 5. NRS 315.983 is hereby amended to read as follows:

315.983 1. [The authority is a] *Except as otherwise provided in NRS 354.474 and 377.057, the authority:*

(a) Shall be deemed to be a public body corporate and politic, and an instrumentality, local government and political subdivision of the state, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of NRS 315.961 to 315.996, inclusive, but not the power to levy and collect taxes or special assessments.

(b) Is not an agency, board, bureau, commission, council, department, division, employee or institution of the state.

2. The authority may:

(a) Sue and be sued.

(b) Have a seal.

(c) Have perpetual succession.

(d) Make and execute contracts and other instruments necessary or convenient to the exercise of its powers.

(e) Deposit money it receives in any insured state or national bank, insured credit union or insured savings and loan association.

(f) Adopt bylaws, rules and regulations to carry into effect the powers and purposes of the authority.

Sec. 6. NRS 315.984 is hereby amended to read as follows:

315.984 Subject to the provisions of NRS 315.986 and 315.987, the authority may, within its area of operation:

1. Prepare, carry out and operate housing projects and provide for the construction, reconstruction, improvement, extension, alteration, or repair of any such project or any part thereof.

2. Administer programs to subsidize that portion of a tenant's rental payments which represents the difference between the payment required in the lease and the amount paid under any program of the Federal Government.

3. Determine where there is a need for additional low-rent housing for persons of low income and where there is unsafe, insanitary or overcrowded housing.

4. Make studies and recommendations relating to the problems of relieving the shortage of low-rent housing and of eliminating unsafe, insanitary or overcrowded housing.

5. Cooperate with the Federal Government, [other] state agencies, local housing authorities, counties, cities, towns, and [any] *other* political subdivisions of the state in action taken in connection with such problems.

Sec. 7. NRS 315.993 is hereby amended to read as follows:

315.993 1. The authority shall not construct or operate any housing project for profit . [or as a source of revenue to the state.]

2. The authority shall manage and operate its housing projects in an efficient manner so as to enable it to fix the rentals or payments for dwelling accommodations at low rates consistent with its providing decent, safe and sanitary dwelling accommodations for persons of low income.

3. To this end the authority shall fix the rentals or payments for dwellings in its housing projects at no higher rates than it [shall find] *finds* to

be necessary in order to produce [revenues] *revenue* which, together with all other available [moneys, revenues,] *money, revenue*, income and receipts of the authority from whatever sources derived, will be sufficient:

(a) To pay, as the same become due, the principal and interest on the bonds of the authority.

(b) To create and maintain such reserves as may be required to assure the payment of principal and interest as it becomes due on its bonds.

(c) To meet the cost of, and to provide for, maintaining and operating the housing projects [(including] , *including* necessary reserves therefor and the cost of any [insurance)] *insurance*, and the administrative expenses of the authority.

(d) To make such payments in lieu of taxes as it determines are consistent with the maintenance of the low-rent character of the housing projects.

Sec. 8. NRS 41.0305 is hereby amended to read as follows:

41.0305 As used in NRS 41.031 to 41.039, inclusive, the term "political subdivision" includes *the Nevada rural housing authority*, a regional transportation commission and a fire protection district, irrigation district, school district and other special district which performs a governmental function, even though it does not exercise general governmental powers.

Sec. 9. NRS 281.370 is hereby amended to read as follows:

281.370 1. All personnel actions taken by state, county or municipal departments, *housing authorities*, agencies, boards or appointing officers thereof must be based solely on merit and fitness.

2. State, county or municipal departments, *housing authorities*, agencies, boards or appointing officers thereof shall not refuse to hire a person, discharge or bar any person from employment or discriminate against any person in compensation or in other terms or conditions of employment because of his race, creed, color, national origin, sex, age, political affiliation or physical, aural or visual handicap, except when based upon a bona fide occupational qualification.

Sec. 10. NRS 332.015 is hereby amended to read as follows:

332.015 For the purpose of this chapter "local government" means:

1. Every political subdivision or other entity which has the right to levy or receive [moneys] *money* from ad valorem taxes or other taxes or from any mandatory assessments, including counties, cities, towns, school districts and other districts organized pursuant to chapters 244, 309, 318, 379, 450, 473, 474, 539, 541, 543 and 555 of NRS.

2. The Las Vegas Valley Water District created pursuant to the provisions of chapter 167, Statutes of Nevada 1947, as amended.

3. County fair and recreation boards and convention authorities created pursuant to the provisions of NRS 244A.597 to 244A.667, inclusive.

4. District boards of health created pursuant to the provisions of NRS 439.370 to 439.410, inclusive.

5. *The Nevada rural housing authority.*

Sec. 11. NRS 333.020 is hereby amended to read as follows:

333.020 [The following words shall have the following meaning within the purview of this chapter, and shall be so construed:] *As used in this chapter, unless the context otherwise requires:*

1. "Chief" means the chief of the purchasing division.
2. "Director" means the director of the department of general services.
3. "Purchasing division" means the purchasing division of the department of general services.
4. "Using agencies" means any and all officers, departments, institutions, boards, commissions and other agencies in the executive department of the state government which derive their support from public [funds] *money* in whole or in part, whether the [same may be funds] *money is* provided by the State of Nevada, [funds] received from the Federal Government or any branch, bureau or agency thereof, or [funds] derived from private or other sources, excepting *the Nevada rural housing authority*, local governments as defined in NRS 354.474, conservation districts and irrigation districts. The University of Nevada System and the desert research institute of the University of Nevada System are not "using agencies" except as provided in NRS 333.461.
5. "Volunteer fire department" means a volunteer fire department which pays industrial insurance premiums pursuant to the provisions of chapter 616 of NRS.

Sec. 12. NRS 349.200 is hereby amended to read as follows:

349.200 "State" means the State of Nevada, or any board, department or other agency or instrumentality thereof . [, in the United States; and where] *Where* the context so indicates, "state" means the geographical area comprising

the State of Nevada. *"State" does not include the Nevada rural housing authority.*

Sec. 13. NRS 350.538 is hereby amended to read as follows:

350.538 1. "Municipality" means any county, any incorporated city or town [(including] , *including* without limitation any city or town organized under the provisions of a special legislative act or other special [charter),] *charter*, any unincorporated town, any school district, or any quasi-municipal district [(including] , *including* without limitation *the Nevada rural housing authority and* any district governed by Title 25 of [NRS)] *NRS*, of this state, or any other public agency authorized to issue general or special obligations on behalf of any of these. Where the context so indicates, "municipality" means the geographical area comprising the municipality.

2. Municipality does not include an irrigation district or other special district governed by Title 48 of NRS.

Sec. 14. NRS 354.474 is hereby amended to read as follows:

354.474 1. Except as otherwise provided in subsections 2 and 3, the provisions of NRS 354.470 to 354.626, inclusive, apply to all local governments. For the purpose of NRS 354.470 to 354.626, inclusive, "local government" means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes without limitation counties, cities, towns, boards, school districts and other districts organized pursuant to chapters 244A, 309, 318, 379, 474, 541, 543 and 555 of NRS, NRS 450.550 to 450.700, inclusive, and any agency or department of a county or city which prepares a budget separate from that

of the parent political subdivision. "*Local government*" does not include the Nevada rural housing authority.

2. An irrigation district organized pursuant to chapter 539 of NRS shall fix rates and levy assessments as provided in NRS 539.667 to 539.683, inclusive. The levy of such assessments and the posting and publication of claims and annual financial statements as required by chapter 539 of NRS shall be deemed compliance with the budgeting, filing and publication requirements of NRS 354.470 to 354.626, inclusive, but any such irrigation district which levies an ad valorem tax shall comply with the filing and publication requirements of NRS 354.470 to 354.626, inclusive, in addition to the requirements of chapter 539 of NRS.

3. An electric light and power district created pursuant to chapter 318 of NRS shall be deemed to have fulfilled the requirements of NRS 354.470 to 354.626, inclusive, for a year in which the district does not issue bonds or levy an assessment if the district files with the department of taxation a copy of all documents relating to its budget for that year which the district submitted to the Rural Electrification Administration of the United States Department of Agriculture.

Sec. 15. NRS 361.060 is hereby amended to read as follows:

361.060 All lands and other property owned by *the Nevada rural housing authority or* any county, domestic municipal corporation, irrigation, drainage or reclamation district or town in this state [shall be] *are* exempt from taxation, except as provided in NRS 539.213 with respect to certain community pastures.

Sec. 16. NRS 377.057 is hereby amended to read as follows:

377.057 1. The state controller, acting upon the relevant information furnished by the department, shall monthly from the fees, taxes, interest and penalties which derive from the supplemental city-county relief tax collected in all counties and from out-of-state businesses during the preceding month, after making any distributions required by NRS 377.053:

(a) Distribute the amount specified in this paragraph among the following local governments in the following percentages:

Political Subdivision	Percent-
Churchill County.....	3.23
City of North Las Vegas.....	46.52
City of Carlin	2.72
Esmeralda County20
Eureka County71
City of Winnemucca.....	5.56
City of Caliente.....	.46
City of Yerington.....	4.77
Mineral County.....	9.96
City of Gabbs	4.31
Pershing County.....	2.52
City of Lovelock	5.77
White Pine County	5.37
City of Ely.....	7.90

For the fiscal year beginning July 1, 1981, the monthly amount is \$71,110. For each succeeding fiscal year, this amount must be reduced by \$7,111 from the preceding year.

(b) Distribute to each local government the amount calculated for it by the department of taxation pursuant to subsection 2.

2. The maximum amounts distributable under paragraph (b) of subsection 1 must be estimated for each fiscal year. The percentage of maximum allowable revenue, as determined pursuant to NRS 354.59805, to be derived from the supplemental city-county relief tax must be as nearly equal among the several counties as possible. The amount apportioned to each county must then be apportioned among the several local governments therein, including the county and excluding the school district, any district to provide a telephone number for emergencies, any district created under chapter 318 of NRS to furnish emergency medical services, any redevelopment agency, any tax increment area and any other local government excluded by specific statute, in the proportion which each local government's basic ad valorem revenue bears to the total basic ad valorem revenue of all these local governments except that no local government may receive more than the amount to which it is entitled pursuant to NRS 354.59811 and 354.59816. When any local government has received the maximum supplemental city-county relief tax calculated to be distributed to it, any remaining money otherwise distributable to it must be deposited in the reserve fund for the supplemental city-county relief tax.

3. As used in this section, the "basic ad valorem revenue":

(a) Of each local government is its assessed valuation, including assessed valuation attributable to a redevelopment agency or tax increment area but excluding net proceeds of mines, for the year of distribution, multiplied by the rate levied on its behalf for the fiscal year ending June 30, 1981, for purposes other than paying the interest on and principal of its general obligations. For the purposes of this paragraph:

(1) A county whose actual tax rate, for purposes other than debt service, for the fiscal year ending on June 30, 1981, was less than 50 cents per \$100 of assessed valuation is entitled to the use of a rate not greater than 80 cents per \$100 of assessed valuation.

(2) A fire district in such a county whose tax rate was more than 50 cents per \$100 of assessed valuation is entitled to the use of a rate not greater than \$1.10 per \$100 of assessed valuation.

(b) Of the county for the distribution under subsection 1 is the sum of its individual basic ad valorem revenue and those of the other local governments within it, excluding the school district and any district created under chapter 318 of NRS to furnish emergency medical services.

(c) Of a local government listed in subsection 1 of NRS 354.59873 does not include any increase in the basic ad valorem revenue pursuant to that section.

4. For the purposes of this section, a fire protection district organized pursuant to chapter 473 of NRS is a local government [.] *and the Nevada rural housing authority is not a local government.*

5. For the purposes of determining basic ad valorem revenue, the assessed valuation of a fire protection district includes property which was transferred from private ownership to public ownership after July 1, 1986, pursuant to:

(a) The Santini-Burton Act, Public Law 96-586; or

(b) Chapter 585, Statutes of Nevada 1985, at page 1866, approved by the voters on November 4, 1986.

Sec. 17. NRS 616.090 is hereby amended to read as follows:

616.090 "Employer" means:

1. The state, and each county, city, school district, and all public and quasi-public corporations therein without regard to the number of persons employed.

2. Every person, firm, voluntary association, and private corporation, including any public service corporation, which has in service any person under a contract of hire.

3. The legal representative of any deceased employer.

4. *The Nevada rural housing authority.*

Sec. 18. NRS 617.110 is hereby amended to read as follows:

617.110 "Employer" means:

1. The state and each county, city, school district, and all public and quasi-public corporations therein, without regard to the number of persons employed.

2. Every person, firm, voluntary association, and private corporation, including any public service corporation, which has in service any employee under a contract of hire.

3. The legal representative of any deceased employer.

4. *The Nevada rural housing authority.*

Sec. 19. The amendatory provisions of this act do not result in the termination of the Nevada rural housing authority as an agency under the provisions of NRS 232B.100.

Sec. 20. 1. The term of a commissioner appointed to the Nevada rural housing authority before January 1, 1990, expires on January 1, 1990.

2. The governing bodies required to appoint commissioners to the Nevada rural housing authority pursuant to the amendatory provisions of section 2 of this act shall cooperate to appoint half of the commissioners, or as near to half as possible, to initial terms of 2 years, and the remaining commissioners to initial terms of 4 years.

Sec. 21. Sections 2 and 4 of this act become effective on January 1, 1990.

SUMMARY--Urges Congress to extend state ceiling on tax credit for low-income housing. (BDR R-199)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: No.

JOINT RESOLUTION--Urging Congress to extend the state ceiling on the tax credit for low-income housing.

WHEREAS, There is a critical shortage of housing in the State of Nevada for persons of low income; and

WHEREAS, The federal Tax Reform Act of 1986 provides an incentive for the construction and rehabilitation of low-income housing through the allowance of a tax credit, and contains a ceiling on the amount of credit allowable in each state; and

WHEREAS, It has been estimated that this tax credit will, by December 31, 1989, result in the availability of up to 1,200 units of housing for residents of low income in this state; and

WHEREAS, The Tax Reform Act of 1986 further provides that the ceiling on the amount of tax credit for low-income housing allowable in each state will, except for certain projects in progress, be reduced to zero for any calendar year after 1989; now, therefore, be it

RESOLVED BY THE AND OF THE STATE OF NEVADA, JOINTLY, That Congress is hereby urged to extend the current ceiling on the amount of tax credit for low-income housing allowable in each state beyond the date provided by the Tax Reform Act of 1986; and be it further

RESOLVED, That a copy of this resolution be transmitted by the of the to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation.