

ASSEMBLY BILL NO. 25—COMMITTEE
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE NEVADA LEAGUE OF
CITIES AND MUNICIPALITIES)

PREFILED DECEMBER 20, 2014

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing the residential construction tax. (BDR 22-454)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to the residential construction tax; revising provisions governing the authorized uses of the tax; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law authorizes the city council of any city or the board of county
2 commissioners of any county which has adopted a master plan and recreation plan
3 which includes, as a part of the plan, future or present sites for neighborhood parks
4 to impose, by ordinance, a residential construction tax. Money collected through
5 the tax may only be used for the acquisition, improvement and expansion of
6 neighborhood parks or the installation of facilities in existing or neighborhood
7 parks. (NRS 278.4983) This bill additionally authorizes the use of money collected
8 through the tax for the improvement of park facilities and specifies that
9 improvement includes replacement, modification, redesign, redevelopment or
10 enhancement, but does not include routine or preventative maintenance.

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

1 **Section 1.** NRS 278.4983 is hereby amended to read as
2 follows:

3 278.4983 1. The city council of any city or the board of
4 county commissioners of any county which has adopted a master
5 plan and recreation plan, as provided in this chapter, which includes,



1 as a part of the plan, future or present sites for neighborhood parks
2 may, by ordinance, impose a residential construction tax pursuant to
3 this section.

4 2. If imposed, the residential construction tax must be imposed
5 on the privilege of constructing apartment houses and residential
6 dwelling units and developing mobile home lots in the respective
7 cities and counties. The rate of the tax must not exceed:

8 (a) With respect to the construction of apartment houses and
9 residential dwelling units, 1 percent of the valuation of each
10 building permit issued or \$1,000 per residential dwelling unit,
11 whichever is less. For the purpose of the residential construction tax,
12 the city council of the city or the board of county commissioners of
13 the county shall adopt an ordinance basing the valuation of building
14 permits on the actual costs of residential construction in the area.

15 (b) With respect to the development of mobile home lots, for
16 each mobile home lot authorized by a lot development permit, 80
17 percent of the average residential construction tax paid per
18 residential dwelling unit in the respective city or county during the
19 calendar year next preceding the fiscal year in which the lot
20 development permit is issued.

21 3. The purpose of the tax is to raise revenue to enable the cities
22 and counties to provide neighborhood parks and facilities for parks
23 which are required by the residents of those apartment houses,
24 mobile homes and residences.

25 4. An ordinance enacted pursuant to subsection 1 must
26 establish the procedures for collecting the tax, set its rate, and
27 determine the purposes for which the tax is to be used, subject to the
28 restrictions and standards provided in this chapter. The ordinance
29 must, without limiting the general powers conferred in this chapter,
30 also include:

31 (a) Provisions for the creation, in accordance with the applicable
32 master plan, of park districts which would serve neighborhoods
33 within the city or county.

34 (b) A provision for collecting the tax at the time of issuance of a
35 building permit for the construction of any apartment houses or
36 residential dwelling units, or a lot development permit for the
37 development of mobile home lots.

38 5. All residential construction taxes collected pursuant to the
39 provisions of this section and any ordinance enacted by a city
40 council or board of county commissioners, and all interest accrued
41 on the money, must be placed with the city treasurer or county
42 treasurer in a special fund. Except as otherwise provided in
43 subsection 6, the money in the fund may only be used for the
44 acquisition, improvement and expansion of neighborhood parks or
45 the installation *or improvement* of facilities in existing or



1 neighborhood parks in the city or county. Money in the fund must
2 be expended for the benefit of the neighborhood from which it was
3 collected.

4 6. If a neighborhood park has not been developed or facilities
5 have not been installed in an existing park in the park district
6 created to serve the neighborhood in which the subdivision or
7 development is located within 3 years after the date on which 75
8 percent of the residential dwelling units authorized within that
9 subdivision or development first became occupied, all money paid
10 by the subdivider or developer, together with interest at the rate at
11 which the city or county has invested the money in the fund, must
12 be refunded to the owners of the lots in the subdivision or
13 development at the time of the reversion on a pro rata basis.

14 7. The limitation of time established pursuant to subsection 6 is
15 suspended for any period, not to exceed 1 year, during which this
16 State or the Federal Government takes any action to protect the
17 environment or an endangered species which prohibits, stops or
18 delays the development of a park or installation of facilities.

19 8. For the purposes of this section:

20 (a) "Facilities" means turf, trees, irrigation, playground
21 apparatus, playing fields, areas to be used for organized amateur
22 sports, play areas, picnic areas, horseshoe pits and other recreational
23 equipment or appurtenances designed to serve the natural persons,
24 families and small groups from the neighborhood from which the
25 tax was collected.

26 (b) *"Improvement of facilities" means the replacement,*
27 *modification, redesign, redevelopment or enhancement of existing*
28 *facilities or the installation of new or additional facilities. The*
29 *term does not include the routine or preventative maintenance of*
30 *facilities.*

31 (c) "Neighborhood park" means a site not exceeding 25 acres,
32 designed to serve the recreational and outdoor needs of natural
33 persons, families and small groups.

34 **Sec. 2.** This act becomes effective upon passage and approval.

