

SENATE BILL NO. 417—SENATORS SPEARMAN,
SEGERBLOM AND FARLEY

MARCH 20, 2017

Referred to Committee on Government Affairs

SUMMARY—Provides for the establishment of programs to encourage tenants of housing projects to save money for certain purposes. (BDR 25-836)

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

CONTAINS UNFUNDED MANDATE (§ 2)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)

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

AN ACT relating to housing authorities; requiring each housing authority in this State to establish a program whereby the housing authority establishes an escrow account for a tenant of a housing project; providing that the money deposited in such an escrow account must not be considered income for certain purposes; authorizing a tenant to access money deposited in an escrow account for certain purposes; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law establishes local housing authorities and the Nevada Rural
2 Housing Authority to operate housing projects for persons of low income in this
3 State. (NRS 315.320, 315.440, 315.977, 315.988) Existing law also prohibits a
4 housing authority from accepting a tenant who earns more than a prescribed
5 maximum income. (NRS 315.510, 315.994) This bill requires each local housing
6 authority and the Nevada Rural Housing Authority to establish a program whereby:
7 (1) the housing authority establishes an escrow account for a tenant; (2) the tenant
8 may deposit money in the account; (3) the money in the account is not considered
9 income for the purpose of determining the tenant’s eligibility to remain a tenant in
10 the housing project; and (4) the tenant is authorized to access the money in the
11 account only to purchase a residence or establish a business.



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

1 **Section 1.** Chapter 315 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 and 3 of this act.

3 **Sec. 2.** *To the extent authorized by federal law, each*
4 *authority in this State shall adopt regulations to establish a*
5 *program whereby:*

6 1. *The authority shall, upon the request of a tenant of a*
7 *housing project operated by the authority, establish an escrow*
8 *account for the tenant;*

9 2. *A tenant for whom an escrow account is established may*
10 *deposit a portion of his or her income in the account;*

11 3. *Money deposited in an escrow account pursuant to*
12 *subsection 2 must not be considered income for the purpose of*
13 *determining whether the person is eligible to reside in the housing*
14 *project under the provisions of NRS 315.510 or any regulations*
15 *adopted by the authority; and*

16 4. *The tenant may access the money in the escrow account*
17 *only for the purpose of purchasing a residence or establishing a*
18 *business.*

19 **Sec. 3.** *To the extent authorized by federal law, the Authority*
20 *shall adopt regulations to establish a program whereby:*

21 1. *The Authority shall, upon the request of a tenant of a*
22 *housing project operated by the Authority, establish an escrow*
23 *account for the tenant;*

24 2. *A tenant for whom an escrow account is established may*
25 *deposit a portion of his or her income in the account;*

26 3. *Money deposited in an escrow account pursuant to*
27 *subsection 2 must not be considered income for the purpose of*
28 *determining whether the person is eligible to reside in the housing*
29 *project under the provisions of NRS 315.994 or any regulations*
30 *adopted by the Authority; and*

31 4. *The tenant may access the money in the escrow account*
32 *only for the purpose of purchasing a residence or establishing a*
33 *business.*

34 **Sec. 4.** NRS 315.140 is hereby amended to read as follows:

35 315.140 NRS 315.140 to 315.7813, inclusive, *and section 2 of*
36 *this act* may be referred to as the Housing Authorities Law of 1947.

37 **Sec. 5.** NRS 315.150 is hereby amended to read as follows:

38 315.150 Unless the context otherwise requires, the definitions
39 contained in NRS 315.160 to 315.300, inclusive, govern the
40 construction of NRS 315.140 to 315.7813, inclusive **H**, *and section*
41 *2 of this act.*



1 **Sec. 6.** NRS 315.420 is hereby amended to read as follows:

2 315.420 An authority shall constitute a public body corporate
3 and politic, exercising public and essential governmental functions,
4 and having all the powers necessary or convenient to carry out and
5 effectuate the purposes and provisions of NRS 315.140 to 315.7813,
6 inclusive, ~~(but)~~ *and section 2 of this act, but* not the power to levy
7 and collect taxes or special assessments. ~~†~~

8 **Sec. 7.** NRS 315.961 is hereby amended to read as follows:

9 315.961 1. It is the policy of this State to promote the health,
10 welfare and safety of its residents and to develop more desirable
11 neighborhoods and alleviate poverty in the counties, cities and
12 towns of the State by making provision for decent, safe and sanitary
13 housing facilities for persons of low and moderate income.

14 2. It is hereby found and declared:

15 (a) That there is a shortage of safe and sanitary dwelling
16 accommodations in the rural areas of the State which are available
17 to persons of low and moderate income, particularly senior citizens
18 of low and moderate income, at rentals or prices they can afford;

19 (b) That the establishment and operation of a sufficient number
20 of new local housing authorities to undertake housing projects on an
21 individual basis in such counties and the cities and towns therein is
22 not feasible at the present time due to geographic and economic
23 circumstances;

24 (c) That the shortage of low-rent housing facilities in such
25 counties can be partially remedied through state action by the
26 establishment of a state housing authority having the power to
27 undertake housing projects and make mortgage loans for residential
28 housing; and

29 (d) That it is appropriate for such a state housing authority to
30 issue obligations for the purpose of undertaking housing projects
31 and providing mortgage loans for residential housing and to perform
32 any other function authorized by NRS 315.961 to 315.99874,
33 inclusive ~~†~~, *and section 3 of this act.*

34 **Sec. 8.** NRS 315.962 is hereby amended to read as follows:

35 315.962 As used in NRS 315.961 to 315.99874, inclusive, *and*
36 *section 3 of this act*, unless the context otherwise requires, the
37 words and terms defined in NRS 315.963 to 315.976, inclusive,
38 have the meanings ascribed to them in those sections.

39 **Sec. 9.** NRS 315.983 is hereby amended to read as follows:

40 315.983 1. Except as otherwise provided in NRS 354.474
41 and 377.057, the Authority:

42 (a) Shall be deemed to be a public body corporate and politic,
43 and an instrumentality, local government and political subdivision
44 of the State, exercising public and essential governmental functions,
45 and having all the powers necessary or convenient to carry out the



1 purposes and provisions of NRS 315.961 to 315.99874, inclusive,
2 *and section 3 of this act*, but not the power to levy and collect taxes
3 or special assessments.

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

6 2. The Authority may:

7 (a) Sue and be sued.

8 (b) Have a seal.

9 (c) Have perpetual succession.

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

12 (e) Deposit money it receives in any insured state or national
13 bank, insured credit union, insured savings and loan association, or
14 in the Local Government Pooled Long-Term Investment Account
15 created by NRS 355.165 or the Local Government Pooled
16 Investment Fund created by NRS 355.167.

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

19 (g) Create a nonprofit organization which is exempt from
20 taxation pursuant to 26 U.S.C. § 501(c)(3) and which has as its
21 principal purpose the development of housing projects.

22 (h) Enter into agreements or other transactions with, and accept
23 grants from and cooperate with, any governmental agency or other
24 source in furtherance of the purposes of NRS 315.961 to 315.99874,
25 inclusive ~~H~~, *and section 3 of this act*.

26 (i) Enter into an agreement with a local government in a county
27 whose population is less than 100,000 to receive a loan of money
28 from the local government in accordance with NRS 354.6118.

29 (j) Acquire real or personal property or any interest therein, by
30 gift, purchase, foreclosure, deed in lieu of foreclosure, lease, option
31 or otherwise.

32 **Sec. 10.** The provisions of NRS 354.599 do not apply to any
33 additional expenses of a local government that are related to the
34 provisions of this act.

35 **Sec. 11.** This act becomes effective upon passage and approval
36 for the purpose of adopting regulations and performing any other
37 administrative tasks that are necessary to carry out the provisions of
38 this act and on January 1, 2018, for all other purposes.

