AN ACT relating to indigent persons; imposing an additional tax on the transfer of real property in certain larger counties to provide funding for services and affordable housing for persons who are homeless or indigent; authorizing the governing body of an incorporated city to impose an annual surcharge on users of the sewer service of the incorporated city to provide funding for support services and affordable housing for persons who are homeless or indigent in the incorporated city; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides for the imposition of taxes on certain transfers of real property. (Chapter 375 of NRS) Section 1 of this bill imposes such a tax at the rate of 25 cents for each $500 of value in each county whose population is 700,000 or more (currently Clark County). Under section 1, the county and cities within the county are required to use the proceeds of the tax to provide services or affordable housing to persons who are homeless or indigent in the county. Sections 2, 3 and 5-7 of this bill provide that the tax imposed by section 1 is administered in the same manner as all other taxes imposed by existing law or transfers of real property and that the exemptions from those taxes also apply to a tax imposed pursuant to section 1.

Section 4 of this bill authorizes the governing body of an incorporated city to impose an annual surcharge on users of the sewer service of the incorporated city in an amount not to exceed $25 multiplied by the “equivalent residential unit” calculated for the user by the incorporated city. Under section 4, the incorporated...
city is required to account separately for the proceeds of the surcharge and use those proceeds to provide services for persons who are homeless or indigent within the incorporated city. Section 4 defines “equivalent residential unit” to mean the average amount of wastewater discharged by a class of users of the city’s sewer service divided by the average amount of wastewater discharged by a single-family dwelling.

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

Section 1. Chapter 375 of NRS is hereby amended by adding thereto a new section to read as follows:

1. In addition to all other taxes imposed on transfers of real property, a tax, at the rate of 25 cents for each $500 of value or fraction thereof, is hereby imposed in each county whose population is 700,000 or more on each deed by which any lands, tenements or other realty is granted, assigned, transferred or otherwise conveyed to, or vested in, another person, or land sale installment contract, if the consideration or value of the interest or property conveyed exceeds $100.

2. The amount of the tax must be computed on the basis of the value of the real property that is the subject of the transfer or land sale installment contract as declared pursuant to NRS 375.060.

3. The county recorder shall collect the tax in the manner provided in NRS 375.030, except that he or she shall transmit all the proceeds from the tax imposed pursuant to this section to the Local Government Tax Distribution Account created by NRS 360.660, for credit to the account of the county in which the tax is imposed.

4. The proceeds received by the county and each city pursuant to subsection 3 must be used by the county or city to provide services or affordable housing to homeless or indigent persons within the county or city, as applicable.

Sec. 2. NRS 375.030 is hereby amended to read as follows:

375.030 1. If any deed evidencing a transfer of title or land sale installment contract subject to the tax imposed by NRS 375.020 and 375.023 and, if applicable, NRS 375.026 and section 1 of this act is offered for recordation, the county recorder shall compute the amount of the tax due and shall collect that amount before acceptance of the deed for recordation.

2. The buyer and seller are jointly and severally liable for the payment of the taxes imposed by NRS 375.020, 375.023 and 375.026 and section 1 of this act and any penalties and interest imposed pursuant to subsection 3. The escrow holder is not liable
for the payment of the taxes imposed by NRS 375.020, 375.023 and 375.026 *and section 1 of this act* or any penalties or interest imposed pursuant to subsection 3.

3. If, after recordation of the deed or land sale installment contract, the county recorder disallows an exemption that was claimed at the time the deed was recorded or through audit or otherwise determines that an additional amount of tax is due, the county recorder shall promptly notify the person who requested the recording of the deed or land sale installment contract and the buyer and seller of the additional amount of tax due. If the additional amount of tax is not paid within 30 days after the date the buyer and seller are notified, the county recorder shall impose a penalty of 10 percent of the additional amount due in addition to interest at the rate of 1 percent per month, or portion thereof, of the additional amount due calculated from the date of the original recordation of the deed or land sale installment contract on which the additional amount is due through the date on which the additional amount due, penalty and interest are paid to the county recorder.

4. This section does not prohibit a buyer and seller from agreeing by contract or otherwise that one party or the other will be responsible for the payment of the tax due pursuant to this chapter, but such an agreement does not affect the ability of the county recorder to collect the tax and any penalties and interest from either the buyer or the seller.

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

375.090 The taxes imposed by NRS 375.020, 375.023 and 375.026 *and section 1 of this act* do not apply to:

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

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

3. A transfer of title recognizing the true status of ownership of the real property, including, without limitation, a transfer by an instrument in writing pursuant to the terms of a land sale installment contract previously recorded and upon which the taxes imposed by this chapter have been paid.

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

5. A transfer, assignment or other conveyance of real property if the owner of the property is related to the person to whom it is conveyed within the first degree of lineal consanguinity or affinity.
6. A transfer of title between former spouses in compliance with a decree of divorce.
7. A transfer of title to or from a trust without consideration if a certificate of trust is presented at the time of transfer.
8. Transfers, assignments or conveyances of unpatented mines or mining claims.
9. A transfer, assignment or other conveyance of real property to a corporation or other business organization if the person conveying the property owns 100 percent of the corporation or organization to which the conveyance is made.
10. A conveyance of real property by deed which becomes effective upon the death of the grantor pursuant to NRS 111.655 to 111.699, inclusive.
11. The making, delivery or filing of conveyances of real property to make effective any plan of reorganization or adjustment:
   (a) Confirmed under the Bankruptcy Act, as amended, 11 U.S.C. §§ 101 et seq.;
   (b) Approved in an equity receivership proceeding involving a railroad, as defined in the Bankruptcy Act; or
   (c) Approved in an equity receivership proceeding involving a corporation, as defined in the Bankruptcy Act, if the making, delivery or filing of instruments of transfer or conveyance occurs within 5 years after the date of the confirmation, approval or change.
12. A transfer to an educational foundation. As used in this subsection, “educational foundation” has the meaning ascribed to it in subsection 3 of NRS 388.750.
13. A transfer to a university foundation. As used in this subsection, “university foundation” has the meaning ascribed to it in subsection 3 of NRS 396.405.
14. A transfer to a library foundation. As used in this subsection, “library foundation” has the meaning ascribed to it in NRS 379.0056.

Sec. 4. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The governing body of an incorporated city may impose, and provide for the collection and enforcement of, an annual surcharge on each user of the sanitary sewer system of the incorporated city in an amount not to exceed $25 multiplied by the equivalent residential unit calculated for the class of user in which the user is placed by the incorporated city.

2. An annual surcharge imposed pursuant to this section is in addition to any sewer service fees or sewer connection fees, and any other surcharge on the use of the sanitary sewer system of the
incorporated city, imposed on the users of the sanitary sewer system of the incorporated city.

3. The proceeds of an annual surcharge imposed pursuant to this section must be accounted for separately in the general fund of the incorporated city and used by the incorporated city to provide services or affordable housing to homeless or indigent persons in the incorporated city.

4. As used in this section, “equivalent residential unit” means a fraction, the numerator of which is the average amount of wastewater discharged by the class of customer in which the user of sewer services is placed by the incorporated city and the denominator of which is the average amount of wastewater discharged by a single-family dwelling, as determined by the incorporated city.

Sec. 5. NRS 379.1495 is hereby amended to read as follows:
379.1495 1. A library foundation:
(a) Shall comply with the provisions of chapter 241 of NRS;
(b) Except as otherwise provided in subsection 2, shall make its records public and open to inspection pursuant to NRS 239.010;
(c) Is exempt from the taxes imposed by NRS 375.020, 375.023 and 375.026 and section 1 of this act pursuant to subsection 14 of NRS 375.090; and
(d) May allow a trustee or the executive director or other head administrator, or a designee thereof, of the library which it supports to serve as a member of its governing body.

2. A library foundation is not required to disclose the name of any contributor or potential contributor to the library foundation, the amount of his or her contribution or any information which may reveal or lead to the discovery of his or her identity. The library foundation shall, upon request, allow a contributor to examine, during regular business hours, any record, document or other information of the library foundation relating to that contributor.

Sec. 6. NRS 388.750 is hereby amended to read as follows:
388.750 1. An educational foundation:
(a) Shall comply with the provisions of chapter 241 of NRS;
(b) Except as otherwise provided in subsection 2, shall make its records public and open to inspection pursuant to NRS 239.010; and
(c) Is exempt from the taxes imposed by NRS 375.020, 375.023 and 375.026 and section 1 of this act pursuant to subsection 12 of NRS 375.090.

2. An educational foundation is not required to disclose the names of the contributors to the foundation or the amount of their contributions. The educational foundation shall, upon request, allow a contributor to examine, during regular business hours, any record,
document or other information of the foundation relating to that contributor.

3. As used in this section, “educational foundation” means a nonprofit corporation, association or institution or a charitable organization that is:

(a) Organized and operated exclusively for the purpose of supporting one or more kindergartens, elementary schools, junior high or middle schools or high schools, or any combination thereof;

(b) Formed pursuant to the laws of this State; and

(c) Exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

Sec. 7. NRS 396.405 is hereby amended to read as follows:

396.405 1. A university foundation:

(a) Shall comply with the provisions of chapter 241 of NRS;

(b) Except as otherwise provided in subsection 2, shall make its records public and open to inspection pursuant to NRS 239.010;

(c) Is exempt from the taxes imposed by NRS 375.020, 375.023 and 375.026 and section 1 of this act pursuant to subsection 13 of NRS 375.090; and

(d) May allow a president or an administrator of the university, state college or community college which it supports to serve as a member of its governing body.

2. A university foundation is not required to disclose the name of any contributor or potential contributor to the university foundation, the amount of his or her contribution or any information which may reveal or lead to the discovery of his or her identity. The university foundation shall, upon request, allow a contributor to examine, during regular business hours, any record, document or other information of the foundation relating to that contributor.

3. As used in this section, “university foundation” means a nonprofit corporation, association or institution or a charitable organization that is:

(a) Organized and operated primarily for the purpose of fundraising in support of a university, state college or a community college;

(b) Formed pursuant to the laws of this State; and

(c) Exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).

Sec. 8. 1. This section and section 4 of this act become effective upon passage and approval.

2. Sections 1, 2, 3, 5, 6 and 7 of this act become effective upon passage and approval for the purpose of adopting regulations and performing any other administrative tasks that are necessary to carry out the provisions of this act and on October 1, 2019, for all other purposes.