

ASSEMBLY BILL NO. 416—ASSEMBLYWOMAN
SUMMERS-ARMSTRONG

MARCH 27, 2023

Referred to Committee on Revenue

SUMMARY—Provides an exemption from property taxation for accessory dwelling units leased to certain tenants. (BDR 32-187)

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

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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 taxation; providing an exemption from property taxes for accessory dwelling units rented or leased to tenants receiving certain tenant-based housing assistance; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing federal law authorizes the Secretary of the United States Department
2 of Housing and Urban Development to provide assistance to public housing
3 agencies for tenant-based assistance through the Housing Choice Voucher Program.
4 (Section 8 of the United States Housing Act of 1937, 42 U.S.C. § 1437f) **Section 1**
5 of this bill provides an exemption from property taxes for an accessory dwelling
6 unit and the land upon which it is situated if the accessory dwelling unit is rented or
7 leased to a tenant receiving assistance under the Housing Choice Voucher Program
8 pursuant to a lease which is for a period of not less than 12 consecutive months.
9 **Section 1** requires a person claiming the exemption to file with the county assessor
10 a verification from the appropriate public housing authority that the person has
11 entered into a housing assistance payment contract and that the accessory dwelling
12 unit meets the relevant federal housing quality standards. **Section 2** of this bill
13 makes a conforming change to indicate the proper placement of **section 1** in the
14 Nevada Revised Statutes.



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

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

3 1. *An accessory dwelling unit and the land upon which it is*
4 *situated is exempt from taxation if, for the year in which the*
5 *exemption applies, the accessory dwelling unit is rented or leased*
6 *to a qualified tenant receiving assistance under the Housing*
7 *Choice Voucher Program pursuant to a written lease which is for*
8 *a period of not less than 12 consecutive months.*

9 2. *Any person claiming the exemption must file with the*
10 *county assessor verification from the appropriate public housing*
11 *authority that:*

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

16 (b) *The accessory dwelling unit, at the time it was last*
17 *inspected, met the housing quality standards pursuant to 42 U.S.C.*
18 *1437f(o).*

19 3. *As used in this section:*

20 (a) *“Accessory dwelling unit” means an ancillary or secondary*
21 *living unit, that has a separate kitchen, bathroom and sleeping*
22 *area, existing either within the same structure, or on the same lot,*
23 *as a single-family residence.*

24 (b) *“Housing Choice Voucher Program” means the federal*
25 *tenant-based assistance program established under 42 U.S.C.*
26 *1437f(o).*

27 (c) *“Qualified tenant” means a person who is not related to the*
28 *owner of the accessory dwelling unit by consanguinity or affinity*
29 *within the third degree.*

30 **Sec. 2.** NRS 361.160 is hereby amended to read as follows:

31 361.160 1. Personal property in transit through this State is
32 personal property:

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

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

39 ↪ Such property is deemed to have acquired no situs in Nevada for
40 purposes of taxation. Such property is not deprived of exemption
41 because while in the warehouse the property is assembled, bound,
42 joined, manufactured, processed, disassembled, divided, cut, broken



1 in bulk, relabeled or repackaged, or because the property is being
2 held for resale to customers outside the State of Nevada. The
3 exemption granted shall be liberally construed to effect the purposes
4 of NRS 361.160 to 361.185, inclusive.

5 2. Personal property within this State as mentioned in NRS
6 361.030 and 361.045 to 361.155, inclusive, *and section 1 of this*
7 *act*, does not include personal property in transit through this State
8 as defined in this section.

9 **Sec. 3.** The Legislature hereby finds that the exemption
10 provided by this act from any ad valorem tax on property:

11 1. Will achieve a bona fide social or economic purpose and that
12 the benefits of the exemption are expected to exceed any adverse
13 effect of the exemption on the provision of services to the public by
14 the State or a local government that would otherwise receive
15 revenue from the tax from which the exemption would be granted;
16 and

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

21 **Sec. 4.** This act becomes effective on July 1, 2024.

