

Amendment No. 448

Assembly Amendment to Assembly Bill No. 416	(BDR 32-187)
Proposed by: Assembly Committee on Revenue	
Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION			Initial and Date		SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____		Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____		Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.



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 of Housing
2 and Urban Development to provide assistance to public housing agencies for tenant-based
3 assistance through the Housing Choice Voucher Program. (Section 8 of the United States
4 Housing Act of 1937, 42 U.S.C. § 1437f) **Section 1** of this bill provides an exemption from
5 property taxes for an accessory dwelling unit ~~[and the land upon which it is situated]~~ if the
6 accessory dwelling unit is : **(1) is** rented or leased to a tenant receiving assistance under the
7 Housing Choice Voucher Program pursuant to a lease which is for a period of not less than 12
8 consecutive months ~~[-]~~ ; **(2) located on the same parcel as a single-family residence which**
9 **is the primary residence of the owner of the accessory dwelling unit; and (3) complies**
10 **with all applicable local zoning laws.** **Section 1** requires a person claiming the exemption to
11 **annually** file with the county assessor a verification from the appropriate public housing
12 authority that : **(1) the person has entered into a housing assistance payment contract ; (2) the**
13 **tenant is receiving assistance under the Housing Choice Voucher Program; and ~~that~~ (3)**
14 **the accessory dwelling unit meets the relevant federal housing quality standards. Section 1**
15 **prohibits the exemption from being granted for more than one accessory dwelling unit**
16 **per parcel.** **Section 2** of this bill makes a conforming change to indicate the proper placement
17 of **section 1** in the 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 thereto a new
2 section to read as follows:
3 **1. An accessory dwelling unit ~~[and the land upon which it is situated]~~ is**
4 **exempt from taxation if, for the year in which the exemption applies, the**
5 **accessory dwelling unit ~~is~~ :**

1 (a) Is rented or leased to a qualified tenant receiving assistance under the
 2 Housing Choice Voucher Program pursuant to a written lease which is for a
 3 period of not less than 12 consecutive months ~~FF~~;

4 (b) Is located on the same parcel as a single-family residence which is the
 5 primary residence of the owner of the accessory dwelling unit; and

6 (c) Complies with all applicable local zoning laws.

7 2. Any person claiming the exemption must file annually with the county
 8 assessor verification from the appropriate public housing authority that:

9 (a) The person has entered into a housing assistance payment contract with
 10 the public housing authority to receive tenant-based assistance payments under
 11 the Housing Choice Voucher Program for the accessory dwelling unit; ~~and~~

12 (b) The qualified tenant to whom the accessory dwelling unit is rented or
 13 leased is receiving assistance under the Housing Choice Voucher Program
 14 pursuant to a written lease which is for a period of not less than 12 consecutive
 15 months; and

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

18 3. The exemption pursuant to this section may only be claimed for one
 19 accessory dwelling unit per parcel.

20 4. A county assessor may prescribe forms and adopt procedures for
 21 claiming the exemption pursuant to this section not inconsistent with any
 22 regulations, forms and procedures prescribed or adopted by the Department or
 23 the Nevada Tax Commission.

24 5. As used in this section:

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

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

30 (c) “Qualified tenant” means a person who is not related to the owner of the
 31 property on which the accessory dwelling unit is located by consanguinity or
 32 affinity within the third degree.

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

34 361.160 1. Personal property in transit through this State is personal
 35 property:

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

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

42 ↪ Such property is deemed to have acquired no situs in Nevada for purposes of
 43 taxation. Such property is not deprived of exemption because while in the
 44 warehouse the property is assembled, bound, joined, manufactured, processed,
 45 disassembled, divided, cut, broken in bulk, relabeled or repackaged, or because the
 46 property is being held for resale to customers outside the State of Nevada. The
 47 exemption granted shall be liberally construed to effect the purposes of NRS
 48 361.160 to 361.185, inclusive.

49 2. Personal property within this State as mentioned in NRS 361.030 and
 50 361.045 to 361.155, inclusive, **and section 1 of this act**, does not include personal
 51 property in transit through this State as defined in this section.

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

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

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

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