

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 if the accessory dwelling unit: (1) is rented or leased to a tenant receiving  
7 assistance under the Housing Choice Voucher Program pursuant to a lease which is  
8 for a period of not less than 12 consecutive months; (2) is located on the same  
9 parcel as a single-family residence which is the primary residence of the owner of  
10 the accessory dwelling unit; and (3) complies with all applicable local zoning laws.  
11 **Section 1** requires a person claiming the exemption to annually file with the county  
12 assessor a verification from the appropriate public housing authority that: (1) the  
13 person has entered into a housing assistance payment contract; (2) the tenant is  
14 receiving assistance under the Housing Choice Voucher Program; and (3) the  
15 accessory dwelling unit meets the relevant federal housing quality standards.  
16 **Section 1** prohibits the exemption from being granted for more than one accessory  
17 dwelling unit per parcel. **Section 2** of this bill makes a conforming change to  
18 indicate the proper placement 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  
2 thereto a new section to read as follows:

3       **1. An accessory dwelling unit is exempt from taxation if, for**  
4 **the year in which the exemption applies, the accessory dwelling**  
5 **unit:**

6       **(a) Is rented or leased to a qualified tenant receiving**  
7 **assistance under the Housing Choice Voucher Program pursuant**  
8 **to a written lease which is for a period of not less than 12**  
9 **consecutive months;**

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

13       **(c) Complies with all applicable local zoning laws.**

14       **2. Any person claiming the exemption must file annually with**  
15 **the county assessor verification from the appropriate public**  
16 **housing authority that:**

17       **(a) The person has entered into a housing assistance payment**  
18 **contract with the public housing authority to receive tenant-based**  
19 **assistance payments under the Housing Choice Voucher Program**  
20 **for the accessory dwelling unit;**

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

25       **(c) The accessory dwelling unit, at the time it was last**  
26 **inspected, met the housing quality standards pursuant to 42 U.S.C.**  
27 **1437f(o).**

28       **3. The exemption pursuant to this section may only be**  
29 **claimed for one accessory dwelling unit per parcel.**

30       **4. A county assessor may prescribe forms and adopt**  
31 **procedures for claiming the exemption pursuant to this section not**  
32 **inconsistent with any regulations, forms and procedures**  
33 **prescribed or adopted by the Department or the Nevada Tax**  
34 **Commission.**

35       **5. As used in this section:**

36       **(a) "Accessory dwelling unit" means an ancillary or secondary**  
37 **living unit, that has a separate kitchen, bathroom and sleeping**  
38 **area, existing on the same lot, as a single-family residence.**

39       **(b) "Housing Choice Voucher Program" means the federal**  
40 **tenant-based assistance program established under 42 U.S.C.**  
41 **1437f(o).**



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

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

5 361.160 1. Personal property in transit through this State is  
6 personal property:

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

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

13 ↪ Such property is deemed to have acquired no situs in Nevada for  
14 purposes of taxation. Such property is not deprived of exemption  
15 because while in the warehouse the property is assembled, bound,  
16 joined, manufactured, processed, disassembled, divided, cut, broken  
17 in bulk, relabeled or repackaged, or because the property is being  
18 held for resale to customers outside the State of Nevada. The  
19 exemption granted shall be liberally construed to effect the purposes  
20 of NRS 361.160 to 361.185, inclusive.

21 2. Personal property within this State as mentioned in NRS  
22 361.030 and 361.045 to 361.155, inclusive, *and section 1 of this*  
23 *act*, does not include personal property in transit through this State  
24 as defined in this section.

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

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

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

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

