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SENATE BILL NO. 494—COMMITTEE ON TAXATION

(ON BEHALF OF DEPARTMENT OF TAXATION)

MARCH 19, 1999

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Referred to Committee on Taxation

SUMMARY—Extends cycle for study of ratio of assessed to taxable value in each county to 3 years. (BDR 32-757)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.

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

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AN ACT relating to taxation; extending from 2 years to 3 years the interval between studies of the ratio of assessed to taxable value of property in each county; and providing other matters properly relating thereto.

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

- 1    **Section 1.** NRS 361.333 is hereby amended to read as follows:  
2    361.333 1. Not later than May 1 of each year, the department shall:  
3    (a) Determine the ratio of the assessed value of each type or class of  
4    property for which the county assessor has the responsibility of assessing in  
5    each county to:  
6    (1) The assessed value of comparable property in the remaining  
7    counties.  
8    (2) The taxable value of that type or class of property within that  
9    county.  
10   (b) Publish and deliver to the county assessors and the boards of county  
11   commissioners of the counties of this state:  
12   (1) A comparison of the latest median ratio, overall ratio and  
13   coefficient of dispersion of the median for:

- 1 (I) The total property for each of the 17 counties; and
- 2 (II) Each major ~~[property]~~ class *of property* within each county.
- 3 (2) A determination ~~[of]~~ whether each county has adequate
- 4 procedures to ensure that all property subject to taxation is being assessed
- 5 in a correct and timely manner.
- 6 (3) A summary for each county of any deficiencies that were
- 7 discovered in carrying out the ~~[ratio study]~~.
- 8 ~~2. The ratio study must be conducted on nine counties in one year and~~
- 9 ~~eight counties in the next year with the same combination of counties being~~
- 10 ~~tested in alternate years.] study of those ratios.~~
- 11 *2. The Nevada tax commission shall allocate the counties into three*
- 12 *groups such that the work of conducting the study is approximately the*
- 13 *same for each group. The department shall conduct the study in one*
- 14 *group each year. The commission may from time to time reallocate*
- 15 *counties among the groups, but each county must be studied at least once*
- 16 *in every 3 years.*
- 17 3. In conducting the ~~[ratio]~~ study the department shall include an
- 18 adequate sample of each major ~~[property]~~ class *of property* and may use
- 19 any statistical criteria that will indicate an accurate ratio of taxable value to
- 20 assessed value and an accurate measure of ~~[assessment equality]~~ *equality*
- 21 *in assessment.*
- 22 4. During the month of May of each year, the board of county
- 23 commissioners, or a representative designated by the board's chairman, and
- 24 the county assessor, or a representative designated by the assessor, of each
- 25 county in which the ~~[ratio]~~ study was conducted shall meet with the Nevada
- 26 tax commission. The board of county commissioners and the county
- 27 assessor, or their representatives, shall:
- 28 (a) Present evidence to the Nevada tax commission of the steps taken to
- 29 ensure that all property subject to taxation within the county has been
- 30 assessed as required by law.
- 31 (b) Demonstrate to the Nevada tax commission that any adjustments in
- 32 assessments ordered in the preceding year as a result of the ~~[appraisal]~~
- 33 procedure provided in paragraph (c) of subsection 5 have been complied
- 34 with.
- 35 5. At the conclusion of each meeting with the board of county
- 36 commissioners and the county assessor, or their representatives, the Nevada
- 37 tax commission may:
- 38 (a) If it finds that all property subject to taxation within the county has
- 39 been assessed at the proper percentage, take no further action.
- 40 (b) If it finds that any class of property is assessed at less or more than
- 41 the proper percentage, and if the board of county commissioners approves,

1 order a specified percentage increase or decrease in the assessed valuation  
2 of that class on the succeeding tax list and assessment roll.

3 (c) If it finds the existence of underassessment or overassessment  
4 wherein the ratio of assessed value to taxable value is less than 32 percent  
5 or more than 36 percent in any of the following classes:

6 (1) Improvement values for the reappraisal area;

7 (2) Land values for the reappraisal area; and

8 (3) Total property values for each of the following use categories in  
9 the reappraisal area:

10 (I) Vacant;

11 (II) Single-family residential;

12 (III) Multi-residential;

13 (IV) Commercial and industrial; and

14 (V) Rural,

15 of the county which are required by law to be assessed at 35 percent of  
16 their taxable value, if in the nonreappraisal area the approved land and  
17 improvement factors are not being correctly applied or new construction is  
18 not being added to the assessment roll in a timely manner, or if the board of  
19 county commissioners does not agree to an increase or decrease in assessed  
20 value as provided in paragraph (b), order the board of county

21 commissioners to employ forthwith one or more qualified appraisers

22 approved by the department. The payment of ~~{such}~~ *those* appraisers' fees

23 is a proper charge against the county notwithstanding that the amount of

24 such fees has not been budgeted in accordance with law. The appraisers

25 shall determine whether or not the county assessor has assessed all real and

26 personal property in the county subject to taxation at the rate of assessment

27 required by law. The appraisers may cooperate with the department in

28 making their determination if so agreed by the appraisers and the

29 department, and shall cooperate with the department in preparing a report

30 to the Nevada tax commission. The report to the Nevada tax commission

31 must be made on or before October 1 following the date of the order. If the

32 report indicates that any real or personal property in the county subject to

33 taxation has not been assessed at the rate required by law, a copy of the

34 report must be transmitted to the board of county commissioners by the

35 department before November 1. The board of county commissioners shall

36 then order the county assessor to raise or lower the assessment of such

37 property to the rate required by law on the succeeding tax list and

38 assessment roll.

39 6. The Nevada tax commission may adopt regulations reasonably

40 necessary to carry out the provisions of this section.

1 7. Any county assessor who refuses to increase or decrease the  
2 assessment of any property pursuant to an order of the Nevada tax  
3 commission or the board of county commissioners as provided in this  
4 section is guilty of malfeasance in office.

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