

EMERGENCY REQUEST OF ASSEMBLY MINORITY LEADER

ASSEMBLY BILL NO. 668—ASSEMBLYMEN HETTRICK, LEE, CEGAVSKE, GIBBONS, BROWER, ANDERSON, ANGLE, ARBERRY, BEERS, BROWN, BUCKLEY, CARPENTER, COLLINS, DINI, FREEMAN, GIUNCHIGLIANI, GOLDWATER, GUSTAVSON, HUMKE, KOIVISTO, LESLIE, MANENDO, MARVEL, MCCLAIN, NOLAN, PARNELL, PERKINS, SMITH, TIFFANY AND VON TOBEL

MAY 24, 2001

Referred to Committee on Taxation

SUMMARY—Limits annual increase in taxable value of certain property in cases of severe economic hardship. (BDR 32-1551)

FISCAL NOTE: Effect on Local Government: Yes.
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; limiting the annual increase in the taxable value of certain property for the assessment of property taxes in cases of severe economic hardship; 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.** Chapter 361 of NRS is hereby amended by adding thereto a
2 new section to read as follows:
3 1. *The owner of a parcel of real property which is undeveloped land*
4 *or the site of a single-family residence may apply to the county assessor*
5 *for a limitation on the taxable value of the property, including any*
6 *improvements on the property, if a severe economic hardship exists.*
7 2. *If the county assessor determines that it is reasonably likely that if*
8 *the limitation on the taxable value of the property is not granted, the*
9 *owner of the property will be compelled by severe economic hardship to*
10 *sell the property:*
11 (a) *Because of the amount of the increase in its taxable value without*
12 *the application of this section; or*
13 (b) *To a governmental entity or other purchaser whose ownership of*
14 *the property would cause the property to be exempt from*
15 *taxation,*



1 *the county assessor shall not increase the taxable value of the parcel by*
2 *more than 6 percent in any subsequent fiscal year during which the*
3 *owner who applied for the limitation, or a member of his family, owns*
4 *the property.*

5 **Sec. 2.** NRS 361.155 is hereby amended to read as follows:

6 361.155 1. All claims for personal tax exemptions on real property,
7 the initial claim of an organization for a tax exemption on real property ,
8 *the initial claim of an owner for the limitation of taxable value pursuant*
9 *to section 1 of this act* and the designation of any amount to be credited to
10 the veterans' home account pursuant to NRS 361.0905 must be filed on or
11 before June 15. All exemptions provided for pursuant to this chapter apply
12 on a fiscal year basis and any exemption granted pursuant to this chapter
13 must not be in an amount which gives the taxpayer a total exemption
14 greater than that to which he is entitled during any fiscal year.

15 2. Each claim for an exemption provided for pursuant to this chapter
16 must be filed with the county assessor of:

17 (a) The county in which the claimant resides for personal tax
18 exemptions; or

19 (b) Each county in which property is located for the tax exemption of an
20 organization.

21 3. After the initial claim *of an organization* for an exemption pursuant
22 to NRS 361.088 or 361.098 to 361.150, inclusive, ~~ten~~ *or of an owner*
23 *under section 1 of this act, the* organization *or owner* is not required to file
24 annual claims if the property remains ~~exempt~~ *qualified for the relief*
25 *provided.* If any portion of the property loses its exemption pursuant to
26 NRS 361.157 or for any other reason becomes taxable ~~it~~ *at its full taxable*
27 *value,* the organization *or owner* must notify the county assessor.

28 4. If an exemption is granted or renewed in error because of an
29 incorrect claim or failure of an organization to give the notice required by
30 subsection 3, the assessor shall assess the taxable portion of the property
31 retroactively pursuant to NRS 361.769 and a penalty of 10 percent of the
32 tax due for the current year and any prior years must be added.

33 **Sec. 3.** NRS 361.260 is hereby amended to read as follows:

34 361.260 1. Each year, the county assessor, except as otherwise
35 required by a particular statute, shall ascertain by diligent inquiry and
36 examination all real and secured personal property that is in his county on
37 July 1 which is subject to taxation, and also the names of all persons,
38 corporations, associations, companies or firms owning the property. He
39 shall then determine the taxable value of all such property and *, except as*
40 *otherwise provided in section 1 of this act,* he shall then list and assess it
41 to the person, firm, corporation, association or company owning it on
42 July 1 of that fiscal year. He shall take the same action at any time between
43 May 1 and the following April 30, with respect to personal property which
44 is to be placed on the unsecured tax roll.

45 2. At any time before the lien date for the following fiscal year, the
46 county assessor may include additional personal property and mobile
47 homes on the secured tax roll if the owner of the personal property or
48 mobile home owns real property within the same taxing district which has
49 an assessed value that is equal to or greater than the taxes for 3 years on



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1 both the real property and the personal property or mobile home, plus
2 penalties. Personal property and mobile homes in the county on July 1, but
3 not on the secured tax roll for the current year, must be placed on the
4 unsecured tax roll for the current year.

5 3. An improvement on real property in existence on July 1 whose
6 existence was not ascertained in time to be placed on the secured roll for
7 that tax year and which is not governed by subsection 4 must be placed on
8 the unsecured tax roll.

9 4. The value of any property apportioned among counties pursuant to
10 NRS 361.320, 361.321 and 361.323 must be added to the central
11 assessment roll at the assessed value established by the Nevada tax
12 commission or as established pursuant to an appeal to the state board of
13 equalization.

14 5. In addition to the inquiry and examination required in subsection 1,
15 for any property not reappraised in the current assessment year, the county
16 assessor shall determine its assessed value for that year by applying a
17 factor for improvements, if any, and a factor for land to the assessed value
18 for the preceding year. The factor for improvements must reasonably
19 represent the change, if any, in the taxable value of typical improvements
20 in the area since the preceding year, and must take into account all
21 applicable depreciation and obsolescence. The factor for improvements
22 must be adopted by the Nevada tax commission. The factor for land must
23 be developed by the county assessor and approved by the commission. The
24 factor for land must be so chosen that the median ratio of the assessed
25 value of the land to the taxable value of the land in each area subject to the
26 factor is not less than 30 percent nor more than 35 percent.

27 6. The county assessor shall reappraise all real property at least once
28 every 5 years.

29 7. Each county assessor shall submit a written request to the board of
30 county commissioners and the governing body of each of the local
31 governments located in the county which maintain a unit of government
32 that issues building permits for a copy of each building permit that is
33 issued. Upon receipt of such a request, the governing body shall direct the
34 unit which issues the permits to provide a copy of each permit to the
35 county assessor within a reasonable time after issuance.

36 **Sec. 4.** Any overpayment of property taxes resulting from the
37 retroactive application of this act must be credited against future tax
38 liability on the property to which the overpayment applies.

39 **Sec. 5.** This act becomes effective upon passage and approval and
40 applies retroactively to July 1, 2000.

