

SENATE BILL NO. 529—COMMITTEE ON TAXATION

(ON BEHALF OF DEPARTMENT OF TAXATION)

MARCH 26, 2001

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to assessment and collection of certain taxes remitted to each county. (BDR 32-342)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: No.

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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; requiring the department of taxation to withhold a portion of certain taxes remitted to each county as compensation to the State of Nevada for the costs of assessing and collecting the taxes; 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 361.320 is hereby amended to read as follows:
2 361.320 1. At the regular session of the Nevada tax commission
3 commencing on the first Monday in October of each year, the Nevada tax
4 commission shall establish the valuation for assessment purposes of any
5 property of an interstate or intercounty nature used directly in the operation
6 of all interstate or intercounty railroad, sleeping car, private car, natural gas
7 transmission and distribution, water, telephone, scheduled and unscheduled
8 air transport, electric light and power companies, and the property of all
9 railway express companies operating on any common or contract carrier in
10 this state. This valuation must not include the value of vehicles as defined
11 in NRS 371.020.
12 2. Except as otherwise provided in subsections 3 and 6 and NRS
13 361.323, the commission shall establish and fix the valuation of all
14 physical property used directly in the operation of any such business of any
15 such company in this state, as a collective unit. If the company is operating
16 in more than one county, on establishing the unit valuation for the
17 collective property, the commission shall then determine the total
18 aggregate mileage operated within the state and within its several counties
19 and apportion the mileage upon a mile-unit valuation basis. The number of



1 miles apportioned to any county are subject to assessment in that county
2 according to the mile-unit valuation established by the commission.

3 3. After establishing the valuation, as a collective unit, of a public
4 utility which generates, transmits or distributes electricity, the commission
5 shall segregate the value of any project in this state for the generation of
6 electricity which is not yet put to use. This value must be assessed in the
7 county where the project is located and must be taxed at the same rate as
8 other property.

9 4. The Nevada tax commission shall adopt formulas and incorporate
10 them in its records, providing the method or methods pursued in fixing and
11 establishing the taxable value of all property assessed by it. The formulas
12 must be adopted and may be changed from time to time upon its own
13 motion or when made necessary by judicial decisions, but the formulas
14 must in any event show all the elements of value considered by the
15 commission in arriving at and fixing the value for any class of property
16 assessed by it. These formulas must take into account, as indicators of
17 value, the company's income and the cost of its assets, but the taxable
18 value may not exceed the cost of replacement as appropriately depreciated.

19 5. If two or more persons perform separate functions that collectively
20 are needed to deliver electric service to the final customer and the property
21 used in performing the functions would be centrally assessed if owned by
22 one person, the Nevada tax commission shall establish its valuation and
23 apportion the valuation among the several counties in the same manner as
24 the valuation of other centrally assessed property. The Nevada tax
25 commission shall determine the proportion of the tax levied upon the
26 property by each county according to the valuation of the contribution of
27 each person to the aggregate valuation of the property. This subsection
28 does not apply to a qualifying facility, as defined in 18 C.F.R. § 292.101,
29 which was constructed before July 1, 1997.

30 6. A company engaged in a business described in subsection 1 that
31 does not have property of an interstate or intercounty nature must be
32 assessed as provided in subsection 8.

33 7. As used in this section:

34 (a) "Company" means any person, company, corporation or association
35 engaged in the business described.

36 (b) "Commercial mobile radio service" has the meaning ascribed to it in
37 47 C.F.R. § 20.3 as that section existed on January 1, 1998.

38 8. All other property, including, without limitation, that of any
39 company engaged in providing commercial mobile radio service, radio or
40 television transmission services or cable television services, must be
41 assessed by the county assessors, except as otherwise provided in NRS
42 361.321 and 362.100 and except that the valuation of land and mobile
43 homes must be established for assessment purposes by the Nevada tax
44 commission as provided in NRS 361.325.

45 9. On or before November 1 of each year, the department shall forward
46 a tax statement to each private car line company based on the valuation
47 established pursuant to this section and in accordance with the tax levies of
48 the several districts in each county. The company shall remit the ad



1 valorem taxes due on or before December 15 to the department which shall
2 ~~allocate~~ :
3 (a) *Apportion* the taxes due each county on a mile-unit basis ~~and remit~~
4 ~~the taxes to the counties not~~ ;
5 (b) *Withhold .75 percent of the taxes from the amount apportioned to*
6 *each county, as compensation to the state for the costs related to*
7 *assessing and collecting the taxes, and transmitting the amount withheld*
8 *to the state treasurer for deposit in the appropriate account in the state*
9 *general fund;*
10 (c) *Not* later than January 31 ~~the~~ *remit to each county the*
11 *remainder of the amount of taxes apportioned to the county; and*
12 (d) *Transmit directly to the state treasurer the* portion of the taxes
13 which is due the state. ~~must be transmitted directly to the state treasurer.~~
14 10. A *private car line* company which fails to pay the tax *set forth in*
15 *subsection 9* within the time required shall pay a penalty of 10 percent of
16 the tax due or \$5,000, whichever is greater, in addition to the tax. Any
17 amount paid as a penalty must be deposited in the state general fund. The
18 department may, for good cause shown, waive the payment of a penalty
19 pursuant to this subsection. As an alternative to any other method of
20 recovering delinquent taxes provided by this chapter, the attorney general
21 may bring a civil action in a court of competent jurisdiction to recover
22 delinquent taxes due pursuant to ~~this~~ subsection 9 in the manner provided
23 in NRS 361.560.
24 **Sec. 2.** NRS 361.3205 is hereby amended to read as follows:
25 361.3205 1. The department shall enter on a central assessment roll
26 the assessed valuation established for such classes of property as are
27 enumerated in NRS 361.320, except for private car lines, together with the
28 apportionment of each county of the assessment.
29 2. On or before January 1 of the fiscal year in which the assessment is
30 made, the department shall mail to each taxpayer on the central assessment
31 roll a notice of the amount of his assessment. The department shall bill
32 each such taxpayer pursuant to subsection 3 of NRS 361.480. The tax must
33 be paid to the department pursuant to NRS 361.483.
34 3. Upon receipt, the department shall ~~apportion and promptly remit~~ :
35 (a) *Apportion* all taxes due each county ~~the~~ ;
36 (b) *Withhold .75 percent of the taxes from the amount apportioned to*
37 *each county, as compensation to the state for the costs related to*
38 *assessing and collecting the taxes, and transmitting the amount withheld*
39 *to the state treasurer for deposit in the appropriate account in the state*
40 *general fund; and*
41 (c) *Promptly remit to each county the remainder of the amount of*
42 *taxes apportioned to the county.*
43 4. As an alternative to any other method of recovering delinquent taxes
44 provided by this chapter, the attorney general may bring a civil action in a
45 court of competent jurisdiction to recover delinquent taxes due under this
46 section in the manner provided in NRS 361.560.
47 **Sec. 3.** NRS 361.321 is hereby amended to read as follows:
48 361.321 1. Any business which owns, manages or operates property
49 that is assessed pursuant to NRS 361.320 shall, on or before the 1st



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1 Monday in September of each year, submit to the department a report of
2 any construction which represents a net addition to its property as
3 distinguished from an addition of property exempt from taxation, a
4 replacement or repair:

5 (a) During the period from July 1 to December 31 of the preceding
6 fiscal year; and

7 (b) During the period from January 1 to June 30 of the preceding fiscal
8 year.

9 2. At the regular session of the Nevada tax commission commencing
10 on the 1st Monday in October of each year, the Nevada tax commission
11 shall establish the valuation of, for assessment purposes:

12 (a) The property reported pursuant to paragraph (b) of subsection 1, and
13 enter that valuation on the central assessment roll pursuant to NRS
14 361.3205 for the next fiscal year; and

15 (b) The property reported pursuant to paragraphs (a) and (b) of
16 subsection 1 for supplemental tax bills for the current fiscal year.

17 3. The department shall mail a supplemental tax bill to each person
18 reporting construction pursuant to subsection 1 by November 1 of each
19 year. The bills must be mailed pursuant to subsection 2 of NRS 361.3205.

20 4. Taxes assessed pursuant to paragraph (b) of subsection 2 must be
21 paid to the department by December 15 of each year. Upon receipt, the
22 department shall ~~apportion and promptly remit~~ :

23 (a) *Apportion* all taxes due each county ~~to~~ ;

24 (b) *Withhold .75 percent of the taxes from the amount apportioned to*
25 *each county, as compensation to the state for the costs related to*
26 *assessing and collecting the taxes, and transmitting the amount withheld*
27 *to the state treasurer for deposit in the appropriate account in the state*
28 *general fund; and*

29 (c) *Promptly remit to each county the remainder of the amount of*
30 *taxes apportioned to the county.*

31 5. The county assessor of each county shall not assess property
32 assessed pursuant to this section.

33 **Sec. 4.** NRS 361.620 is hereby amended to read as follows:

34 361.620 ~~The~~ *Except as otherwise provided by specific statute, the*
35 *additional penalties and costs provided for in this chapter shall be paid into*
36 *the county general fund for the use of the county.*

37 **Sec. 5.** NRS 362.100 is hereby amended to read as follows:

38 362.100 1. The department shall:

39 (a) Investigate and determine the net proceeds of all minerals extracted
40 and certify them as provided in NRS 362.100 to 362.240, inclusive.

41 (b) Appraise and assess all reduction, smelting and milling works,
42 plants and facilities, whether or not associated with a mine, all drilling rigs,
43 and all supplies, machinery, equipment, apparatus, facilities, buildings,
44 structures and other improvements used in connection with any mining,
45 drilling, reduction, smelting or milling operation as provided in chapter 361
46 of NRS.

47 2. *Taxes assessed pursuant to paragraph (b) of subsection 1 must be*
48 *paid to the department. Upon receipt of the taxes, the department shall:*

49 (a) *Apportion all taxes due each county;*



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1 ***(b) Withhold .75 percent of the taxes from the amount apportioned to***
2 ***each county, as compensation to the state for the costs related to***
3 ***assessing and collecting the taxes, and transmitting the amount withheld***
4 ***to the state treasurer for deposit in the appropriate account in the state***
5 ***general fund; and***

6 ***(c) Promptly remit to each county the remainder of the amount of***
7 ***taxes apportioned to the county.***

8 **3.** As used in this section, “net proceeds of all minerals extracted”
9 includes the proceeds of all:

10 (a) Operating mines;

11 (b) Operating oil and gas wells;

12 (c) Operations extracting geothermal resources for profit, except an
13 operation which uses natural hot water to enhance the growth of animal or
14 plant life; and

15 (d) Operations extracting minerals from natural solutions.

16 **Sec. 6.** This act becomes effective on July 1, 2001.

