

Senate Bill No. 574—Committee on Finance

CHAPTER.....

AN ACT relating to property; transferring the responsibility for administering the program for property tax assistance for senior citizens from the department of taxation to the aging services division of the department of human resources; and providing other matters properly relating thereto.

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

Section 1. NRS 422.2725 is hereby amended to read as follows:

422.2725 1. The director shall include in the state plan for Medicaid a requirement that any senior citizen who purchases and receives benefits for at least 3 years pursuant to a policy of health insurance for long-term care that is approved by the director and whose annual household income is less than \$200,000 is eligible for Medicaid for long-term care.

2. As used in this section:

(a) "Household income" has the meaning ascribed to it in ~~NRS 361.820~~ *section 9 of this act.*

(b) "Senior citizen" means a person who is domiciled in this state and is 55 years of age or older.

Sec. 2. Chapter 427A of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 33, inclusive, of this act.

Sec. 3. 1. *The legislature finds that:*

(a) Many senior citizens of this state live on limited incomes that remain fixed while property taxes and other costs continually rise.

(b) The erosion of the income of senior citizens in terms of true value threatens to destroy the ability of many to retain ownership of the homes in which they had planned to spend their later years.

(c) Senior citizens are often forced to divert an excessive portion of their incomes into the property taxes on their homes, thus leaving an insufficient amount of money for other things essential to their well-being.

(d) Many senior citizens who rent their homes or lots for mobile homes also pay an excessive portion of their income for property taxes through rental payments.

2. *The legislature therefore declares that:*

(a) It is the public policy of this state to provide assistance to its senior citizens who are carrying an excessive burden of taxes or rent on residential property in relation to income.

(b) The purpose of the provisions of sections 3 to 33, inclusive, of this act is to provide relief to eligible senior citizens, through a system of refunds for property taxes or rent from the senior citizens' property tax assistance account.

Sec. 4. *As used in sections 3 to 33, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 5 to 14, inclusive, of this act, have the meanings ascribed to them in those sections.*

Sec. 5. *"Claim" means an application for property tax assistance filed pursuant to section 19 of this act.*

Sec. 6. *"Claimant" means a person who files a claim.*

Sec. 7. *1. "Home" means residential living quarters located in this state. The quarters may consist of a single dwelling unit, or a unit which is an integral part of a larger complex such as a multidwelling or a multipurpose building, together with the land upon which the unit is built and any surrounding land, not to exceed 2 acres, and any outbuildings and facilities reasonably necessary for use of the unit as residential living quarters.*

2. The term includes:

(a) A mobile or manufactured home.

(b) A home, mobile or manufactured home or dwelling that the claimant possesses under a contract of sale, deed of trust, life estate, joint tenancy or tenancy in common.

(c) A residential facility for groups required to be licensed by the health division of the department of human resources pursuant to NRS 449.001 to 449.240, inclusive.

(d) A dwelling within any housing project which has been established pursuant to chapter 315 of NRS and for which the housing authority makes payments in lieu of taxes.

3. The term does not include any part of the building or land which is not used as living quarters by the claimant and spouse and which produces income for the claimant or spouse, if the residential living quarters are part of a multipurpose building.

Sec. 8. *"Household" means a claimant and spouse.*

Sec. 9. *"Household income" means the income received by a claimant and the spouse of the claimant.*

Sec. 10. *"Income" means adjusted gross income, as defined in the Internal Revenue Code, and includes:*

- 1. Tax-free interest;*
- 2. The untaxed portion of a pension or annuity;*
- 3. Railroad retirement benefits;*
- 4. Veterans' pensions and compensation;*
- 5. Payments received pursuant to the federal Social Security Act, including supplemental security income, but excluding hospital and medical insurance benefits for the aged and disabled;*
- 6. Public welfare payments, including allowances for shelter;*
- 7. Unemployment insurance benefits;*
- 8. Payments for lost time;*
- 9. Payments received from disability insurance;*
- 10. Disability payments received pursuant to workers' compensation insurance;*
- 11. Alimony;*
- 12. Support payments;*
- 13. Allowances received by dependents of servicemen;*
- 14. The amount of recognized capital gains and losses excluded from adjusted gross income;*
- 15. Life insurance proceeds in excess of \$5,000;*
- 16. Bequests and inheritances; and*

17. Gifts of cash of more than \$300 not between household members and such other kinds of cash received by a household as the division specifies by regulation.

Sec. 11. "Lot" means a portion of land that is rented to accommodate a mobile or manufactured home owned or rented by the claimant.

Sec. 12. "Property taxes accrued" means property taxes, excluding special assessments, delinquent taxes and interest, levied on a claimant's home in this state which are due during August, immediately preceding the date of filing of a claim. If a home is owned by two or more persons or entities as joint tenants or tenants in common and one or more persons or entities are not members of the claimant's household, property taxes accrued is that part of the property taxes levied on the home which reflects the percentage of the residential space occupied by the claimant and his household.

Sec. 13. "Rent" means the payment a claimant has made under a bona fide tenancy or leasing agreement solely for the right to occupy a home or lot during the calendar year immediately preceding the filing of his claim. The term does not include any amount paid for utilities, fuel, furnishings, food, nursing services or institutional care.

Sec. 14. "Senior citizen" means any person who is domiciled in this state and will attain the age of 62 years on or before the last day in June immediately succeeding the filing period.

Sec. 15. For the purposes of section 6 of this act, if two members of a household meet the qualifications for a claimant, the members may determine between themselves who will be the claimant. If they are unable to agree, the matter must be referred to the administrator and his decision is final. Only one claim may be filed for any household.

Sec. 16. 1. A senior citizen whose home is placed upon the secured or unsecured tax roll, who has owned the home and maintained it as his primary residence since July 1 immediately preceding the filing of his claim and whose household income is within one of the income ranges for which assistance is provided pursuant to this subsection is entitled to a refund of the property tax accrued against his home to the extent determined by the percentage indicated opposite his household income range on the following schedule, as that income range is adjusted pursuant to subsection 3:

INCOME RANGE		PERCENT TAX
If the Amount of		Percent of
Applicant's Household		Claimant's
Income Is Over		Property Tax
	But Not	Accrued Allowable
	Over	as Assistance Is
\$0	— \$12,700	90
12,700	— 14,800	80
14,800	— 17,000	50
17,000	— 19,100	25
19,100	— 21,500	10

2. The amount of the refund must not exceed the amount of the accrued property tax or \$500, whichever is less.

3. The monetary amounts shown for each income range in subsection 1 must be adjusted for each fiscal year by adding to each amount the product of the amount shown multiplied by the percentage increase in the Consumer Price Index from December 1997, to the December preceding the fiscal year for which the adjustment is calculated.

Sec. 17. 1. A senior citizen who has rented and maintained his primary residence in a home or on a lot since July 1 of the preceding calendar year and whose household income is within one of the income ranges for which assistance is provided in section 16 of this act is entitled to a refund as determined in accordance with the schedule of income ranges as adjusted pursuant to that section.

2. The amount of the refund provided pursuant to subsection 1 must not exceed an amount equal to that portion of the rent which is rent deemed to constitute accrued property tax, even if the rental property is exempt from property tax.

Sec. 18. Rent deemed to constitute accrued property tax is 8.5 percent of the total annual rent which a claimant has paid.

Sec. 19. 1. A claim may be filed with the assessor of the county in which the claimant's home or mobile home lot is located not earlier than February 1 and not later than April 15.

2. The claim must be made under oath and filed in such form and content, and accompanied by such proof, as the division may prescribe.

3. The division or county assessor shall provide the appropriate form to each claimant.

4. The county assessor shall, within 30 days after receiving a claim for a refund:

- (a) Process the application;
- (b) Determine the assessed valuation of the property to which the claim applies, if applicable; and
- (c) Submit the claim to the division.

5. The division shall not accept a claim submitted pursuant to subsection 4 after July 1.

Sec. 20. 1. The division shall examine each claim, granting or denying it, and if granted, shall determine the refund to which the claimant is entitled.

2. Upon examination, if:

(a) The claim is denied, the division shall so notify the claimant by first-class mail.

(b) The claim is granted, the division shall pay the refund to the claimant not later than August 15.

Sec. 21. No claim may be accepted by the division if the claimant or spouse of the claimant owns real property in this state, other than that claimed as a home, which has an assessed value of more \$30,000.

Sec. 22. 1. A person may receive assistance pursuant to the provisions of sections 3 to 33, inclusive, of this act while receiving a property tax exemption as a widow, blind person or veteran if the person has filed a claim for the exemption with the county assessor.

2. *The assessed valuation of any property used to determine a refund pursuant to the provisions of sections 3 to 33, inclusive, of this act must be reduced by the amount of such an exemption.*

Sec. 23. If the division determines that an audit of claims is required to determine whether a county assessor accurately processed claims and if employees of the division are not capable of auditing a sufficient number of the claims, the division may expend not more than \$20,000 of the money in the senior citizens' property tax assistance account to contract with qualified persons to assist in conducting the audit.

Sec. 24. Only one member of each household may file a claim in any tax year. If more than one member is eligible to claim a refund, any one of the eligible members may file the claim with the written consent of the others. If such consent is not obtainable, the claim may be filed only if criteria regulating such a circumstance have been prescribed by the division.

Sec. 25. The right to file a claim pursuant to the provisions of sections 3 to 33, inclusive, of this act is personal to the claimant and does not survive his death, except the right may be exercised on his behalf by his legal guardian or attorney in fact. If a claimant dies after having filed a timely claim, any assistance provided pursuant to the provisions of sections 3 to 33, inclusive, of this act inures to the benefit of his heirs or his executor or administrator, if one is appointed by a court of competent jurisdiction within 6 months after the claim is made. If no executor or administrator is so appointed, the claim and all benefits thereunder lapse.

Sec. 26. Any grant of assistance under an improper claim may be revoked by the county assessor or division within 2 years after the filing of the claim. If a grant is revoked, the claimant shall make restitution to the State of Nevada or the county for any assistance he has received pursuant to the improper claim, and the State of Nevada or the county shall take all proper action to collect the amount of the assistance as a debt.

Sec. 27. A claim must be disallowed if the administrator finds that the claimant received title to his home primarily to obtain benefits pursuant to the provisions of sections 3 to 33, inclusive, of this act. If such a claimant has received a refund and does not repay it together with a 10 percent penalty to the division, the amount of the refund and penalty must be assessed against the property claimed as his home.

Sec. 28. The administrator shall deny any claim for assistance to which the claimant is not entitled or any amount in excess of that to which the claimant is entitled. The administrator may deny in total any claim which he finds to have been filed with fraudulent intent. If any such claim has been paid and is afterward denied, the amount of the claim together with a 10 percent penalty must be repaid by the claimant to the division. If the amount of the refund and penalty is not repaid, the amount must be assessed against any real or personal property owned by the claimant.

Sec. 29. *Any person who willfully makes a materially false statement or uses any other fraudulent device to secure for himself or any other person the assistance provided pursuant to the provisions of sections 3 to 33, inclusive, of this act is guilty of a gross misdemeanor.*

Sec. 30. *1. Any claimant aggrieved by a decision of the administrator or a county assessor which denies the refund claimed pursuant to the provisions of sections 3 to 33, inclusive, of this act may have a review of the denial before the director if, within 30 days after the claimant receives notice of the denial, he submits a written petition for review to the director.*

2. Any claimant aggrieved by the denial in whole or in part of relief claimed pursuant to the provisions of sections 3 to 33, inclusive, of this act or by any other final action or review of the director, is entitled to judicial review thereof.

Sec. 31. *1. The division is responsible for the administration of the provisions of sections 3 to 33, inclusive, of this act.*

2. The division may:

(a) Specify by regulation any other kind of income for the purposes of section 10 of this act.

(b) Prescribe the content and form of claims and approve any form used by a county assessor.

(c) Designate the proof required for substantiation of claims.

(d) Establish criteria for determining the circumstances under which a claim may be filed by one of two eligible spouses without the consent of the other spouse.

(e) Prescribe that a claimant's ownership of his home must be shown of record.

(f) Provide by regulation that a vendee in possession of his home under an installment sale contract and responsible for paying the property taxes on the home is eligible to claim assistance as a homeowner.

(g) Limit the computation of benefits to the nearest dollar and limit issuance of warrants to \$5 or more.

(h) Verify and audit any claims, statements or other records made pursuant to the provisions of sections 3 to 33, inclusive, of this act.

(i) Adopt regulations to ensure the confidentiality of information provided by claimants.

(j) Provide by regulation for a limited extension of time to file a claim in cases of hardship.

(k) Adopt such other regulations as may be required to carry out the provisions of sections 3 to 33, inclusive, of this act.

Sec. 32. *1. Money to pay for assistance granted to senior citizens pursuant to the provisions of sections 3 to 33, inclusive, of this act must be provided by legislative appropriation from the state general fund. The money so appropriated must be transferred to the senior citizens' property tax assistance account in the state general fund.*

2. The administrator may, from time to time, obtain from the state controller a statement of the balance in the senior citizens' property tax assistance account. The administrator shall provide for full refunds of all just claims if the total amount of the claims does not exceed the balance

in the account. The administrator shall proportionately reduce each claim if the total amount of all claims exceeds that balance.

3. Money for the administration of the provisions of sections 3 to 33, inclusive, of this act must be provided by legislative appropriation to the senior citizens' property tax assistance account. From this account the sum of \$4 must be allowed for each claim which is received by the county assessor and submitted to the division.

4. All claims against the senior citizens' property tax assistance account must be certified by the administrator and, if certified and approved by the state board of examiners, the state controller shall draw his warrant against the account.

5. Any money remaining in the senior citizens' property tax assistance account at the end of the fiscal year must remain in the account and is available for use in the following fiscal year.

Sec. 33. *Except as otherwise provided by specific statute, no person may publish, disclose or use any personal or confidential information contained in a claim except for purposes connected with the administration of the provisions of sections 3 to 33, inclusive, of this act.*

Sec. 34. NRS 439.640 is hereby amended to read as follows:

439.640 "Household income" has the meaning ascribed to it in ~~NRS 361.820~~ *section 9 of this act.*

Sec. 35. NRS 439.645 is hereby amended to read as follows:

439.645 "Income" has the meaning ascribed to it in ~~NRS 361.823~~ *section 10 of this act.*

Sec. 36. NRS 439.660 is hereby amended to read as follows:

439.660 The department of human resources shall, in cooperation with the department of taxation and the various counties in this state:

1. Combine all possible administrative procedures required for determining those persons who are eligible for assistance pursuant to ~~NRS 361.800 to 361.877, inclusive~~ *sections 3 to 33, inclusive, of this act* and 439.635 to 439.690, inclusive;

2. Coordinate the collection of information required to carry out those provisions in a manner that requires persons requesting assistance to furnish information in as few reports as possible; and

3. Design forms that may be used jointly by the department of human resources, the department of taxation and the various counties in this state to carry out the provisions of ~~NRS 361.800 to 361.877, inclusive~~ *sections 3 to 33, inclusive, of this act* and 439.635 to 439.690, inclusive.

Sec. 37. NRS 361.800, 361.803, 361.805, 361.810, 361.815, 361.817, 361.820, 361.823, 361.824, 361.825, 361.827, 361.832, 361.833, 361.835, 361.836, 361.838, 361.841, 361.845, 361.850, 361.859, 361.860, 361.861, 361.864, 361.865, 361.867, 361.868, 361.870, 361.873, 361.874 and 361.877 are hereby repealed.

Sec. 38. Any regulation adopted by the Nevada tax commission pursuant to NRS 360.090 or 360.093 or the department of taxation pursuant to NRS 361.873 remains in effect as a regulation of the aging services division of the department of human resources ~~until amended or repealed~~ by the division.

Sec. 39. The legislative counsel shall:

1. In preparing the reprint and supplements to the Nevada Revised Statutes, appropriately change any references to an officer, agency or other entity whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

2. In preparing supplements to the Nevada Administrative Code, appropriately change any references to an officer, agency or other entity whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.