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AN ACT relating to property tax; requiring a company that uses certain property of an interstate or intercounty nature directly in its operations to file with the Nevada Tax Commission written reports to enable the Commission to establish an appropriate valuation of the property; providing for an extension of time in which to file a required report; providing for the payment of a penalty for failure to file a required report by the date due; providing for the collection of penalties and interest for the late payment of certain property taxes; 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. Chapter 361 of NRS is hereby amended by adding thereto a new section to read as follows:

1. To enable the Nevada Tax Commission to establish appropriate valuations of property pursuant to subsection 1 of NRS 361.320, each company that uses property subject to valuation pursuant to subsection 1 of NRS 361.320 shall file with the Nevada Tax Commission a written report, signed under penalty of perjury, that contains such financial and other information as required by the Nevada Tax Commission. Except as otherwise provided in subsection 2, the report must be filed:

(a) On or before March 31 of each year; or

(b) If the Nevada Tax Commission notifies the company that the Nevada Tax Commission will determine the valuation of the property for the first time or because the property has been found to be escaping taxation, within 45 days after receipt of the notification.

2. A company subject to the reporting requirements of subsection 1 may, at any time before the date otherwise due for the filing of the report, submit a written request to the Department for an extension of time in which to file the report with the Nevada Tax Commission. If the Department determines that good cause exists for an extension, the Department may grant the company a 45-day extension in which to file the report.

3. If a company subject to the reporting requirements of subsection 1 fails to provide the required report to the Nevada Tax Commission by the date due, the Nevada Tax Commission may make an estimate of the value of the property and assess it accordingly.

4. If a company subject to the reporting requirements of subsection 1 fails to file a required report by the date due, the

company shall pay to the Department a penalty of 10 percent of the tax due or \$5,000, whichever is less. The Department shall deposit any amount paid as a penalty in the State General Fund. The Department may, for good cause shown, waive the payment of the penalty or any part thereof.

Sec. 2. NRS 361.320 is hereby amended to read as follows:

361.320 1. At the regular session of the Nevada Tax Commission commencing on the first Monday in October of each year, the Nevada Tax Commission shall *examine the reports filed pursuant to section 1 of this act and* establish the valuation for assessment purposes of any property of an interstate or intercounty nature used directly in the operation of all interstate or intercounty railroad, sleeping car, private car, natural gas transmission and distribution, water, telephone, scheduled and unscheduled air transport, electric light and power companies, and the property of all railway express companies operating on any common or contract carrier in this state. This valuation must not include the value of vehicles as defined in NRS 371.020.

2. Except as otherwise provided in subsections 3 and 6 and NRS 361.323, the *Nevada Tax* Commission shall establish and fix the valuation of all physical property used directly in the operation of any such business of any such company in this state, as a collective unit. If the company is operating in more than one county, on establishing the unit valuation for the collective property, the *Nevada Tax* Commission shall then determine the total aggregate mileage operated within the State and within its several counties and apportion the mileage upon a mile-unit valuation basis. The number of miles apportioned to any county are subject to assessment in that county according to the mile-unit valuation established by the *Nevada Tax* Commission.

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

4. The Nevada Tax Commission shall adopt formulas and incorporate them in its records, providing the method or methods pursued in fixing and establishing the taxable value of all property assessed by it. The formulas must be adopted and may be changed from time to time upon its own motion or when made necessary by judicial decisions, but the formulas must in any event show all the elements of value considered by the *Nevada Tax* Commission in arriving at and fixing the value for any class of property assessed by it. These formulas must take into account, as indicators of value, the company's income and the cost of its assets, but the taxable value

may not exceed the cost of replacement as appropriately depreciated.

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

6. A company engaged in a business described in subsection 1 that does not have property of an interstate or intercounty nature must be assessed as provided in subsection ~~8.~~ 7.

~~{7. As used in this section:~~

~~—(a) “Company” means any person, company, corporation or association engaged in the business described.~~

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

~~—8.~~ 7. All other property, including, without limitation, that of any company engaged in providing commercial mobile radio service, radio or television transmission services or cable television services, must be assessed by the county assessors, except as otherwise provided in NRS 361.321 and 362.100 and except that the valuation of land and mobile homes must be established for assessment purposes by the Nevada Tax Commission as provided in NRS 361.325.

~~{9.}~~ 8. On or before November 1 of each year, the Department shall forward a tax statement to each private car line company based on the valuation established pursuant to this section and in accordance with the tax levies of the several districts in each county. The company shall remit the ad valorem taxes due on or before December 15 to the Department which shall allocate the taxes due each county on a mile-unit basis and remit the taxes to the counties no later than January 31. The portion of the taxes which is due the State must be transmitted directly to the State Treasurer. A company which fails to pay the tax within the time required shall pay a penalty of 10 percent of the tax due or \$5,000, whichever is greater, in addition to the tax. Any amount paid as a penalty must be deposited in the State General Fund. The Department may, for good cause shown, waive the payment of a penalty pursuant to this subsection. As an alternative to any other method of recovering

delinquent taxes provided by this chapter, the Attorney General may bring a civil action in a court of competent jurisdiction to recover delinquent taxes due pursuant to this subsection in the manner provided in NRS 361.560.

9. As used in this section:

(a) *“Company” means any person, company, corporation or association engaged in the business described.*

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

Sec. 3. NRS 361.3205 is hereby amended to read as follows:

361.3205 1. The Department shall enter on a central assessment roll the assessed valuation established for such classes of property as are enumerated in NRS 361.320, except for private car lines, together with the apportionment of each county of the assessment.

2. On or before January 1 of the fiscal year in which the assessment is made, the Department shall mail to each taxpayer on the central assessment roll a notice of the amount of his assessment. The Department shall bill each such taxpayer pursuant to subsection 3 of NRS 361.480. ~~[The]~~ *Except as otherwise provided in subsection 3, the* tax must be paid to the Department pursuant to NRS 361.483.

3. *If the amount of any tax required by NRS 361.320 or 361.321 for property placed on the unsecured tax roll is not paid within 10 days after it is due, it is delinquent and must be collected as other delinquent taxes are collected by law, together with a penalty of 10 percent of the amount of the tax which is owed, as determined by the Department, in addition to the tax, plus interest at the rate of 1 percent per month, or fraction of a month, from the date the tax was due until the date of payment. The Department shall deposit all amounts paid as a penalty or interest pursuant to this subsection in the State General Fund.*

4. Upon receipt, the Department shall apportion and promptly remit all taxes due each county.

~~[4-]~~ 5. As an alternative to any other method of recovering delinquent taxes provided by this chapter, the Attorney General may bring a civil action in a court of competent jurisdiction to recover delinquent taxes due under this section in the manner provided in NRS 361.560.

Sec. 4. NRS 361.330 is hereby amended to read as follows:

361.330 No assessment of property is invalid, and no collection of taxes may be enjoined, restrained or ordered to be refunded, on account of any failure:

1. To do any act required by NRS 361.315 to 361.325, inclusive ~~[1-]~~, *and section 1 of this act;* or

2. To do any act required by this chapter within the time so required, if notice and an opportunity to be heard were afforded generally to the class of taxpayers affected by the act required to be done.

Sec. 5. 1. This section and sections 1, 2 and 4 of this act become effective upon passage and approval.

2. Section 3 of this act becomes effective on July 1, 2003.