

ASSEMBLY BILL NO. 392—ASSEMBLYMAN HETTRICK

MARCH 24, 2005

Referred to Committee on Growth and Infrastructure

SUMMARY—Requires adoption of and compliance with uniform regulations governing assessment of property for purposes of taxation. (BDR 32-275)

FISCAL NOTE: Effect on Local Government: No.
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; requiring the Nevada Tax Commission to adopt regulations governing the assessment of property for the purposes of taxation; requiring county boards of equalization and the State Board of Equalization to comply with such regulations; 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 360.250 is hereby amended to read as follows:
2 360.250 1. The Nevada Tax Commission *shall adopt general*
3 *and uniform regulations governing the assessment of property by*
4 *the county assessors of the various counties, county boards of*
5 *equalization, the State Board of Equalization and the Department.*
6 *The regulations must include, without limitation, standards for the*
7 *appraisal and reappraisal of land to determine its taxable value.*
8 2. *The Nevada Tax Commission* may:
9 (a) Confer with, advise and direct county assessors, sheriffs as
10 ex officio collectors of licenses and all other county officers having
11 to do with the preparation of the assessment roll or collection of
12 taxes or other revenues as to their duties.
13 (b) ~~Establish and prescribe general and uniform regulations~~
14 ~~governing the assessment of property by the county assessors of the~~
15 ~~various counties, not in conflict with law.~~



1 ~~—(e)~~ Prescribe the form and manner in which assessment rolls or
2 tax lists must be kept by county assessors.

3 ~~[(d)]~~ (c) Prescribe the form of the statements of property owners
4 in making returns of their property.

5 ~~[(e)]~~ (d) Require county assessors, sheriffs as ex officio
6 collectors of licenses and all other county officers having to do with
7 the preparation of the assessment roll or collection of taxes or other
8 revenues, to furnish such information in relation to assessments,
9 licenses or the equalization of property valuations, and in such form
10 as the Nevada Tax Commission may demand.

11 ~~[(f)]~~ (e) Except as otherwise provided in this title, share
12 information in its records with agencies of local governments which
13 are responsible for the collection of debts or obligations if the
14 confidentiality of the information is otherwise maintained under the
15 terms and conditions required by law.

16 ~~[(2)]~~ 3. Each assessor and any other such officer shall certify
17 under penalty of perjury that in assessing property or furnishing
18 other information required pursuant to this section he has complied
19 with the regulations of the Nevada Tax Commission. This certificate
20 must be appended to each assessment roll and any other information
21 furnished.

22 ~~[(3)]~~ 4. A county assessor or other county officer whose
23 certificate is knowingly falsified is guilty of a misdemeanor. If the
24 Nevada Tax Commission finds that a county assessor or other
25 county officer has knowingly violated its regulations and thereby
26 has caused less revenue to be collected from taxes, it shall deduct
27 the amount of the undercollection from the money otherwise
28 payable to the county from the proceeds of the supplemental city-
29 county relief tax.

30 **Sec. 2.** NRS 360.291 is hereby amended to read as follows:

31 360.291 1. The Legislature hereby declares that each
32 taxpayer has the right:

33 (a) To be treated by officers and employees of the Department
34 with courtesy, fairness, uniformity, consistency and common sense.

35 (b) To a prompt response from the Department to each
36 communication from the taxpayer.

37 (c) To provide the minimum documentation and other
38 information as may reasonably be required by the Department to
39 carry out its duties.

40 (d) To written explanations of common errors, oversights and
41 violations that taxpayers experience and instructions on how to
42 avoid such problems.

43 (e) To be notified, in writing, by the Department whenever its
44 officer, employee or agent determines that the taxpayer is entitled to



1 an exemption or has been taxed or assessed more than is required by
2 law.

3 (f) To written instructions indicating how the taxpayer may
4 petition for:

5 (1) An adjustment of an assessment;

6 (2) A refund or credit for overpayment of taxes, interest or
7 penalties; or

8 (3) A reduction in or the release of a bond or other form of
9 security required to be furnished pursuant to the provisions of this
10 title that are administered by the Department.

11 (g) Except as otherwise provided in NRS 361.485, to recover an
12 overpayment of taxes promptly upon the final determination of such
13 an overpayment.

14 (h) To obtain specific advice from the Department concerning
15 taxes imposed by the State.

16 (i) In any meeting with the Department, including an audit,
17 conference, interview or hearing:

18 (1) To an explanation by an officer, agent or employee of the
19 Department that describes the procedures to be followed and the
20 taxpayer's rights thereunder;

21 (2) To be represented by himself or anyone who is otherwise
22 authorized by law to represent him before the Department;

23 (3) To make an audio recording using the taxpayer's own
24 equipment and at the taxpayer's own expense; and

25 (4) To receive a copy of any document or audio recording
26 made by or in the possession of the Department relating to the
27 determination or collection of any tax for which the taxpayer is
28 assessed, upon payment of the actual cost to the Department of
29 making the copy.

30 (j) To a full explanation of the Department's authority to assess
31 a tax or to collect delinquent taxes, including the procedures and
32 notices for review and appeal that are required for the protection of
33 the taxpayer. An explanation which meets the requirements of this
34 section must also be included with each notice to a taxpayer that an
35 audit will be conducted by the Department.

36 (k) To the immediate release of any lien which the Department
37 has placed on real or personal property for the nonpayment of any
38 tax when:

39 (1) The tax is paid;

40 (2) The period of limitation for collecting the tax expires;

41 (3) The lien is the result of an error by the Department;

42 (4) The Department determines that the taxes, interest and
43 penalties are secured sufficiently by a lien on other property;

44 (5) The release or subordination of the lien will not
45 jeopardize the collection of the taxes, interest and penalties;



(6) The release of the lien will facilitate the collection of the taxes, interest and penalties; or

(7) The Department determines that the lien is creating an economic hardship.

(l) To the release or reduction of a bond or other form of security required to be furnished pursuant to the provisions of this title by the Department in accordance with applicable statutes and regulations.

(m) To be free from investigation and surveillance by an officer, agent or employee of the Department for any purpose that is not directly related to the administration of the provisions of this title that are administered by the Department.

(n) To be free from harassment and intimidation by an officer, agent or employee of the Department for any reason.

(o) To have statutes imposing taxes and any regulations adopted pursuant thereto construed in favor of the taxpayer if those statutes or regulations are of doubtful validity or effect, unless there is a specific statutory provision that is applicable.

2. The provisions of this title governing the administration and collection of taxes by the Department must not be construed in such a manner as to interfere or conflict with the provisions of this section or any applicable regulations.

3. The provisions of this section apply to any tax administered, *regulated* and collected pursuant to the provisions of this title or any applicable regulations by the Department.

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

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

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



homes in the county on July 1, but not on the secured tax roll for the current year, must be placed on the unsecured tax roll for the current year.

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

4. The value of any property apportioned among counties pursuant to NRS 361.320, 361.321 and 361.323 must be added to the central assessment roll at the assessed value established by the Nevada Tax Commission or as established pursuant to an appeal to the State Board of Equalization.

5. In addition to the inquiry and examination required in subsection 1, for any property not reappraised in the current assessment year, the county assessor shall determine its assessed value for that year by:

(a) Determining the replacement cost, subtracting all applicable depreciation and obsolescence, applying the assessment ratio for improvements, if any, and applying a factor for land to the assessed value for the preceding year; or

(b) Applying a factor for improvements, if any, and a factor for land to the assessed value for the preceding year. The factor for improvements must reasonably represent the change, if any, in the taxable value of typical improvements in the area since the preceding year, and must take into account all applicable depreciation and obsolescence. The factor for improvements must be adopted by the Nevada Tax Commission in the manner required in NRS 361.261.

➔ The factor for land must be developed by the county assessor and approved by the Commission. The factor for land must be so chosen that the median ratio of the assessed value of the land to the taxable value of the land in each area subject to the factor is not less than 30 percent nor more than 35 percent.

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

7. The county assessor shall ~~establish~~ *use the* standards for appraising and reappraising land *adopted by the Nevada Tax Commission* pursuant to ~~[this section. In establishing]~~ *NRS 360.250. In using* the standards, the county assessor shall consider comparable sales of land before July 1 of the year before the lien date.

8. Each county assessor shall submit a written request to the board of county commissioners and the governing body of each of the local governments located in the county which maintain a unit of government that issues building permits for a copy of each building



1 permit that is issued. Upon receipt of such a request, the governing
2 body shall direct the unit which issues the permits to provide a copy
3 of each permit to the county assessor within a reasonable time after
4 issuance.

5 **Sec. 4.** NRS 361.340 is hereby amended to read as follows:

6 361.340 1. Except as otherwise provided in subsection 2, the
7 board of equalization of each county consists of:

8 (a) Five members, only two of whom may be elected public
9 officers, in counties having a population of 15,000 or more; and

10 (b) Three members, only one of whom may be an elected public
11 officer, in counties having a population of less than 15,000.

12 2. The board of county commissioners may by resolution
13 provide for an additional panel of like composition to be added to
14 the board of equalization to serve for a designated fiscal year. The
15 board of county commissioners may also appoint alternate members
16 to either panel.

17 3. A district attorney, county treasurer or county assessor or
18 any of their deputies or employees may not be appointed to the
19 county board of equalization.

20 4. The chairman of the board of county commissioners shall
21 nominate persons to serve on the county board of equalization who
22 are sufficiently experienced in business generally to be able to bring
23 knowledge and sound judgment to the deliberations of the board or
24 who are elected public officers. The nominees must be appointed
25 upon a majority vote of the board of county commissioners. The
26 chairman of the board of county commissioners shall designate one
27 of the appointees to serve as chairman of the county board of
28 equalization.

29 5. Except as otherwise provided in this subsection, the term of
30 each member is 4 years and any vacancy must be filled by
31 appointment for the unexpired term. The term of any elected public
32 officer expires upon the expiration of the term of his elected office.

33 6. The county clerk or his designated deputy is the clerk of
34 each panel of the county board of equalization.

35 7. Any member of the county board of equalization may be
36 removed by the board of county commissioners if, in its opinion, the
37 member is guilty of malfeasance in office or neglect of duty.

38 8. The members of the county board of equalization are entitled
39 to receive per diem allowance and travel expenses as provided for
40 state officers and employees. The board of county commissioners of
41 any county may by resolution provide for compensation to members
42 of the board of equalization in their county who are not elected
43 public officers as they deem adequate for time actually spent on the
44 work of the board of equalization. In no event may the rate of



1 compensation established by a board of county commissioners
2 exceed \$40 per day.

3 9. A majority of the members of the county board of
4 equalization constitutes a quorum, and a majority of the board
5 determines the action of the board.

6 10. *A county board of equalization shall comply with any*
7 *applicable regulation adopted by the Nevada Tax Commission.*

8 11. The county board of equalization of each county shall hold
9 such number of meetings as may be necessary to care for the
10 business of equalization presented to it. Every appeal to the county
11 board of equalization must be filed not later than January 15. Each
12 county board shall cause to be published, in a newspaper of general
13 circulation published in that county, a schedule of dates, times and
14 places of the board meetings at least 5 days before the first meeting.
15 The county board of equalization shall conclude the business of
16 equalization on or before the last day of February of each year
17 except as to matters remanded by the State Board of Equalization.
18 The State Board of Equalization may establish procedures for the
19 county boards, including setting the period for hearing appeals and
20 for setting aside time to allow the county board to review and make
21 final determinations. The district attorney or his deputy shall be
22 present at all meetings of the county board of equalization to explain
23 the law and the board's authority.

24 ~~11.1~~ 12. The county assessor or his deputy shall attend all
25 meetings of each panel of the county board of equalization.

26 **Sec. 5.** NRS 361.375 is hereby amended to read as follows:

27 361.375 1. The State Board of Equalization, consisting of
28 five members appointed by the Governor, is hereby created. The
29 Governor shall designate one of the members to serve as Chairman
30 of the Board.

31 2. The Governor shall appoint:

32 (a) One member who is a certified public accountant or a
33 registered public accountant.

34 (b) One member who is a property appraiser with a professional
35 designation.

36 (c) One member who is versed in the valuation of centrally
37 assessed properties.

38 (d) Two members who are versed in business generally.

39 3. Only three of the members may be of the same political
40 party and no more than two may be from the same county.

41 4. An elected public officer or his deputy, employee or any
42 person appointed by him to serve in another position must not be
43 appointed to serve as a member of the State Board of Equalization.



1 5. After the initial terms, members serve terms of 4 years,
2 except when appointed to fill unexpired terms. No member may
3 serve more than two full terms consecutively.

4 6. Any member of the Board may be removed by the Governor
5 if, in his opinion, that member is guilty of malfeasance in office or
6 neglect of duty.

7 7. Each member of the Board is entitled to receive a salary of
8 not more than \$80, as fixed by the Board, for each day actually
9 employed on the work of the Board.

10 8. While engaged in the business of the Board, each member
11 and employee of the Board is entitled to receive the per diem
12 allowance and travel expenses provided for state officers and
13 employees generally.

14 9. A majority of the members of the Board constitutes a
15 quorum, and a majority of the Board shall determine the action of
16 the Board. The Board may adopt regulations governing the conduct
17 of its business.

18 10. *The Board shall comply with any applicable regulation*
19 *adopted by the Nevada Tax Commission.*

20 11. The staff of the State Board of Equalization must be
21 provided by the Department and the Executive Director is the
22 Secretary of the Board.

