

CHAPTER.....

AN ACT relating to taxation; authorizing a county to sell tax liens against parcels of real property located within the county under certain circumstances; requiring the county treasurer to issue a certificate of purchase for each tax lien sold; authorizing the purchaser of a tax lien to commence an action for the collection of the delinquent taxes, penalties, interest and costs; 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 the provisions set forth as sections 2 to 15, inclusive, of this act.

**Sec. 2.** *As used in sections 2 to 15, inclusive, of this act, unless the context otherwise requires, “tax lien” means a perpetual lien which remains against a parcel of real property until the taxes assessed against that parcel and any penalties, interest and costs which may accrue thereon are paid.*

**Secs. 3-5.** (Deleted by amendment.)

**Sec. 6. 1.** *Except as otherwise provided in this section, a county may, in lieu of the remedies for the collection of delinquent taxes set forth in NRS 361.5648 to 361.730, inclusive, sell a tax lien against a parcel of real property upon which the taxes are delinquent pursuant to the provisions of sections 2 to 15, inclusive, of this act.*

*2. Except as otherwise provided in this section, a county may sell a tax lien to any purchaser. A county may not sell a tax lien to a government, governmental agency or political subdivision of a government, or to any insurer other than an insurer that:*

*(a) Is entitled to receive the credit set forth in NRS 680B.050 because it owns and substantially occupies and uses a building in this State as its home office or as a regional home office; or*

*(b) Issues in this State a policy of insurance for medical malpractice.*

*3. For the purposes of this section:*

*(a) “Insurer” has the meaning ascribed to it in NRS 679A.100.*

*(b) “Policy of insurance for medical malpractice” has the meaning ascribed to it in NRS 679B.144.*

**Sec. 7. 1.** *Before a county may offer for sale tax liens against parcels of real property located within the county, the board of county commissioners of that county must adopt by*

*resolution a procedure for the sale and transfer of tax liens by the county treasurer.*

*2. The procedure must include, but is not limited to:*

*(a) The requirements for notice of the sale of the tax lien. The notice must include:*

*(1) The date, time and location of the sale; and*

*(2) An indication of all other tax liens against the property that have been previously sold.*

*(b) The manner in which:*

*(1) A tax lien is selected for sale;*

*(2) The price to purchase a tax lien is determined; and*

*(3) The holder of a certificate of purchase issued pursuant to section 9 of this act may collect the delinquent taxes, interest, penalties and costs on the parcel of real property which is the subject of the tax lien.*

*Sec. 8. 1. A county treasurer may sell a tax lien against a parcel of real property after the first Monday in June after the taxes on that parcel become delinquent if:*

*(a) The parcel is on the secured roll;*

*(b) The taxes on the parcel are delinquent pursuant to the provisions of NRS 361.483;*

*(c) The tax receiver has given notice of the delinquency pursuant to NRS 361.5648; and*

*(d) The price for the tax lien established by the county treasurer is at least equal to the amount of the taxes which are delinquent for the parcel and any penalties, interest and costs which may accrue thereon.*

*2. The county treasurer may sell a tax lien separately or in combination with other tax liens in accordance with the procedure adopted by the board of county commissioners pursuant to section 7 of this act.*

*3. Each tax lien must relate to the taxes assessed against the parcel for at least 1 year, and any penalties, interest and costs which may accrue thereon.*

*4. The county treasurer may sell a tax lien which relates to the taxes assessed against the parcel for any year of assessment and any penalties, interest and costs accrued thereon if those taxes are delinquent pursuant to the provisions of NRS 361.483.*

*5. If two or more parcels are assessed as a single parcel, one tax lien may be sold for that single parcel.*

*6. A tax lien must be purchased in cash or by certified check, money order or wire transfer of money.*

*7. If a tax lien offered for sale is not sold at the sale conducted by the county treasurer, the county may collect the delinquent taxes pursuant to the remedies for the collection of delinquent taxes set forth in NRS 361.5648 to 361.730, inclusive.*

**Sec. 9.** *1. The county treasurer shall issue a certificate of purchase to each purchaser of a tax lien.*

*2. The holder of a certificate of purchase is entitled to receive:*

*(a) The amount of the taxes which are delinquent for the year those taxes are assessed against the parcel of real property which is the subject of the tax lien and any penalties, interest and costs imposed pursuant to the provisions of this chapter; and*

*(b) Interest on the amount described in paragraph (a) which accrues at a rate established by the board of county commissioners. The interest must be calculated annually from the date on which the certificate of purchase is issued. The rate of interest established by the board may not be less than 10 percent per annum or more than 20 percent per annum.*

*3. Each certificate of purchase must include:*

*(a) A description of the parcel of real property which is the subject of the tax lien;*

*(b) The years the taxes which are delinquent were assessed on the parcel;*

*(c) The amount the county treasurer received for the tax lien;*

*(d) The amount of the delinquent taxes owed on the parcel and any penalties, interest and costs imposed pursuant to the provisions of this chapter; and*

*(e) A statement that the amount indicated on the certificate pursuant to paragraph (d) bears interest at the rate established by the board of county commissioners, from the date on which the certificate of purchase is issued.*

*4. The holder of a certificate of purchase may transfer the certificate to another person by signing the certificate before a notary public. A certificate of purchase may not be transferred to a government, governmental agency or political subdivision of a government. The transferee must submit the certificate to the county treasurer for entry of the transfer in the record of sales of tax liens maintained by the county treasurer pursuant to section 10 of this act.*

*5. Notwithstanding the provisions of NRS 104.9109, a security interest in a certificate of purchase may be created and perfected in the manner provided for general intangibles set forth in NRS 104.9101 to 104.9709, inclusive.*

**Sec. 10.** *The county treasurer shall prepare and maintain a record of each tax lien he sells pursuant to the provisions of sections 2 to 15, inclusive, of this act. The record must include:*

*1. The date of the sale of the tax lien;*

*2. A description of the parcel of real property which is the subject of the tax lien;*

3. *The year the taxes which are delinquent were assessed on the parcel;*
4. *The name of the owner of the parcel, if known;*
5. *The name and address of the original purchaser of the tax lien;*
6. *The amount of the delinquent taxes owed on the parcel and any penalties, interest and costs imposed pursuant to the provisions of this chapter on the date the county treasurer sells the tax lien;*
7. *The name and address of any person to whom the certificate of purchase is transferred and the date of the transfer;*
8. *The name of the person who redeems the tax lien, the date of that redemption and the amount paid to redeem the tax lien; and*
9. *The date of any judgment entered pursuant to NRS 361.700.*

**Sec. 11.** *If the holder of a certificate of purchase requests the county treasurer to issue a duplicate certificate, the holder must submit to the county treasurer a notarized affidavit which attests that the certificate was lost or destroyed. The county treasurer shall, upon receipt of the affidavit, issue to the holder an exact duplicate of the certificate of purchase.*

**Sec. 12.** *1. If a tax lien against a parcel of real property has been sold in the year immediately preceding the date that taxes on that parcel again become delinquent pursuant to NRS 361.483, the county treasurer shall:*

*(a) Collect the delinquent taxes in the manner set forth in NRS 361.5648 to 361.730, inclusive;*

*(b) Redeem the tax lien pursuant to section 13 of this act; or*

*(c) Cause written notice of the delinquency to be sent by certified mail to the holder of the certificate of purchase who is listed in the record maintained by the county treasurer pursuant to section 10 of this act.*

*2. Within 90 days after receiving a notice from the county treasurer pursuant to paragraph (c) of subsection 1, the holder of the certificate of purchase may:*

*(a) Purchase from the county treasurer a tax lien against the parcel for the current year of assessment pursuant to section 9 of this act; or*

*(b) Consent to the redemption of the tax lien pursuant to section 13 of this act.*

*3. If the holder of the certificate of purchase consents to the redemption of the tax lien pursuant to section 13 of this act, the county treasurer shall:*

*(a) Redeem the tax lien pursuant to that section; or*

*(b) Sell the tax lien to another person, who shall redeem any previous tax lien pursuant to section 13 of this act.*

**Sec. 13.** *1. In addition to the persons authorized to redeem a tax lien pursuant to section 12 of this act, any tax lien sold pursuant to the provisions of sections 2 to 15, inclusive, of this act may be redeemed by any of the following persons, as their interests in the parcel of real property which is the subject of the tax lien may appear of record:*

- (a) The owner of the parcel of real property.*
- (b) The beneficiary under a deed of trust.*
- (c) The mortgagee under a mortgage.*
- (d) The person to whom the property was assessed.*
- (e) The person who holds a contract to purchase the property before its conveyance to the county treasurer.*
- (f) The successor in interest of any person specified in this subsection.*

*2. A person who redeems a tax lien must pay to the county treasurer the amount stated on the certificate of purchase of the tax lien, including interest at the rate stated on the certificate and any fees paid by the holder of the certificate of purchase to the county treasurer.*

*3. If the person who redeems the tax lien has been served with a summons pursuant to NRS 361.670, he must pay the costs incurred by the holder of the certificate of purchase to commence the action.*

*4. The county treasurer shall issue a certificate of redemption to each person who redeems a tax lien pursuant to this section.*

*5. A certificate of redemption issued pursuant to subsection 4 must include:*

- (a) A description of the parcel of real property which is the subject of the tax lien;*
- (b) The date the tax lien is redeemed;*
- (c) The name and address of the person who redeems the tax lien; and*
- (d) The amount paid to redeem the tax lien.*

*6. The county treasurer shall record the information set forth in subsection 5 in the record he maintains pursuant to section 10 of this act.*

*7. A certificate of redemption may be recorded in the office of the county recorder.*

**Sec. 14.** *1. The county treasurer shall, within 10 days after a tax lien is redeemed pursuant to section 13 of this act, mail a certified copy of the certificate of redemption to the holder of the certificate of purchase of the tax lien.*

*2. The county treasurer shall pay to the holder of the certificate of purchase the amount indicated on the certificate*

*pursuant to section 9 of this act at the time the holder presents the certificate for payment.*

**Sec. 15.** *If a tax lien is not redeemed pursuant to section 13 of this act within the time allowed for the collection of the delinquent taxes set forth in NRS 361.5648 to 361.620, inclusive, the holder of the certificate of purchase may commence an action for the collection of the delinquent taxes, penalties, interests and costs.*

**Sec. 16.** NRS 361.5648 is hereby amended to read as follows:

361.5648 1. Within 30 days after the first Monday in March of each year, with respect to each property on which the tax is delinquent, the tax receiver of the county shall mail notice of the delinquency by first-class mail to:

- (a) The owner or owners of the property;
  - (b) The person or persons listed as the taxpayer or taxpayers on the tax rolls, at their last known addresses, if the names and addresses are known; and
  - (c) Each holder of a recorded security interest if the holder has made a request in writing to the tax receiver for the notice, which identifies the secured property by the parcel number assigned to it in accordance with the provisions of NRS 361.189.
2. The notice of delinquency must state:
- (a) The name of the owner of the property, if known.
  - (b) The description of the property on which the taxes are a lien.
  - (c) The amount of the taxes due on the property and the penalties and costs as provided by law.
  - (d) That if the amount is not paid by the taxpayer or his successor in interest ~~[-the]~~ :

(1) *The* tax receiver will, at 5 p.m. on the first Monday in June of the current year, issue to the county treasurer, as trustee for the State and county, a certificate authorizing him to hold the property, subject to redemption within 2 years after the date of the issuance of the certificate, by payment of the taxes and accruing taxes, penalties and costs, together with interest on the taxes at the rate of 10 percent per annum from the date due until paid as provided by law, except as otherwise provided in NRS 360.232 and 360.320, and that redemption may be made in accordance with the provisions of chapter 21 of NRS in regard to real property sold under execution.

(2) *A tax lien may be sold against the parcel pursuant to the provisions of sections 2 to 15, inclusive, of this act.*

3. Within 30 days after mailing the original notice of delinquency, the tax receiver shall issue his personal affidavit to the board of county commissioners affirming that due notice has been mailed with respect to each parcel. The affidavit must recite the number of letters mailed, the number of letters returned ~~[-]~~ and

the number of letters finally determined to be undeliverable. Until the period of redemption has expired, the tax receiver shall maintain detailed records which contain such information as the Department may prescribe in support of his affidavit.

4. A second copy of the notice of delinquency must be sent by certified mail, not less than 60 days before the expiration of the period of redemption as stated in the notice.

5. The cost of each mailing must be charged to the delinquent taxpayer.

**Sec. 17.** NRS 361.570 is hereby amended to read as follows:

361.570 1. Pursuant to the notice given as provided in NRS 361.5648 and 361.565 and at the time stated in the notice, the tax receiver shall make out a certificate that describes each property on which delinquent taxes have not been paid. The certificate authorizes the county treasurer, as trustee for the State and county, to hold each property described in the certificate for the period of 2 years after the first Monday in June of the year the certificate is dated, unless sooner redeemed.

2. The certificate must specify:

(a) The amount of delinquency on each property, including the amount and year of assessment;

(b) The taxes, and the penalties and costs added thereto, on each property, and that, except as otherwise provided in NRS 360.232 and 360.320, interest on the taxes will be added at the rate of 10 percent per annum from the date due until paid; and

(c) The name of the owner or taxpayer of each property, if known.

3. The certificate must state ~~[-, and]~~ :

(a) *And* it is hereby provided:

~~[(a)]~~ (1) That each property described in the certificate may be redeemed within 2 years after the date of the certificate; and

~~[(b)]~~ (2) That the title to each property not redeemed vests in the county for the benefit of the State and county.

*(b) That a tax lien may be sold against the parcel pursuant to the provisions of sections 2 to 15, inclusive, of this act.*

4. Until the expiration of the period of redemption, each property held pursuant to the certificate must be assessed annually to the county treasurer as trustee, and before the owner or his successor redeems the property, he shall also pay the county treasurer holding the certificate any additional taxes assessed and accrued against the property after the date of the certificate, together with interest on the taxes at the rate of 10 percent per annum from the date due until paid, unless otherwise provided in NRS 360.232 and 360.320.

5. A county treasurer shall take a certificate issued to him pursuant to this section. The county treasurer may cause the

certificate to be recorded in the office of the county recorder against each property described in the certificate to provide constructive notice of the amount of delinquent taxes on each property respectively. The certificate reflects the amount of delinquent taxes due on the properties described in the certificate on the date on which the certificate was recorded, and the certificate need not be amended subsequently to indicate the repayment of any of those delinquent taxes. The recording of the certificate does not affect the statutory lien for taxes provided in NRS 361.450.

**Sec. 18.** NRS 361.645 is hereby amended to read as follows:

361.645 **1.** The delinquent list or a copy thereof certified by the county treasurer showing unpaid taxes against any person or property ~~[shall be]~~ **is** prima facie evidence in any court ***in an action commenced by the district attorney pursuant to the provisions of this chapter*** to prove:

~~[1.]~~ **(a)** The assessment.

~~[2.]~~ **(b)** The property assessed.

~~[3.]~~ **(c)** The delinquency.

~~[4.]~~ **(d)** The amount of taxes due and unpaid.

~~[5.]~~ **(e)** That all the forms of law in relation to the assessment and levy of ~~[such]~~ **those** taxes have been complied with.

**2.** ***A certificate of purchase of a tax lien issued pursuant to sections 2 to 15, inclusive, of this act or a copy thereof which is certified by the county treasurer and which indicates the sale of a tax lien to collect unpaid taxes on a parcel of real property is prima facie evidence in any court in an action commenced by the holder of the certificate of purchase to prove:***

***(a) The assessment.***

***(b) The property assessed.***

***(c) The delinquency.***

***(d) The amount of taxes, penalties, interest and costs due and unpaid.***

***(e) That all the forms of law in relation to the assessment and levy of those taxes and the sale of the tax lien have been complied with.***

**Sec. 19.** NRS 361.650 is hereby amended to read as follows:

361.650 **1.** Actions authorized by NRS 361.635 ~~[shall]~~ **must** be commenced in the name of the State of Nevada against the person or persons so delinquent, and against all owners, known or unknown.

**2.** ~~[Such actions]~~ ***An action authorized by section 15 of this act must be commenced in the name of the holder of the certificate of purchase of the tax lien against the person or persons delinquent in the payment of the taxes on the parcel of real property which is the subject of the tax lien and against all owners, known or unknown, of that parcel.***



3. Any action described in subsection 1 or 2 may be commenced in the county where the assessment is made, before any court in the county having jurisdiction of the amount thereof. ~~[and such jurisdiction shall]~~ The jurisdiction must be determined solely by the amount of delinquent taxes, exclusive of penalties and costs sued for, without regard to the location of the lands or other property as to townships, cities or districts, and without regard to the residence of the person or persons, or owner or owners, known or unknown.

Sec. 20. NRS 361.655 is hereby amended to read as follows:

361.655 The complaint in ~~[the]~~ an action brought by the district attorney may be as follows in form:

IN THE (TITLE OF COURT)

State of Nevada	}	
v.	}	COMPLAINT
A.B. & Co., and the real estate and	}	
improvements in (describing them).	}	

The State of Nevada, by C.D., district attorney of the county of ....., complains of A.B. and also the real estate and improvements (describing them with the same particularity as in actions of ejectment, or actions for the recovery of personal property), and for cause of action says that between July 1, of the year ....., and January 2, of the year ....., in the county of ....., in the State of Nevada, E.F., then and there, being county assessor of the county, did duly assess and put down on an assessment roll all the real and personal property in the county subject to taxation, and that the assessment roll was afterward submitted to the county board of equalization of the county, and was by the board duly equalized as provided by law; that A.B. was then and there the owner of, and that there was duly assessed to him the above-described real estate, improvements upon real estate and certain personal property, and that upon such property there has been duly levied for the fiscal year ..... a state tax of ..... dollars, and a county tax of ..... dollars, amounting in the whole to ..... dollars, all of which is due and unpaid; of which amount ..... dollars was duly assessed and levied against the real estate, and ..... dollars against the improvements aforesaid, and ..... dollars against the personal property.

Wherefore, plaintiff prays judgment against A.B. for the sum of ..... dollars (the whole of the tax) and all penalties and costs, and a separate judgment against the real estate and improvements, for the sum of ..... dollars (the tax due on real estate, improvements ~~[and]~~ and personal property) and all penalties and costs,

as provided by law, and for such other judgment as to justice belongs, and for all costs subsequent to the assessment of the taxes, and of this action.

.....  
C.D., District Attorney  
County of .....

**Sec. 21.** NRS 361.670 is hereby amended to read as follows:

361.670 The summons so issued ~~[shall]~~ **must** be served by the sheriff, as follows:

1. As to the personal defendant, by delivering to and leaving with him a copy of the summons if he is found within the county. If the personal defendant cannot, after diligent search, be found within the county, ~~[then]~~ service may be made upon ~~[such]~~ **that** personal defendant by publishing a notice, substantially in the form described in NRS 361.680, ~~[in some]~~ **if the action is brought by a district attorney, in a** newspaper published in the county ~~[, if there is one,]~~ once each week for 3 successive weeks . ~~[; and in case]~~ **If** no newspaper is published in the county, or ~~[in case]~~ a newspaper is published in the county and, from any cause whatever, the proprietor, manager or chief clerk of ~~[such]~~ **that** newspaper refuses to publish the ~~[same (]~~ **notice**, such facts to be shown by affidavit of the officer serving the summons , ~~[, then]~~ the notice prescribed by NRS 361.680 may be posted at the courthouse door of the county in which the suit is commenced for 21 days. No order of court ~~[shall be]~~ **is** necessary for such publication or posting, but the sheriff shall publish or post the notice as provided ~~[herein]~~ **in this section** when the personal defendant cannot be found within the county, and shall return the manner of service on the summons.

2. As to real estate and improvements thereon, or improvements when assessed to a person other than the owner of the real estate, and as to all owners of or claimants to the same, known or unknown, service of the summons may be made by posting a copy of the summons in ~~[some]~~ **a** public place on the real estate, or improvements, when assessed separately, for 21 days, and also by publishing or posting a notice in the same manner and for the same time as required in cases where the personal defendant cannot be found in the county.

**Sec. 22.** NRS 361.680 is hereby amended to read as follows:

361.680 ~~[The]~~ **In an action brought by the district attorney, the** notice required to be published or posted ~~[shall]~~ **must** be substantially in the following form ~~[,]~~ and may include any number of cases in which the return day of the summons ~~[shall be]~~ **is** the same:

State of Nevada }  
 } DISTRICT ATTORNEY'S OFFICE  
County of ..... }

### NOTICE OF SUITS COMMENCED

To the following-named defendants, and to all owners of, or claimants to, the real estate and improvements, when assessed separately, hereinafter described, known or unknown.

You are hereby notified that suits have been commenced in (name of court where held) by the State of Nevada, plaintiff, against each of the defendants hereinafter named, and each of the following-described tracts or parcels of land with the improvements thereon, and improvements when separately assessed, and all owners of, or claimants to the same, known or unknown, to recover the tax and delinquency assessed to the defendant against the property, for the fiscal year commencing ....., and ending ....., and that a summons has been duly issued in each case; and you are further notified that unless you appear and answer to the complaint filed in such cause, on or before the ..... day of the month of ..... of the year ....., judgment will be taken against you and the real estate and improvements herein described, for the amount of tax and delinquency specified, and cost of suit.

Tax and delinquency: A.B. (describe real estate and improvements as in summons) .....  
\$.....;

E.F., personal property, assessed at \$.....

.....  
C.D., District Attorney  
County of .....

**Sec. 23.** NRS 361.685 is hereby amended to read as follows:

361.685 1. The district attorney *or the holder of a certificate of purchase of a tax lien issued pursuant to sections 2 to 15, inclusive, of this act* shall file in the office of the county recorder a copy of each notice published or posted, with the affidavit of the publisher or foreman in the office, setting forth the date of each publication of the notice in the newspaper in which the ~~[same]~~ *notice* was published.

2. The officers shall file a copy of the notices posted, with an affidavit of the time and place of posting.

3. Copies so filed or certified copies thereof ~~[shall be]~~ *are* prima facie evidence of all the facts ~~[therein contained, or]~~ contained in the *notice or* affidavit, in all courts in the State.

4. The publishers ~~{shall be}~~ *are* entitled to not more than the legal rate for each case for publishing a notice, including the making of the affidavit.

5. The county recorder ~~{shall be}~~ *is* entitled to 50 cents for filing each notice of publication, including the affidavit.

6. The sums ~~{so allowed shall}~~ *allowed must* be taxed and collected as other costs in the case from the defendant, and in no case ~~{shall}~~ *may* they be charged against or collected from the county or State.

**Sec. 24.** NRS 361.695 is hereby amended to read as follows:

361.695 The defendant may answer by a verified pleading:

1. That the taxes , ~~{and}~~ penalties , *interest and costs* have been paid before suit.

2. That the taxes , ~~{with}~~ penalties , *interest* and costs have been paid since suit, or that ~~{such}~~ *the* property is exempt from taxation under the provisions of this chapter.

3. Denying all claim, title or interest in the property assessed at the time of the assessment.

4. That the land is situate in, and has been assessed in, another county, and the taxes thereon paid.

5. ~~{Fraud}~~ *Alleging fraud* in the assessment, or that the assessment is out of proportion to and above the taxable value of the property assessed. ~~{Where}~~ *If* the defense is based upon the ground that the assessment is above the taxable value of the property, the defense is only ~~{effectual}~~ *valid* as to the proportion of the tax based upon ~~{such}~~ *the* excess of valuation , ~~{;}~~ but in no such case may an entire assessment be declared void.

*6. If the action is brought by the holder of a certificate of purchase of a tax lien issued pursuant to sections 2 to 15, inclusive, of this act, that the defendant is the owner of a parcel of real property against which a tax lien was sold in a manner that did not comply with the provisions of sections 2 to 15, inclusive, of this act.*

*7. If the action is brought by the holder of a certificate of purchase of a tax lien issued pursuant to sections 2 to 15, inclusive, of this act, that the defendant has redeemed the tax lien pursuant to section 13 of this act. The defendant shall file the certificate of redemption issued pursuant to section 13 of this act with his answer.*

**Sec. 25.** NRS 541.240 is hereby amended to read as follows:

541.240 If the taxes and assessments levied are not paid as ~~{herein provided,}~~ *provided in NRS 541.230*, then the real property, if not redeemed within the time allowed by law, ~~{shall}~~ *must* be sold and conveyed for the payment of taxes, assessments, interest and penalties in the manner provided ~~{by chapter 361 of}~~ *in* NRS

*361.5648 to 361.730, inclusive*, for the sale of real property after default in payment of general taxes.

**Sec. 26.** This act becomes effective on July 1, 2005.





