

ASSEMBLY BILL NO. 570—COMMITTEE ON WAYS AND MEANS

MAY 31, 2005

Referred to Committee on Ways and Means

SUMMARY—Prevents issuance of additional allodial titles.
(BDR 32-1477)

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

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; preventing the issuance of additional allodial titles; eliminating the authority for an heir to transfer and reestablish an allodial title; eliminating the authority to delete or add additional allodial titleholders; 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 361.900 is hereby amended to read as follows:
2 361.900 1. A person who owns and occupies a single-family
3 dwelling, its appurtenances and the land on which it is located, free
4 and clear of all encumbrances, except any unpaid assessment for a
5 public improvement, may , *not later than the effective date of this*
6 *act*, apply to the county assessor to establish allodial title to the
7 dwelling, its appurtenances and the land on which it is located. One
8 or more persons who own such a home in any form of joint
9 ownership may , *not later than the effective date of this act*, apply
10 for the allodial title jointly if the dwelling is occupied by each
11 person included in the application. The application must be made on
12 a form prescribed by the State Treasurer. The county assessor may
13 require that the application be accompanied by a nonrefundable
14 processing fee of not more than \$25. If collected, the fee must be
15 deposited in the county general fund and used to pay any expenses
16 incurred by the county in carrying out the provisions of NRS
17 361.900 to 361.920, inclusive.



2. Upon receipt of an application made pursuant to subsection 1, the county assessor shall transmit the application to the State Treasurer. The county assessor shall transmit with the application any additional information required by the State Treasurer.

3. Upon receipt of an application from a county assessor, the State Treasurer shall determine the amount of money that would be required to be paid by the owner of the property to establish allodial title to the property using a tax rate of \$5 for each \$100 of assessed valuation on the date of the application. The amount must be separately calculated to produce an alternative for payment in a lump sum and an alternative for the payment of installments over a payment period of not more than 10 years. The amounts must be calculated to the best ability of the State Treasurer so that the money paid plus the interest or other income earned on that money will be adequate to pay all future tax liability of the property for a period equal to the life expectancy of the youngest titleholder of the property. The State Treasurer shall make a written record of the calculations upon which the amount was determined. The record must include an annual projection of the estimated interest and income that will be earned on the money.

4. Upon completion of the calculations required by subsection 3, the State Treasurer shall notify the requester of the two amounts.

5. If the homeowner pays the lump sum indicated by the State Treasurer pursuant to subsection 4 and submits proof satisfactory to the State Treasurer that the home is a single-family dwelling occupied by the homeowner and that the home, its appurtenances and the land on which it is located are owned free and clear of all encumbrances, except any unpaid assessment for a public improvement, the State Treasurer shall issue a certificate of allodial title to the homeowner for the home, its appurtenances and the land on which it is located that is described in the deed for that property.

6. If the homeowner notifies the State Treasurer that the homeowner wishes to enter into an agreement with the State of Nevada to establish allodial title to his residence by installments, the State Treasurer shall execute such an agreement on behalf of the State of Nevada. The agreement must include a provision for rescission of the agreement by the homeowner at any time before the last payment is made and a guarantee, upon such a rescission, of a refund of the unused portion of the installment payments. The unused portion of the installment payments must be calculated by:

(a) Determining the total amount of all installment payments made before the date of the rescission plus the income and interest actually accrued on that money; and

(b) Subtracting from the amount determined pursuant to paragraph (a) a pro rata share of any expenses incurred by the State



1 Treasurer that are directly and indirectly related to the investment of
2 the money in the Allodial Title Trust Fund and any costs directly
3 and indirectly related to the administration of the allodial title
4 program during the period for which the installment payments were
5 made.

6 7. The homeowner shall pay the installments directly to the
7 State Treasurer and shall continue to pay the current property taxes
8 directly to the county during the period for which the installment
9 payments are made.

10 8. Upon receipt of the last installment payment, which must
11 reflect any increase or decrease in the assessed valuation of the
12 property since the date of the application, and submission of proof
13 satisfactory to the State Treasurer that the home is a single-family
14 dwelling occupied by the homeowner and that the home, its
15 appurtenances and the land on which it is located are owned free
16 and clear of all encumbrances, except any unpaid assessment for a
17 public improvement, the State Treasurer shall issue a certificate of
18 allodial title to the homeowner for the home, its appurtenances and
19 the land on which it is located that is described in the deed for that
20 property.

21 **Sec. 2.** NRS 361.910 is hereby amended to read as follows:

22 361.910 ~~[[1]]~~ Allodial title established pursuant to NRS
23 361.900 is valid for as long as the homeowner continues to own the
24 residence unless he ~~[chooses to relinquish]~~ **relinquishes** the allodial
25 title pursuant to NRS 361.915. ~~[The allodial title may be transferred~~
26 ~~to the heir of the allodial titleholder upon the death of the last~~
27 ~~surviving allodial titleholder if:~~

28 ~~—(a) Within 60 days after taking possession of the home, the heir~~
29 ~~applies to the county assessor to reestablish allodial title in the name~~
30 ~~of the heir or the heir and one or more persons who own the home in~~
31 ~~any form of joint ownership with the heir and who also occupy the~~
32 ~~dwelling;~~

33 ~~—(b) The heir occupies the home within 3 months after the death~~
34 ~~of the last surviving allodial titleholder;~~

35 ~~—(c) The heir pays any additional amount due for reestablishment~~
36 ~~of allodial title as calculated by the State Treasurer pursuant to~~
37 ~~subsection 4; and~~

38 ~~—(d) The home, its appurtenances and the land on which it is~~
39 ~~located remains unencumbered, except any unpaid assessment for a~~
40 ~~public improvement.~~

41 ~~—2. The application to reestablish allodial title must be made on~~
42 ~~a form prescribed by the State Treasurer. The county assessor may~~
43 ~~require that the application be accompanied by a nonrefundable~~
44 ~~processing fee of not more than \$25. If collected, the fee must be~~
45 ~~deposited in the county general fund and used to pay any expenses~~



1 incurred by the county in carrying out the provisions of NRS
2 361.900 to NRS 361.920, inclusive.

3 —3.— Upon receipt of an application made pursuant to subsection
4 2, the county assessor shall transmit the application to the State
5 Treasurer. The county assessor shall transmit with the application
6 any additional information required by the State Treasurer.

7 —4.— Upon receipt of an application for reestablishment of allodial
8 title from a county assessor, the State Treasurer shall determine the
9 amount of money, if any, that would be required to be paid by the
10 heir to reestablish allodial title to the property using a tax rate of \$5
11 for each \$100 of assessed valuation applied to the most recent
12 assessment of the property. The amount must be separately
13 calculated to produce an alternative for payment in a lump sum and
14 an alternative for the payment of installments over a payment period
15 of not more than 10 years. The amounts must be calculated to the
16 best ability of the State Treasurer so that the money paid by the heir,
17 if necessary, plus the money paid by all previous allodial titleholders
18 who did not relinquish the allodial title and the interest or other
19 income earned on that money will be adequate to pay all future tax
20 liability of the property for a period equal to the life expectancy of
21 the youngest titleholder of the property. The State Treasurer shall
22 make a written record of the calculations upon which the amount
23 was determined. The record must include an annual projection of the
24 estimated interest and income that will be earned on the money.

25 —5.— Upon completion of the calculations required by subsection
26 4, the State Treasurer shall notify the heir of the two amounts.

27 —6.— If the heir pays the lump sum indicated by the State
28 Treasurer pursuant to subsection 5 and submits proof satisfactory to
29 the State Treasurer that the home is still a single family dwelling
30 occupied by the heir who is the homeowner and that the home, its
31 appurtenances and the land on which it is located are owned free
32 and clear of all encumbrances, except any unpaid assessment for a
33 public improvement, the State Treasurer shall issue a certificate of
34 allodial title to the heir for the home, its appurtenances and the land
35 on which it is located that is described in the deed for that property.

36 —7.— If the heir notifies the State Treasurer that he wishes to enter
37 into an agreement with the State of Nevada to reestablish allodial
38 title to his residence by installments, the State Treasurer shall
39 execute such an agreement on behalf of the State of Nevada. The
40 agreement must include a provision for rescission of the agreement
41 by the heir at any time before the last payment is made and a
42 guarantee, upon such a rescission, of a refund of the unused portion
43 of the installment payments. The unused portion of the installment
44 payments must be calculated by:



~~—(a) Determining the total amount of all installment payments made before the date of the rescission and the amount paid by all previous allodial titleholders of the property who did not relinquish the title, plus the income and interest actually accrued on that money; and~~

~~—(b) Subtracting from the amount determined pursuant to paragraph (a) a pro rata share of any expenses incurred by the State Treasurer that are directly and indirectly related to the investment of the money in the Allodial Title Trust Fund and any costs directly and indirectly related to the administration of the allodial title program during the period for which the installment payments were made.~~

~~8. The heir shall pay the installments directly to the State Treasurer and shall pay the current property taxes directly to the county during the period for which the installment payments are made.~~

~~9. Upon receipt of the last installment payment, which must reflect any increase or decrease in the assessed valuation of the property since the date of the application, and submission of proof satisfactory to the State Treasurer that the home is still a single-family dwelling occupied by the heir who is the homeowner and that the home, its appurtenances and the land on which it is located are owned free and clear of all encumbrances, except any unpaid assessment for a public improvement, the State Treasurer shall issue a certificate of allodial title to the heir for the home, its appurtenances and the land on which it is located that is described in the deed for that property.]~~

Sec. 3. NRS 361.915 is hereby amended to read as follows:

361.915 1. A homeowner or heir who has inherited the property may relinquish the allodial title to the home at any time and shall relinquish such title:

(a) Upon the sale, lease or other transfer of the property during the lifetime of the last surviving allodial titleholder of the property;

(b) Within 150 days after the date on which the last surviving allodial titleholder no longer occupies the dwelling ; ~~if an heir has not submitted an application for reestablishment of allodial title pursuant to NRS 361.910;]~~ or

(c) At the time the home is converted to anything other than a single-family dwelling occupied by the owner.

2. If the last surviving allodial titleholder, all allodial titleholders of the residence or all heirs are required by subsection 1 or choose to relinquish the allodial title, the State Treasurer must be notified in a written document that is signed by each allodial titleholder or heir and notarized.



3. Upon receipt of a notice to relinquish allodial title, the State Treasurer shall prepare a refund of the unused portion of the money in the Allodial Title Trust Fund that is attributable to the title being relinquished, if any . ~~[, as required by subsection 4.]~~ The unused portion must be calculated by:

(a) Determining the total amount paid by the allodial titleholder into the Allodial Title Trust Fund plus the income and interest actually accrued on that money; and

(b) Subtracting from the amount determined pursuant to paragraph (a):

(1) The amount which was paid out for taxes from the Allodial Title Trust Fund on behalf of the property during the period for which the allodial title was held;

(2) A pro rata share of any expenses incurred by the State Treasurer that are directly and indirectly related to the investment of the money in the Allodial Title Trust Fund and any costs directly and indirectly related to the administration of the allodial title program during the period for which the allodial title was held; and

(3) Any money removed from the account for the property pursuant to subsection 3 of NRS 361.920.

4. ~~If the result of the calculations made pursuant to subsection 3:~~

~~—(a) Is less than \$25, the amount must be credited to the Allodial Title Account for Stabilization.~~

~~—(b) Is at least \$25, but less than \$50, \$25 must be refunded to the allodial titleholders or heirs and the remaining amount must be credited to the Allodial Title Account for Stabilization.~~

~~—(c) Is at least \$50, \$25 must be credited to the Allodial Title Account for Stabilization and the remaining amount must be refunded to the allodial titleholders or heirs.~~

~~➔ The State Treasurer is required to prepare only one refund pursuant to this subsection.~~

~~—5.]~~ Immediately upon the acceptance of a notice to relinquish allodial title, the State Treasurer shall transmit a copy of the notice to the county assessor of the county in which the property is located. Upon receipt of such a notice, the county assessor shall make a notation on the tax roll and proceed to collect all future taxes directly from the homeowner.

~~[6.]~~ 5. Allodial title may not be relinquished by less than all of the allodial titleholders or heirs of the residence. ~~[Application may be made to the county treasurer to delete or add a person as an additional allodial titleholder. The application must be made on a form prescribed by the State Treasurer. The county assessor may require that the application be accompanied by a nonrefundable processing fee of not more than \$10. If collected, the fee must be~~



~~deposited in the county general fund and used to pay any expenses incurred by the county in carrying out the provisions of NRS 361.900 to 361.920, inclusive. The county treasurer shall grant the application if the application is signed by all allodial titleholders of the residence, including the person to be deleted or added.]~~

Sec. 4. 1. A county assessor shall not accept an application to establish allodial title to any property if the application is received on or after the effective date of this act.

2. After the last allodial title is relinquished and the balance, if any, of the unused portion of the money in the Allodial Title Trust Fund that is attributable to the title being relinquished is refunded pursuant to NRS 361.915, the State Treasurer shall transfer the balance, if any, in the Allodial Title Account for Stabilization to the State General Fund.

3. The State Treasurer shall, not later than 90 days after the last allodial title is relinquished, notify the Director of the Legislative Counsel Bureau.

Sec. 5. This act becomes effective upon passage and approval.



