

SENATE BILL NO. 509—COMMITTEE ON TAXATION

MAY 6, 2005

Referred to Committee on Taxation

SUMMARY—Revises provisions governing property taxes.  
(BDR 32-1452)

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

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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 the taxation of property; making technical corrections to and providing for the administration of the provisions of Assembly Bill No. 489 of this session; specifying the order in which partial abatements and exemptions must be applied to reduce tax liability; clarifying the provisions governing the determination of primary residences; exempting certain tax levies from the partial abatements and the requirement for approval by the Nevada Tax Commission; providing a penalty for falsely claiming to be entitled to a partial abatement; specifying the procedure for appealing determinations of the applicability of a partial abatement; providing for the correction of the tax roll under certain circumstances when a claim for a partial abatement of taxes is filed late; 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 5, inclusive, of this act.

**Sec. 2. 1. *A taxpayer who is aggrieved by a determination of the applicability of a partial abatement from taxation pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, may, if the property which is the subject of that determination:***



1       (a) *Is not valued pursuant to NRS 361.320 or 361.323, submit*  
2 *a written petition for the review of that determination to the tax*  
3 *receiver of the county in which the property is located. The tax*  
4 *receiver shall, after consulting with the county assessor of that*  
5 *county regarding the determination and within 30 days after*  
6 *receiving the petition, render a decision on the petition and notify*  
7 *the taxpayer of that decision.*

8       (b) *Is valued pursuant to NRS 361.320 or 361.323, submit a*  
9 *written petition for the review of that determination to the*  
10 *Department. The Department shall, within 30 days after receiving*  
11 *the petition, render a decision on the petition and notify the*  
12 *taxpayer of that decision.*

13       2. *A taxpayer who is aggrieved by a decision rendered by a*  
14 *tax receiver or the Department pursuant to subsection 1 may,*  
15 *within 30 days after receiving notice of that decision, appeal the*  
16 *decision to the Nevada Tax Commission.*

17       3. *A taxpayer who is aggrieved by a determination of the*  
18 *Nevada Tax Commission rendered on an appeal made pursuant to*  
19 *subsection 2 is entitled to a judicial review of that determination.*

20       **Sec. 3.** 1. *If the tax receiver of a county determines that a*  
21 *taxpayer has claimed and is entitled to a partial abatement from*  
22 *taxation for a fiscal year pursuant to section 3 of chapter 20,*  
23 *Statutes of Nevada 2005, but that the taxpayer for good cause*  
24 *failed to claim the partial abatement in a timely manner, the tax*  
25 *receiver may, with the concurrence of the tax assessor and without*  
26 *the approval of the board of county commissioners of that county,*  
27 *correct the tax roll of the county at any time during that fiscal year*  
28 *to indicate that the affected property is eligible for that partial*  
29 *abatement for that fiscal year.*

30       2. *If the tax receiver corrects the tax roll of the county*  
31 *pursuant to subsection 1 to indicate that the property of a taxpayer*  
32 *is eligible for a partial abatement from taxation for a fiscal year,*  
33 *the taxpayer is entitled to such a tax credit or refund, or*  
34 *combination thereof, as the tax receiver deems appropriate.*

35       **Sec. 4.** *Any person who falsely claims to be entitled to a*  
36 *partial abatement from taxation pursuant to section 3 or 3.5 of*  
37 *chapter 20, Statutes of Nevada 2005, with the intent to evade the*  
38 *payment of the amount of ad valorem taxes required by law shall*  
39 *pay a penalty of three times the amount of the tax deficiency, in*  
40 *addition to the amount of the tax due and any other penalty*  
41 *provided by law.*

42       **Sec. 5.** *Any partial abatements and partial exemptions from*  
43 *taxation to which a person may be entitled pursuant to this*  
44 *chapter must be applied in the following order of priority:*



1     ***1. Any partial abatement to which the person is entitled***  
2     ***pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada***  
3     ***2005.***

4     ***2. Any partial exemptions to which the person is entitled***  
5     ***pursuant to this chapter.***

6     ***3. Any partial abatements to which the person is entitled***  
7     ***pursuant to this chapter other than a partial abatement described***  
8     ***in subsection 1.***

9     **Sec. 6.** Section 3 of Chapter 20, Statutes of Nevada 2005, is  
10 hereby amended to read as follows:

11         Sec. 3. The Legislature hereby finds and declares that  
12         an increase in the tax bill of the owner of a home by more  
13         than 3 percent over the tax bill of that homeowner for the  
14         previous year constitutes a severe economic hardship within  
15         the meaning of subsection 10 of Section 1 of Article 10 of the  
16         Nevada Constitution. The Legislature therefore directs a  
17         partial abatement of taxes for such homeowners as follows:

18         1. Except as otherwise provided in ~~subsection 2~~ or  
19         required to carry out the provisions of **subsection 2 and**  
20         sections 5, **6** and 7 of this act, the owner of a single-family  
21         residence which is the primary residence of the owner is  
22         entitled to a partial abatement of the ad valorem taxes levied  
23         in a county on that property each fiscal year equal to the  
24         amount by which the product of the combined rate of all ad  
25         valorem taxes levied in that county on the property for that  
26         fiscal year and the amount of the assessed valuation of the  
27         property which is taxable in that county for that fiscal year,  
28         excluding any increase in the assessed valuation of the  
29         property from the immediately preceding fiscal year as a  
30         result of any improvement to or change in the actual or  
31         authorized use of the property, exceeds the sum obtained by  
32         adding:

33         (a) The amount of all the ad valorem taxes:

34                 (1) Levied in that county on the property for the  
35                 immediately preceding fiscal year; or

36                 (2) Which would have been levied in that county on  
37                 the property for the immediately preceding fiscal year if not  
38                 for any exemptions from taxation that applied to the property  
39                 for that prior fiscal year but do not apply to the property for  
40                 the current fiscal year,

41         ↪ whichever is greater; and

42         (b) Three percent of the amount determined pursuant to  
43         paragraph (a).

44         2. The provisions of subsection 1 do not apply to any  
45         property for which:



1 (a) No assessed valuation was separately established for  
2 the immediately preceding fiscal year; or

3 (b) The provisions of subsection 1 of section 4 of this act  
4 provide a greater abatement from taxation.

5 3. The amount of any *reduction in the* ad valorem taxes  
6 levied in a county ~~[which, if not]~~ *for a fiscal year as a result*  
7 *of the application of* the provisions of subsection 1 ~~[would~~  
8 ~~otherwise have been collected for any property for a fiscal~~  
9 ~~year must, except as otherwise required to carry out the~~  
10 ~~provisions of section 6 of this act,]~~ *must* be deducted from the  
11 amount of ad valorem taxes each taxing entity would  
12 otherwise be entitled to receive for that fiscal year in the same  
13 proportion as the rate of ad valorem taxes levied in the county  
14 on the property by or on behalf of that taxing entity for that  
15 fiscal year bears to the combined rate of all ad valorem taxes  
16 levied in the county on the property by or on behalf of all  
17 taxing entities for that fiscal year. ~~[The provisions of this~~  
18 ~~subsection and section 6 of this act must not be applied in any~~  
19 ~~manner that reduces the amount of the partial abatement to~~  
20 ~~which an owner of property is entitled pursuant to subsection~~  
21 ~~1 for any fiscal year.]~~

22 4. The Nevada Tax Commission shall adopt such  
23 regulations as it deems appropriate to carry out this section ~~[.]~~  
24 *, including, without limitation, regulations providing a*  
25 *methodology for applying the partial abatement provided*  
26 *pursuant to subsection 1 to a parcel of real property of*  
27 *which only a portion qualifies as a single-family residence*  
28 *which is the primary residence of the owner and the*  
29 *remainder is used in another manner.*

30 5. The owner of a single-family residence does not  
31 become ineligible for the partial abatement provided pursuant  
32 to subsection 1 as a result of:

33 (a) The operation of a home business out of a portion of  
34 that single-family residence; or

35 (b) The manner in which title is held by the owner if the  
36 owner occupies the residence, including, without limitation, if  
37 the owner has placed the title in a trust for purposes of estate  
38 planning.

39 6. For the purposes of this section:

40 (a) "Ad valorem taxes levied in a county" means any ad  
41 valorem taxes levied by the State or any other taxing entity in  
42 a county.

43 (b) *"Primary residence of the owner" means a residence*  
44 *which:*



1           (1) *Is designated by the owner as the primary*  
2 *residence of the owner in this State, exclusive of any other*  
3 *residence of the owner in this State; and*

4           (2) *Is not rented, leased or otherwise made available*  
5 *for exclusive occupancy by any person other than the owner*  
6 *of the residence and members of the family of the owner of*  
7 *the residence.*

8           (c) "Single-family residence" means a parcel or other unit  
9 of real property or unit of personal property which is intended  
10 or designed to be occupied by one family with facilities for  
11 living, sleeping, cooking and eating.

12           ~~(e)~~ (d) "Taxing entity" means the State and any  
13 political subdivision or other legal entity in this State which  
14 has the right to receive money from ad valorem taxes.

15           ~~(e)~~ (e) "Unit of personal property" includes, without  
16 limitation, any:

17           (1) Mobile or manufactured home, whether or not the  
18 owner thereof also owns the real property upon which it is  
19 located; or

20           (2) Taxable unit of a condominium, common-interest  
21 community, planned unit development or similar property,  
22        ↳ if classified as personal property for the purposes of this  
23 chapter.

24           ~~(e)~~ (f) "Unit of real property" includes, without  
25 limitation, any taxable unit of a condominium, common-  
26 interest community, planned unit development or similar  
27 property, if classified as real property for the purposes of this  
28 chapter.

29       **Sec. 7.** Section 3.5 of Chapter 20, Statutes of Nevada 2005, is  
30 hereby amended to read as follows:

31       Sec. 3.5. The Legislature hereby finds and declares that  
32 many Nevadans who cannot afford to own their own homes  
33 would be adversely affected by large unanticipated increases  
34 in property taxes, as those tax increases are passed down to  
35 renters in the form of rent increases and therefore the benefits  
36 of a charitable exemption pursuant to subsection 8 of Section  
37 1 of Article 10 of the Nevada Constitution should be afforded  
38 to those Nevadans through an abatement granted to the  
39 owners of residential rental dwellings who charge rent that  
40 does not exceed affordable housing standards for low-income  
41 housing. The Legislature therefore directs a partial abatement  
42 of taxes for such owners as follows:

43       1. Except as otherwise provided in ~~[subsection 2]~~ or  
44 required to carry out the provisions of *subsection 2 and*  
45 sections 5 , 6 and 7 of this act, if the amount of rent collected



1 from each of the tenants of a residential dwelling does not  
2 exceed the fair market rent for the county in which the  
3 dwelling is located, as most recently published by the United  
4 States Department of Housing and Urban Development, the  
5 owner of the dwelling is entitled to a partial abatement of the  
6 ad valorem taxes levied in a county on that property for each  
7 fiscal year equal to the amount by which the product of the  
8 combined rate of all ad valorem taxes levied in that county on  
9 the property for that fiscal year and the amount of the  
10 assessed valuation of the property which is taxable in that  
11 county for that fiscal year, excluding any increase in the  
12 assessed valuation of the property from the immediately  
13 preceding fiscal year as a result of any improvement to or  
14 change in the actual or authorized use of the property,  
15 exceeds the sum obtained by adding:

16 (a) The amount of all the ad valorem taxes:

17 (1) Levied in that county on the property for the  
18 immediately preceding fiscal year; or

19 (2) Which would have been levied in that county on  
20 the property for the immediately preceding fiscal year if not  
21 for any exemptions from taxation that applied to the property  
22 for that prior fiscal year but do not apply to the property for  
23 the current fiscal year,

24 ➡ whichever is greater; and

25 (b) Three percent of the amount determined pursuant to  
26 paragraph (a).

27 2. The provisions of subsection 1 do not apply to:

28 (a) Any hotels, motels or other forms of transient lodging;

29 (b) Any property for which no assessed valuation was  
30 separately established for the immediately preceding fiscal  
31 year; and

32 (c) Any property for which the provisions of subsection 1  
33 of section 4 of this act provide a greater abatement from  
34 taxation.

35 3. The amount of any *reduction in the* ad valorem taxes  
36 levied in a county ~~{which, if not}~~ *for a fiscal year as a result*  
37 *of the application of* the provisions of subsection 1 ~~[, would~~  
38 ~~otherwise have been collected for any property for a fiscal~~  
39 ~~year must, except as otherwise required to carry out the~~  
40 ~~provisions of section 6 of this act,]~~ *must* be deducted from the  
41 amount of ad valorem taxes each taxing entity would  
42 otherwise be entitled to receive for that fiscal year in the same  
43 proportion as the rate of ad valorem taxes levied in the county  
44 on the property by or on behalf of that taxing entity for that  
45 fiscal year bears to the combined rate of all ad valorem taxes



1 levied in the county on the property by or on behalf of all  
2 taxing entities for that fiscal year. ~~{The provisions of this~~  
3 ~~subsection and section 6 of this act must not be applied in any~~  
4 ~~manner that reduces the amount of the partial abatement to~~  
5 ~~which an owner of property is entitled pursuant to subsection~~  
6 ~~1 for any fiscal year.}~~

7 4. The Nevada Tax Commission shall adopt such  
8 regulations as it deems appropriate to carry out this section.

9 5. For the purposes of this section:

10 (a) "Ad valorem taxes levied in a county" means any ad  
11 valorem taxes levied by the State or any other taxing entity in  
12 a county.

13 (b) "Taxing entity" means the State and any political  
14 subdivision or other legal entity in this State which has the  
15 right to receive money from ad valorem taxes.

16 **Sec. 8.** Section 4 of Chapter 20, Statutes of Nevada 2005, is  
17 hereby amended to read as follows:

18 Sec. 4. 1. Except as otherwise provided in ~~{subsection~~  
19 ~~3}~~ or required to carry out the provisions of *subsection 3 and*  
20 *sections 5 , 6 and 7* of this act, the owner of any parcel or  
21 other taxable unit of property, including property entered on  
22 the central assessment roll, for which an assessed valuation  
23 was separately established for the immediately preceding  
24 fiscal year is entitled to a partial abatement of the ad valorem  
25 taxes levied in a county on that property each fiscal year  
26 equal to the amount by which the product of the combined  
27 rate of all ad valorem taxes levied in that county on the  
28 property for that fiscal year and the amount of the assessed  
29 valuation of the property which is taxable in that county for  
30 that fiscal year, excluding any increase in the assessed  
31 valuation of the property from the immediately preceding  
32 fiscal year as a result of any improvement to or change in the  
33 actual or authorized use of the property, exceeds the sum  
34 obtained by adding:

35 (a) The amount of all the ad valorem taxes:

36 (1) Levied in that county on the property for the  
37 immediately preceding fiscal year; or

38 (2) Which would have been levied in that county on  
39 the property for the immediately preceding fiscal year if not  
40 for any exemptions from taxation that applied to the property  
41 for that prior fiscal year but do not apply to the property for  
42 the current fiscal year,

43 ➤ whichever is greater; and

44 (b) A percentage of the amount determined pursuant to  
45 paragraph (a) which is equal to:



(1) The lesser of:

(I) The average percentage of change in the assessed valuation of all the taxable property in the county, as determined by the Department, over the fiscal year in which the levy is made and the 9 immediately preceding fiscal years; or

(II) Eight percent; or

(2) Twice the percentage of increase in the Consumer Price Index *for all Urban Consumers, U.S. City Average* (All Items) for the immediately preceding calendar year,  
↳ whichever is greater.

2. Except as otherwise *provided in or* required to carry out the provisions of sections 5, 6 and 7 of this act, the owner of any remainder parcel of real property for which no assessed valuation was separately established for the immediately preceding fiscal year, is entitled to a partial abatement of the ad valorem taxes levied in a county on that property for a fiscal year equal to the amount by which the product of the combined rate of all ad valorem taxes levied in that county on the property for that fiscal year and the amount of the assessed valuation of the property which is taxable in that county for that fiscal year, excluding any amount of that assessed valuation attributable to any improvement to or change in the actual or authorized use of the property that would not have been included in the calculation of the assessed valuation of the property for the immediately preceding fiscal year if an assessed valuation had been separately established for that property for that prior fiscal year, exceeds the sum obtained by adding:

(a) The amount of all the ad valorem taxes:

(1) Which would have been levied in that county on the property for the immediately preceding fiscal year if an assessed valuation had been separately established for that property for that prior fiscal year based upon all the assumptions, costs, values, calculations and other factors and considerations that would have been used for the valuation of that property for that prior fiscal year; or

(2) Which would have been levied in that county on the property for the immediately preceding fiscal year if an assessed valuation had been separately established for that property for that prior fiscal year based upon all the assumptions, costs, values, calculations and other factors and considerations that would have been used for the valuation of that property for that prior fiscal year, and if not for any exemptions from taxation that applied to the property for that





1 prior fiscal year but do not apply to the property for the  
2 current fiscal year,

3 ↪ whichever is greater; and

4 (b) A percentage of the amount determined pursuant to  
5 paragraph (a) which is equal to:

6 (1) The lesser of:

7 (I) The average percentage of change in the  
8 assessed valuation of all the taxable property in the county, as  
9 determined by the Department, over the fiscal year in which  
10 the levy is made and the 9 immediately preceding fiscal  
11 years; or

12 (II) Eight percent; or

13 (2) Twice the percentage of increase in the Consumer  
14 Price Index *for all Urban Consumers, U.S. City Average* (All  
15 Items) for the immediately preceding calendar year,

16 ↪ whichever is greater.

17 3. The provisions of subsection 1 do not apply to any  
18 property for which the provisions of subsection 1 of section 3  
19 or subsection 1 of section 3.5 of this act provide a greater  
20 abatement from taxation.

21 4. The amount of any *reduction in the* ad valorem taxes  
22 levied in a county ~~{which, if not}~~ *for a fiscal year as a result*  
23 *of the application of* the provisions of subsections 1 and 2 ~~;~~  
24 ~~would otherwise have been collected for any property for a~~  
25 ~~fiscal year must, except as otherwise required to carry out the~~  
26 ~~provisions of section 6 of this act,]~~ *must* be deducted from the  
27 amount of ad valorem taxes each taxing entity would  
28 otherwise be entitled to receive for that fiscal year in the same  
29 proportion as the rate of ad valorem taxes levied in the county  
30 on the property by or on behalf of that taxing entity for that  
31 fiscal year bears to the combined rate of all ad valorem taxes  
32 levied in the county on the property by or on behalf of all  
33 taxing entities for that fiscal year. ~~{The provisions of this~~  
34 ~~subsection and section 6 of this act must not be applied in any~~  
35 ~~manner that reduces the amount of the partial abatement to~~  
36 ~~which an owner of property is entitled pursuant to subsection~~  
37 ~~1 or 2 for any fiscal year.}~~

38 5. The Nevada Tax Commission shall adopt such  
39 regulations as it deems appropriate to ensure that this section  
40 is carried out in a uniform and equal manner.

41 6. For the purposes of this section:

42 (a) "Ad valorem taxes levied in a county" means any ad  
43 valorem taxes levied by the State or any other taxing entity in  
44 a county.



(b) "Remainder parcel of real property" means a parcel of real property which remains after the creation of new parcels of real property for development from one or more existing parcels of real property, if the use of that remaining parcel has not changed from the immediately preceding fiscal year.

(c) "Taxing entity" means the State and any political subdivision or other legal entity in this State which has the right to receive money from ad valorem taxes.

**Sec. 9.** Section 5 of Chapter 20, Statutes of Nevada 2005, is hereby amended to read as follows:

Sec. 5. 1. Notwithstanding the provisions of sections 3, 3.5 and 4 of this act, if the taxable value of any parcel or other taxable unit of property:

(a) Decreases by 15 percent or more from its taxable value on :

(1) July 1, 2003; or

(2) *July 1 of the second year immediately preceding the lien date for the current year, whichever is later;* and

(b) For any fiscal year beginning on or after July 1, 2005, increases by 15 percent or more from its taxable value for the immediately preceding fiscal year,

↳ the amount of any ad valorem taxes levied in a county which, if not for the provisions of sections 3, 3.5 and 4 of this act, would otherwise have been collected for the property for that fiscal year as a result of that increase in taxable value, excluding any amount attributable to any increase in the taxable value of the property above the taxable value of the property on ~~[July 1, 2003,]~~ *the most recent date determined pursuant to paragraph (a),* must be levied on the property and carried forward each fiscal year, without any penalty or interest, in such a manner that one-third of that amount may be collected during that fiscal year and each of the succeeding 2 fiscal years.

2. The amount of any taxes which are carried forward and levied on any property pursuant to this section must be added to the amount of ad valorem taxes each taxing entity would otherwise be entitled to receive for a fiscal year in the same proportion as the rate of ad valorem taxes levied in the county on the property by or on behalf of that taxing entity for that fiscal year bears to the combined rate of all ad valorem taxes levied in the county on the property by or on behalf of all taxing entities for that fiscal year.



3. The Nevada Tax Commission shall adopt such regulations as it deems appropriate to ensure that this section is carried out in a uniform and equal manner.

4. For the purposes of this section:

(a) "Ad valorem taxes levied in a county" means any ad valorem taxes levied by the State or any other taxing entity in a county.

(b) "Taxing entity" means the State and any political subdivision or other legal entity in this State which has the right to receive money from ad valorem taxes.

**Sec. 10.** Section 6 of Chapter 20, Statutes of Nevada 2005, is hereby amended to read as follows:

Sec. 6. 1. A taxing entity may, if otherwise so authorized by law, increase the rate of an ad valorem tax imposed by or on behalf of that taxing entity for the payment of ~~[an obligation]~~ *any obligations* secured by the proceeds of that tax if:

(a) The taxing entity determines that ~~[as a result of the application of sections 3, 3.5 and 4 of this act,]~~ the additional tax rate is necessary for the taxing entity to satisfy ~~[that obligation;]~~ *those obligations;* and

(b) The additional tax rate is stated separately on the tax bill of each taxpayer, with a separate line that identifies the portion of the tax liability resulting from the additional levy.

2. *For the purposes of subsection 1, an additional tax rate shall be deemed to be necessary to satisfy the obligations secured by the proceeds of an ad valorem tax if the rate of the ad valorem tax most recently levied for the payment of those obligations will not produce sufficient revenue, after considering the effect of the partial abatements from taxation provided pursuant to sections 3, 3.5 and 4 of this act, to satisfy those obligations during the next fiscal year.*

3. *Except as otherwise provided in this subsection, any increase in the rate of an ad valorem tax authorized pursuant to this section must be included in the calculation of the partial abatements from taxation provided pursuant to sections 3, 3.5 and 4 of this act. An increase in the rate of an ad valorem tax authorized pursuant to this section is exempt from each partial abatement from taxation provided pursuant to sections 3, 3.5 and 4 of this act if the obligations for which that increase is imposed are issued:*

(a) *Before July 1, 2005; or*

(b) *On or after July 1, 2005, and, before the issuance of the obligations:*



(1) *The governing body of the taxing entity issuing the obligations makes a finding that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the obligations during the term thereof; and*

(2) *The debt management commission of the county in which the taxing entity is located approves that finding.*

4. *The amount of any increase in the rate of a tax which, pursuant to this section, is exempt from each partial abatement provided pursuant to sections 3, 3.5 and 4 of this act must be excluded from the calculation of any ad valorem tax rate for the purposes of section 9 of this act.*

5. For the purposes of this section, "taxing entity" means the State and any political subdivision or other legal entity in this State which has the right to receive money from ad valorem taxes.

**Sec. 11.** Section 7 of Chapter 20, Statutes of Nevada 2005, is hereby amended to read as follows:

Sec. 7. 1. In addition or as an alternative to increasing the rate of an ad valorem tax pursuant to section 6 of this act, a taxing entity may, if otherwise so authorized by law and upon the approval of a majority of the registered voters ~~[of the county in which the taxing entity is located,]~~ *residing within the boundaries of the taxing entity and voting on the question,* levy or require the levy on its behalf of an ad valorem tax at a rate that is exempt from each partial abatement from taxation provided pursuant to sections 3, 3.5 and 4 of this act.

2. The exemption set forth in subsection 1 from the partial abatements provided in sections 3, 3.5 and 4 of this act does not apply to any portion of a rate that was approved by the voters before ~~[the effective date of this act.]~~ *April 6, 2005.*

3. A question that is placed on the ballot pursuant to subsection 1 ~~[must]~~ :

(a) *Must* clearly indicate that any amount which is approved by the voters will be outside of the caps on an individual's liability for ad valorem taxes ~~[.]~~ ; *and*

(b) *May indicate that no additional taxes or tax levy will result from the approval of the question by the voters only if that approval will not result in a reduction of the revenue of any other taxing entity.*

4. *For the purpose of obtaining the exemption set forth in subsection 1, a question submitted pursuant to NRS 350.020, 354.59817, 387.3285 or 387.3287 may be combined into a single question with a question submitted pursuant to subsection 1. If a question submitted by or on behalf of a*



1 *taxing entity pursuant to NRS 350.020 is combined into a*  
2 *single question with a question submitted pursuant to*  
3 *subsection 1 and the combined question is approved by a*  
4 *majority of the registered voters voting on the question, the*  
5 *amount of the tax which the governing body of that taxing*  
6 *entity determines to be needed from year to year to repay the*  
7 *principal of and interest on the amount of any general*  
8 *obligations approved pursuant to that question is, except as*  
9 *otherwise provided in subsection 2 or unless the question*  
10 *provides otherwise, exempt pursuant to subsection 1 from*  
11 *each partial abatement from taxation provided pursuant to*  
12 *sections 3, 3.5 and 4 of this act.*

13 5. *The amount of any tax which, pursuant to this*  
14 *section, is exempt from each partial abatement provided*  
15 *pursuant to sections 3, 3.5 and 4 of this act must be*  
16 *excluded from the calculation of any ad valorem tax rate for*  
17 *the purposes of section 9 of this act.*

18 6. For the purposes of this section, "taxing entity" means  
19 any political subdivision or other legal entity, other than the  
20 State, which has the right to receive money from any ad  
21 valorem taxes levied in a county.

22 **Sec. 12.** Section 7.5 of Chapter 20, Statutes of Nevada 2005, is  
23 hereby amended to read as follows:

24 Sec. 7.5. The Nevada Tax Commission shall adopt  
25 regulations which:

26 1. Provide *for the creation of* a simple, easily  
27 understood form ~~[to be filled out] which may be completed~~  
28 by the owner ~~[or operator]~~ of *any real property used to*  
29 *conduct* a business ~~[to apply to the county assessor to request~~  
30 ~~that the property of the business be valued pursuant to the~~  
31 ~~income approach to measure any obsolescence of the property~~  
32 ~~for tax assessment purposes.] and used to:~~

33 (a) *Compute and determine the value of the property*  
34 *using the income approach and to compare that value to the*  
35 *existing taxable value of the property to determine the*  
36 *existence of any obsolescence; and*

37 (b) *Apply to the appropriate county assessor or board of*  
38 *equalization for computation of the taxable value of the*  
39 *property in accordance with subsection 5 of NRS 361.227.*

40 2. Clearly set forth the methodology for applying the  
41 income approach to valuation for tax purposes of *real*  
42 property used ~~[in]~~ *to conduct* a business ~~[when necessary to~~  
43 ~~measure the obsolescence of the property in language that is~~  
44 ~~likely to make the methodology easily understood by any~~  
45 ~~business owner.~~



~~3. Provide a procedure for a business to use the form required by subsection 1 in the most efficient manner possible to supply the information necessary to enable the county assessor to apply the income approach to the property of the business.] to determine whether obsolescence is a factor. The methodology must be described in a manner that may be easily understood by the owners of such property.~~

*3. Will make available to the owner of any real property used to conduct a business information that will allow the owner to apply the income approach to establish the full cash value of the property for the purpose of comparing that value to the taxable value established by the county assessor.*

**Sec. 13.** Section 8 of Chapter 20, Statutes of Nevada 2005, is hereby amended to read as follows:

Sec. 8. NRS 361.465 is hereby amended to read as follows:

361.465 1. Immediately upon the levy of the tax rate the county clerk shall inform the county auditor of the action of the board of county commissioners. The county auditor shall proceed to extend the tax roll by:

(a) Applying the tax rate levied to the total assessed valuation;

(b) Ascertaining the total taxes to be collected from each property owner; and

(c) Itemizing, separately for each property owner:

(1) The rate of tax applicable to him which is levied for each local government, debt service and any other recipient of the tax revenue so that the distribution of the total rate of tax levied upon his property is shown; and

(2) The total taxes that would have been collected from the owner if not for the provisions of sections 3 to ~~5~~ 7, inclusive, of this act.

2. When the tax roll has been so extended, and not later than July 10 of each year, the county auditor shall deliver it, with his certificate attached, to the ex officio tax receiver of the county.

**Sec. 14.** Section 9 of Chapter 20, Statutes of Nevada 2005, is hereby amended to read as follows:

Sec. 9. Chapter 354 of NRS is hereby amending by adding thereto a new section to read as follows:

1. ~~[A]~~ *Except as otherwise provided in sections 6 and 7 of this act, a local government may not increase its total ad valorem tax rate for a fiscal year above its total ad valorem tax rate for the immediately preceding fiscal year without the*



1 approval of the Nevada Tax Commission, based upon the  
2 recommendation of the Committee on Local Government  
3 Finance. An application for such approval must be submitted  
4 to the Nevada Tax Commission.

5 2. The Nevada Tax Commission shall adopt such  
6 regulations as it deems appropriate to carry out the provisions  
7 of this section.

8 **Sec. 15.** Section 11 of Chapter 20, Statutes of Nevada 2005, is  
9 hereby amended to read as follows:

10 Sec. 11. 1. The provisions of sections 3 to 7,  
11 inclusive, of this act do not apply to any taxes imposed for  
12 any period ending on or before June 30, 2005.

13 2. Notwithstanding any provision of section 7 *or 9* of  
14 this act to the contrary ~~[, if]~~ :

15 (a) *If the levy of an ad valorem tax has been approved*  
16 *before April 6, 2005, by a majority of the registered voters*  
17 ~~*[of a county before the effective date of this act]*~~ *residing*  
18 *within the boundaries of a taxing entity and voting on the*  
19 *question, and no portion of that levy has commenced before*  
20 ~~*[the effective date of this act,]*~~ *April 6, 2005, that levy shall*  
21 *be deemed ; and*

22 (b) *If the issuance of a specified principal amount of*  
23 *general obligation bonds has been approved before April 6,*  
24 *2005, by a majority of the registered voters residing within*  
25 *the boundaries of a taxing entity and voting on the question*  
26 *pursuant to NRS 350.020, and no portion of the levy*  
27 *required to repay the bonds has commenced before April 6,*  
28 *2005, the levy required to repay the bonds shall be deemed,*  
29 *↪ to be approved and levied pursuant to section 7 of this act*  
30 *and to be exempt from each partial abatement from taxation*  
31 *provided pursuant to sections 3, 3.5 and 4 of this act* ~~[,]~~ *, and*  
32 *must be excluded from the calculation of any ad valorem*  
33 *tax rate for the purposes of section 9 of this act.*

34 3. *For the purposes of this section, "taxing entity"*  
35 *means any political subdivision or other legal entity, other*  
36 *than the State, which has the right to receive money from*  
37 *any ad valorem taxes levied in a county.*

38 **Sec. 16.** This act becomes effective upon passage and  
39 approval.



