

CHAPTER.....

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; providing for the allocation among taxing entities of certain reductions in ad valorem revenue; specifying the procedure for appealing determinations of the applicability of certain partial abatements of taxes; providing for the correction of the tax roll under certain circumstances when certain claims for a partial abatement are filed late; providing a penalty for falsely claiming to be entitled to certain partial abatements; specifying the order in which certain partial abatements and exemptions must be applied to reduce tax liability; clarifying certain provisions governing the determination of primary residences; exempting certain tax levies from the partial abatements; repealing the requirement for certain approval by the Nevada Tax Commission; 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 22, inclusive, of this act.

Sec. 2. *As used in sections 3 to 7, inclusive, of chapter 20, Statutes of Nevada 2005, and sections 2 to 17, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 13, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Abatement percentage” means, with regard to any property for which the owner thereof is entitled to a partial abatement from taxation pursuant to:*

1. Section 3 or 3.5 of chapter 20, Statutes of Nevada 2005, 3 percent;

2. Subsection 1 of section 4 of chapter 20, Statutes of Nevada 2005, the percentage determined pursuant to paragraph (b) of that subsection; or

3. Subsection 2 of section 4 of chapter 20, Statutes of Nevada 2005, the percentage determined pursuant to paragraph (b) of that subsection.

Sec. 4. *“Ad valorem taxes levied in a county” means any ad valorem taxes levied by the State or any other taxing entity in a county.*

Sec. 5. *“Base-year assessed value” means the amount of the assessed value of the taxable property in a redevelopment area which is used for determining the amount of any distribution of the proceeds of ad valorem taxes to the redevelopment taxing entities in accordance with paragraph (a) of subsection 1 of NRS 279.676.*

Sec. 6. *“Base-year assessed value percentage” means the percentage that results from dividing the base-year assessed value for a redevelopment area by the sum obtained by adding:*

- 1. The base-year assessed value for the redevelopment area; and*
- 2. Any incremental assessed value for the redevelopment area for the current year.*

Sec. 7. *“Combined overlapping tax rate” means the total ad valorem tax rate levied on a parcel or other taxable unit of property, excluding any portion thereof which is:*

- 1. Exempt pursuant to section 5.5 or subsection 3 of section 6 of chapter 20, Statutes of Nevada 2005, from each partial abatement from taxation provided pursuant to sections 3, 3.5 and 4 of chapter 20, Statutes of Nevada 2005; or*
- 2. Approved and levied pursuant to section 7 of chapter 20, Statutes of Nevada 2005, and exempt from each partial abatement from taxation provided pursuant to sections 3, 3.5 and 4 of chapter 20, Statutes of Nevada 2005.*

Sec. 8. *“Incremental assessed value” means the amount of the assessed value of the taxable property in a redevelopment area which is used for determining the amount of any distribution of the proceeds of ad valorem taxes to the redevelopment agency in accordance with paragraph (b) of subsection 1 of NRS 279.676.*

Sec. 9. *“Parcel-proportionate share of the base value” means the product of:*

- 1. The assessed value of a parcel or other taxable unit of property for the current year; and*
- 2. The base-year assessed value percentage for the current year for the redevelopment area in which the parcel or other taxable unit of property is located.*

Sec. 10. *“Redevelopment agency” means a redevelopment agency created pursuant to chapter 279 of NRS to which any of the proceeds of the ad valorem taxes levied in the redevelopment area are distributed in accordance with paragraph (b) of subsection 1 of NRS 279.676.*

Sec. 11. *“Redevelopment area” means a redevelopment area created pursuant to chapter 279 of NRS regarding which the redevelopment plan contains the provision authorized by NRS 279.676.*

Sec. 12. *“Redevelopment taxing entity” means a taxing entity to which any of the proceeds of the ad valorem taxes levied in a redevelopment area are distributed in accordance with paragraph (a) of subsection 1 of NRS 279.676.*

Sec. 13. *“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. 14. *1. On or before August 1 of each fiscal year, the tax receiver of each county in which is located a redevelopment area for which there is any incremental assessed value shall determine for each parcel or other taxable unit of property in that redevelopment area, other than any property to which subsection 2 applies, for which the owner thereof is entitled to a partial abatement of taxes pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, and the combined overlapping tax rate applicable to the property for the current fiscal year exceeds the combined overlapping tax rate applicable to the property for the immediately preceding fiscal year:*

(a) The amount which equals the lesser of:

(1) The amount of the partial abatement of taxes to which the owner of that property is entitled pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, for the current fiscal year; or

(2) The product of the parcel-proportionate share of the base value for that property for the current fiscal year and the greater of:

(I) Zero; or

(II) The rate that results when the rate obtained by adding the combined overlapping tax rate for that property for the immediately preceding fiscal year to a percentage of that rate which is equal to the abatement percentage applicable to the property for the current fiscal year, is subtracted from the combined overlapping tax rate for that property for the current fiscal year; and

(b) The amount which equals the difference between:

(1) The amount determined pursuant to paragraph (a); and

(2) The amount of the partial abatement of taxes to which the owner of that property is entitled pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, for the current fiscal year.

2. On or before August 1 of each fiscal year, the Department shall determine for each parcel or other taxable unit of property which is valued pursuant to NRS 361.320 or 361.323 and apportioned to a redevelopment area for which there is any incremental assessed value, and for which the owner thereof is entitled to a partial abatement of taxes pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, and the combined

overlapping tax rate applicable to the property for the current fiscal year exceeds the combined overlapping tax rate applicable to the property for the immediately preceding fiscal year:

(a) The amount which equals the lesser of:

(1) The amount of the partial abatement of taxes to which the owner of that property is entitled pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, for the current fiscal year; or

(2) The product of the parcel-proportionate share of the base value for that property for the current fiscal year and the greater of:

(I) Zero; or

(II) The rate that results when the rate obtained by adding the combined overlapping tax rate for that property for the immediately preceding fiscal year to a percentage of that rate which is equal to the abatement percentage applicable to the property for the current fiscal year, is subtracted from the combined overlapping tax rate for that property for the current fiscal year; and

(b) The amount which equals the difference between:

(1) The amount determined pursuant to paragraph (a); and

(2) The amount of the partial abatement of taxes to which the owner of that property is entitled pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, for the current fiscal year.

3. That portion of the amount of any reduction in the ad valorem taxes levied on any parcel or other taxable unit of property to which subsection 1 or 2 applies for a fiscal year as a result of the application of sections 3, 3.5 and 4 of chapter 20, Statutes of Nevada 2005, which is determined pursuant to:

(a) Paragraph (a) of subsection 1 or paragraph (a) of subsection 2 for each such parcel or other taxable unit of property for which the combined overlapping tax rate for the current fiscal year has increased from the combined overlapping tax rate for the immediately preceding fiscal year by a percentage that exceeds the abatement percentage for that property, must be deducted from the amount of ad valorem taxes that each redevelopment taxing entity which has increased its rate of ad valorem taxes applicable to the property from the rate for the immediately preceding fiscal year, would otherwise be entitled to receive for the current fiscal year from the ad valorem taxes levied on the base-year assessed value for that property in the same proportion as that increase in its ad valorem tax rate bears to the total increase in the combined overlapping tax rate applicable to the property for the current fiscal year; and

(b) Paragraph (b) of subsection 1 or paragraph (b) of subsection 2 must be deducted from the amount of ad valorem

taxes the redevelopment agency and each redevelopment taxing entity would otherwise be entitled to receive pursuant to paragraphs (b), (c) and (d) of subsection 1 of NRS 279.676 for the current fiscal year in the same proportion as each of those entities would otherwise share in the total amount distributed pursuant to those paragraphs.

Sec. 15. *1. On or before August 1 of each fiscal year, the tax receiver of each county shall determine for each parcel or other taxable unit of property located in that county, other than any property to which subsection 2 or section 14 of this act applies, for which the owner thereof is entitled to a partial abatement of taxes pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, and the combined overlapping tax rate applicable to the property for the current fiscal year exceeds the combined overlapping tax rate applicable to the property for the immediately preceding fiscal year, the amount which equals the lesser of:*

(a) The amount of the partial abatement of taxes to which the owner of the property is entitled pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, for the current fiscal year; or

(b) The product of the assessed value of the property for the current fiscal year and the difference between:

(1) The combined overlapping tax rate applicable to the property for the current fiscal year; and

(2) The combined overlapping tax rate applicable to the property for the immediately preceding fiscal year.

2. On or before August 1 of each fiscal year, the Department shall determine for each parcel or other taxable unit of property which is valued pursuant to NRS 361.320 or 361.323, other than any property to which section 14 of this act applies, and for which the owner thereof is entitled to a partial abatement of taxes pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, and the combined overlapping tax rate applicable to the property for the current fiscal year exceeds the combined overlapping tax rate applicable to the property for the immediately preceding fiscal year, the amount which equals the lesser of:

(a) The amount of the partial abatement of taxes to which the owner of the property is entitled pursuant to section 3, 3.5 or 4 of chapter 20, Statutes of Nevada 2005, for the current fiscal year; or

(b) The product of the assessed value of the property for the current fiscal year and the difference between:

(1) The combined overlapping tax rate applicable to the property for the current fiscal year; and

(2) The combined overlapping tax rate applicable to the property for the immediately preceding fiscal year.

3. *That portion of the amount of any reduction in the ad valorem taxes levied on any parcel or other taxable unit of property to which subsection 1 or 2 applies for a fiscal year as a result of the application of sections 3, 3.5 and 4 of chapter 20, Statutes of Nevada 2005, which is determined pursuant to subsection 1 or 2 must be deducted from the amount of ad valorem taxes that each taxing entity which has increased its rate of ad valorem taxes applicable to the property from the rate for the immediately preceding fiscal year, would otherwise be entitled to receive for the current fiscal year in the same proportion as that increase in its ad valorem tax rate bears to the total increase in the combined overlapping tax rate applicable to the property for the current fiscal year.*

Sec. 16. *Notwithstanding any other provision of sections 3 to 7, inclusive, of chapter 20, Statutes of Nevada 2005, and sections 2 to 17, inclusive, of this act to the contrary, after a parcel or other taxable unit of real property is annexed to a taxing entity:*

1. *The amount otherwise required to be determined pursuant to paragraph (a) of subsection 1 of section 3, paragraph (a) of subsection 1 of section 3.5, paragraph (a) of subsection 1 of section 4 or paragraph (a) of subsection 2 of section 4 of chapter 20, Statutes of Nevada 2005, with respect to that property for the first fiscal year in which that taxing entity is entitled to levy or require the levy on its behalf of any ad valorem taxes on the property as a result of that annexation of the property, shall be deemed to be the amount of ad valorem taxes which would have been levied on the property for the immediately preceding fiscal year if the annexation had occurred 1 year earlier, based upon the tax rates that would have applied to the property for the immediately preceding fiscal year if the annexation had occurred 1 year earlier and without regard to any exemptions from taxation that applied to the property for the immediately preceding fiscal year but do not apply to the property for the current fiscal year; and*

2. *For the purposes of any other calculations required pursuant to the provisions of sections 3 to 7, inclusive, of chapter 20, Statutes of Nevada 2005, and sections 2 to 17, inclusive, of this act, the combined overlapping tax rate applicable to that property for the fiscal year immediately preceding the first fiscal year in which that taxing entity is entitled to levy or require the levy on its behalf of any ad valorem taxes on the property as a result of that annexation of the property, shall be deemed to be the combined overlapping tax rate that would have applied to the property for that year if the annexation had occurred 1 year earlier.*

Sec. 17. 1. The Committee on Local Government Finance may adopt:

(a) Such regulations as it determines to be appropriate for the administration and interpretation of the provisions of sections 14, 15 and 16 of this act; and

(b) Regulations which provide, in a manner that is consistent with the provisions of sections 14, 15 and 16 of this act, methodologies for allocating among the appropriate taxing entities the amount of any reduction in the ad valorem taxes levied on a parcel or other taxable unit of real property as a result of the application of sections 3, 3.5 and 4 of chapter 20, Statutes of Nevada 2005, if the property is included in or excluded from the boundaries of a redevelopment area, tax increment area or taxing entity after the effective date of this act.

2. Any regulations adopted by the Committee on Local Government Finance pursuant to this section must be adopted in the manner prescribed for state agencies in chapter 233B of NRS.

Sec. 18. 1. On or before March 5 of each year, the county assessor of each county shall provide to the Department, in addition to the information provided pursuant to NRS 361.390, such information regarding each parcel or other taxable unit of property in the county as the Department determines to be necessary to carry out subsection 2.

2. On or before March 25 of each year, the Department shall provide to each local government in this State a projection of the revenue the local government may receive for the upcoming fiscal year from ad valorem taxes.

Sec. 19. 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:

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

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

2. A taxpayer who is aggrieved by a decision rendered by a tax receiver or the Department pursuant to subsection 1 may,

within 30 days after receiving notice of that decision, appeal the decision to the Nevada Tax Commission.

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

Sec. 20. *1. If the tax receiver of a county determines that a taxpayer has claimed and is entitled to a partial abatement from taxation for a fiscal year pursuant to section 3 of chapter 20, Statutes of Nevada 2005, but that the taxpayer for good cause failed to claim the partial abatement before the extension of the tax roll for that fiscal year pursuant to NRS 361.465, the tax receiver may, with the concurrence of the tax assessor and without the approval of the board of county commissioners of that county, correct the tax roll of the county at any time during that fiscal year to indicate that the affected property is eligible for that partial abatement for that fiscal year.*

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

Sec. 21. *Any person who falsely claims to be entitled to a partial abatement from taxation pursuant to section 3 or 3.5 of chapter 20, Statutes of Nevada 2005, with the intent to evade the payment of the amount of ad valorem taxes required by law shall pay a penalty of three times the amount of the tax deficiency, in addition to the amount of the tax due and any other penalty provided by law.*

Sec. 22. *Any partial abatements and partial exemptions from taxation to which a person may be entitled pursuant to this chapter must be applied in the following order of priority:*

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

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

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

Sec. 23. NRS 361.4545 is hereby amended to read as follows:

361.4545 1. On or before May 5 of each year , ~~for within 5 days after receiving the projections of revenue from the Department, whichever is later,~~ the ex officio tax receivers shall prepare and cause to be published in a newspaper of general circulation in their respective counties, a notice which contains at least the following information:

(a) A statement that the notice is not a bill for taxes owed but an informational notice. The notice must state:

(1) That public hearings will be held on the dates listed in the notice to adopt budgets and tax rates for the fiscal year beginning on July 1;

(2) That the purpose of the public hearings is to receive opinions from members of the public on the proposed budgets and tax rates before final action is taken thereon; and

(3) The tax rate to be imposed by the county and each political subdivision within the county for the ensuing fiscal year if the tentative budgets which affect the property in those areas become final budgets.

(b) A brief description of the limitation imposed by the Legislature on the revenue of the local governments.

(c) The dates, times and locations of all of the public hearings on the tentative budgets which affect the taxes on property.

(d) The names and addresses of the county assessor and ex officio tax receiver who may be consulted for further information.

(e) A brief statement of how property is assessed and how the combined tax rate is determined.

➔ The notice must be displayed in the format used for news and must be printed on at least one-half of a page of the newspaper.

2. Each ex officio tax receiver shall prepare and cause to be published in a newspaper of general circulation within the county:

(a) A notice, displayed in the format used for news and printed in not less than 8-point type, disclosing any increase in the property taxes as a result of any change in the tentative budget.

(b) A notice, displayed in the format used for advertisements and printed in not less than 8-point type on at least one quarter of a page of the newspaper, disclosing any amount in cents on each \$100 of assessed valuation by which the highest combined tax rate for property in the county exceeds \$3.64 on each \$100 of assessed valuation.

➔ These notices must be published within 10 days after the receipt of the information pursuant to NRS 354.596.

Sec. 24. NRS 361.455 is hereby amended to read as follows:

361.455 1. Unless individual tax rates are reduced pursuant to NRS 361.4547, immediately upon adoption of the final budgets, if the combined tax rate exceeds the limit imposed by NRS 361.453, the chairman of the board of county commissioners in each county concerned shall call a meeting of the governing boards of each of the local governments within the county for the purpose of establishing a combined tax rate that conforms to the statutory limit. The chairman shall convene the meeting no later than June ~~13~~ 20 of each year.

2. The governing boards of the local governments shall meet in public session and the county clerk shall keep appropriate records, pursuant to regulations of the Department, of all proceedings. The costs of taking and preparing the record of the proceedings, including the costs of transcribing and summarizing tape recordings, must be borne by the county and participating incorporated cities in proportion to the final tax rate as certified by the Department. The chairman of the board of county commissioners or his designee shall preside at the meeting. The governing boards shall explore areas of mutual concern so as to agree upon a combined tax rate that does not exceed the statutory limit.

3. The governing boards shall determine final decisions by a unanimous vote of all entities present and qualified to vote, as defined in this subsection. No ballot may be cast on behalf of any governing board unless a majority of the individual board is present. A majority vote of all members of each governing board is necessary to determine the ballot cast for that entity. All ballots must be cast not later than the day following the day the meeting is convened. The district attorney is the legal adviser for such proceedings.

4. The county clerk shall immediately thereafter advise the Department of the results of the ballots cast and the tax rates set for local governments concerned. If the ballots for the entities present at the meeting in the county are not unanimous, the county clerk shall transmit all records of the proceedings to the Department within 5 days after the meeting.

5. If a unanimous vote is not obtained and the combined rate in any county together with the established state tax rate exceeds the statutory limit, the Department shall examine the record of the discussions and the budgets of all local governments concerned. On June 25 or, if June 25 falls on a Saturday or Sunday, on the Monday next following, the Nevada Tax Commission shall meet to set the tax rates for the next succeeding year for all local governments so examined. In setting the tax rates for the next succeeding year the Nevada Tax Commission shall not reduce that portion of the proposed tax rate of the county school district for the operation and maintenance of public schools.

6. Any local government affected by a rate adjustment, made in accordance with the provisions of this section, which necessitates a budget revision shall file a copy of its revised budget by July 30 next after the approval and certification of the rate by the Nevada Tax Commission.

7. A copy of the certificate of the Nevada Tax Commission sent to the board of county commissioners must be forwarded to the county auditor.

Sec. 25. Section 3 of Chapter 20, Statutes of Nevada 2005, is hereby amended to read as follows:

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

1. Except as otherwise provided in ~~subsection 2~~ or required to carry out the provisions of *subsection 2 and sections 5 ~~and~~ to 7 , inclusive*, of this act, the owner of a single-family residence which is the primary residence of the owner is entitled to a partial abatement of the ad valorem taxes levied in a county on that property each 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 increase in the assessed valuation of the property from the immediately preceding fiscal year as a result of any improvement to or change in the actual or authorized use of the property, exceeds the sum obtained by adding:

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

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

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

↳ whichever is greater; and

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

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

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

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

3. ~~The~~ *Except as otherwise required to carry out the provisions of sections 14 to 17, inclusive, of Senate Bill No. 509 of this session and any regulations adopted pursuant thereto, the* amount of any *reduction in the* ad valorem taxes levied in a county ~~which, if not~~ *for a fiscal year as a result*

of the application of the provisions of subsection 1 ~~[, would otherwise have been collected for any property for a fiscal year must, except as otherwise required to carry out the provisions of section 6 of this act,]~~ *must* be deducted from the amount of ad valorem taxes each taxing entity would otherwise be entitled to receive for that 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. ~~[The provisions of this subsection and section 6 of this act must not be applied in any manner that reduces the amount of the partial abatement to which an owner of property is entitled pursuant to subsection 1 for any fiscal year.]~~

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

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

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

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

6. 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) *“Primary residence of the owner” means a residence which:*

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

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

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

~~[(e)]~~ (d) “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.

~~[(e)]~~ (e) “Unit of personal property” includes, without limitation, any:

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

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

~~[(e)]~~ (f) “Unit of real property” includes, without limitation, any taxable unit of a condominium, common-interest community, planned unit development or similar property, if classified as real property for the purposes of this chapter.

Sec. 26. Section 3.5 of Chapter 20, Statutes of Nevada 2005, is hereby amended to read as follows:

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

1. Except as otherwise provided in ~~[(subsection 2)]~~ or required to carry out the provisions of ~~subsection 2 and~~ sections 5 ~~and~~ to 7, *inclusive*, of this act, if the amount of rent collected from each of the tenants of a residential dwelling does not exceed the fair market rent for the county in which the dwelling is located, as most recently published by the United States Department of Housing and Urban Development, the owner of the dwelling is entitled to a partial abatement of the ad valorem taxes levied in a county on that property for each 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 increase in the assessed valuation of the property from the immediately preceding fiscal year as a result of any improvement to or change in the actual or authorized use of the property, exceeds the sum obtained by adding:

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

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

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

↪ whichever is greater; and

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

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

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

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

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

3. ~~[The]~~ *Except as otherwise required to carry out the provisions of sections 14 to 17, inclusive, of Senate Bill No. 509 of this session and any regulations adopted pursuant thereto, the* amount of any *reduction in the* ad valorem taxes levied in a county ~~[which, if not]~~ *for a fiscal year as a result of the application of* the provisions of subsection 1 ~~[, would otherwise have been collected for any property for a fiscal year must, except as otherwise required to carry out the provisions of section 6 of this act,]~~ *must* be deducted from the amount of ad valorem taxes each taxing entity would otherwise be entitled to receive for that 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. ~~[The provisions of this subsection and section 6 of this act must not be applied in any manner that reduces the amount of the partial abatement to which an owner of property is entitled pursuant to subsection 1 for any fiscal year.]~~

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

5. 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. 27. Section 4 of Chapter 20, Statutes of Nevada 2005, is hereby amended to read as follows:

Sec. 4. 1. Except as otherwise provided in ~~subsection 3~~ or required to carry out the provisions of *subsection 3 and sections 5 ~~and~~ to 7, inclusive*, of this act, the owner of any parcel or other taxable unit of property, including property entered on the central assessment roll, for which an 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 each 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 increase in the assessed valuation of the property from the immediately preceding fiscal year as a result of any improvement to or change in the actual or authorized use of the property, exceeds the sum obtained by adding:

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

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

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

↳ whichever is greater; and

(b) A percentage of the amount determined pursuant to 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 ~~and~~ to 7, *inclusive*, 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 prior fiscal year but do not apply to the property for the current fiscal year,

→ whichever is greater; and

(b) A percentage of the amount determined pursuant to 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.

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

4. ~~[The]~~ *Except as otherwise required to carry out the provisions of sections 14 to 17, inclusive, of Senate Bill No. 509 of this session and any regulations adopted pursuant thereto, the* amount of any *reduction in the* ad valorem taxes levied in a county ~~[which, if not]~~ *for a fiscal year as a result of the application of* the provisions of subsections 1 and 2 ~~[; would otherwise have been collected for any property for a fiscal year must, except as otherwise required to carry out the provisions of section 6 of this act,]~~ *must* be deducted from the amount of ad valorem taxes each taxing entity would otherwise be entitled to receive for that 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. ~~[The provisions of this subsection and section 6 of this act must not be applied in any manner that reduces the amount of the partial abatement to which an owner of property is entitled pursuant to subsection 1 or 2 for any fiscal year.]~~

5. 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.

6. 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) "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. 28. 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. 29. Chapter 20, Statutes of Nevada 2005, is hereby amended by adding thereto a new section designated sec. 5.5, following sec. 5, to read as follows:

Sec. 5.5. *1. Except as otherwise provided by specific statute, if any legislative act which becomes effective after April 6, 2005, imposes a duty on a taxing entity to levy a new ad valorem tax or to increase the rate of an existing ad valorem tax, the amount of the new tax or increase in the rate of the existing tax is exempt from each partial abatement from taxation provided pursuant to sections 3, 3.5 and 4 of this act.*

2. For the purposes of this section, “taxing entity” does not include the State.

Sec. 30. 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. 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.]~~ does not include the State.

Sec. 31. 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 taxing entity pursuant to NRS 350.020 is combined into a

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

5. For the purposes of this section, “taxing entity” ~~[means any political subdivision or other legal entity, other than the State, which has the right to receive money from any ad valorem taxes levied in a county.]~~ *does not include the State.*

Sec. 32. Section 7.5 of Chapter 20, Statutes of Nevada 2005, is hereby amended to read as follows:

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

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

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

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

2. Clearly set forth the methodology for applying the income approach to valuation for tax purposes of *real* property used ~~[in]~~ *to conduct* a business ~~[when necessary to measure the obsolescence of the property in language that is likely to make the methodology easily understood by any 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. 33. 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. 34. Section 11 of Chapter 20, Statutes of Nevada 2005, is hereby amended to read as follows:

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

2. Notwithstanding any provision of section 7 of this act to the contrary ~~[-if]~~ :

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

(b) If the issuance of a specified principal amount of general obligation bonds has been approved before April 6, 2005, by a majority of the registered voters residing within the boundaries of a taxing entity and voting on the question pursuant to NRS 350.020, and no portion of the levy required to repay the bonds has commenced before April 6, 2005, the levy required to repay the bonds shall be deemed, ↪ for all purposes, including, without limitation, for the purposes of section 7 of Senate Bill No. 509 of this session, to be approved and levied pursuant to section 7 of this act and to be exempt from each partial abatement from taxation provided pursuant to sections 3, 3.5 and 4 of this act.

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

Sec. 35. Section 9 of chapter 20, Statutes of Nevada 2005, is hereby repealed.

Sec. 36. Notwithstanding any provision of section 14 or 15 of this act to the contrary, the tax receiver of each county and the Department of Taxation:

1. Are not required to carry out the provisions of those sections before August 2, 2005; and

2. Shall carry out the provisions of those sections on or before October 1, 2005.

Sec. 37. 1. This section and sections 1 to 17, inclusive, 19 to 22, inclusive, and 24 to 36, inclusive, of this act become effective upon passage and approval.

2. Sections 18 and 23 of this act become effective on January 1, 2006.

