

CHAPTER.....

AN ACT relating to the taxation of property; revising the provisions governing certain exemptions from taxes and appeals by taxpayers; revising certain requirements for the assessment of common-interest communities; revising the provisions governing the calculation of certain partial abatements of taxes and the collection of taxes following certain fluctuations in taxable value; requiring the Committee on Local Government Finance to adopt regulations for the allocation of certain reductions in revenue resulting from the partial abatement of taxes; providing limitations upon certain requests for the waiver of interest and penalties imposed for the late payment of taxes; postponing the prospective expiration of certain provisions for the funding of accounts for the acquisition and improvement of technology in the offices of county assessors; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires each county assessor to provide certain information regarding property taxes on the Internet. (NRS 361.0445) **Section 1** of this bill authorizes a county assessor to disseminate, by additional means, certain information to the public concerning the taxation of property.

Existing law provides an exemption from property taxes for any value added to the assessed value of a building by certain qualified systems that provide heating, cooling or electricity. (NRS 361.079) **Section 2** of this bill simplifies the administration of this exemption by removing any calculation of the value of such a qualified system from the determination of the assessed value of a building to which the exemption applies.

Existing law provides partial exemptions from property taxes for the property of surviving spouses, blind persons, veterans, disabled veterans and certain veterans' organizations, and provides for annual increases in those exemptions beginning with the 2006-2007 Fiscal Year based upon the increase in the Consumer Price Index from July 2004. (NRS 361.080, 361.085, 361.090, 361.091, 361.095) **Sections 3 and 4-7** of this bill provide for the commencement of those annual increases during the 2005-2006 Fiscal Year based upon the increase in the Consumer Price Index from July 2003.

**Section 7.5** of this bill provides an exemption from property taxes for certain property held by the Archaeological Conservancy.

**Section 8** of this bill repeals a \$5,000 limitation on the amount of an exemption from property taxes applicable to the funds, furniture, paraphernalia and regalia of certain lodges and other charitable organizations. (NRS 361.135)

Existing law requires the filing of claims for personal tax exemptions on real property, and the initial claim of an organization for a tax exemption on real property, to be filed on or before June 15. (NRS 361.155) **Section 9** of this bill extends that deadline to July 5 for real property acquired after June 15 and before July 1. **Section 9** also provides for the filing of a late claim of exemption with, and



for the appeal of the denial of a claim of exemption to, the county board of equalization.

Existing law provides for the assessment of property taxes for a common-interest community on the community units and not on the common elements of the community. (NRS 361.233) **Section 10** of this bill specifies the methodology for determining the taxable value of a parcel that includes such a community unit and clarifies the definitions of "community unit" and "common elements" for this purpose.

Existing law allows taxpayers to appeal the amount of certain assessments of their property to the State Board of Equalization. (NRS 361.360) **Section 11** of this bill limits the effect of a change in assessment resulting from such an appeal to the fiscal year for which the assessment was made.

Existing law provides for a generally applicable partial abatement of the property taxes levied on property for which an assessed valuation has previously been established or on a remainder parcel of property, based upon the average change in the assessed valuation of property in the county over the last 10 years or twice the increase in the Consumer Price Index for the last year, whichever is greater. (NRS 361.4722) **Section 15** of this bill ensures that this partial abatement cannot be less than zero nor greater than 8 percent.

Existing law exempts from certain partial abatements of property taxes certain increases in the taxable value of property following large fluctuations in that value and requires the collection of the resulting taxes due over a period of 3 years. (NRS 361.4725) **Section 19** of this bill allows the collection of the amount due in a single year if that amount does not exceed \$100 and authorizes the Nevada Tax Commission to exempt from collection any amount which is less than the cost of collection.

Existing law provides formulas for the allocation of reductions in revenue resulting from certain partial abatements of property taxes applicable to property for which the tax rate increases and authorizes the Committee on Local Government Finance to adopt regulations for the administration and interpretation of those formulas. (NRS 361.473, 361.4731, 361.4733) **Section 23** of this bill requires the Committee to adopt such regulations as it determines to be appropriate, in accordance with certain specified principles, for the allocation of reductions in revenue resulting from those partial abatements of property taxes. **Section 29** of this bill ratifies the regulations previously adopted by the Committee and requires the adoption of additional regulations not later than December 31, 2007. **Section 28** of this bill repeals the existing formulas after the adoption of the additional regulations.

Existing law allows a taxpayer to petition the tax receiver for the review of a determination regarding the applicability of certain partial abatements from property taxes. (NRS 361.4734) **Section 25** of this bill requires the submission of the petition on or before January 15 of the fiscal year for which the determination is effective.

Existing law authorizes a county treasurer or county assessor to waive all or part of the interest or penalty due from a person who fails to make a timely payment of property taxes as a result of circumstances beyond his control and who files a statement setting forth the facts of his claim. (NRS 361.4835) **Section 26** of this bill requires a person seeking such relief to pay the amount of the taxes due and file the statement within 30 days after that payment is made.

Under existing law, 2 percent of the property taxes collected for each county on personal property and the net proceeds of mines must be deposited into an account for the acquisition and improvement of technology in the office of the county assessor. (NRS 361.530, 362.170) **Section 27** of this bill provides for the



continuation of this funding during the next biennium by postponing its prospective expiration until June 30, 2009.

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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 a new section to read as follows:

*1. A county assessor may, by regular mail, electronic means or any other means the assessor deems appropriate, disseminate information to the public concerning the taxation of property, including, without limitation, information relating to the valuation and assessment of property, exemptions from taxation, the declaration of a homestead and programs for the assistance of senior citizens.*

*2. Any information provided pursuant to subsection 1 must, to the extent practicable, be in a form that is easily understood and readily accessible to the public.*

**Sec. 2.** NRS 361.079 is hereby amended to read as follows:

361.079 1. Except as otherwise provided in subsection 2, ~~for any assessment made on or after July 1, 1983, any value added by the value of~~ a qualified system must ~~be excluded from~~ *not be included in* the assessed value of ~~the building regardless of the date the system was installed.~~

~~2. Value~~ *a building.*

*2. Any value* added by a qualified system must ~~not be excluded from~~ *be included in* the assessed value of a commercial or industrial building during any period in which the business that owns the commercial or industrial building is receiving another abatement or exemption *pursuant to NRS 361.045 to 361.159, inclusive,* from the taxes imposed by this chapter.

3. As used in this section, "qualified system" means any system, method, construction, installation, machinery, equipment, device or appliance which is designed, constructed or installed in a residential, commercial or industrial building to heat or cool the building or water used in the building, or to provide electricity used in the building, by using:

- (a) Energy from the wind or from solar devices not thermally insulated from the area where the energy is used;
- (b) Geothermal resources;
- (c) Energy derived from conversion of solid wastes; or
- (d) Waterpower,



➔ which conforms to standards established by regulation of the Department.

**Sec. 3.** NRS 361.080 is hereby amended to read as follows:

361.080 1. The property of surviving spouses, not to exceed the amount of \$1,000 assessed valuation, is exempt from taxation, but no such exemption may be allowed to anyone but a bona fide resident of this State, and must be allowed in but one county in this State to the same family.

2. For the purpose of this section, property in which the surviving spouse has any interest shall be deemed the property of the surviving spouse.

3. The person claiming such an exemption must file with the county assessor an affidavit declaring that he is a bona fide resident of this State and that the exemption has been claimed in no other county in this State. The affidavit must be made before the county assessor or a notary public. After the filing of the original affidavit, the county assessor shall mail a form for renewal of the exemption to the person each year following a year in which the exemption was allowed for that person. The form must be designed to facilitate its return by mail by the person claiming the exemption.

4. A surviving spouse is not entitled to the exemption provided by this section in any fiscal year beginning after any remarriage, even if the remarriage is later annulled.

5. If any person files a false affidavit or provides false proof to the county assessor or a notary public and, as a result of the false affidavit or false proof, the person is allowed a tax exemption to which he is not entitled, he is guilty of a gross misdemeanor.

6. Beginning with the ~~2006-2007~~ 2005-2006 Fiscal Year, the monetary amount in subsection 1 must be adjusted for each fiscal year by adding to the amount the product of the amount multiplied by the percentage increase in the Consumer Price Index (All Items) from July ~~2004~~ 2003 to the July preceding the fiscal year for which the adjustment is calculated. The Department shall provide to each county assessor the adjusted amount, in writing, on or before September 30 of each year.

**Sec. 3.5.** NRS 361.082 is hereby amended to read as follows:

361.082 1. That portion of real property and tangible personal property which is used for housing and related facilities for persons with low incomes is exempt from taxation if the portion of property qualifies as a low-income unit and is part of a qualified low-income housing project that is funded in part by federal money appropriated pursuant to 42 U.S.C. §§ 12701 et seq. for the year in which the exemption applies.



2. The portion of a qualified low-income housing project that is entitled to the property tax exemption pursuant to subsection 1 must be determined by dividing the total assessed value of the housing project and the land upon which it is situated into the assessed value of the low-income units and related facilities that are occupied by or used exclusively for persons with low incomes.

3. The Nevada Tax Commission shall, by regulation, prescribe a form for an application for the exemption described in subsection 1. After an original application is filed, the county assessor of the county in which the housing project is located may mail a form for the renewal of the exemption to the owner of the housing project each year following a year in which the exemption was allowed for that project.

4. A renewal form returned to a county assessor must indicate the total number of units in the housing project and the number of units used for housing and related facilities for persons with low incomes. If the owner of a housing project fails to provide a properly completed renewal form to the county assessor of the county in which the project is located by the date required in NRS 361.155, *except as otherwise provided in subsection 6 of that section*, or fails to qualify for the exemption described in subsection 1, he is not entitled to the exemption in the following fiscal year.

5. As used in this section, the terms "low-income unit" and "qualified low-income housing project" have the meanings ascribed to them in 26 U.S.C. § 42.

**Sec. 4.** NRS 361.085 is hereby amended to read as follows:

361.085 1. The property of all blind persons, not to exceed the amount of \$3,000 of assessed valuation, is exempt from taxation, including community property to the extent only of the blind person's interest therein, but no such exemption may be allowed to anyone but a bona fide resident of this State, and must be allowed in but one county in this State on account of the same blind person.

2. The person claiming such an exemption must file with the county assessor an affidavit declaring that he is a bona fide resident of the State of Nevada who meets all the other requirements for the exemption and that the exemption is not claimed in any other county in this State. The affidavit must be made before the county assessor or a notary public. After the filing of the original affidavit, the county assessor shall mail a form for renewal of the exemption to the person each year following a year in which the exemption was allowed for that person. The form must be designed to facilitate its return by mail by the person claiming the exemption.

3. Upon first claiming the exemption in a county, the claimant shall furnish to the assessor a certificate of a licensed physician



setting forth that he has examined the claimant and has found him to be a blind person.

4. If any person files a false affidavit or provides false proof to the county assessor or a notary public and, as a result of the false affidavit or false proof, the person is allowed a tax exemption to which he is not entitled, he is guilty of a gross misdemeanor.

5. Beginning with the ~~[2006-2007]~~ 2005-2006 Fiscal Year, the monetary amount in subsection 1 must be adjusted for each fiscal year by adding to the amount the product of the amount multiplied by the percentage increase in the Consumer Price Index (All Items) from July ~~[2004]~~ 2003 to the July preceding the fiscal year for which the adjustment is calculated. The Department shall provide to each county assessor the adjusted amount, in writing, on or before September 30 of each year.

6. As used in this section, “blind person” includes any person whose visual acuity with correcting lenses does not exceed 20/200 in the better eye, or whose vision in the better eye is restricted to a field which subtends an angle of not greater than 20°.

**Sec. 5.** NRS 361.090 is hereby amended to read as follows:

361.090 1. The property, to the extent of \$2,000 assessed valuation, of any actual bona fide resident of the State of Nevada who:

(a) Has served a minimum of 90 continuous days on active duty, who was assigned to active duty at some time between April 21, 1898, and June 15, 1903, or between April 6, 1917, and November 11, 1918, or between December 7, 1941, and December 31, 1946, or between June 25, 1950, and May 7, 1975, or between September 26, 1982, and December 1, 1987, or between October 23, 1983, and November 21, 1983, or between December 20, 1989, and January 31, 1990, or between August 2, 1990, and April 11, 1991, or between December 5, 1992, and March 31, 1994, or between November 20, 1995, and December 20, 1996;

(b) Has served on active duty in connection with carrying out the authorization granted to the President of the United States in Public Law 102-1; or

(c) Has served on active duty in connection with a campaign or expedition for service in which a medal has been authorized by the government of the United States, regardless of the number of days served on active duty,

➔ and who received, upon severance from service, an honorable discharge or certificate of satisfactory service from the Armed Forces of the United States, or who, having so served, is still serving in the Armed Forces of the United States, is exempt from taxation.



2. For the purpose of this section, the first \$2,000 assessed valuation of property in which an applicant has any interest shall be deemed the property of the applicant.

3. The exemption may be allowed only to a claimant who files an affidavit with his claim for exemption on real property pursuant to NRS 361.155. The affidavit may be filed at any time by a person claiming exemption from taxation on personal property.

4. The affidavit must be made before the county assessor or a notary public and filed with the county assessor. It must state that the affiant is a bona fide resident of the State of Nevada who meets all the other requirements of subsection 1 and that the exemption is not claimed in any other county in this State. After the filing of the original affidavit, the county assessor shall mail a form for:

(a) The renewal of the exemption; and

(b) The designation of any amount to be credited to the Gift Account for Veterans' Homes established pursuant to NRS 417.145, to the person each year following a year in which the exemption was allowed for that person. The form must be designed to facilitate its return by mail by the person claiming the exemption.

5. Persons in actual military service are exempt during the period of such service from filing the annual forms for renewal of the exemption, and the county assessors shall continue to grant the exemption to such persons on the basis of the original affidavits filed. In the case of any person who has entered the military service without having previously made and filed an affidavit of exemption, the affidavit may be filed in his behalf during the period of such service by any person having knowledge of the facts.

6. Before allowing any veteran's exemption pursuant to the provisions of this chapter, the county assessor shall require proof of status of the veteran, and for that purpose shall require production of an honorable discharge or certificate of satisfactory service or a certified copy thereof, or such other proof of status as may be necessary.

7. If any person files a false affidavit or produces false proof to the county assessor or a notary public and, as a result of the false affidavit or false proof, the person is allowed a tax exemption to which he is not entitled, he is guilty of a gross misdemeanor.

8. Beginning with the ~~2006-2007~~ 2005-2006 Fiscal Year, the monetary amounts in subsections 1 and 2 must be adjusted for each fiscal year by adding to the amount the product of the amount multiplied by the percentage increase in the Consumer Price Index (All Items) from July ~~2004~~ 2003 to the July preceding the fiscal year for which the adjustment is calculated. The Department shall



provide to each county assessor the adjusted amount, in writing, on or before September 30 of each year.

**Sec. 6.** NRS 361.091 is hereby amended to read as follows:

361.091 1. A bona fide resident of the State of Nevada who has incurred a permanent service-connected disability and has been honorably discharged from the Armed Forces of the United States, or his surviving spouse, is entitled to a disabled veteran's exemption.

2. The amount of exemption is based on the total percentage of permanent service-connected disability. The maximum allowable exemption for total permanent disability is the first \$20,000 assessed valuation. A person with a permanent service-connected disability of:

(a) Eighty to 99 percent, inclusive, is entitled to an exemption of \$15,000 assessed value.

(b) Sixty to 79 percent, inclusive, is entitled to an exemption of \$10,000 assessed value.

↪ For the purposes of this section, any property in which an applicant has any interest is deemed to be the property of the applicant.

3. The exemption may be allowed only to a claimant who has filed an affidavit with his claim for exemption on real property pursuant to NRS 361.155. The affidavit may be made at any time by a person claiming an exemption from taxation on personal property.

4. The affidavit must be made before the county assessor or a notary public and be filed with the county assessor. It must state that the affiant is a bona fide resident of the State of Nevada, that he meets all the other requirements of subsection 1 and that the exemption is not claimed in any other county within this State. After the filing of the original affidavit, the county assessor shall mail a form for:

(a) The renewal of the exemption; and

(b) The designation of any amount to be credited to the Gift Account for Veterans' Homes established pursuant to NRS 417.145,

↪ to the person each year following a year in which the exemption was allowed for that person. The form must be designed to facilitate its return by mail by the person claiming the exemption.

5. Before allowing any exemption pursuant to the provisions of this section, the county assessor shall require proof of the applicant's status, and for that purpose shall require him to produce an original or certified copy of:

(a) An honorable discharge or other document of honorable separation from the Armed Forces of the United States which





indicates the total percentage of his permanent service-connected disability;

(b) A certificate of satisfactory service which indicates the total percentage of his permanent service-connected disability; or

(c) A certificate from the Department of Veterans Affairs or any other military document which shows that he has incurred a permanent service-connected disability and which indicates the total percentage of that disability, together with a certificate of honorable discharge or satisfactory service.

6. A surviving spouse claiming an exemption pursuant to this section must file with the county assessor an affidavit declaring that:

(a) The surviving spouse was married to and living with the disabled veteran for the 5 years preceding his death;

(b) The disabled veteran was eligible for the exemption at the time of his death or would have been eligible if he had been a resident of the State of Nevada;

(c) The surviving spouse has not remarried; and

(d) The surviving spouse is a bona fide resident of the State of Nevada.

➔ The affidavit required by this subsection is in addition to the certification required pursuant to subsections 4 and 5. After the filing of the original affidavit required by this subsection, the county assessor shall mail a form for renewal of the exemption to the person each year following a year in which the exemption was allowed for that person. The form must be designed to facilitate its return by mail by the person claiming the exemption.

7. If a veteran or the surviving spouse of a veteran submits, as proof of disability, documentation that indicates a percentage of permanent service-connected disability for more than one permanent service-connected disability, the amount of the exemption must be based on the total of those combined percentages, not to exceed 100 percent.

8. If a tax exemption is allowed under this section, the claimant is not entitled to an exemption under NRS 361.090.

9. If any person files a false affidavit or produces false proof to the county assessor or a notary public and, as a result of the false affidavit or false proof, the person is allowed a tax exemption to which he is not entitled, he is guilty of a gross misdemeanor.

10. Beginning with the ~~2006-2007~~ 2005-2006 Fiscal Year, the monetary amounts in subsection 2 must be adjusted for each fiscal year by adding to the amount the product of the amount multiplied by the percentage increase in the Consumer Price Index (All Items) from July ~~2004~~ 2003 to the July preceding the fiscal year for which the adjustment is calculated. The Department shall



provide to each county assessor the adjusted amount, in writing, on or before September 30 of each year.

**Sec. 7.** NRS 361.095 is hereby amended to read as follows:

361.095 1. The funds, furniture, paraphernalia and regalia owned and used exclusively by any post of any national organization of ex-servicemen or ex-servicewomen for the legitimate purposes and customary objects of such posts are exempt from taxation, but such an exemption must not exceed the sum of \$10,000 assessed valuation to any one post or organization thereof.

2. The buildings, with their fixtures and the lots of ground on which they stand, used for its legitimate purposes and necessary thereto, of any such organization are exempt from taxation, but when any such property is used for purposes other than those of such an organization, and a rent or other valuable consideration is received for its use, the property so used must be taxed.

3. Where any structure or parcel of land is used partly for the purposes of such an organization and partly for rental purposes, the area used for rental purposes must be assessed separately and that portion only may be taxed.

4. Beginning with the ~~2006-2007~~ 2005-2006 Fiscal Year, the monetary amount in subsection 1 must be adjusted for each fiscal year by adding to the amount the product of the amount multiplied by the percentage increase in the Consumer Price Index (All Items) from July ~~2004~~ 2003 to the July preceding the fiscal year for which the adjustment is calculated. The Department shall provide to each county assessor the adjusted amount, in writing, on or before September 30 of each year.

**Sec. 7.5.** NRS 361.111 is hereby amended to read as follows:

361.111 1. Except as otherwise provided in subsections 2 and 3, all real property and improvements thereon acquired by the *Archaeological Conservancy*, Nature Conservancy, American Land Conservancy or Nevada Land Conservancy and held for ultimate acquisition by the State or a local governmental unit are exempt from taxation if:

(a) The State or a local governmental unit has agreed, in writing, that acquisition of the property will be given serious consideration; and

(b) For property for which the State has given the statement required by paragraph (a), the governing body of the county in which the property is located has approved the potential acquisition of the property by the State.

2. When the *Archaeological Conservancy*, Nature Conservancy, American Land Conservancy or Nevada Land Conservancy transfers property it has held for purposes of



conservation to any person, partnership, association, corporation or entity other than the State or a local governmental unit, the property must be assessed at the rate set for first-class pasture by the Nevada Tax Commission for each year it was exempt pursuant to subsection 1 and the taxes must be collected as other taxes under this chapter are collected.

3. When the *Archaeological Conservancy*, Nature Conservancy, American Land Conservancy or Nevada Land Conservancy transfers property it has held for purposes other than conservation to any person, partnership, association, corporation or entity other than the State or a local governmental unit, the tax imposed by this chapter must be assessed against the property for each year it was exempt pursuant to subsection 1 and collected in the manner provided in this chapter.

4. The Nevada Tax Commission shall adopt regulations specifying the criteria for determining when property has been held by the *Archaeological Conservancy*, Nature Conservancy, American Land Conservancy or Nevada Land Conservancy for purposes of conservation.

**Sec. 8.** NRS 361.135 is hereby amended to read as follows:

361.135 1. The funds, furniture, paraphernalia and regalia owned by any lodge of the Benevolent Protective Order of Elks, Fraternal Order of Eagles, Free and Accepted Masons, Independent Order of Odd Fellows, Knights of Pythias or Knights of Columbus, or by any similar charitable organization, or by the Lahontan Audubon Society, the National Audubon Society, Inc., of New York, the Defenders of Wildlife of the District of Columbia or any similar benevolent or charitable society, so long as ~~the same shall be~~ *they are* used for the legitimate purposes of such lodge or society or for such charitable or benevolent purposes, ~~shall be~~ *are* exempt from taxation. ~~but such exemption shall in no case exceed the sum of \$5,000 assessed valuation to any one lodge, society or organization.~~

2. The real estate and fixtures of any such organization or society ~~shall be~~ *are* exempt from taxation, but when any such property is used for purposes other than those of such organization or society, and a rent or other valuable consideration is received for its use, the property so used ~~shall~~ *must* be taxed.

3. Where any structure or parcel of land is used partly for the purposes of such organization or society and partly for rental purposes, the area used for rental purposes ~~shall~~ *must* be assessed separately and that portion only ~~shall~~ *may* be taxed.



**Sec. 9.** NRS 361.155 is hereby amended to read as follows:

361.155 1. ~~[A] Except as otherwise provided in this section:~~

(a) *All* claims for personal tax exemptions on real property, the initial claim of an organization for a tax exemption on real property and the designation of any amount to be credited to the Gift Account for Veterans' Homes pursuant to NRS 361.0905 must be filed on or before June 15.

(b) *An initial claim for a tax exemption on real property acquired after June 15 and before July 1 must be filed on or before July 5.*

2. All exemptions provided for pursuant to this chapter apply on a fiscal year basis and any exemption granted pursuant to this chapter must not be in an amount which gives the taxpayer a total exemption greater than that to which he is entitled during any fiscal year.

~~[2-]~~ 3. ~~[Each]~~ *Except as otherwise provided in this section, each* claim for an exemption provided for pursuant to this chapter must be filed with the county assessor of:

(a) The county in which the claimant resides for personal tax exemptions; or

(b) Each county in which property is located for the tax exemption of an organization.

~~[3-]~~ 4. After the initial claim for an exemption pursuant to NRS 361.088 or 361.098 to 361.150, inclusive, an organization is not required to file annual claims if the property remains exempt. If any portion of the property loses its exemption pursuant to NRS 361.157 or for any other reason becomes taxable, the organization must notify the county assessor.

~~[4-]~~ 5. If an exemption is granted or renewed in error because of an incorrect claim or failure of an organization to give the notice required by subsection ~~[3-]~~ 4, the assessor shall assess the taxable portion of the property retroactively pursuant to NRS 361.769 and a penalty of 10 percent of the tax due for the current year and any prior years may be added.

6. *If a claim for a tax exemption on real property and any required affidavit or other documentation in support of the claim is not filed within the time required by subsection 1, or if a claim for a tax exemption is denied by the county assessor, the person claiming the exemption may, on or before January 15 of the fiscal year for which the claim of exemption is made, file the claim and any required documentation in support of the claim with the county board of equalization of the county in which the claim is required to be filed pursuant to subsection 3. The county board of*



*equalization shall review the claim of exemption and may grant or deny the claim for that fiscal year, as it determines to be appropriate. The State Board of Equalization shall establish procedures for:*

*(a) The review of a claim of exemption by a county board of equalization pursuant to this subsection; and*

*(b) The appeal to the State Board of Equalization of the denial of a claim of exemption by a county board of equalization pursuant to this subsection.*

**Sec. 10.** NRS 361.233 is hereby amended to read as follows:  
361.233 1. Notwithstanding any other provision of law:

(a) Any ad valorem taxes or special assessments assessed upon any real property within a common-interest community:

(1) Must be assessed upon the community units and not upon the common-interest community as a whole; and

(2) Must not be assessed upon any common elements of the common-interest community.

~~(b) Each community unit must be assessed separately for the purposes of ad valorem taxes and special assessments.~~

~~—(c) Any lien created by the levy of an ad valorem tax or special assessment upon a community unit applies only to the community unit assessed and does not apply to any other portion of the common-interest community.~~ *The taxable value of each parcel:*

*(1) Composed solely of a community unit must consist of:*

*(I) The taxable value of that community unit; and*

*(II) A percentage of the taxable value of all the common elements of that common-interest community which is equal to 1 divided by the total number of community units in that common-interest community; or*

*(2) Composed of a community unit and any portion of the common elements of the common-interest community must consist of:*

*(I) The taxable value of that community unit only; and*

*(II) A percentage of the taxable value of all the common elements of that common-interest community which is equal to 1 divided by the total number of community units in that common-interest community.*

*2. The Nevada Tax Commission shall adopt such regulations as it determines to be appropriate to ensure that this section is carried out in a uniform and equal manner that does not result in the double taxation of any common elements of a common-interest community.*

*3. For the purposes of this section:*



(a) “Ad valorem tax” means an ad valorem tax levied by any governmental entity or political subdivision in this State on or after July 1, 2006.

(b) “Common elements” means ~~{all real property within}~~ *the physical portion of* a common-interest community ~~{other than the community units,}~~ *including, without limitation, any landscaping, swimming pools, fitness centers, community centers, maintenance and service areas, parking areas, hallways, elevators and mechanical rooms,* which is ~~{owned:}~~ :

(1) *Intended for the general benefit of and potential use by all the owners of the community units and their invitees; and*

(2) *Owned:*

(I) By the community association;

~~{(2)}~~ (II) By any person on behalf or for the benefit of the owners of the community units; or

~~{(3)}~~ (III) Jointly by the owners of the community units.

(c) “Common-interest community” means real property with respect to which a person, by virtue of his ownership of a community unit, is obligated to pay for any real property other than that unit. The term includes a common-interest community governed by the provisions of chapter 116 of NRS, a condominium project governed by the provisions of chapter 117 of NRS and any time-share project, planned unit development or other real property which is organized as a common-interest community in this State.

(d) “Community association” means an association whose membership:

(1) Consists exclusively of the owners of the community units or their elected or appointed representatives; and

(2) Is a required condition of the ownership of a community unit.

(e) “Community unit” means a physical portion of a common-interest community ~~{designated}~~ *, other than the common elements, which is:*

(1) *Designated* for separate ownership or occupancy ~~{}~~ ; and

(2) *Intended for:*

(I) *Residential use by the owner of that unit and his invitees; or*

(II) *Commercial use by the owner of that unit for the generation of revenue from any persons other than the owners of community units in that common-interest community and their invitees.*

(f) “Special assessment” means a special assessment levied by any governmental entity or political subdivision in this State on or after July 1, 2006.



**Sec. 11.** NRS 361.360 is hereby amended to read as follows:

361.360 1. Any taxpayer aggrieved at the action of the county board of equalization in equalizing, or failing to equalize, the value of his property, or property of others, or a county assessor, may file an appeal with the State Board of Equalization on or before March 10 and present to the State Board of Equalization the matters complained of at one of its sessions. If March 10 falls on a Saturday, Sunday or legal holiday, the appeal may be filed on the next business day.

2. All such appeals must be presented upon the same facts and evidence as were submitted to the county board of equalization in the first instance, unless there is discovered new evidence pertaining to the matter which could not, by due diligence, have been discovered before the final adjournment of the county board of equalization. The new evidence must be submitted in writing to the State Board of Equalization and served upon the county assessor not less than 7 days before the hearing.

3. Any taxpayer whose real or personal property placed on the unsecured tax roll was assessed after December 15 but before or on the following April 30 may likewise protest to the State Board of Equalization. Every such appeal must be filed on or before May 15. If May 15 falls on a Saturday, Sunday or legal holiday, the appeal may be filed on the next business day. A meeting must be held before May 31 to hear those protests that in the opinion of the State Board of Equalization may have a substantial effect on tax revenues. One or more meetings may be held at any time and place in the State before October 1 to hear all other protests.

4. The State Board of Equalization may not reduce the assessment of the county assessor if:

(a) The appeal involves an assessment on property which the taxpayer has refused or, without good cause, has neglected to include in the list required of him pursuant to NRS 361.265 or *if the taxpayer* has refused or, without good cause, has neglected to provide the list to the county assessor; or

(b) The taxpayer has, without good cause, refused entry to the assessor for the purpose of conducting the physical examination authorized by NRS 361.260.

5. *Any change made in an assessment appealed to the State Board of Equalization is effective only for the fiscal year for which the assessment was made.* The county assessor shall *review* each ~~[year review any]~~ *such* change ~~[made in an assessment for the previous fiscal year]~~ and maintain or remove the change as circumstances warrant ~~[ ]~~ *for the next fiscal year.*



6. If the State Board of Equalization determines that the record of a case on appeal from the county board of equalization is inadequate because of an act or omission of the county assessor, the district attorney or the county board of equalization, the State Board of Equalization may remand the case to the county board of equalization with directions to develop an adequate record within 30 days after the remand. The directions must indicate specifically the inadequacies to be remedied. If the State Board of Equalization determines that the record returned from the county board of equalization after remand is still inadequate, the State Board of Equalization may hold a hearing anew on the appellant's complaint or it may, if necessary, contract with an appropriate person to hear the matter, develop an adequate record in the case and submit recommendations to the State Board. The cost of the contract and all costs, including attorney's fees, to the State or the appellant necessary to remedy the inadequate record on appeal are a charge against the county.

**Sec. 12.** (Deleted by amendment.)

**Sec. 13.** (Deleted by amendment.)

**Sec. 14.** NRS 361.471 is hereby amended to read as follows:

361.471 As used in NRS 361.471 to 361.4735, inclusive, unless the context otherwise requires, the words and terms defined in NRS ~~[361.4711 to 361.4721, inclusive,]~~ **361.4712, 361.4715 and 361.4721** have the meanings ascribed to them in those sections.

**Sec. 15.** NRS 361.4722 is hereby amended to read as follows:

361.4722 1. Except as otherwise provided in or required to carry out the provisions of subsection 3 and NRS 361.4725 to 361.4728, inclusive, 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~~ *greater* 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 ~~or~~ ; *or*

(III) *Zero; or*

(2) *Eight percent,*

↳ whichever is ~~greater~~ *less*.

2. Except as otherwise provided in or required to carry out the provisions of NRS 361.4725 to 361.4728, inclusive, 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~~ *greater* 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; ~~for~~

(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 ~~is~~ ; *or*

(III) *Zero; or*

(2) *Eight percent,*

↳ whichever is ~~greater~~ *less*.

3. The provisions of subsection 1 do not apply to any property for which the provisions of subsection 1 of NRS 361.4723 or subsection 1 of NRS 361.4724 provide a greater abatement from taxation.

4. Except as otherwise required to carry out the provisions of NRS 361.473 to 361.4733, inclusive, and any regulations adopted pursuant thereto, the amount of any reduction in the ad valorem taxes levied in a county for a fiscal year as a result of the application of the provisions of subsections 1 and 2 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.

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 ~~is~~



~~—(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”~~, “*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. 16.** NRS 361.4722 is hereby amended to read as follows:

361.4722 1. Except as otherwise provided in or required to carry out the provisions of subsection 3 and NRS 361.4725 to 361.4728, inclusive, 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~~ *greater* 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; ~~for~~



(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 ~~;~~ *or*

(III) *Zero; or*

(2) *Eight percent,*

→ whichever is ~~greater;~~ *less.*

2. Except as otherwise provided in or required to carry out the provisions of NRS 361.4725 to 361.4728, inclusive, 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~~ *greater* 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 ~~or~~; *or*

(III) *Zero; or*

(2) *Eight percent,*

↳ whichever is ~~greater~~ *less*.

3. The provisions of subsection 1 do not apply to any property for which the provisions of subsection 1 of NRS 361.4723 or subsection 1 of NRS 361.4724 provide a greater abatement from taxation.

4. Except as otherwise required to carry out the provisions of NRS ~~[361.473 to 361.4733, inclusive.]~~ *361.4732* and any regulations adopted pursuant ~~[thereto.]~~ *to NRS 361.4733*, the amount of any reduction in the ad valorem taxes levied in a county for a fiscal year as a result of the application of the provisions of subsections 1 and 2 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.

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 ~~or~~:

~~— (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”~~, *“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. 17.** NRS 361.4723 is hereby amended to read as follows:

361.4723 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 or required to carry out the provisions of subsection 2 and NRS 361.4725 to 361.4728, inclusive, 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 NRS 361.4722 provide a greater abatement from taxation.

3. Except as otherwise required to carry out the provisions of NRS ~~[361.473 to 361.4733, inclusive,]~~ **361.4732** and any regulations adopted pursuant ~~[thereto,]~~ **to NRS 361.4733**, the amount of any reduction in the ad valorem taxes levied in a county for a fiscal year as a result of the application of the provisions of subsection 1 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.

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.

~~{(e)}~~ (b) "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.

~~{(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)}~~ (c) "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.

~~(((d)))~~ (d) “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. 18.** NRS 361.4724 is hereby amended to read as follows:

361.4724 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 or required to carry out the provisions of subsection 2 and NRS 361.4725 to 361.4728, inclusive, 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 NRS 361.4722 provide a greater abatement from taxation.

3. Except as otherwise required to carry out the provisions of NRS ~~[361.473 to 361.4733, inclusive,]~~ **361.4732** and any regulations adopted pursuant ~~[thereto,]~~ **to NRS 361.4733**, the amount of any reduction in the ad valorem taxes levied in a county for a fiscal year as a result of the application of the provisions of subsection 1 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.

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. 19.** NRS 361.4725 is hereby amended to read as follows:

361.4725 1. ~~[Notwithstanding]~~ **Except as otherwise provided in this section and notwithstanding** the provisions of NRS 361.4722, 361.4723 and 361.4724, 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 NRS 361.4722, 361.4723 and 361.4724, 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 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. *If the total amount otherwise required to be collected during a fiscal year and each of the succeeding 2 fiscal years pursuant to subsection 1 for a parcel or other taxable unit of property is less than or equal to \$100, the entire amount may be levied on the property and collected during that initial fiscal year.*

3. *The Nevada Tax Commission may exempt from the requirements of this section the levy of any taxes in an amount which is less than the cost of collecting those taxes.*

4. 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-}~~ 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.

~~{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. 20.** NRS 361.473 is hereby amended to read as follows:

361.473 *Except as otherwise required to carry out any regulations adopted pursuant to NRS 361.4733:*

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 NRS 361.4731 applies, for which the owner thereof is entitled to a partial abatement of taxes pursuant to NRS 361.4722, 361.4723 or 361.4724, 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 NRS 361.4722, 361.4723 or 361.4724 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 NRS 361.4731 applies, and for which the owner thereof is entitled to a partial abatement of taxes pursuant to NRS 361.4722, 361.4723 or 361.4724 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 NRS 361.4722, 361.4723 or 361.4724 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 NRS 361.4722, 361.4723 and 361.4724 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. 21.** NRS 361.4731 is hereby amended to read as follows:

361.4731 *Except as otherwise required to carry out any regulations adopted pursuant to NRS 361.4733:*

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 NRS 361.4722, 361.4723 or 361.4724, 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 NRS 361.4722, 361.4723 or 361.4724 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 NRS 361.4722, 361.4723 or 361.4724 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 NRS 361.4722, 361.4723 or 361.4724, 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 NRS 361.4722, 361.4723 or 361.4724 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 NRS 361.4722, 361.4723 or 361.4724 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 NRS 361.4722, 361.4723 or 361.4724 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. 22.** NRS 361.4732 is hereby amended to read as follows:

361.4732 ~~[Notwithstanding]~~ *Except as otherwise required to carry out any regulations adopted pursuant to NRS 361.4733 and notwithstanding* any other provision of NRS 361.471 to 361.4735, inclusive, 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 NRS 361.4722, paragraph (a) of subsection 2 of NRS 361.4722, paragraph (a) of subsection 1 of NRS 361.4723 or paragraph (a) of subsection 1 of NRS 361.4724 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 NRS 361.471 to 361.4735, inclusive, 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. 23.** NRS 361.4733 is hereby amended to read as follows:

361.4733 1. The Committee on Local Government Finance ~~[may]~~ *shall* adopt:

(a) *Such regulations as it determines to be appropriate to provide for the allocation among the appropriate taxing entities of 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 NRS 361.4722, 361.4723 and 361.4724, in accordance with the principles that:*

*(1) 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 NRS 361.4722, 361.4723 and 361.4724 which is caused by an increase in the rate of taxes imposed by one or more taxing entities*



*should be allocated to the taxing entities that would have received the benefit of that increase in proportion to the relative amount of benefit that otherwise would have been received from that increase;*

*(2) Any increase in the rate of ad valorem taxes imposed by a taxing entity should not affect the amount of ad valorem taxes received by other taxing entities, except for redevelopment agencies and tax increment areas whose property tax receipts depend on the tax rate of the taxing entity that increases its rate of taxes and whose territory is included, in whole or in part, in the territory of the taxing entity that increases its rate of taxes; and*

*(3) A taxing entity that does not increase its rate of ad valorem taxes should not be allocated 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 NRS 361.4722, 361.4723 and 361.4724, except for any reduction caused by an increase in the assessed value of that parcel or other taxable unit of real property; and*

*(b) Subject to the principles set forth in paragraph (a):*

*(1) Such regulations as it determines to be appropriate for the administration and interpretation of the provisions of NRS 361.473, 361.4731 and 361.4732; and*

~~[(b)]~~ (2) Regulations which provide, in a manner that is consistent with the provisions of NRS 361.473, 361.4731 and 361.4732, 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 NRS 361.4722, 361.4723 and 361.4724 if the property is included in or excluded from the boundaries of a redevelopment area, tax increment area or taxing entity after June 14, 2005.

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. 24.** NRS 361.4733 is hereby amended to read as follows:

361.4733 1. The Committee on Local Government Finance ~~[may]~~ **shall** adopt:

*(a) Such regulations as it determines to be appropriate to provide for the allocation among the appropriate taxing entities of 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 NRS 361.4722, 361.4723 and 361.4724, in accordance with the principles that:*



*(1) 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 NRS 361.4722, 361.4723 and 361.4724 which is caused by an increase in the rate of taxes imposed by one or more taxing entities should be allocated to the taxing entities that would have received the benefit of that increase in proportion to the relative amount of benefit that otherwise would have been received from that increase;*

*(2) Any increase in the rate of ad valorem taxes imposed by a taxing entity should not affect the amount of ad valorem taxes received by other taxing entities, except for redevelopment agencies and tax increment areas whose property tax receipts depend on the tax rate of the taxing entity that increases its rate of taxes and whose territory is included, in whole or in part, in the territory of the taxing entity that increases its rate of taxes; and*

*(3) A taxing entity that does not increase its rate of ad valorem taxes should not be allocated 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 NRS 361.4722, 361.4723 and 361.4724, except for any reduction caused by an increase in the assessed value of that parcel or other taxable unit of real property; and*

*(b) Subject to the principles set forth in paragraph (a):*

*(1) Such regulations as it determines to be appropriate for the administration and interpretation of the provisions of NRS ~~361.473, 361.4731 and~~ 361.4732; and*

*~~[(b)] (2) Regulations which provide [in a manner that is consistent with the provisions of NRS 361.473, 361.4731 and 361.4732.] 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 NRS 361.4722, 361.4723 and 361.4724 if the property is included in or excluded from the boundaries of a redevelopment area, tax increment area or taxing entity after June 14, 2005.~~*

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. 25.** NRS 361.4734 is hereby amended to read as follows:

361.4734 1. A taxpayer who is aggrieved by a determination of the applicability of a partial abatement from taxation pursuant to NRS 361.4722, 361.4723 or 361.4724 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 petition must be submitted on or before January 15 of the fiscal year for which the determination is effective.* 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. 26.** NRS 361.4835 is hereby amended to read as follows:

361.4835 1. If the county treasurer or the county assessor finds that a person's failure to make a timely return or payment of tax that is assessed by the county treasurer or county assessor and that is imposed pursuant to chapter 361 of NRS, except NRS 361.320, is the result of circumstances beyond his control and occurred despite the exercise of ordinary care and without intent, the county treasurer or the county assessor may relieve him of all or part of any interest or penalty, or both.

2. A person seeking this relief must *pay the amount of the tax due and, within 30 days after the date the payment is made,* file a statement setting forth the facts upon which he bases his claim with the county treasurer or the county assessor.

3. The county treasurer or the county assessor shall disclose, upon the request of any person:

- (a) The name of the person; and
- (b) The amount of the relief.

4. If the relief sought by the taxpayer is denied, he may appeal from the denial to the Nevada Tax Commission.

5. The county treasurer or the county assessor may defer the decision to the Department.



**Sec. 27.** Section 57 of chapter 496, Statutes of Nevada 2005, at page 2680, is hereby amended to read as follows:

Sec. 57. 1. This section and sections 52.1 to 52.8, inclusive, of this act become effective upon passage and approval.

2. Sections 1 to 22, inclusive, 24 to 28, inclusive, 42 to 52, inclusive, and 53 to 56, inclusive, of this act become effective on July 1, 2005.

3. Sections 29 to 41, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of performing any preparatory administrative tasks that are necessary to carry out the provisions of those sections; and

(b) On July 1, 2006, for all other purposes.

4. Section 23 of this act becomes effective on July 1, ~~2007~~ 2009.

5. Section 43 of this act expires by limitation on June 30, ~~2007~~ 2009.

**Sec. 28.** NRS 361.4711, 361.4713, 361.4714, 361.4716, 361.4717, 361.4718, 361.4719, 361.472, 361.473 and 361.4731 are hereby repealed.

**Sec. 29.** 1. The Legislature hereby approves, confirms and ratifies the regulations adopted by the Committee on Local Government Finance pursuant to NRS 361.4733 before the effective date of this section.

2. The Committee on Local Government Finance shall adopt the regulations required pursuant to the amendatory provisions of section 23 of this act not later than December 31, 2007.

**Sec. 30.** 1. This section and sections 27 and 29 of this act become effective upon passage and approval.

2. Sections 1 to 13, inclusive, 15, 19 to 23, inclusive, 25 and 26 of this act become effective on July 1, 2007.

3. Sections 15 and 23 of this act expire by limitation on December 31, 2007.

4. Sections 14, 16, 17, 18, 24 and 28 of this act become effective on January 1, 2008.

