

ASSEMBLY BILL NO. 210—COMMITTEE ON TAXATION
(ON BEHALF OF THE NEVADA ASSESSORS' ASSOCIATION)

FEBRUARY 28, 2007

Referred to Committee on Taxation

SUMMARY—Revises provisions governing certain exemptions from and refunds of property taxes and requirements for the assessment of common-interest communities. (BDR 32-470)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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

AN ACT relating to property taxes; revising provisions governing the eligibility of certain veterans for an exemption from taxation and certain requirements for the assessment of common-interest communities; increasing the maximum amount to which certain senior citizens are entitled as a refund of part of the taxes on their homes; repealing the prospective expiration of an exemption from the taxation of the property of certain apprenticeship programs; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prescribes an exemption from property taxes for a portion of the property of veterans who have served a minimum of 90 continuous days on active duty during certain specified periods. (NRS 361.090) **Section 1** of this bill repeals the requirement for the completion of that continuous service during any particular period.

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 2** of this bill revises the applicable statutory definition of those common elements.

Existing law provides for the refund of a portion of the property taxes paid on homes owned by certain senior citizens. (NRS 427A.515) **Section 3** of this bill increases the maximum amount of such a refund from \$500 to \$750.



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Existing law prescribes an exemption from property taxes for the property of certain apprenticeship programs and provides for the prospective expiration of that exemption on July 1, 2007. (NRS 361.106) Sections 4 and 5 of this bill repeal the prospective expiration of that exemption.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. 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 ; ~~I, 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



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1 not claimed in any other county in this State. After the filing of the
2 original affidavit, the county assessor shall mail a form for:

3 (a) The renewal of the exemption; and

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

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

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

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

27 8. Beginning with the 2006-2007 Fiscal Year, the monetary
28 amounts in subsections 1 and 2 must be adjusted for each fiscal year
29 by adding to the amount the product of the amount multiplied by the
30 percentage increase in the Consumer Price Index (All Items) from
31 July 2004 to the July preceding the fiscal year for which the
32 adjustment is calculated. The Department shall provide to each
33 county assessor the adjusted amount, in writing, on or before
34 September 30 of each year.

35 **Sec. 2.** NRS 361.233 is hereby amended to read as follows:

36 361.233 1. Notwithstanding any other provision of law:

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

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

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

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



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(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.

2. 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 a common-interest community other than the community units, which is owned:

(1) By the community association;

(2) By any person on behalf or for the *exclusive* benefit of the owners of the community units; or

(3) 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 for separate ownership or occupancy.

(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. 3. NRS 427A.515 is hereby amended to read as follows:

427A.515 1. A senior citizen whose home is placed upon the secured or unsecured tax roll, who has owned the home and maintained it as his primary residence since July 1 immediately preceding the filing of his claim and whose household income is not more than \$24,016, as adjusted pursuant to subsection 3, is entitled to a refund of the property tax accrued against his home, except as otherwise provided in subsection 2, as follows:

(a) If the amount of the applicant's household income is at or below the federally designated level signifying poverty for a family



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1 unit of one or two, the applicant is entitled to a refund of 100
2 percent of the property taxes accrued.

3 (b) If the amount of the applicant's household income is above
4 the federally designated level signifying poverty for a family unit of
5 one or two, the applicant is entitled to a refund of a percentage of
6 the property taxes accrued based on a graduated schedule adopted
7 by the Division.

8 2. The amount of the refund must not exceed the amount of the
9 accrued property tax or ~~[\$500,]~~ \$750, whichever is less.

10 3. The maximum allowable income to qualify for a refund set
11 forth in subsection 1 must be adjusted for each fiscal year by adding
12 to \$24,016 the product of \$24,016 multiplied by the percentage
13 increase in the Consumer Price Index from December 2002 to the
14 November preceding the fiscal year for which the adjustment is
15 calculated.

16 **Sec. 4.** Section 2 of chapter 389, Statutes of Nevada 1997, at
17 page 1367, is hereby amended to read as follows:

18 Sec. 2. This act becomes effective on July 1, 1997 . ~~†~~
19 ~~and expires by limitation on July 1, 2007.†~~

20 **Sec. 5.** Section 2 of chapter 210, Statutes of Nevada 1999, as
21 amended by section 58 of chapter 10, Statutes of Nevada 2001, at
22 page 68, is hereby amended to read as follows:

23 Sec. 2. This act becomes effective on July 1, 1999 . ~~†~~
24 ~~and expires by limitation on July 1, 2007.†~~

25 **Sec. 6.** 1. This section and sections 4 and 5 of this act
26 become effective upon passage and approval.

27 2. Sections 1, 2 and 3 of this act become effective on July 1,
28 2007.

