

ASSEMBLY BILL NO. 452—ASSEMBLYMEN COBB, BEERS,  
CHRISTENSEN, GOEDHART, GOICOECHEA, GRADY, HARDY,  
SETTELMAYER AND STEWART

MARCH 19, 2007

Referred to Committee on Ways and Means

SUMMARY—Freezes property taxes for the next biennium and provides for reimbursement to local taxing entities by the State for the resulting loss in tax revenue. (BDR S-840)

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 taxation; freezing the amount of property taxes imposed for the next biennium; providing for reimbursement to local taxing entities by the State for the resulting loss in tax revenue; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

**Section 1** of this bill freezes property taxes for each fiscal year of the next biennium in such a manner that an existing parcel of property will not be liable for any property taxes in excess of the amount due for the immediately preceding fiscal year, except for any taxes due as a result of a new improvement to the property, a change in the use of the property or the loss of a tax exemption since that preceding year. **Section 1** provides that a new parcel of property will not be liable for any property taxes imposed during each fiscal year of the next biennium in excess of the amount that would have been due if the parcel had been created in the immediately preceding fiscal year, except for any taxes due as a result of a new improvement to the property, a change in the use of the property or the loss of a tax exemption since that preceding year.

**Section 2** of this bill creates a special account for the State to reimburse local taxing entities for any loss in revenue resulting from the tax freeze.

**Section 3** of this bill suspends the operation of certain existing tax caps for the next biennium, except for the purposes of determining the amount of any loss of revenue to a local taxing entity during that period and the maximum amount of taxes which may be imposed on a parcel of property after that period.



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

**Section 1.** 1. Notwithstanding any other provision of law, the owner of any parcel or other taxable unit of property, including property entered on the central assessment roll, for which:

(a) An assessed valuation was separately established for the fiscal year commencing on July 1, 2006, is entitled to a partial abatement of the ad valorem taxes levied in a county on that property for the fiscal year:

(1) Commencing on July 1, 2007, 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 fiscal year commencing on July 1, 2006, as a result of any improvement to or change in the actual or authorized use of the property, exceeds the amount of all the ad valorem taxes:

(I) Levied in that county on the property for the fiscal year commencing on July 1, 2006; or

(II) Which would have been levied in that county on the property for the fiscal year commencing on July 1, 2006, if not for any exemptions from taxation that applied to the property for that fiscal year but do not apply to the property for the current fiscal year,

↪ whichever is greater; and

(2) Commencing on July 1, 2008, 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 fiscal year commencing on July 1, 2007, as a result of any improvement to or change in the actual or authorized use of the property, exceeds the amount of all the ad valorem taxes:

(I) Levied in that county on the property for the fiscal year commencing on July 1, 2007; or

(II) Which would have been levied in that county on the property for the fiscal year commencing on July 1, 2007, if not for any exemptions from taxation that applied to the property for that fiscal year but do not apply to the property for the current fiscal year,

↪ whichever is greater.



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(b) No assessed valuation was separately established for the fiscal year commencing on July 1, 2006, but for which an assessed valuation is separately established for the fiscal year commencing on July 1, 2007, is entitled to a partial abatement of the ad valorem taxes levied in a county on that property for the fiscal year:

(1) Commencing on July 1, 2007, 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 fiscal year commencing on July 1, 2006, if an assessed valuation had been separately established for that property for that fiscal year, exceeds the amount of all the ad valorem taxes:

(I) Which would have been levied in that county on the property for the fiscal year commencing on July 1, 2006, if an assessed valuation had been separately established for that property for that 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 fiscal year; or

(II) Which would have been levied in that county on the property for the fiscal year commencing on July 1, 2006, if an assessed valuation had been separately established for that property for that 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 fiscal year, and if not for any exemptions from taxation that applied to the property for that fiscal year but do not apply to the property for the current fiscal year,

↳ whichever is greater; and

(2) Commencing on July 1, 2008, 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 fiscal year commencing on July 1, 2007, as a result of any improvement to or change in the actual or authorized use of the property, exceeds the amount of all the ad valorem taxes:

(I) Levied in that county on the property for the fiscal year commencing on July 1, 2007; or

(II) Which would have been levied in that county on the property for the fiscal year commencing on July 1, 2007, if not for



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1 any exemptions from taxation that applied to the property for that  
2 fiscal year but do not apply to the property for the current fiscal  
3 year,

4 ↪ whichever is greater.

5 (c) No assessed valuation was separately established for the  
6 fiscal year commencing on July 1, 2007, but for which an assessed  
7 valuation is separately established for the fiscal year commencing  
8 on July 1, 2008, is entitled to a partial abatement of the ad valorem  
9 taxes levied in a county on that property for the fiscal year  
10 commencing on July 1, 2008, equal to the amount by which the  
11 product of the combined rate of all ad valorem taxes levied in that  
12 county on the property for that fiscal year and the amount of the  
13 assessed valuation of the property which is taxable in that county for  
14 that fiscal year, excluding any amount of that assessed valuation  
15 attributable to any improvement to or change in the actual or  
16 authorized use of the property that would not have been included in  
17 the calculation of the assessed valuation of the property for the fiscal  
18 year commencing on July 1, 2007, if an assessed valuation had been  
19 separately established for that property for that fiscal year, exceeds  
20 the amount of all the ad valorem taxes:

21 (1) Which would have been levied in that county on the  
22 property for the fiscal year commencing on July 1, 2007, if an  
23 assessed valuation had been separately established for that property  
24 for that fiscal year based upon all the assumptions, costs, values,  
25 calculations and other factors and considerations that would have  
26 been used for the valuation of that property for that fiscal year; or

27 (2) Which would have been levied in that county on the  
28 property for the fiscal year commencing on July 1, 2007, if an  
29 assessed valuation had been separately established for that property  
30 for that fiscal year based upon all the assumptions, costs, values,  
31 calculations and other factors and considerations that would have  
32 been used for the valuation of that property for that fiscal year, and  
33 if not for any exemptions from taxation that applied to the property  
34 for that fiscal year but do not apply to the property for the current  
35 fiscal year,

36 ↪ whichever is greater.

37 2. Any partial abatement from taxation to which a person may  
38 be entitled pursuant to this section takes priority over and must be  
39 applied before any partial exemptions or other partial abatements  
40 from taxation to which the person is entitled.

41 3. For the purposes of this section:

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



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(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. 2.** 1. A special account is hereby created in the State General Fund. The Executive Director of the Department of Taxation shall administer the account and shall use any money in the account only to provide payments in lieu of ad valorem taxes to reimburse local taxing entities for any reduction in the amount of ad valorem taxes they would otherwise be entitled to receive for the fiscal years commencing on July 1, 2007, and July 1, 2008, if not for the application of the provisions of section 1 of this act.

2. All claims against the account must be paid as other claims against the State are paid. Any balance remaining in the account that has not been committed for expenditure on or before June 30 of a fiscal year reverts to the State General Fund.

3. Any payments in lieu of ad valorem taxes provided pursuant to this section must be distributed and accounted for in the same manner as if the payments constituted revenue from ad valorem taxes.

4. For the purposes of this section, "local taxing entities":

(a) Means the political subdivisions and other legal entities in this State which have the right to receive money from ad valorem taxes; and

(b) Does not include the State.

**Sec. 3.** 1. Except as otherwise required to carry out the provisions of this act and notwithstanding any other provision of law, the provisions of NRS 361.471 to 361.4735, inclusive, and any regulations adopted pursuant thereto do not apply to any ad valorem taxes levied for the fiscal years commencing on July 1, 2007, and July 1, 2008.

2. The provisions of NRS 361.471 to 361.4735, inclusive, and any regulations adopted pursuant thereto must be carried out for the purposes of and shall be deemed to apply to:

(a) The calculations required to carry out the provisions of section 2 of this act with respect to the determination of the amount of ad valorem taxes a taxing entity would otherwise be entitled to receive for the fiscal years commencing on July 1, 2007, and July 1, 2008, if not for the application of the provisions of section 1 of this act.

(b) The calculation of the amount of ad valorem taxes for which a property owner is liable and to which a taxing entity is entitled for each fiscal year commencing on or after July 1, 2009, as if the provisions of section 1 of this act had never become effective.



1     **Sec. 4.** The Nevada Tax Commission shall adopt such  
2 regulations it deems appropriate to carry out the provisions of this  
3 act.

4     **Sec. 5.** This act becomes effective:

5         1. Upon passage and approval for the purpose of adopting  
6 regulations and performing any other preparatory administrative  
7 tasks that are necessary to carry out the provisions of this act; and

8         2. On July 1, 2007, for all other purposes.

