

ASSEMBLY BILL NO. 93—ASSEMBLYMEN ANDERSON, MCCLAIN, CONKLIN, CLABORN, HORNE, ATKINSON, BOBZIEN, BUCKLEY, CARPENTER, DENIS, GERHARDT, HOGAN, KIHUEN, KIRKPATRICK, KOIVISTO, LESLIE, MABEY, MANENDO, MORTENSON, MUNFORD, OCEGUERA, OHRENSCHALL, PARKS, PARNELL, PIERCE, SEGERBLOM, SMITH AND WOMACK

FEBRUARY 12, 2007

Referred to Committee on Taxation

SUMMARY—Provides exemptions from certain taxes for surviving spouses of members of the Nevada National Guard who are killed while on active service in full-time National Guard duty. (BDR 32-42)

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; providing exemptions from certain taxes for surviving spouses of members of the Nevada National Guard who are killed while on active service in full-time National Guard duty; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, various property may be exempt from taxation. For example, property of surviving spouses may be exempt up to \$1,000 of assessed valuation, property of veterans may be exempt up to \$2,000 of assessed valuation and property of disabled veterans may be exempt up to \$20,000 of assessed valuation. (NRS 361.080, 361.090, 361.091) Similar exemptions from the governmental services tax on vehicles are provided for surviving spouses, veterans and disabled veterans. (NRS 371.101, 371.103, 371.104)

Section 1 of this bill provides that 100 percent of the assessed value of the primary residence of the surviving spouse of a member of the Nevada National Guard who was killed while on active service in full-time National Guard duty may be exempt from the property tax for the residence. If such a tax exemption is allowed, the claimant is not entitled to an exemption under NRS 361.080 or



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361.091 or **section 6** of this bill. If any person files a false affidavit or provides false proof of his qualifications for a tax exemption pursuant to **section 1** 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.

Section 6 of this bill provides that 100 percent of the assessed value of any one vehicle of the surviving spouse of a member of the Nevada National Guard who was killed while on active service in full-time National Guard duty may be exempt from the governmental services tax. If such a tax exemption is allowed, the claimant is not entitled to an exemption under NRS 371.101 or 371.104 or **section 1** of this bill. If any person files a false affidavit or provides false proof of his qualifications for a tax exemption pursuant to **section 6** 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.

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. Except as otherwise provided in section 6 of this act, a bona fide resident of the State of Nevada who is the surviving spouse of a member of the Nevada National Guard who was killed while on active service in full-time National Guard duty, as defined in 10 U.S.C. § 101(d)(5), is entitled to a surviving spouse's exemption equal to 100 percent of the assessed value of the primary residence of the surviving spouse.

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

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.

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 the affiant meets all the other requirements of this section and that the affiant has not claimed the exemption in any other county in this State for that fiscal year. 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.



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1 5. *The county assessor may require such reasonable proof of*
2 *the qualifications of the claimant for the exemption as the county*
3 *assessor determines is necessary.*

4 6. *A surviving spouse is not entitled to the exemption*
5 *provided by this section in any fiscal year beginning after the*
6 *remarriage of the surviving spouse, even if that marriage is later*
7 *annulled.*

8 7. *If a tax exemption is allowed under this section, the*
9 *claimant is not entitled to an exemption under NRS 361.080 or*
10 *361.091 or section 6 of this act.*

11 8. *If any person files a false affidavit or provides false proof*
12 *of his qualifications for a tax exemption pursuant to this section to*
13 *the county assessor and, as a result of the false affidavit or false*
14 *proof, the person is allowed a tax exemption to which he is not*
15 *entitled, he is guilty of a gross misdemeanor.*

16 **Sec. 2.** NRS 361.080 is hereby amended to read as follows:

17 361.080 1. ~~[The]~~ *Except as otherwise provided in section 1*
18 *of this act, the* property of surviving spouses, not to exceed the
19 amount of \$1,000 assessed valuation, is exempt from taxation, but
20 no such exemption may be allowed to anyone but a bona fide
21 resident of this State, and must be allowed in but one county in this
22 State to the same family.

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

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

35 4. A surviving spouse is not entitled to the exemption provided
36 by this section in any fiscal year beginning after ~~[any remarriage,~~
37 ~~even if]~~ *the remarriage of the surviving spouse, even if that*
38 *marriage* is later annulled.

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

43 6. Beginning with the 2006-2007 Fiscal Year, the monetary
44 amount in subsection 1 must be adjusted for each fiscal year by
45 adding to the amount the product of the amount multiplied by the



1 percentage increase in the Consumer Price Index (All Items) from
2 July 2004 to the July preceding the fiscal year for which the
3 adjustment is calculated. The Department shall provide to each
4 county assessor the adjusted amount, in writing, on or before
5 September 30 of each year.

6 **Sec. 3.** NRS 361.0905 is hereby amended to read as follows:

7 361.0905 1. Any person who qualifies for an exemption
8 pursuant to NRS 361.090 or 361.091 *or section 1 of this act* may, in
9 lieu of claiming ~~his~~ *the* exemption:

10 (a) Pay to the county assessor all or any portion of the amount
11 by which the tax would be reduced if he claimed ~~his~~ *the*
12 exemption; and

13 (b) Direct the county assessor to deposit that amount for credit
14 to the Gift Account for Veterans' Homes established pursuant to
15 NRS 417.145.

16 2. Any person who wishes to waive ~~his~~ *an* exemption
17 pursuant to this section shall designate the amount to be credited to
18 the Account on a form provided by the Nevada Tax Commission.

19 3. The county assessor shall deposit any money received
20 pursuant to this section with the State Treasurer for credit to the Gift
21 Account for Veterans' Homes established pursuant to NRS 417.145.
22 The State Treasurer shall not accept more than a total of \$2,000,000
23 for credit to the Account pursuant to this section and NRS 371.1035
24 during any fiscal year.

25 **Sec. 4.** NRS 361.091 is hereby amended to read as follows:

26 361.091 1. A bona fide resident of the State of Nevada who
27 has incurred a permanent service-connected disability and has been
28 honorably discharged from the Armed Forces of the United States,
29 or , *except as otherwise provided in section 1 of this act*, his
30 surviving spouse, is entitled to a disabled veteran's exemption.

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

36 (a) Eighty to 99 percent, inclusive, is entitled to an exemption of
37 \$15,000 assessed value.

38 (b) Sixty to 79 percent, inclusive, is entitled to an exemption of
39 \$10,000 assessed value.

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

43 3. The exemption may be allowed only to a claimant who has
44 filed an affidavit with his claim for exemption on real property



1 pursuant to NRS 361.155. The affidavit may be made at any time by
2 a person claiming an exemption from taxation on personal property.

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

10 (a) The renewal of the exemption; and

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

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

20 (a) An honorable discharge or other document of honorable
21 separation from the Armed Forces of the United States which
22 indicates the total percentage of his permanent service-connected
23 disability;

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

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

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

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

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

38 (c) The surviving spouse has not remarried; and

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

41 ➔ The affidavit required by this subsection is in addition to the
42 certification required pursuant to subsections 4 and 5. After the
43 filing of the original affidavit required by this subsection, the county
44 assessor shall mail a form for renewal of the exemption to the
45 person each year following a year in which the exemption was



1 allowed for that person. The form must be designed to facilitate its
2 return by mail by the person claiming the exemption.

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

9 8. If a tax exemption is allowed under this section, the claimant
10 is not entitled to an exemption under NRS 361.090 ~~or~~ *or section 1*
11 *of this act.*

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

16 10. Beginning with the 2006-2007 Fiscal Year, the monetary
17 amounts in subsection 2 must be adjusted for each fiscal year by
18 adding to the amount the product of the amount multiplied by the
19 percentage increase in the Consumer Price Index (All Items) from
20 July 2004 to the July preceding the fiscal year for which the
21 adjustment is calculated. The Department shall provide to each
22 county assessor the adjusted amount, in writing, on or before
23 September 30 of each year.

24 **Sec. 5.** NRS 361.160 is hereby amended to read as follows:

25 361.160 1. Personal property in transit through this State is
26 personal property:

27 (a) Which is moving in interstate commerce through or over the
28 territory of the State of Nevada; or

29 (b) Which was consigned to a warehouse, public or private,
30 within the State of Nevada from outside the State of Nevada for
31 storage in transit to a final destination outside the State of Nevada,
32 whether specified when transportation begins or afterward.

33 ➤ Such property is deemed to have acquired no situs in Nevada for
34 purposes of taxation. Such property is not deprived of exemption
35 because while in the warehouse the property is assembled, bound,
36 joined, manufactured, processed, disassembled, divided, cut, broken
37 in bulk, relabeled or repackaged, or because the property is being
38 held for resale to customers outside the State of Nevada. The
39 exemption granted ~~shall~~ *must* be liberally construed to effect the
40 purposes of NRS 361.160 to 361.185, inclusive.

41 2. Personal property within this State as mentioned in NRS
42 361.030 and 361.045 to 361.155, inclusive, *and section 1 of this act*
43 does not include personal property in transit through this State as
44 defined in this section.



1 **Sec. 6.** Chapter 371 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 1. *Except as otherwise provided in section 1 of this act, a*
4 *bona fide resident of the State of Nevada who is the surviving*
5 *spouse of a member of the Nevada National Guard who was killed*
6 *while on active service in full-time National Guard duty, as*
7 *defined in 10 U.S.C. § 101(d)(5), is entitled to a surviving spouse's*
8 *exemption from the payment of governmental services taxes on*
9 *any one vehicle of the surviving spouse equal to 100 percent of the*
10 *assessed value of the vehicle.*

11 2. *For the purposes of this section, a vehicle in which the*
12 *surviving spouse has any interest shall be deemed to belong*
13 *entirely to the surviving spouse.*

14 3. *The surviving spouse claiming the exemption shall file*
15 *with the Department in the county where the exemption is claimed*
16 *an affidavit declaring the residency of the affiant, that the affiant*
17 *satisfies all the other requirements of this section and that the*
18 *affiant has not claimed the exemption on any other vehicle or in*
19 *any other county in this State for that year. The affidavit must be*
20 *made before the county assessor or a notary public. After the filing*
21 *of the original affidavit, the county assessor shall mail a form for*
22 *renewal of the exemption to the person each year following a year*
23 *in which the exemption was allowed for that person. The form*
24 *must be designed to facilitate its return by mail by the person*
25 *claiming the exemption.*

26 4. *The Department may require such reasonable proof of the*
27 *qualifications of the claimant for the exemption as the Department*
28 *determines is necessary.*

29 5. *A surviving spouse is not entitled to the exemption*
30 *provided by this section in any fiscal year beginning after the*
31 *remarriage of the surviving spouse, even if that marriage is later*
32 *annulled.*

33 6. *If a tax exemption is allowed under this section, the*
34 *claimant is not entitled to an exemption under NRS 371.101 or*
35 *371.104 or section 1 of this act.*

36 7. *If any person files a false affidavit or provides false proof*
37 *of his qualifications for a tax exemption pursuant to this section to*
38 *the Department and, as a result of the false affidavit or false proof,*
39 *the person is allowed a tax exemption to which he is not entitled,*
40 *he is guilty of a gross misdemeanor.*

41 **Sec. 7.** NRS 371.101 is hereby amended to read as follows:

42 371.101 1. ~~[Vehicles]~~ *Except as otherwise provided in*
43 *section 6 of this act, vehicles* registered by surviving spouses, not to
44 exceed the amount of \$1,000 determined valuation, are exempt from
45 taxation, but the exemption must not be allowed to anyone but



1 actual bona fide residents of this State, and must be filed in but one
2 county in this State to the same family.

3 2. For the purpose of this section, vehicles in which the
4 surviving spouse has any interest shall be deemed to belong entirely
5 to that surviving spouse.

6 3. The person claiming the exemption shall file with the
7 Department in the county where the exemption is claimed an
8 affidavit declaring his residency and that the exemption has been
9 claimed in no other county in this State for that year. The affidavit
10 must be made before the county assessor or a notary public. After
11 the filing of the original affidavit, the county assessor shall mail a
12 form for renewal of the exemption to the person each year following
13 a year in which the exemption was allowed for that person. The
14 form must be designed to facilitate its return by mail by the person
15 claiming the exemption.

16 4. A surviving spouse is not entitled to the exemption provided
17 by this section in any fiscal year beginning after ~~{any remarriage,~~
18 ~~even if}~~ the remarriage *of the surviving spouse, even if that*
19 *marriage* is later annulled.

20 5. Beginning with the 2005-2006 Fiscal Year, the monetary
21 amount in subsection 1 must be adjusted for each fiscal year by
22 adding to each amount the product of the amount multiplied by the
23 percentage increase in the Consumer Price Index (All Items) from
24 December 2003 to the December preceding the fiscal year for which
25 the adjustment is calculated.

26 **Sec. 8.** NRS 371.1035 is hereby amended to read as follows:

27 371.1035 1. Any person who qualifies for an exemption
28 pursuant to NRS 371.103 or 371.104 *or section 6 of this act* may, in
29 lieu of claiming ~~{his}~~ *the* exemption:

30 (a) Pay to the Department all or any portion of the amount by
31 which the tax would be reduced if he claimed ~~{his}~~ *the* exemption;
32 and

33 (b) Direct the Department to deposit that amount for credit to
34 the Gift Account for Veterans' Homes established pursuant to
35 NRS 417.145.

36 2. Any person who wishes to waive ~~{his}~~ *an* exemption
37 pursuant to this section shall designate the amount to be credited to
38 the Account on a form provided by the Department.

39 3. The Department shall deposit any money received pursuant
40 to this section with the State Treasurer for credit to the Gift Account
41 for Veterans' Homes established pursuant to NRS 417.145. The
42 State Treasurer shall not accept more than a total of \$2,000,000 for
43 credit to the Account pursuant to this section and NRS 361.0905
44 during any fiscal year.



Sec. 9. NRS 371.104 is hereby amended to read as follows:

371.104 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 , *except as otherwise provided in section 6 of this act*, his surviving spouse, is entitled to a veteran's exemption from the payment of governmental services taxes on vehicles of the following determined valuations:

(a) If he has a disability of 100 percent, the first \$20,000 of determined valuation.

(b) If he has a disability of 80 to 99 percent, inclusive, the first \$15,000 of determined valuation.

(c) If he has a disability of 60 to 79 percent, inclusive, the first \$10,000 of determined valuation.

2. For the purpose of this section, the first \$20,000 of determined valuation of vehicles in which an applicant has any interest ~~is~~ shall be deemed to belong entirely to that person.

3. A person claiming the exemption shall file annually with the Department in the county where the exemption is claimed an affidavit declaring that he is a bona fide resident of the State of Nevada who meets all the other requirements of subsection 1 and that the exemption is claimed in no 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.

4. Before allowing any exemption pursuant to the provisions of this section, the Department shall require proof of the applicant's status, and for that purpose shall require production of:

(a) A certificate from the Department of Veterans Affairs that the veteran has incurred a permanent service-connected disability, which shows the percentage of that disability; and

(b) Any one of the following:

(1) An honorable discharge;

(2) A certificate of satisfactory service; or

(3) A certified copy of either of these documents.

5. A surviving spouse claiming an exemption pursuant to this section must file with the Department in the county where the exemption is claimed 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; and

(c) The surviving spouse has not remarried.

➔ The affidavit required by this subsection is in addition to the certification required pursuant to subsections 3 and 4. 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.

6. If a tax exemption is allowed under this section, the claimant is not entitled to an exemption under NRS 371.103 ~~or~~ *section 6 of this act*.

7. If any person makes a false affidavit or produces false proof to the Department ~~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 2005-2006 Fiscal Year, the monetary amounts in subsections 1 and 2 must be adjusted for each fiscal year by adding to each amount the product of the amount multiplied by the percentage increase in the Consumer Price Index (All Items) from December 2003 to the December preceding the fiscal year for which the adjustment is calculated.

Sec. 10. NRS 371.105 is hereby amended to read as follows:

371.105 Claims pursuant to NRS 371.101, 371.102, 371.103 or 371.104 *or section 6 of this act* for tax exemption on the governmental services tax and designations of any amount to be credited to the Gift Account for Veterans' Homes pursuant to NRS 371.1035 must be filed annually at any time on or before the date when payment of the tax is due. All exemptions provided for in this section 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.

Sec. 11. NRS 371.106 is hereby amended to read as follows:

371.106 1. Whenever any vehicle ceases to be exempt from taxation under NRS 371.101, 371.102, 371.103 or 371.104 *or section 6 of this act* because the owner no longer meets the requirements for the exemption provided in those sections, its owner shall immediately notify the Department of ~~the~~ *that* fact.

2. If a person fails to notify the Department as required by subsection 1 and as a result ~~{of such failure}~~ is allowed a tax exemption to which he is not entitled, there ~~{shall}~~ *must* be added to and collected with the tax otherwise due a penalty equal to double the amount of the tax. If the person's failure is fraudulent and results



- 1 in his receiving a tax exemption to which he is not entitled, the
- 2 person is also guilty of a gross misdemeanor.
- 3 **Sec. 12.** This act becomes effective on July 1, 2007.

