

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 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 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.

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



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

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

8. If any person files a false affidavit or provides false proof of his qualifications for a tax exemption pursuant to this section to the county assessor 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.

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

361.080 1. ~~[The]~~ Except as otherwise provided in section 1 of this act, 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 of the surviving spouse, even if that marriage 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 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 to the July preceding the fiscal year for which the adjustment is calculated. The Department shall provide to each



* A B 9 3 R 1 *

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

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

4 361.0905 1. Any person who qualifies for an exemption
5 pursuant to NRS 361.090 or 361.091 *or section 1 of this act* may, in
6 lieu of claiming ~~his~~ *the* exemption:

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

10 (b) Direct the county assessor to deposit that amount for credit
11 to the Gift Account for Veterans' Homes established pursuant to
12 NRS 417.145.

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

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

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

23 361.091 1. A bona fide resident of the State of Nevada who
24 has incurred a permanent service-connected disability and has been
25 honorably discharged from the Armed Forces of the United States,
26 or , *except as otherwise provided in section 1 of this act*, his
27 surviving spouse, is entitled to a disabled veteran's exemption.

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

33 (a) Eighty to 99 percent, inclusive, is entitled to an exemption of
34 \$15,000 assessed value.

35 (b) Sixty to 79 percent, inclusive, is entitled to an exemption of
36 \$10,000 assessed value.

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

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

44 4. The affidavit must be made before the county assessor or a
45 notary public and be filed with the county assessor. It must state that



* A B 9 3 R 1 *

1 the affiant is a bona fide resident of the State of Nevada, that he
2 meets all the other requirements of subsection 1 and that the
3 exemption is not claimed in any other county within this State. After
4 the filing of the original affidavit, the county assessor shall mail a
5 form for:

6 (a) The renewal of the exemption; and

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

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

16 (a) An honorable discharge or other document of honorable
17 separation from the Armed Forces of the United States which
18 indicates the total percentage of his permanent service-connected
19 disability;

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

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

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

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

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

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

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

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

44 7. If a veteran or the surviving spouse of a veteran submits, as
45 proof of disability, documentation that indicates a percentage of



* A B 9 3 R 1 *

1 permanent service-connected disability for more than one permanent
2 service-connected disability, the amount of the exemption must be
3 based on the total of those combined percentages, not to exceed 100
4 percent.

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

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

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

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

21 361.160 1. Personal property in transit through this State is
22 personal property:

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

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

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

37 2. Personal property within this State as mentioned in NRS
38 361.030 and 361.045 to 361.155, inclusive, *and section 1 of this act*
39 does not include personal property in transit through this State as
40 defined in this section.

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

43 *1. Except as otherwise provided in section 1 of this act, a*
44 *bona fide resident of the State of Nevada who is the surviving*
45 *spouse of a member of the Nevada National Guard who was killed*



1 while on active service in full-time National Guard duty is entitled
2 to a surviving spouse's exemption from the payment of
3 governmental services taxes on any one vehicle of the surviving
4 spouse equal to 100 percent of the assessed value of the vehicle.

5 2. For the purposes of this section, a vehicle in which the
6 surviving spouse has any interest shall be deemed to belong
7 entirely to the surviving spouse.

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

20 4. The Department may require such reasonable proof of the
21 qualifications of the claimant for the exemption as the Department
22 determines is necessary.

23 5. A surviving spouse is not entitled to the exemption
24 provided by this section in any fiscal year beginning after the
25 remarriage of the surviving spouse, even if that marriage is later
26 annulled.

27 6. If a tax exemption is allowed under this section, the
28 claimant is not entitled to an exemption under NRS 371.101 or
29 371.104 or section 1 of this act.

30 7. If any person files a false affidavit or provides false proof
31 of his qualifications for a tax exemption pursuant to this section to
32 the Department and, as a result of the false affidavit or false proof,
33 the person is allowed a tax exemption to which he is not entitled,
34 he is guilty of a gross misdemeanor.

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

36 371.101 1. ~~[Vehieles]~~ Except as otherwise provided in
37 section 6 of this act, vehicles registered by surviving spouses, not to
38 exceed the amount of \$1,000 determined valuation, are exempt from
39 taxation, but the exemption must not be allowed to anyone but
40 actual bona fide residents of this State, and must be filed in but one
41 county in this State to the same family.

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



3. The person claiming the exemption shall file with the Department in the county where the exemption is claimed an affidavit declaring his residency and that the exemption has been claimed in no other county in this State for that year. 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 *of the surviving spouse, even if that marriage* is later annulled.

5. Beginning with the 2005-2006 Fiscal Year, the monetary amount in subsection 1 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. 8. NRS 371.1035 is hereby amended to read as follows:

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

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

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

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

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



* A B 9 3 R 1 *

1 payment of governmental services taxes on vehicles of the following
2 determined valuations:

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

5 (b) If he has a disability of 80 to 99 percent, inclusive, the first
6 \$15,000 of determined valuation.

7 (c) If he has a disability of 60 to 79 percent, inclusive, the first
8 \$10,000 of determined valuation.

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

12 3. A person claiming the exemption shall file annually with the
13 Department in the county where the exemption is claimed an
14 affidavit declaring that he is a bona fide resident of the State of
15 Nevada who meets all the other requirements of subsection 1 and
16 that the exemption is claimed in no other county within this State.
17 After the filing of the original affidavit, the county assessor shall
18 mail a form for:

19 (a) The renewal of the exemption; and

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

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

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

31 (b) Any one of the following:

32 (1) An honorable discharge;

33 (2) A certificate of satisfactory service; or

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

35 5. A surviving spouse claiming an exemption pursuant to this
36 section must file with the Department in the county where the
37 exemption is claimed an affidavit declaring that:

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

40 (b) The disabled veteran was eligible for the exemption at the
41 time of his death; and

42 (c) The surviving spouse has not remarried.

43 ➔ The affidavit required by this subsection is in addition to the
44 certification required pursuant to subsections 3 and 4. After the
45 filing of the original affidavit required by this subsection, the county



* A B 9 3 R 1 *

1 assessor shall mail a form for renewal of the exemption to the
2 person each year following a year in which the exemption was
3 allowed for that person. The form must be designed to facilitate its
4 return by mail by the person claiming the exemption.

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

8 7. If any person makes a false affidavit or produces false proof
9 to the Department ~~and~~ *,* as a result of the false affidavit or false
10 proof *,* the person is allowed a tax exemption to which he is not
11 entitled, he is guilty of a gross misdemeanor.

12 8. Beginning with the 2005-2006 Fiscal Year, the monetary
13 amounts in subsections 1 and 2 must be adjusted for each fiscal year
14 by adding to each amount the product of the amount multiplied by
15 the percentage increase in the Consumer Price Index (All Items)
16 from December 2003 to the December preceding the fiscal year for
17 which the adjustment is calculated.

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

19 371.105 Claims pursuant to NRS 371.101, 371.102, 371.103 or
20 371.104 *or section 6 of this act* for tax exemption on the
21 governmental services tax and designations of any amount to be
22 credited to the Gift Account for Veterans' Homes pursuant to NRS
23 371.1035 must be filed annually at any time on or before the date
24 when payment of the tax is due. All exemptions provided for in this
25 section must not be in an amount which gives the taxpayer a total
26 exemption greater than that to which he is entitled during any fiscal
27 year.

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

29 371.106 1. Whenever any vehicle ceases to be exempt from
30 taxation under NRS 371.101, 371.102, 371.103 or 371.104 *or*
31 *section 6 of this act* because the owner no longer meets the
32 requirements for the exemption provided in those sections, its owner
33 shall immediately notify the Department of ~~the~~ *that* fact.

34 2. If a person fails to notify the Department as required by
35 subsection 1 and as a result ~~of such failure~~ is allowed a tax
36 exemption to which he is not entitled, there ~~shall~~ *must* be added to
37 and collected with the tax otherwise due a penalty equal to double
38 the amount of the tax. If the person's failure is fraudulent and results
39 in his receiving a tax exemption to which he is not entitled, the
40 person is also guilty of a gross misdemeanor.

41 **Sec. 12.** This act becomes effective on July 1, 2007.

