

ASSEMBLY CONCURRENT RESOLUTION NO. 16—COMMITTEE ON
ELECTIONS, PROCEDURES, ETHICS, AND CONSTITUTIONAL
AMENDMENTS

(ON BEHALF OF THE NEVADA ASSOCIATION OF COUNTIES)

MARCH 26, 2007

Referred to Committee on Elections, Procedures, Ethics,
and Constitutional Amendments

SUMMARY—Directs the Legislative Commission to conduct an
interim study concerning the proper determination of
property capitalization rates for certain taxpayers.
(BDR R-374)

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

ASSEMBLY CONCURRENT RESOLUTION—Directing the
Legislative Commission to conduct an interim study
concerning the proper determination of property
capitalization rates for certain taxpayers.

1 WHEREAS, The possessory or beneficial interest of a business
2 conducting activities for profit on exempt federal land is subject to
3 taxation pursuant to NRS 361.157 and 361.159; and

4 WHEREAS, The taxable value of such a possessory or beneficial
5 interest in, or beneficial use of, such real and personal property
6 must, pursuant to subsection 3 of NRS 361.227, be determined in
7 the same manner as if such a business owned the property, adjusted
8 to reflect the percentage of the property not used by the business and
9 the percentage of time that the property is not used by the business;
10 and

11 WHEREAS, Subsection 5 of NRS 361.227 provides that the
12 taxable value of any property must not exceed its full cash value,
13 and that a person determining whether the taxable value of property
14 exceeds its full cash value may consider the capitalization of the fair
15 economic income expectancy or fair economic rent of the property,
16 or an analysis of discounted cash flow; and



1 WHEREAS, The issue of how property capitalization rates may
2 properly be determined for businesses taxable pursuant to NRS
3 361.157 and 361.159 is important to taxpayers in this State; now,
4 therefore, be it

5 RESOLVED BY THE ASSEMBLY OF THE STATE OF NEVADA, THE
6 SENATE CONCURRING, That the Legislative Commission is hereby
7 directed to appoint a subcommittee to conduct an interim study to
8 ascertain the proper manner for determining property capitalization
9 rates for taxpayers subject to taxation pursuant to NRS 361.157 and
10 361.159; and be it further

11 RESOLVED, That the study must include, without limitation:

12 1. An analysis of the factors that should be considered essential
13 in determining appropriate property capitalization rates for
14 taxpayers subject to taxation pursuant to NRS 361.157 and 361.159,
15 including, without limitation, the presence, absence or unusual level
16 of risk for such taxpayers;

17 2. An evaluation of the property capitalization rates that have
18 been used by the State Board of Equalization during the previous 5
19 years for such taxpayers;

20 3. An analysis of the effect on tax revenues of using various
21 property capitalization rates, including, without limitation, those
22 rates used by the State Board of Equalization during the previous 5
23 years and those rates proposed for use by county assessors for such
24 taxpayers; and

25 4. A legal analysis of the constitutionality of the imposition of
26 requirements concerning the factors identified as essential to the
27 proper determination of property capitalization rates for such
28 taxpayers.

