

ASSEMBLY BILL NO. 205—COMMITTEE ON TAXATION

FEBRUARY 19, 2009

Referred to Committee on Taxation

SUMMARY—Makes various changes relating to the administration of property taxes. (BDR 32-703)

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 the taxation of property; revising the provisions governing the calculation of certain partial abatements of taxes and the taxable value of improvements made on land, the designation of taxes on personal property as uncollectible and the taxation of open-space land which is converted to a higher use; clarifying the provisions governing the notification, appeal and revision of the valuation of property on the unsecured tax roll; delaying the required filing dates for certain statistical reports and petitions for the review of certain determinations regarding the applicability of a partial abatement; postponing the prospective expiration of certain provisions for the funding of accounts for the acquisition and improvement of technology in the offices of county assessors; providing a penalty; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law provides a partial abatement of the property taxes levied on property for which an assessed valuation has previously been established, a remainder parcel of real property, certain single-family residences and certain residential rental dwellings. (NRS 361.4722, 361.4723, 361.4724) **Sections 1 and 8-10** of this bill revise the formula for calculating the partial abatement in such a manner as to lower the cap on the tax liability of an owner of real property when the taxable value of the property is reduced as a result of the partial or complete destruction or removal of an improvement to the property or the correction of an overassessment of an improvement because of a factual error. **Section 12** of this bill changes the date by which a petition must be filed for the review of a county assessor's determination regarding the applicability of a partial abatement from



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January 15 to the last day of the fiscal year for which the determination is effective. (NRS 361.4734)

**Section 2** of this bill allows a county assessor, when determining the cost to replace an improvement on land for the purpose of calculating taxable value, to use the plans, drawings and other representations prepared by the architect or builder of the improvement to establish its size or quantity. (NRS 361.227)

**Section 3** of this bill provides statutory clarification that the individual tax bills provided to the owners of property on the unsecured tax roll serve as notification of the assessed valuation of the property after the regular appraisal or reappraisal of the property by the county assessor. (NRS 361.300)

Under existing law, a taxpayer desiring to appeal the assessment of property placed on the unsecured tax roll must, if the property was assessed after December 15 and on or before April 30, file that appeal with the State Board of Equalization on or before May 15. (NRS 361.360) **Sections 4-6** of this bill provide statutory clarification that a taxpayer desiring to appeal the assessment of property on the unsecured tax roll which was assessed at any other time may file that appeal with the county board of equalization on or before January 15. (NRS 361.345, 361.356, 361.357)

**Section 7** of this bill changes from July 31 to August 10 the date by which a county assessor must file with the Department of Taxation a statistical report showing values of property on the secured tax roll. (NRS 361.390)

Existing law authorizes a county assessor to seize the personal property of a person who neglects or refuses to pay property taxes, and requires the county assessor to post a notice of the seizure within the immediate vicinity of the seized property before selling the property at public auction. (NRS 361.535) **Section 13** of this bill makes it a gross misdemeanor for a person to remove, deface, cover or conceal that notice, or to move or sell, attempt to move or sell or assist another person to move or sell the seized property, before the delinquent taxes are paid.

Existing law allows a county tax receiver to petition the board of county commissioners to designate certain taxes on personal property as uncollectible, thereby relieving the tax receiver from liability for the failure to collect those taxes. (NRS 361.5607) **Section 14** of this bill revises the criteria under which such a petition is authorized to require in every case that all appropriate collection procedures were followed without success, and that either the taxes have been delinquent for at least 3 years or the amount of the taxes is \$25 or less.

Existing law requires the assessment of a golf course as open-space property and the payment of deferred property taxes when any open-space property is converted to a higher use. (NRS 361A.170, 361A.280) **Section 16** of this bill specifies criteria for determining when a golf course has been converted to a higher use. (NRS 361A.031) **Sections 15 and 18** of this bill clarify the amount of deferred property taxes due upon the conversion of any open-space property to a higher use.

Under existing law, 2 percent of the property taxes collected for each county on personal property and the net proceeds of mines must be deposited into an account for the acquisition and improvement of technology in the office of the county assessor. (NRS 361.530, 362.170) **Sections 20, 21 and 22** of this bill provide for the continuation of this funding during the next biennium by postponing its prospective expiration until June 30, 2011.



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:

*If the taxable value of an improvement to real property is reduced as a result of:*

*1. The partial or complete destruction or removal of the improvement; or*

*2. The correction pursuant to NRS 361.768 of an overassessment of the improvement because of a factual error,*

*then for the purpose of calculating the amount of any partial abatement to which the owner of the real property is entitled pursuant to NRS 361.4722, 361.4723 or 361.4724 for the initial fiscal year for which that reduction in taxable value applies, the amount determined for the immediately preceding fiscal year pursuant to paragraph (a) of subsection 1 of NRS 361.4722, paragraph (a) of subsection 2 of NRS 361.4722, paragraph (a) of subsection 1 of NRS 361.4723 or paragraph (a) of subsection 1 of NRS 361.4724, as applicable, must be reduced by the same percentage as the taxable value of the real property is reduced for that initial fiscal year as a result of the partial or complete destruction or removal of the improvement to the property or the correction of the overassessment of the improvement to the property.*

**Sec. 2.** NRS 361.227 is hereby amended to read as follows:

361.227 1. Any person determining the taxable value of real property shall appraise:

(a) The full cash value of:

(1) Vacant land by considering the uses to which it may lawfully be put, any legal or physical restrictions upon those uses, the character of the terrain, and the uses of other land in the vicinity.

(2) Improved land consistently with the use to which the improvements are being put.

(b) Any improvements made on the land by subtracting from the cost of replacement of the improvements all applicable depreciation and obsolescence. Depreciation of an improvement made on real property must be calculated at 1.5 percent of the cost of replacement for each year of adjusted actual age of the improvement, up to a maximum of 50 years.

2. The unit of appraisal must be a single parcel unless:

(a) The location of the improvements causes two or more parcels to function as a single parcel;



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(b) The parcel is one of a group of contiguous parcels which qualifies for valuation as a subdivision pursuant to the regulations of the Nevada Tax Commission; or

(c) In the professional judgment of the person determining the taxable value, the parcel is one of a group of parcels which should be valued as a collective unit.

3. The taxable value of a leasehold interest, possessory interest, beneficial interest or beneficial use for the purpose of NRS 361.157 or 361.159 must be determined in the same manner as the taxable value of the property would otherwise be determined if the lessee or user of the property was the owner of the property and it was not exempt from taxation, except that the taxable value so determined must be reduced by a percentage of the taxable value that is equal to the:

(a) Percentage of the property that is not actually leased by the lessee or used by the user during the fiscal year; and

(b) Percentage of time that the property is not actually leased by the lessee or used by the user during the fiscal year, which must be determined in accordance with NRS 361.2275.

4. The taxable value of other taxable personal property, except a mobile or manufactured home, must be determined by subtracting from the cost of replacement of the property all applicable depreciation and obsolescence. Depreciation of a billboard must be calculated at 1.5 percent of the cost of replacement for each year after the year of acquisition of the billboard, up to a maximum of 50 years.

5. The computed taxable value of any property must not exceed its full cash value. Each person determining the taxable value of property shall reduce it if necessary to comply with this requirement. A person determining whether taxable value exceeds that full cash value or whether obsolescence is a factor in valuation may consider:

(a) Comparative sales, based on prices actually paid in market transactions.

(b) A summation of the estimated full cash value of the land and contributory value of the improvements.

(c) Capitalization of the fair economic income expectancy or fair economic rent, or an analysis of the discounted cash flow.

➡ A county assessor is required to make the reduction prescribed in this subsection if the owner calls to his attention the facts warranting it, if he discovers those facts during physical reappraisal of the property or if he is otherwise aware of those facts.

6. The Nevada Tax Commission shall, by regulation, establish:

(a) Standards for determining the cost of replacement of improvements of various kinds.



(b) Standards for determining the cost of replacement of personal property of various kinds. The standards must include a separate index of factors for application to the acquisition cost of a billboard to determine its replacement cost.

(c) Schedules of depreciation for personal property based on its estimated life.

(d) Criteria for the valuation of two or more parcels as a subdivision.

7. In determining , *for the purpose of computing taxable value*, the cost of replacement of :

(a) Any personal property , ~~{for the purpose of computing taxable value,}~~ the cost of all improvements of the personal property, including any additions to or renovations of the personal property, but excluding routine maintenance and repairs, must be added to the cost of acquisition of the personal property.

*(b) An improvement made on land, a county assessor may use any representations of the improvement that are prepared by the architect or builder of the improvement, including, without limitation, building plans, drawings, sketches and surveys, and any specifications included in such representations, as a basis for establishing any relevant measurements of size or quantity.*

8. The county assessor shall, upon the request of the owner, furnish within 15 days to the owner a copy of the most recent appraisal of the property, including, without limitation, copies of any sales data, materials presented on appeal to the county board of equalization or State Board of Equalization and other materials used to determine or defend the taxable value of the property.

9. The provisions of this section do not apply to property which is assessed pursuant to NRS 361.320.

**Sec. 3.** NRS 361.300 is hereby amended to read as follows:

361.300 1. On or before January 1 of each year, the county assessor shall transmit to the county clerk, post at the front door of the courthouse and publish in a newspaper published in the county a notice to the effect that the secured tax roll is completed and open for inspection by interested persons of the county.

2. If the county assessor fails to complete the assessment roll in the manner and at the time specified in this section, the board of county commissioners shall not allow him a salary or other compensation for any day after January 1 during which the roll is not completed, unless excused by the board of county commissioners.

3. Except as otherwise provided in subsection 4, each board of county commissioners shall by resolution, before December 1 of any fiscal year in which assessment is made, require the county assessor to prepare a list of all the taxpayers on the secured roll in



1 the county and the total valuation of property on which they  
2 severally pay taxes and direct the county assessor:

3 (a) To cause such list and valuations to be printed and delivered  
4 by the county assessor or mailed by him on or before January 1 of  
5 the fiscal year in which assessment is made to each taxpayer in the  
6 county; or

7 (b) To cause such list and valuations to be published once on or  
8 before January 1 of the fiscal year in which assessment is made in a  
9 newspaper of general circulation in the county.

10 ➔ In addition to complying with paragraph (a) or (b), the list and  
11 valuations may also be posted in a public area of the public libraries  
12 and branch libraries located in the county, in a public area of the  
13 county courthouse and the county office building in which the  
14 county assessor's office is located, and on a website or other  
15 Internet site that is operated or administered by or on behalf of the  
16 county or county assessor.

17 4. A board of county commissioners may, in the resolution  
18 required by subsection 3, authorize the county assessor not to  
19 deliver or mail the list, as provided in paragraph (a) of subsection 3,  
20 to taxpayers whose property is assessed at \$1,000 or less and direct  
21 the county assessor to mail to each such taxpayer a statement of the  
22 amount of his assessment. Failure by a taxpayer to receive such a  
23 mailed statement does not invalidate any assessment.

24 5. The several boards of county commissioners in the State  
25 may allow the bill contracted with their approval by the county  
26 assessor under this section on a claim to be allowed and paid as are  
27 other claims against the county.

28 6. Whenever property **on:**

29 (a) *The secured tax roll* is appraised or reappraised pursuant to  
30 NRS 361.260, the county assessor shall, on or before December 18  
31 of the fiscal year in which the appraisal or reappraisal is made,  
32 deliver or mail to each owner of such property a written notice  
33 stating the assessed valuation of the property as determined from the  
34 appraisal or reappraisal.

35 (b) *The unsecured tax roll is appraised or reappraised*  
36 *pursuant to NRS 361.260, the delivery or mailing to the owner of*  
37 *such property of an individual tax bill or individual tax notice for*  
38 *the property shall be deemed to constitute adequate notice to the*  
39 *owner of the assessed valuation of the property as determined*  
40 *from the appraisal or reappraisal.*

41 7. If the secured tax roll is changed pursuant to NRS 361.310,  
42 the county assessor shall mail an amended notice of assessed  
43 valuation to each affected taxpayer. The notice must include:



(a) The information set forth in subsection 6 for the new assessed valuation.

(b) The dates for appealing the new assessed valuation.

8. Failure by the taxpayer to receive a notice required by this section does not invalidate the appraisal or reappraisal.

9. In addition to complying with subsections 6 and 7, a county assessor shall:

(a) Provide without charge a copy of a notice of assessed valuation to the owner of the property upon request.

(b) Post the information included in a notice of assessed valuation on a website or other Internet site, if any, that is operated or administered by or on behalf of the county or the county assessor.

**Sec. 4.** NRS 361.345 is hereby amended to read as follows:

361.345 1. Except as otherwise provided in subsection 2, the county board of equalization may ~~determine~~:

(a) *Determine* the valuation of any *real or personal* property placed on:

(1) *The secured tax roll which was* assessed by the county assessor ~~[-and may change]~~; or

(2) *The unsecured tax roll which was assessed by the county assessor on or after May 1 and on or before December 15; and*

(b) *Change* and correct any valuation found to be incorrect either by adding thereto or by deducting therefrom such sum as is necessary to make it conform to the taxable value of the property assessed, whether that valuation was fixed by the owner or the county assessor. The county board of equalization may not reduce the assessment of the county assessor unless it is established by a preponderance of the evidence that the valuation established by the county assessor exceeds the full cash value of the property or is inequitable. A change so made is effective only for the fiscal year for which the assessment was made. The county assessor shall each year review all such changes made for the previous fiscal year and maintain or remove each change as circumstances warrant.

2. If a person complaining of the assessment of his property:

(a) Has refused or, without good cause, has neglected to give the county assessor his list under oath, as required by NRS 361.265; or

(b) Has, without good cause, refused entry to the assessor for the purpose of conducting the physical examination required by NRS 361.260,

➔ the county assessor shall make a reasonable estimate of the property and assess it accordingly. No reduction may be made by the county board of equalization from the assessment of the county assessor made pursuant to this subsection.



3. If the county board of equalization finds it necessary to add to the assessed valuation of any property on the assessment roll, it shall direct the clerk to give notice to the person so interested by registered or certified letter, or by personal service, naming the day when it will act on the matter and allowing a reasonable time for the interested person to appear.

**Sec. 5.** NRS 361.356 is hereby amended to read as follows:

361.356 1. An owner of *any real or personal* property *placed on:*

*(a) The secured tax roll* who believes that his property was assessed at a higher value than another property whose use is identical and whose location is comparable may appeal the assessment, on or before January 15 of the fiscal year in which the assessment was made, to the county board of equalization. If January 15 falls on a Saturday, Sunday or legal holiday, the appeal may be filed on the next business day.

*(b) The unsecured tax roll which was assessed on or after May 1 and on or before December 15 who believes that his property was assessed at a higher value than another property whose use is identical and whose location is comparable may appeal the assessment, on or before the following January 15, to the county board of equalization. If January 15 falls on a Saturday, Sunday or legal holiday, the appeal may be filed on the next business day.*

2. Before a person may file an appeal pursuant to subsection 1, the person must complete a form provided by the county assessor to appeal the assessment to the county board of equalization. The county assessor may, before providing such a form, require the person requesting the form to provide the parcel number or other identification number of the property that is the subject of the planned appeal.

3. If the board finds that an inequity exists in the assessment of the value of the land or the value of the improvements, or both, the board may add to or deduct from the value of the land or the value of the improvements, or both, either of the appellant's property or of the property to which it is compared, to equalize the assessment.

4. In the case of residential property, the appellant shall cite other property within the same subdivision if possible.

**Sec. 6.** NRS 361.357 is hereby amended to read as follows:

361.357 1. The owner of any *real or personal* property *placed on:*

*(a) The secured tax roll* who believes that the full cash value of his property is less than the taxable value computed for the property in the current assessment year **+** may, not later than January 15 of the fiscal year in which the assessment was made, appeal to the





1 county board of equalization. If January 15 falls on a Saturday,  
2 Sunday or legal holiday, the appeal may be filed on the next  
3 business day.

4 *(b) The unsecured tax roll which was assessed on or after*  
5 *May 1 and on or before December 15 who believes that the full*  
6 *cash value of his property is less than the taxable value computed*  
7 *for the property in the current assessment year may, not later than*  
8 *the following January 15, appeal to the county board of*  
9 *equalization. If January 15 falls on a Saturday, Sunday or legal*  
10 *holiday, the appeal may be filed on the next business day.*

11 2. Before a person may file an appeal pursuant to subsection 1,  
12 the person must complete a form provided by the county assessor to  
13 appeal the assessment to the county board of equalization. The  
14 county assessor may, before providing such a form, require the  
15 person requesting the form to provide the parcel number or other  
16 identification number of the property that is the subject of the  
17 planned appeal.

18 3. If the county board of equalization finds that the full cash  
19 value of the property on January 1 immediately preceding the fiscal  
20 year for which the taxes are levied is less than the taxable value  
21 computed for the property, the board shall correct the land value or  
22 fix a percentage of obsolescence to be deducted from the otherwise  
23 computed taxable value of the improvements, or both, to make the  
24 taxable value of the property correspond as closely as possible to its  
25 full cash value.

26 4. No appeal under this section may result in an increase in the  
27 taxable value of the property.

28 **Sec. 7.** NRS 361.390 is hereby amended to read as follows:

29 361.390 Each county assessor shall:

30 1. File with or cause to be filed with the Secretary of the State  
31 Board of Equalization, on or before March 10 of each year, the tax  
32 roll, or a true copy thereof, of his county for the current year as  
33 corrected by the county board of equalization.

34 2. Prepare and file with the Department on or before  
35 January 31, and again on or before March 5 of each year, a  
36 segregation report showing the assessed values for each taxing  
37 entity within the county on a form prescribed by the Department.  
38 The assessor shall make any projections required for the current  
39 fiscal year. The Department shall make any projections required for  
40 the upcoming fiscal year.

41 3. Prepare and file with the Department on or before ~~July 31~~  
42 *August 10* for the secured roll and on or before May 5 for the  
43 unsecured roll, a statistical report showing values for all categories  
44 of property on a form prescribed by the Department.



**Sec. 8.** NRS 361.4722 is hereby amended to read as follows:

361.4722 1. Except as otherwise provided in or required to carry out the provisions of subsection 3 and NRS 361.4725 to 361.4728, inclusive, *and section 1 of this act*, the owner of any parcel or other taxable unit of property, including property entered on the central assessment roll, for which an assessed valuation was separately established for the immediately preceding fiscal year is entitled to a partial abatement of the ad valorem taxes levied in a county on that property each fiscal year 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 immediately preceding fiscal year as a result of any improvement to or change in the actual or authorized use of the property, exceeds the sum obtained by adding:

(a) The amount of all the ad valorem taxes:

(1) Levied in that county on the property for the immediately preceding fiscal year; or

(2) Which would have been levied in that county on the property for the immediately preceding fiscal year if not for any exemptions from taxation that applied to the property for that prior fiscal year but do not apply to the property for the current fiscal year,

↳ whichever is greater; and

(b) A percentage of the amount determined pursuant to paragraph (a) which is equal to:

(1) The greater of:

(I) The average percentage of change in the assessed valuation of all the taxable property in the county, as determined by the Department, over the fiscal year in which the levy is made and the 9 immediately preceding fiscal years;

(II) Twice the percentage of increase in the Consumer Price Index for all Urban Consumers, U.S. City Average (All Items) for the immediately preceding calendar year; or

(III) Zero; or

(2) Eight percent,

↳ whichever is less.

2. Except as otherwise provided in or required to carry out the provisions of NRS 361.4725 to 361.4728, inclusive, *and section 1 of this act*, the owner of any remainder parcel of real property for which no assessed valuation was separately established for the immediately preceding fiscal year, is entitled to a partial abatement of the ad valorem taxes levied in a county on that property for a



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1 fiscal year equal to the amount by which the product of the  
2 combined rate of all ad valorem taxes levied in that county on the  
3 property for that fiscal year and the amount of the assessed valuation  
4 of the property which is taxable in that county for that fiscal year,  
5 excluding any amount of that assessed valuation attributable to any  
6 improvement to or change in the actual or authorized use of the  
7 property that would not have been included in the calculation of the  
8 assessed valuation of the property for the immediately preceding  
9 fiscal year if an assessed valuation had been separately established  
10 for that property for that prior fiscal year, exceeds the sum obtained  
11 by adding:

12 (a) The amount of all the ad valorem taxes:

13 (1) Which would have been levied in that county on the  
14 property for the immediately preceding fiscal year if an assessed  
15 valuation had been separately established for that property for that  
16 prior fiscal year based upon all the assumptions, costs, values,  
17 calculations and other factors and considerations that would have  
18 been used for the valuation of that property for that prior fiscal year;  
19 or

20 (2) Which would have been levied in that county on the  
21 property for the immediately preceding fiscal year if an assessed  
22 valuation had been separately established for that property for that  
23 prior fiscal year based upon all the assumptions, costs, values,  
24 calculations and other factors and considerations that would have  
25 been used for the valuation of that property for that prior fiscal year,  
26 and if not for any exemptions from taxation that applied to the  
27 property for that prior fiscal year but do not apply to the property for  
28 the current fiscal year,

29 ➡ whichever is greater; and

30 (b) A percentage of the amount determined pursuant to  
31 paragraph (a) which is equal to:

32 (1) The greater of:

33 (I) The average percentage of change in the assessed  
34 valuation of all the taxable property in the county, as determined by  
35 the Department, over the fiscal year in which the levy is made and  
36 the 9 immediately preceding fiscal years;

37 (II) Twice the percentage of increase in the Consumer  
38 Price Index for all Urban Consumers, U.S. City Average (All Items)  
39 for the immediately preceding calendar year; or

40 (III) Zero; or

41 (2) Eight percent,

42 ➡ whichever is less.

43 3. The provisions of subsection 1 do not apply to any property  
44 for which the provisions of subsection 1 of NRS 361.4723 or



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1 subsection 1 of NRS 361.4724 provide a greater abatement from  
2 taxation.

3 4. Except as otherwise required to carry out the provisions of  
4 NRS 361.4732 and any regulations adopted pursuant to NRS  
5 361.4733, the amount of any reduction in the ad valorem taxes  
6 levied in a county for a fiscal year as a result of the application of  
7 the provisions of subsections 1 and 2 must be deducted from the  
8 amount of ad valorem taxes each taxing entity would otherwise be  
9 entitled to receive for that fiscal year in the same proportion as the  
10 rate of ad valorem taxes levied in the county on the property by or  
11 on behalf of that taxing entity for that fiscal year bears to the  
12 combined rate of all ad valorem taxes levied in the county on the  
13 property by or on behalf of all taxing entities for that fiscal year.

14 5. The Nevada Tax Commission shall adopt such regulations as  
15 it deems appropriate to ensure that this section is carried out in a  
16 uniform and equal manner.

17 6. For the purposes of this section, "remainder parcel of real  
18 property" means a parcel of real property which remains after the  
19 creation of new parcels of real property for development from one  
20 or more existing parcels of real property, if the use of that remaining  
21 parcel has not changed from the immediately preceding fiscal year.

22 **Sec. 9.** NRS 361.4723 is hereby amended to read as follows:

23 361.4723 The Legislature hereby finds and declares that an  
24 increase in the tax bill of the owner of a home by more than 3  
25 percent over the tax bill of that homeowner for the previous year  
26 constitutes a severe economic hardship within the meaning of  
27 subsection 10 of Section 1 of Article 10 of the Nevada Constitution.  
28 The Legislature therefore directs a partial abatement of taxes for  
29 such homeowners as follows:

30 1. Except as otherwise provided in or required to carry out the  
31 provisions of subsection 2 and NRS 361.4725 to 361.4728,  
32 inclusive, *and section 1 of this act*, the owner of a single-family  
33 residence which is the primary residence of the owner is entitled to a  
34 partial abatement of the ad valorem taxes levied in a county on that  
35 property each fiscal year equal to the amount by which the product  
36 of the combined rate of all ad valorem taxes levied in that county on  
37 the property for that fiscal year and the amount of the assessed  
38 valuation of the property which is taxable in that county for that  
39 fiscal year, excluding any increase in the assessed valuation of the  
40 property from the immediately preceding fiscal year as a result of  
41 any improvement to or change in the actual or authorized use of the  
42 property, exceeds the sum obtained by adding:

43 (a) The amount of all the ad valorem taxes:

44 (1) Levied in that county on the property for the immediately  
45 preceding fiscal year; or



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(2) Which would have been levied in that county on the property for the immediately preceding fiscal year if not for any exemptions from taxation that applied to the property for that prior fiscal year but do not apply to the property for the current fiscal year,

↳ whichever is greater; and

(b) Three percent of the amount determined pursuant to paragraph (a).

2. The provisions of subsection 1 do not apply to any property for which:

(a) No assessed valuation was separately established for the immediately preceding fiscal year; or

(b) The provisions of subsection 1 of NRS 361.4722 provide a greater abatement from taxation.

3. Except as otherwise required to carry out the provisions of NRS 361.4732 and any regulations adopted pursuant to NRS 361.4733, the amount of any reduction in the ad valorem taxes levied in a county for a fiscal year as a result of the application of the provisions of subsection 1 must be deducted from the amount of ad valorem taxes each taxing entity would otherwise be entitled to receive for that fiscal year in the same proportion as the rate of ad valorem taxes levied in the county on the property by or on behalf of that taxing entity for that fiscal year bears to the combined rate of all ad valorem taxes levied in the county on the property by or on behalf of all taxing entities for that fiscal year.

4. The Nevada Tax Commission shall adopt such regulations as it deems appropriate to carry out this section, including, without limitation, regulations providing a methodology for applying the partial abatement provided pursuant to subsection 1 to a parcel of real property of which only a portion qualifies as a single-family residence which is the primary residence of the owner and the remainder is used in another manner.

5. The owner of a single-family residence does not become ineligible for the partial abatement provided pursuant to subsection 1 as a result of:

(a) The operation of a home business out of a portion of that single-family residence; or

(b) The manner in which title is held by the owner if the owner occupies the residence, including, without limitation, if the owner has placed the title in a trust for purposes of estate planning.

6. For the purposes of this section:

(a) "Primary residence of the owner" means a residence which:

(1) Is designated by the owner as the primary residence of the owner in this State, exclusive of any other residence of the owner in this State; and



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(2) Is not rented, leased or otherwise made available for exclusive occupancy by any person other than the owner of the residence and members of the family of the owner of the residence.

(b) "Single-family residence" means a parcel or other unit of real property or unit of personal property which is intended or designed to be occupied by one family with facilities for living, sleeping, cooking and eating.

(c) "Unit of personal property" includes, without limitation, any:

(1) Mobile or manufactured home, whether or not the owner thereof also owns the real property upon which it is located; or

(2) Taxable unit of a condominium, common-interest community, planned unit development or similar property,

↳ if classified as personal property for the purposes of this chapter.

(d) "Unit of real property" includes, without limitation, any taxable unit of a condominium, common-interest community, planned unit development or similar property, if classified as real property for the purposes of this chapter.

**Sec. 10.** NRS 361.4724 is hereby amended to read as follows:

361.4724 The Legislature hereby finds and declares that many Nevadans who cannot afford to own their own homes would be adversely affected by large unanticipated increases in property taxes, as those tax increases are passed down to renters in the form of rent increases and therefore the benefits of a charitable exemption pursuant to subsection 8 of Section 1 of Article 10 of the Nevada Constitution should be afforded to those Nevadans through an abatement granted to the owners of residential rental dwellings who charge rent that does not exceed affordable housing standards for low-income housing. The Legislature therefore directs a partial abatement of taxes for such owners as follows:

1. Except as otherwise provided in or required to carry out the provisions of subsection 2 and NRS 361.4725 to 361.4728, inclusive, *and section 1 of this act*, if the amount of rent collected from each of the tenants of a residential dwelling does not exceed the fair market rent for the county in which the dwelling is located, as most recently published by the United States Department of Housing and Urban Development, the owner of the dwelling is entitled to a partial abatement of the ad valorem taxes levied in a county on that property for each fiscal year 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 immediately preceding fiscal year as a result of any improvement to or change in the actual



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1 or authorized use of the property, exceeds the sum obtained by  
2 adding:

3 (a) The amount of all the ad valorem taxes:

4 (1) Levied in that county on the property for the immediately  
5 preceding fiscal year; or

6 (2) Which would have been levied in that county on the  
7 property for the immediately preceding fiscal year if not for any  
8 exemptions from taxation that applied to the property for that prior  
9 fiscal year but do not apply to the property for the current fiscal  
10 year,

11 ↪ whichever is greater; and

12 (b) Three percent of the amount determined pursuant to  
13 paragraph (a).

14 2. The provisions of subsection 1 do not apply to:

15 (a) Any hotels, motels or other forms of transient lodging;

16 (b) Any property for which no assessed valuation was separately  
17 established for the immediately preceding fiscal year; and

18 (c) Any property for which the provisions of subsection 1 of  
19 NRS 361.4722 provide a greater abatement from taxation.

20 3. Except as otherwise required to carry out the provisions of  
21 NRS 361.4732 and any regulations adopted pursuant to NRS  
22 361.4733, the amount of any reduction in the ad valorem taxes  
23 levied in a county for a fiscal year as a result of the application of  
24 the provisions of subsection 1 must be deducted from the amount of  
25 ad valorem taxes each taxing entity would otherwise be entitled to  
26 receive for that fiscal year in the same proportion as the rate of ad  
27 valorem taxes levied in the county on the property by or on behalf of  
28 that taxing entity for that fiscal year bears to the combined rate of all  
29 ad valorem taxes levied in the county on the property by or on  
30 behalf of all taxing entities for that fiscal year.

31 4. The Nevada Tax Commission shall adopt such regulations as  
32 it deems appropriate to carry out this section.

33 **Sec. 11.** NRS 361.4732 is hereby amended to read as follows:

34 361.4732 Except as otherwise required to carry out *the*  
35 *provisions of section 1 of this act and* any regulations adopted  
36 pursuant to NRS 361.4733 , and notwithstanding any other  
37 provision of NRS 361.471 to 361.4735, inclusive, *and section 1 of*  
38 *this act* to the contrary, after a parcel or other taxable unit of real  
39 property is annexed to a taxing entity:

40 1. The amount otherwise required to be determined pursuant to  
41 paragraph (a) of subsection 1 of NRS 361.4722, paragraph (a) of  
42 subsection 2 of NRS 361.4722, paragraph (a) of subsection 1 of  
43 NRS 361.4723 or paragraph (a) of subsection 1 of NRS 361.4724  
44 with respect to that property for the first fiscal year in which that  
45 taxing entity is entitled to levy or require the levy on its behalf of



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1 any ad valorem taxes on the property as a result of that annexation  
2 of the property, shall be deemed to be the amount of ad valorem  
3 taxes which would have been levied on the property for the  
4 immediately preceding fiscal year if the annexation had occurred 1  
5 year earlier, based upon the tax rates that would have applied to the  
6 property for the immediately preceding fiscal year if the annexation  
7 had occurred 1 year earlier and without regard to any exemptions  
8 from taxation that applied to the property for the immediately  
9 preceding fiscal year but do not apply to the property for the current  
10 fiscal year; and

11 2. For the purposes of any other calculations required pursuant  
12 to the provisions of NRS 361.471 to 361.4735, inclusive, *and*  
13 *section 1 of this act*, the combined overlapping tax rate applicable to  
14 that property for the fiscal year immediately preceding the first  
15 fiscal year in which that taxing entity is entitled to levy or require  
16 the levy on its behalf of any ad valorem taxes on the property as a  
17 result of that annexation of the property, shall be deemed to be the  
18 combined overlapping tax rate that would have applied to the  
19 property for that year if the annexation had occurred 1 year earlier.

20 **Sec. 12.** NRS 361.4734 is hereby amended to read as follows:

21 361.4734 1. A taxpayer who is aggrieved by a determination  
22 of the applicability of a partial abatement from taxation pursuant to  
23 NRS 361.4722, 361.4723 or 361.4724 may, if the property which is  
24 the subject of that determination:

25 (a) Is not valued pursuant to NRS 361.320 or 361.323, submit a  
26 written petition for the review of that determination to the county  
27 assessor of the county in which the property is located. The petition  
28 must be submitted on or before ~~January 15~~ *June 30* of the fiscal  
29 year for which the determination is effective. The county assessor  
30 shall, within 30 days after receiving the petition, render a decision  
31 on the petition and notify the taxpayer of that decision.

32 (b) Is valued pursuant to NRS 361.320 or 361.323, submit a  
33 written petition for the review of that determination to the  
34 Department. The Department shall, within 30 days after receiving  
35 the petition, render a decision on the petition and notify the taxpayer  
36 of that decision.

37 2. A taxpayer who is aggrieved by a decision rendered by a  
38 county assessor or the Department pursuant to subsection 1 may,  
39 within 30 days after receiving notice of that decision, appeal the  
40 decision to the Nevada Tax Commission.

41 3. A taxpayer who is aggrieved by a determination of the  
42 Nevada Tax Commission rendered on an appeal made pursuant to  
43 subsection 2 is entitled to a judicial review of that determination.





**Sec. 13.** NRS 361.535 is hereby amended to read as follows:

361.535 1. If the person, company or corporation so assessed neglects or refuses to pay the taxes within 30 days after demand, the taxes become delinquent. If the person, company or corporation so assessed neglects or refuses to pay the taxes within 10 days after the taxes become delinquent, a penalty of 10 percent must be added. If the tax and penalty are not paid on demand, the county assessor or his deputy may seize, seal or lock enough of the personal property of the person, company or corporation so neglecting or refusing to pay to satisfy the taxes and costs. The county assessor may use alternative methods of collection, including, without limitation, the assistance of the district attorney.

2. The county assessor shall:

(a) Post a notice of the seizure, with a description of the property, in a public area of the county courthouse or the county office building in which the assessor's office is located, and within the immediate vicinity of the property being seized; and

(b) At the expiration of 5 days, proceed to sell at public auction, at the time and place mentioned in the notice, to the highest bidder, for lawful money of the United States, a sufficient quantity of the property to pay the taxes and expenses incurred. For this service, the county assessor must be allowed from the delinquent person a fee of \$3. The county assessor is not required to sell the property if the highest bid received is less than the lowest acceptable bid indicated in the notice.

*↪ A person who, after the notice of the seizure of the property is posted pursuant to this subsection within the immediate vicinity of the property being seized and before the delinquent taxes on the property are paid, and without the consent of the county assessor, removes, defaces, covers or otherwise conceals that notice, moves or sells the property, attempts to move or sell the property, or assists another person to move or sell the property, is guilty of a gross misdemeanor.*

3. If the personal property seized by the county assessor or his deputy consists of a mobile or manufactured home, an aircraft, or the personal property of a business, the county assessor shall publish a notice of the seizure once during each of 2 successive weeks in a newspaper of general circulation in the county. If the legal owner of the property is someone other than the registered owner and the name and address of the legal owner can be ascertained from public records, the county assessor shall, before publication, send a notice of the seizure by registered or certified mail to the legal owner. The cost of the publication and notice must be charged to the delinquent taxpayer. The notice must state:

(a) The name of the owner, if known.



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(b) The description of the property seized, including the location, the make, model and dimensions and the serial number, body number or other identifying number.

(c) The fact that the property has been seized and the reason for seizure.

(d) The lowest acceptable bid for the sale of the property, which is the total amount of the taxes due on the property and the penalties and costs as provided by law.

(e) The time and place at which the property is to be sold.


➤ After the expiration of 5 days from the date of the second publication of the notice, the property must be sold at public auction in the manner provided in subsection 2 for the sale of other personal property by the county assessor.

4. Upon payment of the purchase money, the county assessor shall deliver to the purchaser of the property sold, with a certificate of the sale, a statement of the amount of taxes or assessment and the expenses thereon for which the property was sold, whereupon the title of the property so sold vests absolutely in the purchaser.

5. After a mobile or manufactured home, an aircraft, or the personal property of a business is sold and the county assessor has paid all the taxes and costs on the property, the county assessor shall deposit into the general fund of the county the first \$300 of the excess proceeds from the sale. The county assessor shall deposit any remaining amount of the excess proceeds from the sale into an interest-bearing account maintained for the purpose of holding excess proceeds separate from other money of the county. If no claim is made for the money within 6 months after the sale of the property for which the claim is made, the county assessor shall pay the money into the general fund of the county. All interest paid on money deposited in the account pursuant to this subsection is the property of the county.

6. If the former owner of a mobile or manufactured home, aircraft, or personal property of a business that was sold pursuant to this section makes a claim in writing for the balance of the proceeds of the sale within 6 months after the completion of the sale, the county assessor shall pay the balance of the proceeds of the sale or the proper portion of the balance over to the former owner if the county assessor is satisfied that the former owner is entitled to it.

**Sec. 14.** NRS 361.5607 is hereby amended to read as follows:

361.5607 1. The tax receiver may petition the board of county commissioners to designate as uncollectible those taxes on personal property  *for whose collection all appropriate procedures have been followed and have proved unsuccessful and:*

(a) Which have been delinquent for 3 years or more; *or*



(b) Whose amount, including penalties and costs, is \$25 or less .

~~[- and~~

~~—(c) For whose collection all appropriate procedures have been followed and have proved unsuccessful.]~~

➡ The board may grant or deny the petition with respect to any or all of those taxes.

2. No future liability attaches to the county assessor or the county treasurer for any taxes designated as uncollectible by the board of county commissioners under this section.

**Sec. 15.** Chapter 361A of NRS is hereby amended by adding thereto a new section to read as follows:

*When any portion of open-space land is converted to a higher use, the county assessor shall determine its taxable and open-space use values against which to compute the deferred tax for each fiscal year the property was under open-space assessment during the current fiscal year and the preceding 6 fiscal years, or such other period as is required pursuant to NRS 361A.283. The taxable values for each year must be comparable for the corresponding years to the taxable values for property similar, including, without limitation, in size, zoning and location, to the portion of property actually converted to a higher use. When open-space land that is used as a golf course is converted to a higher use, the taxable values for the property must be determined, for the purpose of computing the deferred tax, in accordance with the provisions of NRS 361.227 based upon the assessment of the land as a golf course.*

**Sec. 16.** NRS 361A.031 is hereby amended to read as follows:

361A.031 1. “Converted to a higher use” means:

(a) *Except for property used as a golf course:*

(1) A physical alteration of the surface of the property enabling it to be used for a higher use;

~~[(b)]~~ (2) The recording of a final map or parcel map which creates one or more parcels not intended for agricultural use;

~~[(c)]~~ (3) The existence of a final map or parcel map which creates one or more parcels not intended for agricultural use; or

~~[(d)]~~ (4) A change in zoning to a higher use made at the request of the owner.

*(b) For property used as a golf course, the cessation of the use of the property for golfing or golfing practice, except when the cessation is due to:*

*(1) A seasonal closure of the property to such use; or*

*(2) A temporary closure of the property for maintenance, repairs or any other purpose that is incidental to such use or necessary for the continuation of such use.*



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2. The term does not apply to the property remaining after a portion of the parcel is converted to a higher use pursuant to *subparagraph (2) or (3) of* paragraph ~~[(b) or (c)]~~ (a) of subsection 1 if the remaining portion continues to qualify as agricultural real property.

3. The term does not include leasing the land to or otherwise permitting the land to be used by an agricultural association formed pursuant to chapter 547 of NRS.

4. As used in this section:

(a) "Final map" has the meaning ascribed to it in NRS 278.0145.

(b) "Parcel map" has the meaning ascribed to it in NRS 278.017.

**Sec. 17.** NRS 361A.265 is hereby amended to read as follows:

361A.265 1. An owner of property which has received an agricultural or open-space use assessment:

(a) Must pay the full amount of deferred taxes calculated pursuant to NRS 361A.280 for any property for which a final map will be recorded pursuant to NRS 278.460 before the date on which the map is recorded ~~[(b)]~~, *if the existence or recording of the map will result in the conversion of any portion of the property to a higher use.*

(b) In all other cases may, before the conversion of any portion of the property to a higher use, pay the amount of deferred taxes which would be due upon the conversion of that property pursuant to NRS 361A.280.

2. An owner who desires to pay the deferred taxes must request, in writing, the county assessor to estimate the amount of the deferred taxes which would be due at the time of conversion. After receiving such a request, the county assessor shall estimate the amount of the deferred taxes due for the next property tax statement and report the amount to the owner.

3. An owner who voluntarily pays the deferred taxes may appeal the valuations and calculations upon which the deferred taxes were based in the manner provided in NRS 361A.273.

4. If a parcel that has been created after the secured tax roll has been closed is converted to a higher use, the assessor must change the roll to reflect the changes in the parcel or parcels and assess the new parcel or parcels at taxable value for the following fiscal year. The deferred tax must be assessed pursuant to NRS 361A.280.

**Sec. 18.** NRS 361A.280 is hereby amended to read as follows:

361A.280 If the county assessor is notified or otherwise becomes aware that a parcel or any portion of a parcel of real property which has received agricultural or open-space use assessment has been converted to a higher use, the county assessor shall add to the tax extended against that portion of the property on the next property tax statement the deferred tax, which is the



1 difference between the taxes that would have been paid or payable  
2 on the basis of the agricultural or open-space use valuation and the  
3 taxes which would have been paid or payable on the basis of the  
4 taxable value calculated pursuant to NRS 361A.155 ~~or~~ *or section 15*  
5 *of this act, as applicable*, for each year in which agricultural or  
6 open-space use assessment was in effect for the property during the  
7 fiscal year in which the property ceased to be used exclusively for  
8 agricultural use or approved open-space use and the preceding 6  
9 fiscal years. The county assessor shall assess the property pursuant  
10 to NRS 361.227 for the next fiscal year following the date of  
11 conversion to a higher use.

12 **Sec. 19.** NRS 361A.283 is hereby amended to read as follows:

13 361A.283 1. If the county assessor determines that the  
14 deferred tax for any fiscal year or years was not assessed in the year  
15 it became due, he may assess it anytime within 5 fiscal years after  
16 the end of the fiscal year in which a parcel or portion of a parcel was  
17 converted to a higher use.

18 2. If the county assessor determines that a parcel was assessed  
19 for agricultural *or open-space* use rather than at full taxable value  
20 for any fiscal year in which it did not qualify for agricultural *or*  
21 *open-space* assessment, he may assess the deferred tax for that year  
22 anytime within 5 years after the end of that fiscal year.

23 3. A penalty equal to 20 percent of the total accumulated  
24 deferred tax described in subsections 1 and 2 must be added for each  
25 of the years in which the owner failed to provide the written notice  
26 required by NRS 361A.270. The county assessor may waive this  
27 penalty if he finds extenuating circumstances sufficient to justify the  
28 waiver.

29 **Sec. 20.** Section 57 of chapter 496, Statutes of Nevada 2005,  
30 as amended by section 27 of chapter 415, Statutes of Nevada 2007,  
31 at page 1899, is hereby amended to read as follows:

32 Sec. 57. 1. This section and sections 52.1 to 52.8,  
33 inclusive, of this act become effective upon passage and  
34 approval.

35 2. Sections 1 to 22, inclusive, 24 to 28, inclusive, 42 to  
36 52, inclusive, and 53 to 56, inclusive, of this act become  
37 effective on July 1, 2005.

38 3. Sections 29 to 41, inclusive, of this act become  
39 effective:

40 (a) Upon passage and approval for the purpose of  
41 performing any preparatory administrative tasks that are  
42 necessary to carry out the provisions of those sections; and

43 (b) On July 1, 2006, for all other purposes.

44 4. Section 23 of this act becomes effective on July 1,

45 ~~[2009-]~~ *2011*.



1           5. Section 43 of this act expires by limitation on June 30,  
2           ~~[2009.]~~ 2011.

3       **Sec. 21.** Section 16 of chapter 4, Statutes of Nevada 2008,  
4       25th Special Session, at page 23, is hereby amended to read as  
5       follows:

6           Sec. 16. 1. This section and sections 2, 4, 14 and 15 of  
7           this act become effective upon passage and approval.

8           2. Sections 6 to 12, inclusive, of this act become  
9           effective on January 1, 2009 ~~[~~

10          ~~3. Sections 4 and 6 to 12, inclusive, of this act]~~ , and  
11          expire by limitation on June 30, 2009.

12          ~~[4.]~~ 3. Sections 1, 3 ~~[, 5]~~ and 13 of this act become  
13          effective on July 1, 2009.

14          ~~[5.]~~ 4. Sections 1 ~~[, 2, 3 and 5]~~ to 4, inclusive, of this act  
15          expire by limitation on June 30, 2011.

16       **Sec. 22.** Section 5 of chapter 4, Statutes of Nevada 2008, 25th  
17       Special Session, at page 17, is hereby repealed.

18       **Sec. 23.** 1. This section and sections 2, 3, 20, 21 and 22 of  
19       this act become effective upon passage and approval.

20       2. Sections 1 and 4 to 19, inclusive, of this act become  
21       effective on July 1, 2009.

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### TEXT OF REPEALED SECTION

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#### **Section 5 of chapter 4, Statutes of Nevada 2008, 25th Special Session, at page 17:**

Sec. 5. NRS 362.170 is hereby amended to read as follows:

362.170 1. There is hereby appropriated to each county the total of the amounts obtained by multiplying, for each extractive operation situated within the county, the net proceeds of that operation and any royalties paid by that operation, *as estimated and paid pursuant to NRS 362.115, plus any amounts paid pursuant to NRS 362.130* by the combined rate of tax ad valorem ~~[ ]~~ *for the fiscal year to which the payments apply*, excluding any rate levied by the State of Nevada, for property at that site, plus a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to the county. The Department shall report to the State Controller on or before May 25 of each year the amount appropriated to each county, as calculated for each operation from the ~~[final statement]~~



~~made in February of that year]~~ *estimate provided pursuant to NRS 362.115 for the current calendar year and any adjustments made pursuant to NRS 362.130 for the preceding calendar year. The State Controller shall distribute all money due to a county on or before May 30 of each year. The Department shall report to the State Controller any additional payments made pursuant to paragraph (b) of subsection 1 of NRS 362.115 within 15 days after receipt of the payment, and the State Controller shall distribute the money to the appropriate county within 5 days after receipt of the report from the Department. For the purposes of this subsection, payments made pursuant to paragraph (b) of subsection 1 of NRS 362.115 apply to the fiscal year in which the statement of the estimated net proceeds is filed pursuant to paragraph (a) of subsection 1 of NRS 362.115.*

2. The county treasurer shall apportion to each local government or other local entity an amount calculated by:

(a) Determining the total of the amounts obtained by multiplying, for each extractive operation situated within its jurisdiction, the net proceeds of that operation and any royalty payments paid by that operation, by the rate levied on behalf of that local government or other local entity;

(b) Adding to the amount determined pursuant to paragraph (a) a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to that local government or local entity; and

(c) Subtracting from the amount determined pursuant to paragraph (b) a commission of 3 percent of that amount which must be deposited in the county general fund.

3. The amounts apportioned pursuant to subsection 2, including, without limitation, the amount retained by the county and excluding the percentage commission, must be applied to the uses for which each levy was authorized in the same proportion as the rate of each levy bears to the total rate.

4. The Department shall report to the State Controller on or before May 25 of each year the amount received as tax upon the net proceeds of geothermal resources which equals the product of those net proceeds multiplied by the rate of tax levied ad valorem by the State of Nevada.

