

ASSEMBLY BILL NO. 400—ASSEMBLYMEN SETTELMAYER, COBB;
GANSERT, GOEDHART, GOICOECHEA, GRADY, HAMBRICK
AND HARDY

MARCH 16, 2009

Referred to Committee on Taxation

SUMMARY—Limits the methods allowed for determining the taxable value of land by appraisal. (BDR 32-751)

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; limiting the methods allowed for determining the taxable value of land by appraisal; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires a person determining the taxable value of real property to
2 separately appraise the full cash value of the land and the value of any
3 improvements made on the land. (NRS 361.227) This bill requires county assessors
4 to use methods for the appraisal of land which are specified in regulations adopted
5 by the Nevada Tax Commission and which base the determination of taxable value
6 on either comparable sales of land or the capability of the property to generate
7 income. (NRS 360.250, 361.260)

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

1 **Section 1.** NRS 360.250 is hereby amended to read as follows:
2 360.250 1. The Nevada Tax Commission shall adopt general
3 and uniform regulations governing the assessment of property by the
4 county assessors of the various counties, county boards of
5 equalization, the State Board of Equalization and the Department.
6 The regulations must ~~include, without limitation, standards~~
7 *require each county assessor to use specified methods* for the



appraisal and reappraisal of land to determine its taxable value 
based upon:

(a) Comparable sales of land; or

(b) The capability of the property to generate income.

2. The Nevada Tax Commission may:

(a) Confer with, advise and direct county assessors, sheriffs as ex officio collectors of licenses and all other county officers having to do with the preparation of the assessment roll or collection of taxes or other revenues as to their duties.

(b) Prescribe the form and manner in which assessment rolls or tax lists must be kept by county assessors.

(c) Prescribe the form of the statements of property owners in making returns of their property.

(d) Require county assessors, sheriffs as ex officio collectors of licenses and all other county officers having to do with the preparation of the assessment roll or collection of taxes or other revenues, to furnish such information in relation to assessments, licenses or the equalization of property valuations, and in such form as the Nevada Tax Commission may demand.

(e) Except as otherwise provided in this title, share information in its records with agencies of local governments which are responsible for the collection of debts or obligations if the confidentiality of the information is otherwise maintained under the terms and conditions required by law.

3. Each assessor and any other such officer shall certify under penalty of perjury that in assessing property or furnishing other information required pursuant to this section he has complied with the regulations of the Nevada Tax Commission. This certificate must be appended to each assessment roll and any other information furnished.

4. A county assessor or other county officer whose certificate is knowingly falsified is guilty of a misdemeanor. If the Nevada Tax Commission finds that a county assessor or other county officer has knowingly violated its regulations and thereby has caused less revenue to be collected from taxes, it shall deduct the amount of the undercollection from the money otherwise payable to the county from the proceeds of the supplemental city-county relief tax.

Sec. 2. NRS 361.260 is hereby amended to read as follows:

361.260 1. Each year, the county assessor, except as otherwise required by a particular statute, shall ascertain by diligent inquiry and examination all real and secured personal property that is in his county on July 1 which is subject to taxation, and also the names of all persons, corporations, associations, companies or firms owning the property. He shall then determine the taxable value of all such property, and he shall then list and assess it to the person, firm,



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1 corporation, association or company owning it on July 1 of that
2 fiscal year. He shall take the same action at any time between May 1
3 and the following April 30, with respect to personal property which
4 is to be placed on the unsecured tax roll.

5 2. At any time before the lien date for the following fiscal year,
6 the county assessor may include additional personal property and
7 mobile and manufactured homes on the secured tax roll if the owner
8 of the personal property or mobile or manufactured home owns real
9 property within the same taxing district which has an assessed value
10 that is equal to or greater than the taxes for 3 years on both the real
11 property and the personal property or mobile or manufactured home,
12 plus penalties. Personal property and mobile and manufactured
13 homes in the county on July 1, but not on the secured tax roll for the
14 current year, must be placed on the unsecured tax roll for the current
15 year.

16 3. An improvement on real property in existence on July 1
17 whose existence was not ascertained in time to be placed on the
18 secured roll for that tax year and which is not governed by
19 subsection 4 must be placed on the unsecured tax roll.

20 4. The value of any property apportioned among counties
21 pursuant to NRS 361.320, 361.321 and 361.323 must be added to
22 the central assessment roll at the assessed value established by the
23 Nevada Tax Commission or as established pursuant to an appeal to
24 the State Board of Equalization.

25 5. In addition to the inquiry and examination required in
26 subsection 1, for any property not reappraised in the current
27 assessment year, the county assessor shall determine its assessed
28 value for that year by:

29 (a) Determining the replacement cost, subtracting all applicable
30 depreciation and obsolescence, applying the assessment ratio for
31 improvements, if any, and applying a factor for land to the assessed
32 value for the preceding year; or

33 (b) Applying to the assessed value for the preceding year a
34 factor for improvements, if any, as adopted by the Nevada Tax
35 Commission in the manner required by NRS 361.261, and a factor
36 for land developed by the county assessor and approved by the
37 Commission. The factor for land must be so chosen that the median
38 ratio of the assessed value of the land to the taxable value of the
39 land in each area subject to the factor is not less than 30 percent nor
40 more than 35 percent.

41 6. The county assessor shall reappraise all real property at least
42 once every 5 years.

43 7. The county assessor shall use the ~~standards~~ **methods** for
44 appraising and reappraising land adopted by the Nevada Tax
45 Commission pursuant to NRS 360.250. In using ~~the standards,~~



1 *those methods*, the county assessor shall consider comparable sales
2 of land before July 1 of the year before the lien date.

3 8. Each county assessor shall submit a written request to the
4 board of county commissioners and the governing body of each of
5 the local governments located in the county which maintain a unit of
6 government that issues building permits for a copy of each building
7 permit that is issued. Upon receipt of such a request, the governing
8 body shall direct the unit which issues the permits to provide a copy
9 of each permit to the county assessor within a reasonable time after
10 issuance.

11 **Sec. 3.** The provisions of this act do not apply to or otherwise
12 affect any appraisals or reappraisals of any property by a county
13 assessor before July 1, 2009.

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

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

18 2. On July 1, 2009, for all other purposes.

