

SENATE BILL NO. 122—SENATORS WOODHOUSE, SCHNEIDER,
PARKS, CARE, COPENING; BREEDEN AND LEE

FEBRUARY 10, 2009

Referred to Committee on Taxation

SUMMARY—Revises the provisions governing refunds of property taxes for certain senior citizens. (BDR 38-104)

FISCAL NOTE: Effect on Local Government: No.
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 senior citizens; revising the provisions governing refunds of property taxes for senior citizens who meet certain requirements; revising the methods for calculating the amount of such a refund and the maximum allowable income to qualify for such a refund; requiring a county assessor who receives a claim for such a refund to determine the amount of the property taxes accrued on the property; requiring the amount of the property taxes accrued on the property to be reduced by certain exemptions under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a senior citizen who is at least 62 years of age and whose household income does not exceed a certain amount to receive a refund of all or a portion of the property tax accrued against his home. If the senior citizen owns his home, the amount of the refund must not exceed the amount of the accrued property tax or \$500, whichever is less. (NRS 427A.515) **Section 1** of this bill increases the maximum refund for such a senior citizen to account for inflation and revises the method of calculating the maximum household income allowable to qualify for such a refund to clarify the formula used to account for inflation.

If the senior citizen rents his home, the amount of the refund must not exceed an amount equal to that portion of the rent which is deemed to constitute the accrued property tax on the rental property. (NRS 427A.520) Currently, 8.5 percent of the total annual rent paid by such a senior citizen is deemed to constitute accrued property tax. (NRS 427A.525) **Section 2** of this bill revises the amount of rent that is deemed to constitute accrued property tax to an amount equal to 8.5 percent of the total annual rent paid for the year or \$500, as adjusted for inflation, whichever is less.



Existing law provides that a senior citizen who wishes to claim a refund of the property taxes accrued on his home may file a claim for a refund with the county assessor of the county in which the home is located. Within 30 days after receiving the claim, the county assessor is required to determine the assessed valuation of the property to which the claim applies. (NRS 427A.530) **Section 3** of this bill deletes the requirement that the county assessor determine the assessed valuation of the property and instead requires him to determine the amount of the property taxes accrued on the property.

Existing law requires the assessed valuation of any property that is used to determine the amount of a refund of the accrued taxes on the property for senior citizens to be reduced by the amount of any property tax exemption received by a person who is a surviving spouse of a senior citizen or a person who is blind or is a veteran. (NRS 427A.545) **Section 4** of this bill requires a reduction in the amount of the property taxes accrued on the property in lieu of a reduction in the amount of the assessed valuation of the property.

Existing law requires all claims against the Senior Citizens' Property Tax Assistance Account to be certified by the Chief of the Aging Services Division of the Department of Health and Human Services or his designee. If a claim is so certified and the State Board of Examiners approves the claim, the State Controller is required to draw his warrant against the Account. (NRS 427A.595) **Section 5** of this bill deletes the requirement for approval of the claim by the State Board of Examiners.

Sections 6 and 7 of this bill cause the provisions of **sections 3, 4 and 5** of this bill to apply beginning with the current tax year and **sections 1 and 2** of this bill to apply beginning with the 2011-2012 tax year.

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

Section 1. NRS 427A.515 is hereby amended to read as follows:

427A.515 1. A senior citizen whose home is placed upon the secured or unsecured tax roll, who has owned the home and maintained it as his primary residence since July 1 immediately preceding the filing of his claim and whose household income is not more than \$24,016, as adjusted pursuant to subsection 3, is entitled to a refund of the property tax accrued against his home, except as otherwise provided in subsection 2, as follows:

(a) If the amount of the applicant's household income is at or below the federally designated level signifying poverty for a family unit of one or two, the applicant is entitled to a refund of 100 percent of the property taxes accrued.

(b) If the amount of the applicant's household income is above the federally designated level signifying poverty for a family unit of one or two, the applicant is entitled to a refund of a percentage of the property taxes accrued based on a graduated schedule adopted by the Division.

2. The amount of the refund must not exceed the *lesser of:*

(a) *The* amount of the accrued property tax ; or



(b) *The sum of \$500, ~~{whichever is less,}~~ as adjusted for each fiscal year by adding to that sum the product of \$500 multiplied by the percentage increase in the Consumer Price Index for All Urban Consumers, U.S. City Average (All Items, Not Seasonally Adjusted), from November 2002 to the November preceding the fiscal year for which the adjustment is calculated.*

3. The maximum allowable income to qualify for a refund set forth in subsection 1 must be adjusted for each fiscal year by adding to \$24,016 the product of \$24,016 multiplied by the percentage increase in the Consumer Price Index *for All Urban Consumers, U.S. City Average (All Items, Not Seasonally Adjusted)*, from ~~{December}~~ *November* 2002 to the November preceding the fiscal year for which the adjustment is calculated.

Sec. 2. NRS 427A.525 is hereby amended to read as follows:

427A.525 Rent deemed to constitute accrued property tax is ~~{8.5}~~ *the lesser of:*

1. *Eight and one-half* percent of the total annual rent which a claimant has paid ~~{1}~~ ; or

2. *The sum of \$500, as adjusted for each fiscal year by adding to that sum the product of \$500 multiplied by the percentage increase in the Consumer Price Index for All Urban Consumers, U.S. City Average (All Items, Not Seasonally Adjusted), from November 2002 to the November preceding the fiscal year for which the adjustment is calculated.*

Sec. 3. NRS 427A.530 is hereby amended to read as follows:

427A.530 1. A claim may be filed with the assessor of the county in which the claimant's home or mobile home lot is located not earlier than February 1 and not later than April 30.

2. The claim must be made under oath and filed in such form and content, and accompanied by such proof, as the Division may prescribe.

3. The Division or county assessor shall provide the appropriate form to each claimant.

4. The county assessor shall, within 30 days after receiving a claim : ~~{for a refund:}~~

(a) Process the application;

(b) Determine the ~~{assessed—valuation—of}~~ *property taxes accrued on* the property to which the claim applies, if applicable; and

(c) Submit the claim to the Division.

5. The Division shall not accept a claim submitted pursuant to subsection 4 after July 1, unless an extension of time to file a claim is provided for by regulation pursuant to NRS 427A.590.



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Sec. 4. NRS 427A.545 is hereby amended to read as follows:

427A.545 1. A person may receive assistance pursuant to the provisions of NRS 427A.450 to 427A.600, inclusive, while receiving a property tax exemption as a surviving spouse, person who is blind or veteran if the person has filed a claim for the exemption with the county assessor.

2. The ~~assessed valuation of~~ **property taxes accrued on** any property used to determine a refund pursuant to the provisions of NRS 427A.450 to 427A.600, inclusive, must be reduced by the amount of such an exemption.

Sec. 5. NRS 427A.595 is hereby amended to read as follows:

427A.595 1. Money to pay for assistance granted to senior citizens pursuant to the provisions of NRS 427A.450 to 427A.600, inclusive, must be provided by legislative appropriation from the State General Fund. The money so appropriated must be transferred to the Senior Citizens' Property Tax Assistance Account in the State General Fund.

2. The Administrator may, from time to time, obtain from the State Controller a statement of the balance in the Senior Citizens' Property Tax Assistance Account. The Administrator shall provide for full refunds of all just claims if the total amount of the claims does not exceed the balance in the Account. If the total amount of the claims exceeds that balance, the Administrator shall proportionately reduce each claim paid pursuant to paragraph (b) of subsection 1 of NRS 427A.515.

3. Money for the administration of the provisions of NRS 427A.450 to 427A.600, inclusive, must be provided by legislative appropriation to the Senior Citizens' Property Tax Assistance Account. From this Account, the sum of \$4 must be allowed for each claim which is received by the county assessor and submitted to the Division.

4. All claims against the Senior Citizens' Property Tax Assistance Account must be certified by the Administrator or a person designated by the Administrator and, if certified, ~~and approved by the State Board of Examiners,~~ the State Controller shall draw his warrant against the Account.

5. Any money remaining in the Senior Citizens' Property Tax Assistance Account at the end of the fiscal year must remain in the Account and is available for use in the following fiscal year.

Sec. 6. The amendatory provisions of:

1. Sections 3, 4 and 5 of this act apply to claims for assistance filed pursuant to NRS 427A.450 to 427A.600, inclusive, on or after January 1, 2009.



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1 2. Sections 1 and 2 of this act apply to claims for assistance
2 filed pursuant to NRS 427A.450 to 427A.600, inclusive, on or after
3 January 1, 2012.

4 **Sec. 7.** 1. This section and sections 3 to 6, inclusive, of this
5 act become effective upon passage and approval.

6 2. Sections 1 and 2 of this act become effective on July 1,
7 2011.

