

Amendment No. 362

Assembly Amendment to Assembly Joint Resolution No. 1 (BDR C-402)

Proposed by: Assembly Committee on Legislative Operations and Elections**Amends:** Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date
Adopted	☐	Lost	☐ _____	Adopted	☐	Lost	☐ _____
Concurred In	☐	Not	☐ _____	Concurred In	☐	Not	☐ _____
Receded	☐	Not	☐ _____	Receded	☐	Not	☐ _____

EXPLANATION: Matter in (1) ***blue bold italics*** is new language in the original bill; (2) ***green bold italic underlining*** is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) ~~orange double underlining~~ is deleted language in the original bill that is proposed to be retained in this amendment; and (6) ***green bold underlining*** is newly added transitory language.

JMM/BJE



Date: 4/25/2011

A.J.R. No. 1—Proposes to amend certain provisions of the Nevada Constitution related to the assessment and collection of property taxes to allow the recalculation of the taxable value of depreciated improvements to real property upon the transfer, sale or conveyance of the property. (BDR C-402)



ASSEMBLY JOINT RESOLUTION NO. 1–
COMMITTEE ON TAXATION

(ON BEHALF OF THE NEVADA LEAGUE OF
CITIES AND MUNICIPALITIES)

PREFILED DECEMBER 14, 2010

Referred to Concurrent Committees on Legislative
Operations and Elections and Taxation

SUMMARY—Proposes to amend certain provisions of the Nevada Constitution related to the assessment and collection of property taxes to ~~follow~~ authorize the Legislature to provide by law for the calculation of the taxable value of ~~depreciated~~ improvements to real property upon the transfer, sale or conveyance of the property. (BDR C-402)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

ASSEMBLY JOINT RESOLUTION—Proposing to amend certain provisions of the Nevada Constitution related to the assessment and collection of property taxes to authorize the Legislature to provide by law for the ~~recalculation~~ calculation of the taxable value of ~~depreciated~~ improvements to real property upon the transfer, sale or conveyance of the property.

Legislative Counsel's Digest:

Existing law requires that depreciation of an improvement to real property be calculated at 1.5 percent of the replacement cost of the improvement for each year of adjusted actual age of the improvement, up to a maximum of 50 years, when determining the value of the property for the purposes of assessing and collecting property taxes. (NRS 361.227) This proposed amendment to the Nevada Constitution authorizes the Legislature to enact a statute which ~~requires each County Assessor to recalculate~~ provides for the calculation of the taxable value of ~~depreciated~~ improvements ~~(by removing any accumulated depreciation)~~ to real property upon such transfers, sales or other conveyances of the property as the Legislature deems appropriate.

RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY,
That Section 1 of Article 10 of the Nevada Constitution be amended to read as follows:

1 Section 1. 1. The Legislature shall provide by law for a uniform
2 and equal rate of assessment and taxation, and shall prescribe such
3 regulations as shall secure a just valuation for taxation of all property, real,
4 personal and possessory, except mines and mining claims, which shall be
5 assessed and taxed only as provided in Section 5 of this Article.

6 2. Shares of stock, bonds, mortgages, notes, bank deposits, book
7 accounts and credits, and securities and choses in action of like character
8 are deemed to represent interest in property already assessed and taxed,
9 either in Nevada or elsewhere, and shall be exempt.

10 3. The Legislature may constitute agricultural and open-space real
11 property having a greater value for another use than that for which it is
12 being used, as a separate class for taxation purposes and may provide a
13 separate uniform plan for appraisal and valuation of such property for
14 assessment purposes. If such plan is provided, the Legislature shall also
15 provide for retroactive assessment for a period of not less than 7 years when
16 agricultural and open-space real property is converted to a higher use
17 conforming to the use for which other nearby property is used.

18 4. Personal property which is moving in interstate commerce through
19 or over the territory of the State of Nevada, or which was consigned to a
20 warehouse, public or private, within the State of Nevada from outside the
21 State of Nevada for storage in transit to a final destination outside the State
22 of Nevada, whether specified when transportation begins or afterward, shall
23 be deemed to have acquired no situs in Nevada for purposes of taxation and
24 shall be exempt from taxation. Such property shall not be deprived of such
25 exemption because while in the warehouse the property is assembled,
26 bound, joined, processed, disassembled, divided, cut, broken in bulk,
27 relabeled or repackaged.

28 5. The Legislature may exempt motor vehicles from the provisions of
29 the tax required by this Section, and in lieu thereof, if such exemption is
30 granted, shall provide for a uniform and equal rate of assessment and
31 taxation of motor vehicles, which rate shall not exceed five cents on one
32 dollar of assessed valuation.

33 6. The Legislature shall provide by law for a progressive reduction in
34 the tax upon business inventories by 20 percent in each year following the
35 adoption of this provision, and after the expiration of the 4th year such
36 inventories are exempt from taxation. The Legislature may exempt any
37 other personal property, including livestock.

38 7. No inheritance tax shall ever be levied.

39 8. The Legislature may exempt by law property used for municipal,
40 educational, literary, scientific or other charitable purposes, or to encourage
41 the conservation of energy or the substitution of other sources for fossil
42 sources of energy.

43 9. No income tax shall be levied upon the wages or personal income
44 of natural persons. Notwithstanding the foregoing provision, and except as
45 otherwise provided in subsection 1 of this Section, taxes may be levied
46 upon the income or revenue of any business in whatever form it may be
47 conducted for profit in the State.

48 10. The Legislature may provide by law for an abatement of the tax
49 upon or an exemption of part of the assessed value of a single-family
50 residence occupied by the owner to the extent necessary to avoid severe
51 economic hardship to the owner of the residence.

52 11. ~~The Legislature may provide by law for the recalculation of any~~
53 ~~depreciation allowed by law in the~~ *determination of the value of*

1 *improvements to real property for the purposes of taxation* ~~such that the~~
2 ~~value of a depreciated improvement is reset to the current replacement~~
3 ~~cost of the improvement~~ upon ~~such a~~ the transfer, sale or other
4 conveyance of the property as the Legislature determines to be
5 appropriate.