

SENATE BILL NO. 32—COMMITTEE ON REVENUE

(ON BEHALF OF THE DEPARTMENT OF TAXATION)

PREFILED DECEMBER 14, 2010

Referred to Committee on Revenue

SUMMARY—Makes various changes relating to equalization of property valuations. (BDR 32-433)

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 the equalization of property valuations; extending under certain circumstances the deadline for appeals to county boards of equalization; extending certain deadlines for the State Board of Equalization to conclude the business of equalization; requiring the State Board to post a schedule of certain meetings on the Internet website of the Department of Taxation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

A taxpayer who desires to appeal the valuation of his or her property to a county board of equalization must file the appeal on or before January 15. (NRS 361.340) **Section 1** of this bill extends that deadline to the next business day if January 15 falls on a Saturday, Sunday or legal holiday.

The State Board of Equalization hears appeals from the actions of the county boards of equalization and is required to equalize property valuations in the State by reviewing the tax rolls of the various counties and raising or lowering assessed property values, if appropriate, to ensure a uniform and equal rate of assessment and taxation in this State. (NRS 361.395, 361.400) Existing law requires the State Board to conclude the business of equalization on or before April 15 on cases that in its opinion have a substantial effect on tax revenues, while cases having a less substantive effect on tax revenues may be heard at additional meetings before October 1. (NRS 361.380) **Section 3** of this bill instead requires that if a proposed equalization affects local governmental entities in more than one county and is likely to have a substantial effect on tax revenues, the State Board must notify each affected local governmental entity of the proposed equalization on or before April 30. In addition, **sections 2 and 3** of this bill extend the deadline for cases which have a less substantive effect, or those arising from decisions made in



individual cases, to November 1. **Section 3** also requires the State Board to post a schedule of its meetings concerning such equalization on the Department of Taxation's Internet website in addition to publishing notice of meetings to be held in locations other than Carson City in a newspaper in the county where the meetings are to be held.

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

Section 1. NRS 361.340 is hereby amended to read as follows:
361.340 1. Except as otherwise provided in subsection 2, the board of equalization of each county consists of:

(a) Five members, only two of whom may be elected public officers, in counties having a population of 15,000 or more; and

(b) Three members, only one of whom may be an elected public officer, in counties having a population of less than 15,000.

2. The board of county commissioners may by resolution provide for an additional panel of like composition to be added to the board of equalization to serve for a designated fiscal year. The board of county commissioners may also appoint alternate members to either panel.

3. A district attorney, county treasurer or county assessor or any of their deputies or employees may not be appointed to the county board of equalization.

4. The chair of the board of county commissioners shall nominate persons to serve on the county board of equalization who are sufficiently experienced in business generally to be able to bring knowledge and sound judgment to the deliberations of the board or who are elected public officers. The nominees must be appointed upon a majority vote of the board of county commissioners. The chair of the board of county commissioners shall designate one of the appointees to serve as chair of the county board of equalization.

5. Except as otherwise provided in this subsection, the term of each member is 4 years and any vacancy must be filled by appointment for the unexpired term. The term of any elected public officer expires upon the expiration of the term of his or her elected office.

6. The county clerk or his or her designated deputy is the clerk of each panel of the county board of equalization.

7. Any member of the county board of equalization may be removed by the board of county commissioners if, in its opinion, the member is guilty of malfeasance in office or neglect of duty.

8. The members of the county board of equalization are entitled to receive per diem allowance and travel expenses as provided for state officers and employees. The board of county commissioners of



1 any county may by resolution provide for compensation to members
2 of the board of equalization in its county who are not elected public
3 officers as it deems adequate for time actually spent on the work of
4 the board of equalization. In no event may the rate of compensation
5 established by a board of county commissioners exceed \$125 per
6 day.

7 9. A majority of the members of the county board of
8 equalization constitutes a quorum, and a majority of the board
9 determines the action of the board.

10 10. A county board of equalization shall comply with any
11 applicable regulation adopted by the Nevada Tax Commission.

12 11. The county board of equalization of each county shall hold
13 such number of meetings as may be necessary to care for the
14 business of equalization presented to it. Every appeal to the county
15 board of equalization must be filed not later than January 15. *If*
16 *January 15 falls on a Saturday, Sunday or legal holiday, the*
17 *appeal may be filed on the next business day.* Each county board
18 shall cause to be published, in a newspaper of general circulation
19 published in that county, a schedule of dates, times and places of the
20 board meetings at least 5 days before the first meeting. The county
21 board of equalization shall conclude the business of equalization on
22 or before the last day of February of each year except as to matters
23 remanded by the State Board of Equalization. The State Board of
24 Equalization may establish procedures for the county boards,
25 including setting the period for hearing appeals and for setting aside
26 time to allow the county board to review and make final
27 determinations. The district attorney or his or her deputy shall be
28 present at all meetings of the county board of equalization to explain
29 the law and the board's authority.

30 12. The county assessor or his or her deputy shall attend all
31 meetings of each panel of the county board of equalization.

32 **Sec. 2.** NRS 361.360 is hereby amended to read as follows:

33 361.360 1. Any taxpayer aggrieved at the action of the
34 county board of equalization in equalizing, or failing to equalize, the
35 value of his or her property, or property of others, or a county
36 assessor, may file an appeal with the State Board of Equalization on
37 or before March 10 and present to the State Board of Equalization
38 the matters complained of at one of its sessions. If March 10 falls on
39 a Saturday, Sunday or legal holiday, the appeal may be filed on the
40 next business day.

41 2. All such appeals must be presented upon the same facts and
42 evidence as were submitted to the county board of equalization in
43 the first instance, unless there is discovered new evidence pertaining
44 to the matter which could not, by due diligence, have been
45 discovered before the final adjournment of the county board of



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1 equalization. The new evidence must be submitted in writing to the
2 State Board of Equalization and served upon the county assessor not
3 less than 7 days before the hearing.

4 3. Any taxpayer whose real or personal property placed on the
5 unsecured tax roll was assessed after December 15 but before or on
6 the following April 30 may likewise protest to the State Board of
7 Equalization. Every such appeal must be filed on or before May 15.
8 If May 15 falls on a Saturday, Sunday or legal holiday, the appeal
9 may be filed on the next business day. A meeting must be held
10 before May 31 to hear those protests that in the opinion of the State
11 Board of Equalization may have a substantial effect on tax revenues.
12 One or more meetings may be held at any time and place in the
13 State before ~~October~~ **November** 1 to hear all other protests.

14 4. The State Board of Equalization may not reduce the
15 assessment of the county assessor if:

16 (a) The appeal involves an assessment on property which the
17 taxpayer has refused or, without good cause, has neglected to
18 include in the list required of the taxpayer pursuant to NRS 361.265
19 or if the taxpayer has refused or, without good cause, has neglected
20 to provide the list to the county assessor; or

21 (b) The taxpayer has, without good cause, refused entry to the
22 assessor for the purpose of conducting the physical examination
23 authorized by NRS 361.260.

24 5. Any change made in an assessment appealed to the State
25 Board of Equalization is effective only for the fiscal year for which
26 the assessment was made. The county assessor shall review each
27 such change and maintain or remove the change as circumstances
28 warrant for the next fiscal year.

29 6. If the State Board of Equalization determines that the record
30 of a case on appeal from the county board of equalization is
31 inadequate because of an act or omission of the county assessor, the
32 district attorney or the county board of equalization, the State Board
33 of Equalization may remand the case to the county board of
34 equalization with directions to develop an adequate record within 30
35 days after the remand. The directions must indicate specifically the
36 inadequacies to be remedied. If the State Board of Equalization
37 determines that the record returned from the county board of
38 equalization after remand is still inadequate, the State Board of
39 Equalization may hold a hearing anew on the appellant's complaint
40 or it may, if necessary, contract with an appropriate person to hear
41 the matter, develop an adequate record in the case and submit
42 recommendations to the State Board. The cost of the contract and all
43 costs, including attorney's fees, to the State or the appellant
44 necessary to remedy the inadequate record on appeal are a charge
45 against the county.



1 **Sec. 3.** NRS 361.380 is hereby amended to read as follows:

2 361.380 1. Except as otherwise provided in subsection 3,
3 annually, the State Board of Equalization shall convene on the
4 fourth Monday in March in Carson City, Nevada, and shall hold
5 such number of meetings as may be necessary to care for the
6 business of equalization presented to it. ~~{The}~~ *If a proposed*
7 *equalization affects local governmental entities in more than one*
8 *county and the equalization, in the opinion of the State Board of*
9 *Equalization, is likely to have a substantial effect on tax revenues,*
10 *the* State Board of Equalization shall ~~{conclude the business}~~ *notify*
11 *each affected local governmental entity of the proposed*
12 *equalization on* ~~{cases that in its opinion have a substantial effect on~~
13 ~~tax revenues on}~~ or before April ~~{15. Cases having less than a~~
14 ~~substantial effect on tax revenues}~~ *30. Cases* may be heard at
15 additional meetings which may be held at any time and place in the
16 state before ~~{October}~~ *November* 1.

17 2. The publication in the statutes of the foregoing time, place
18 and purpose of each regular session of the State Board of
19 Equalization is notice of such sessions, or if it so elects, the State
20 Board of Equalization may cause published notices of such regular
21 sessions to be made in the press, or may notify parties in interest by
22 letter or otherwise.

23 3. The State Board of Equalization may designate some place
24 other than Carson City, Nevada, for any of the meetings specified in
25 subsection 1. If such other place is so designated, notice thereof
26 must be given by publication of a notice once a week for 2
27 consecutive weeks in some newspaper of general circulation in the
28 county in which such meeting or meetings are to be held. *The State*
29 *Board of Equalization must also post a schedule of each such*
30 *meeting on the Internet website maintained by the Department.*

31 **Sec. 4.** NRS 361.405 is hereby amended to read as follows:

32 361.405 1. The Secretary of the State Board of Equalization
33 forthwith shall certify any change made by the Board in the assessed
34 valuation of any property in whole or in part to the county auditor of
35 the county where the property is assessed, and whenever the
36 valuation of any property is raised, the Secretary of the State Board
37 of Equalization shall forward by certified mail to the property owner
38 or owners affected, notice of the increased valuation.

39 2. As soon as changes resulting from cases having a substantial
40 effect on tax revenues have been certified to the county auditor by
41 the Secretary of the State Board of Equalization, the county auditor
42 shall:

43 (a) Enter all such changes and the value of any construction
44 work in progress and net proceeds of minerals which were certified



1 to him or her by the Department, on the assessment roll before the
2 delivery thereof to the tax receiver.

3 (b) Add up the valuations and enter the total valuation of each
4 kind of property and the total valuation of all property on the
5 assessment roll.

6 (c) Certify the results to the board of county commissioners and
7 the Department . ~~{on or before April 15 of each year.}~~

8 3. The board of county commissioners shall not levy a tax on
9 the net proceeds of minerals added to the assessed valuation
10 pursuant to paragraph (a) of subsection 2, but, except as otherwise
11 provided by specific statute, the net proceeds of minerals must be
12 included in the assessed valuation of the taxable property of the
13 county and all local governments in the county for the determination
14 of the rate of tax and all other purposes for which assessed valuation
15 is used.

16 4. As soon as changes resulting from cases having less than a
17 substantial effect on tax revenue have been certified to the county
18 tax receiver by the Secretary of the State Board of Equalization, the
19 county tax receiver shall adjust the assessment roll or the tax
20 statement or make a tax refund, as directed by the State Board of
21 Equalization.

22 **Sec. 5.** This act becomes effective upon passage and approval.

