

SENATE BILL NO. 352—SENATOR KIECKHEFER

MARCH 20, 2017

JOINT SPONSORS: ASSEMBLYMEN BENITEZ-THOMPSON, KRAMER,  
KRASNER, NEAL, PICKARD AND SPIEGEL

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Revises provisions governing the taxation of  
property rebuilt after an event proclaimed an  
emergency or disaster by the Governor.  
(BDR 32-929)

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 taxation; authorizing the owner of a single-family residence that is replaced after a flood, fire, earthquake or other event for which the Governor has proclaimed a state of emergency or declaration of disaster to apply to the county assessor for an exemption of a portion of the assessed value of the single-family residence; revising provisions governing the calculation of the property taxes imposed on such a single-family residence; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Under existing law, for the purposes of determining the amount of property tax  
2 owed by the owner of a parcel of real property, the taxable value of the real  
3 property is equal to the value of the land plus the replacement cost of the  
4 improvements, depreciated at 1.5 percent for each year of adjusted actual age, up to  
5 a maximum of 50 years. (NRS 361.227) Existing law requires that for the purpose  
6 of calculating the depreciation of an improvement, the actual age of the  
7 improvement must be adjusted when additions or replacements are made with a  
8 cumulative cost of least 10 percent of the replacement cost of the improvement.  
9 (NRS 361.229) Thus, under existing law, a new improvement which replaces an



improvement that was partially or completely destroyed would lose the depreciation accrued on the partially or completely destroyed improvement. (NRS 361.229)

**Section 1** of this bill sets forth the finding of the Legislature that when a single-family residence is partially or completely destroyed by a flood, fire, earthquake or other event for which the Governor proclaims a state of emergency or declaration of disaster, the resulting loss of the depreciation accrued on the partially or completely destroyed residence causes a severe economic hardship to the owner of the residence by increasing the property taxes imposed on the residence. **Section 2.3** of this bill authorizes the owner of a single-family residence that replaces a single-family residence partially or completely destroyed by a flood, fire, earthquake or other event for which the Governor, on or after July 1, 2012, proclaimed a state of emergency or declaration of disaster to apply to the county assessor for an exemption of a portion of the assessed value of the single-family residence. Under **section 2.3**, the county assessor is required to grant an application for such an exemption if: (1) the single-family residence is occupied as the principal residence of the owner; (2) the single-family residence is located on the same parcel of real property as the single-family residence that was partially or completely destroyed; (3) the parcel on which the single-family residence was located has not been sold or transferred in a transaction to which the real property transfer tax applies; (4) a building permit was issued for the residence or, if the local government does not issue building permits, construction of the residence was commenced within a certain period after the partial or complete destruction of the previous residence; and (5) the floor area of the residence does not exceed 110 percent of the floor area of the residence that was partially or completely destroyed. If an exemption of a portion of the assessed value of a single family residence is granted pursuant to **section 2.3**, the amount of the exemption is equal to the difference between the assessed value of the single-family residence for which the application was granted and the assessed value that the single-family residence would have had if the single-family residence were deemed not to be a new improvement. Thus, under **section 2.3**, if an exemption is granted, the single-family residence would not lose the depreciation accrued on the partially or completely destroyed residence. Under **section 2.3**, the exemption must no longer be applied if the single-family residence granted the exemption is sold or transferred in a transaction to which the real property transfer tax applies.

The Nevada Constitution requires the Legislature to provide a specific date on which any exemption from property taxes will cease to be effective. (Nev. Const. Art. 10, § 6) To comply with this requirement, **section 2.3** prohibits an application for an exemption pursuant to that section from being submitted on or after July 1, 2047. However, an exemption granted pursuant to an application submitted before July 1, 2047, would continue to be in effect until the owner of the residence no longer qualified for the exemption.

Existing law provides for a partial abatement of taxes, which has the effect of establishing an annual cap on increases in property taxes. **Section 2.7** of this bill revises the calculation of the partial abatement for a single-family residence for which an exemption is granted pursuant to **section 2.3** so that for the initial fiscal year for which the exemption applies, the partial abatement is calculated based on the taxes imposed on the single-family residence which was partially or completely destroyed in the fiscal year in which the residence was partially or completely destroyed. **Section 2.7** also revises the formula for calculating the partial abatement for the fiscal year after the fiscal year in which a single-family residence granted an exemption pursuant to **section 2.3** is sold or transferred so that in that fiscal year, the partial abatement is calculated as if the single-family residence had never obtained an exemption pursuant to **section 2.3**.



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

**Section 1.** The Legislature hereby finds and declares that:

1. Subsection 1 of Section 1 of Article 10 of the Nevada Constitution requires the Legislature to provide by law for a uniform and equal rate of assessment and taxation.

2. Subsection 10 of Section 1 of Article 10 of the Nevada Constitution establishes an exception to the requirement to provide by law for a uniform and equal rate of assessment and taxation by authorizing the Legislature to provide by law for an exemption of part of the assessed value of a single-family residence occupied by the owner to the extent necessary to avoid severe economic hardship to the owner of the residence.

3. When a flood, fire, earthquake or other event for which the Governor proclaims a state of emergency or declaration of disaster partially or completely destroys a single-family residence and the residence is rebuilt or replaced, existing provisions of law cause the new residence to be treated as a new improvement with an increased taxable value and, consequently, the owner of the property incurs a greater property tax liability.

4. An increase in the property taxes of the owner of a single-family residence who, after a natural disaster, rebuilds or replaces his or her residence constitutes a severe economic hardship on the owner of the residence.

**Sec. 2.** Chapter 361 of NRS is hereby amended by adding thereto the provisions set forth as sections 2.3 and 2.7 of this act.

**Sec. 2.3. 1.** *Except as otherwise provided in this subsection, an owner of a single-family residence that is the primary residence of the owner and is a replacement for a single-family residence partially or completely destroyed by a flood, fire, earthquake or other event for which a state of emergency or declaration of disaster was proclaimed by the Governor pursuant to NRS 414.070 on or after July 1, 2012, may apply to the county assessor for an exemption of a portion of the assessed value of the single-family residence. An owner of a single-family residence may not apply for an exemption pursuant to this section on or after July 1, 2047.*

**2.** *The county assessor shall approve an application submitted pursuant to subsection 1 and grant an exemption of a portion of the assessed value of the single-family residence specified in the application if the application is submitted before July 1, 2047, and the county assessor determines that each of the following criteria are satisfied:*



1       (a) *The single-family residence is occupied by the primary*  
2 *owner of the residence.*

3       (b) *The single-family residence is a replacement for a single-*  
4 *family residence that:*

5           (1) *Is located in an area in which occurred a flood, fire,*  
6 *earthquake or other event for which a state of emergency or*  
7 *declaration of disaster was proclaimed by the Governor pursuant*  
8 *to NRS 414.070 on or after July 1, 2012, and was partially or*  
9 *completely destroyed as a direct result of the flood, fire,*  
10 *earthquake or other event for which the state of emergency or*  
11 *declaration of disaster was proclaimed; and*

12           (2) *Is located on the same parcel of real property as the*  
13 *single-family residence that was partially or completely destroyed.*

14       (c) *The parcel of real property on which was located the*  
15 *single-family residence which was partially or completely*  
16 *destroyed has not been sold or transferred in a transaction to*  
17 *which the provisions of chapter 375 of NRS apply at any time after*  
18 *the flood, fire, earthquake or other event occurred.*

19       (d) *Except as otherwise provided in this paragraph, a building*  
20 *permit for the single-family residence was issued or, if the local*  
21 *government in which the single-family residence is located does*  
22 *not issue building permits, construction on the single-family*  
23 *residence is commenced, not later than 3 years after the partial or*  
24 *complete destruction of the previous single-family residence. The*  
25 *county assessor may approve an extension of the 3-year period*  
26 *required by this paragraph for a period of not more than 3*  
27 *additional years if the owner is not able to begin construction or*  
28 *obtain a building permit because of circumstances beyond the*  
29 *control of the owner that are related to the event that caused the*  
30 *partial or complete destruction of the single-family residence.*

31       (e) *The floor area of the single-family residence does not*  
32 *exceed 110 percent of the floor area of the single-family residence*  
33 *that was partially or completely destroyed.*

34       3. *If the county assessor approves an application submitted*  
35 *pursuant to subsection 1, the amount of the exemption must equal*  
36 *the difference between the assessed value of the single-family*  
37 *residence for which the application was granted, as determined*  
38 *pursuant to NRS 361.225 and 361.227, and the assessed value that*  
39 *the single-family residence would have had if the single-family*  
40 *residence were deemed not to be a new improvement.*

41       4. *If, between July 1 and June 15, the county assessor*  
42 *approves an application submitted pursuant to subsection 1, the*  
43 *owner of the single-family residence is entitled to an exemption of*  
44 *a portion of the assessed value of the single-family residence in*  
45 *the amount determined pursuant to subsection 3 beginning on*



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1 *July 1 of the next fiscal year and the owner of the single-family*  
2 *residence is not entitled to a refund of any taxes paid before that*  
3 *date.*

4 *5. If, after June 15 but on or before June 30, the county*  
5 *assessor approves an application submitted pursuant to subsection*  
6 *1, the owner of the single-family residence is entitled to an*  
7 *exemption of a portion of the assessed value of the single-family*  
8 *residence in the amount determined pursuant to subsection 3*  
9 *beginning on July 1 of the fiscal year immediately following the*  
10 *next fiscal year and the owner of the single-family residence is not*  
11 *entitled to a refund of any taxes paid before that date.*

12 *6. If a single-family residence for which an exemption of a*  
13 *portion of the assessed value of the single-family residence is*  
14 *granted pursuant to this section is sold or transferred in a*  
15 *transaction to which the provisions of chapter 375 of NRS apply:*

16 *(a) The exemption of a portion of the assessed value of the*  
17 *single-family residence must no longer be applied to the single-*  
18 *family residence; and*

19 *(b) In determining the taxable value of the single-family*  
20 *residence for any fiscal year following the sale, the single-family*  
21 *residence must be considered a new improvement as of the date on*  
22 *which the single-family residence was completed.*

23 *7. As used in this section:*

24 *(a) "Primary residence of the owner" has the meaning*  
25 *ascribed to it in NRS 361.4723.*

26 *(b) "Single-family residence" has the meaning ascribed to it in*  
27 *NRS 361.4723.*

28 **Sec. 2.7. 1.** *Notwithstanding the provisions of NRS*  
29 *361.4722, 361.4723 and 361.4724, if a single-family residence that*  
30 *is the primary residence of the owner is partially or completely*  
31 *destroyed by a flood, fire, earthquake or other event for which a*  
32 *state of emergency or declaration of disaster was proclaimed by*  
33 *the Governor pursuant to NRS 414.070 and if, pursuant to section*  
34 *2.3 of this act, the owner of the single-family residence is granted*  
35 *an exemption of a portion of the assessed value of the single-*  
36 *family residence, then for the purpose of calculating the amount*  
37 *of any partial abatement to which the owner of the single-family*  
38 *residence is entitled pursuant to NRS 361.4722, 361.4723 or*  
39 *361.4724 for the initial fiscal year for which the exemption*  
40 *applies, the amount determined for the immediately preceding*  
41 *fiscal year pursuant to paragraph (a) of subsection 1 of NRS*  
42 *361.4722, paragraph (a) of subsection 2 of NRS 361.4722,*  
43 *paragraph (a) of subsection 1 of NRS 361.4723 or paragraph (a)*  
44 *of subsection 1 of NRS 361.4724, as applicable, must be the*



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1 *amount determined for the fiscal year in which the single-family*  
2 *residence was partially or completely destroyed.*

3 2. *Notwithstanding the provisions of NRS 361.4722, 361.4723*  
4 *and 361.4724, if, pursuant to section 2.3 of this act, the owner of a*  
5 *single-family residence is granted an exemption of a portion of the*  
6 *assessed value of the single-family residence and, after the*  
7 *granting of the exemption, the single-family residence is sold or*  
8 *transferred in a transaction to which the provisions of chapter 375*  
9 *of NRS apply, then for the purpose of calculating the amount of*  
10 *any partial abatement to which the owner of the single-family*  
11 *residence is entitled pursuant to NRS 361.4722, 361.4723 or*  
12 *361.4724 for the first fiscal year immediately following the sale or*  
13 *transfer of the single-family residence, the owner is entitled only*  
14 *to a partial abatement from taxation provided pursuant to NRS*  
15 *361.4722, 361.4723 or 361.4724 in an amount equal to the amount*  
16 *of such a partial abatement to which owner would have been*  
17 *entitled if the exemption were not granted and the provisions of*  
18 *subsection 1 were not applied.*

19 3. *As used in this section:*

20 (a) *“Primary residence of the owner” has the meaning*  
21 *ascribed to it in NRS 361.4723.*

22 (b) *“Single-family residence” has the meaning ascribed to it in*  
23 *NRS 361.4723.*

24 **Sec. 3.** (Deleted by amendment.)

25 **Sec. 3.1.** NRS 361.155 is hereby amended to read as follows:

26 361.155 1. Except as otherwise provided in this section **H**  
27 *and section 2.3 of this act:*

28 (a) All claims for personal tax exemptions on real property, the  
29 initial claim of an organization for a tax exemption on real property  
30 and the designation of any amount to be credited to the Gift Account  
31 for the Veterans Home in Southern Nevada or the Gift Account for  
32 the Veterans Home in Northern Nevada pursuant to NRS 361.0905  
33 must be filed on or before June 15.

34 (b) An initial claim for a tax exemption on real property  
35 acquired after June 15 and before July 1 must be filed on or before  
36 July 5.

37 2. All exemptions provided for pursuant to this chapter apply  
38 on a fiscal year basis, and any exemption granted pursuant to this  
39 chapter must not be in an amount which gives the taxpayer a total  
40 exemption greater than that to which the taxpayer is entitled during  
41 any fiscal year.

42 3. Except as otherwise provided in this section, each claim for  
43 an exemption provided for pursuant to this chapter must be filed  
44 with the county assessor of:



(a) The county in which the claimant resides for personal tax exemptions; or

(b) Each county in which property is located for the tax exemption of an organization.

4. After the initial claim for an exemption pursuant to NRS 361.088 or 361.098 to 361.150, inclusive, *and section 2.3 of this act*, an organization is not required to file annual claims if the property remains exempt. If any portion of the property loses its exemption pursuant to NRS 361.157 or for any other reason becomes taxable, the organization must notify the county assessor.

5. If an exemption is granted or renewed in error because of an incorrect claim or failure of an organization to give the notice required by subsection 4, the assessor shall assess the taxable portion of the property retroactively pursuant to NRS 361.769 and a penalty of 10 percent of the tax due for the current year and any prior years may be added.

6. If a claim for a tax exemption on real property and any required affidavit or other documentation in support of the claim is not filed within the time required by subsection 1, or if a claim for a tax exemption is denied by the county assessor, the person claiming the exemption may, on or before January 15 of the fiscal year for which the claim of exemption is made, file the claim and any required documentation in support of the claim with the county board of equalization of the county in which the claim is required to be filed pursuant to subsection 3. The county board of equalization shall review the claim of exemption and may grant or deny the claim for that fiscal year, as it determines to be appropriate. The State Board of Equalization shall establish procedures for:

(a) The review of a claim of exemption by a county board of equalization pursuant to this subsection; and

(b) The appeal to the State Board of Equalization of the denial of a claim of exemption by a county board of equalization pursuant to this subsection.

**Sec. 3.3.** NRS 361.471 is hereby amended to read as follows:

361.471 As used in NRS 361.471 to 361.4735, inclusive, *and section 2.7 of this act*, unless the context otherwise requires, the words and terms defined in NRS 361.47111 to 361.4721, inclusive, have the meanings ascribed to them in those sections.

**Sec. 3.5.** 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 361.4729, inclusive, *and section 2.7 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



1 entitled to a partial abatement of the ad valorem taxes levied in a  
2 county on that property each fiscal year equal to the amount by  
3 which the product of the combined rate of all ad valorem taxes  
4 levied in that county on the property for that fiscal year and the  
5 amount of the assessed valuation of the property which is taxable in  
6 that county for that fiscal year, excluding any increase in the  
7 assessed valuation of the property from the immediately preceding  
8 fiscal year as a result of any improvement to or change in the actual  
9 or authorized use of the property, exceeds the sum obtained by  
10 adding:

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

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

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

19 ↪ whichever is greater; and

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

22 (1) The greater of:

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

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

30 (III) Zero; or

31 (2) Eight percent,

32 ↪ whichever is less.

33 2. Except as otherwise provided in or required to carry out the  
34 provisions of NRS 361.4725 to 361.4729, inclusive, *and section 2.7*  
35 *of this act*, the owner of any remainder parcel of real property for  
36 which no assessed valuation was separately established for the  
37 immediately preceding fiscal year, is entitled to a partial abatement  
38 of the ad valorem taxes levied in a county on that property for a  
39 fiscal year equal to the amount by which the product of the  
40 combined rate of all ad valorem taxes levied in that county on the  
41 property for that fiscal year and the amount of the assessed valuation  
42 of the property which is taxable in that county for that fiscal year,  
43 excluding any amount of that assessed valuation attributable to any  
44 improvement to or change in the actual or authorized use of the  
45 property that would not have been included in the calculation of the



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1 assessed valuation of the property for the immediately preceding  
2 fiscal year if an assessed valuation had been separately established  
3 for that property for that prior fiscal year, exceeds the sum obtained  
4 by adding:

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

6 (1) Which would have been levied in that county on the  
7 property for the immediately preceding fiscal year if an assessed  
8 valuation had been separately established for that property for that  
9 prior fiscal year based upon all the assumptions, costs, values,  
10 calculations and other factors and considerations that would have  
11 been used for the valuation of that property for that prior fiscal year;  
12 or

13 (2) 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 and if not for any exemptions from taxation that applied to the  
20 property for that prior fiscal year but do not apply to the property for  
21 the current fiscal year,

22 ➔ whichever is greater; and

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

25 (1) The greater of:

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

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

33 (III) Zero; or

34 (2) Eight percent,

35 ➔ whichever is less.

36 3. The provisions of subsection 1 do not apply to any property  
37 for which the provisions of subsection 1 of NRS 361.4723 or  
38 subsection 1 of NRS 361.4724 provide a greater abatement from  
39 taxation.

40 4. Except as otherwise required to carry out the provisions of  
41 NRS 361.4732 and any regulations adopted pursuant to NRS  
42 361.4733, the amount of any reduction in the ad valorem taxes  
43 levied in a county for a fiscal year as a result of the application of  
44 the provisions of subsections 1 and 2 must be deducted from the  
45 amount of ad valorem taxes each taxing entity would otherwise be



1 entitled to receive for that fiscal year in the same proportion as the  
2 rate of ad valorem taxes levied in the county on the property by or  
3 on behalf of that taxing entity for that fiscal year bears to the  
4 combined rate of all ad valorem taxes levied in the county on the  
5 property by or on behalf of all taxing entities for that fiscal year.

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

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

14 **Sec. 3.7.** NRS 361.4723 is hereby amended to read as follows:

15 361.4723 The Legislature hereby finds and declares that an  
16 increase in the tax bill of the owner of a home by more than 3  
17 percent over the tax bill of that homeowner for the previous year  
18 constitutes a severe economic hardship within the meaning of  
19 subsection 10 of Section 1 of Article 10 of the Nevada Constitution.  
20 The Legislature therefore directs a partial abatement of taxes for  
21 such homeowners as follows:

22 1. Except as otherwise provided in or required to carry out the  
23 provisions of subsection 2 and NRS 361.4725 to 361.4729,  
24 inclusive, *and section 2.7 of this act*, the owner of a single-family  
25 residence which is the primary residence of the owner is entitled to a  
26 partial abatement of the ad valorem taxes levied in a county on that  
27 property each fiscal year equal to the amount by which the product  
28 of the combined rate of all ad valorem taxes levied in that county on  
29 the property for that fiscal year and the amount of the assessed  
30 valuation of the property which is taxable in that county for that  
31 fiscal year, excluding any increase in the assessed valuation of the  
32 property from the immediately preceding fiscal year as a result of  
33 any improvement to or change in the actual or authorized use of the  
34 property, exceeds the sum obtained by adding:

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

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

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

43 ➡ whichever is greater; and

44 (b) Three percent of the amount determined pursuant to  
45 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

(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. 3.9.** 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 361.4729, inclusive, *and section 2.7 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 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) Three percent of the amount determined pursuant to paragraph (a).

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

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

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

(c) Any property for which 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.

**Sec. 4.** (Deleted by amendment.)

**Sec. 4.5.** The Legislature hereby finds that the exemption provided by this act from any ad valorem tax on property:

1. Will achieve a bona fide social or economic purpose and that the benefits of the exemption are expected to exceed any adverse effect of the exemption on the provision of services to the public by the State or a local government that would otherwise receive revenue from the tax from which the exemption would be granted; and

2. Will not impair adversely the ability of the State or a local government to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from the tax from which the exemption would be granted was pledged.

**Sec. 5.** This act becomes effective on July 1, 2017.

