

SENATE JOINT RESOLUTION NO. 14—COMMITTEE ON
REVENUE AND ECONOMIC DEVELOPMENT

MARCH 27, 2017

Referred to Committee on Revenue and
Economic Development

SUMMARY—Proposes to amend the Nevada Constitution to revise certain provisions relating to property taxes. (BDR C-1123)

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.

SENATE JOINT RESOLUTION—Proposing to amend the Nevada Constitution to revise provisions relating to the assessment and taxation of property which is sold or transferred and to require the Legislature to enact a “Senior and Disabled Taxpayers Protection Act” to provide property tax assistance to senior citizens and persons with disabilities.

Legislative Counsel’s Digest:

The Nevada Constitution requires the Legislature to provide by law for a uniform and equal rate of assessment and taxation of property. (Nev. Const. Art. 10, § 1)

Under existing law, for the purpose of determining the amount of property tax owed by the owner of a parcel of real property, the taxable value of the real property is equal to the value of the land plus the replacement cost of the improvements, depreciated at 1.5 percent for each year of adjusted actual age, up to a maximum of 50 years. (NRS 361.227) Existing law also provides for a partial abatement of property taxes, which has the effect of establishing an annual cap on increases in property taxes. (NRS 361.4722-361.4724) This resolution proposes to amend the Nevada Constitution to provide that for the first fiscal year after real property is sold or transferred, the real property is ineligible for any adjustment to the value of improvements on the real property which is based on the age of the improvement and certain partial abatements.

This resolution also proposes to amend the Nevada Constitution to require the Legislature to enact by law a “Senior and Disabled Taxpayers Protection Act.” The “Senior and Disabled Taxpayers Protection Act” enacted by the Legislature is required to consist of a program to provide assistance to persons domiciled in this



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19 State who are 62 years of age or older or disabled by paying such persons refunds
20 of the property taxes imposed on the primary residences of such persons.

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

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

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

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

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

37 5. The Legislature may exempt motor vehicles from the
38 provisions of the tax required by this Section, and in lieu
39 thereof, if such exemption is granted, shall provide for a
40 uniform and equal rate of assessment and taxation of motor



* S J R 1 4 *

1 vehicles, which rate shall not exceed five cents on one dollar
2 of assessed valuation.

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

9 7. No inheritance tax shall ever be levied.

10 8. The Legislature may exempt by law property used for
11 municipal, educational, literary, scientific or other charitable
12 purposes, or to encourage the conservation of energy or the
13 substitution of other sources for fossil sources of energy.

14 9. No income tax shall be levied upon the wages or
15 personal income of natural persons. Notwithstanding the
16 foregoing provision, and except as otherwise provided in
17 subsection 1 of this Section, taxes may be levied upon the
18 income or revenue of any business in whatever form it may
19 be conducted for profit in the State.

20 10. The Legislature may provide by law for an
21 abatement of the tax upon or an exemption of part of the
22 assessed value of a single-family residence occupied by the
23 owner to the extent necessary to avoid severe economic
24 hardship to the owner of the residence.

25 ***11. For the purposes of assessment and taxation of***
26 ***property:***

27 ***(a) Except as otherwise provided in this paragraph, for***
28 ***the first fiscal year after the sale or transfer of real property,***
29 ***the real property sold or transferred shall not be eligible for***
30 ***any adjustment provided by the Legislature by law based on***
31 ***the age of improvements to the real property, any abatement***
32 ***of the tax upon the real property provided by the Legislature***
33 ***by law pursuant to subsection 8 or any abatement or***
34 ***exemption provided by the Legislature by law pursuant to***
35 ***subsection 10. The provisions of this paragraph do not apply***
36 ***to real property for which the Legislature has provided by***
37 ***law for an exemption of the tax on property.***

38 ***(b) For any fiscal year following the first fiscal year***
39 ***after the sale or transfer of real property to which the***
40 ***provisions of paragraph (a) apply, any adjustment provided***
41 ***by the Legislature by law based on the age of improvements***
42 ***to the real property must be determined as if the***
43 ***improvements were new improvements on the date of the***
44 ***sale or transfer.***



1 ↪ *The Legislature shall provide by law for definitions of the*
2 *terms “sale” and “transfer” as necessary to carry out the*
3 *provisions of this subsection.*

4 12. *The Legislature shall provide by law for a program*
5 *to provide for the payment of refunds of the taxes imposed*
6 *on the primary residence of a person domiciled in this State*
7 *who is 62 years of age or older or a person with a disability.*
8 *If such a person rents his or her primary residence, the*
9 *amount of the refund for which the person is eligible must*
10 *not exceed the portion of the rent which is deemed to*
11 *constitute accrued property tax. The Legislature shall*
12 *establish by law:*

13 *(a) The criteria which a person must satisfy to be*
14 *eligible for such a refund; and*

15 *(b) The amount of the refund to be paid to a person*
16 *eligible for such a refund, which may consist of a graduated*
17 *refund based on the household income of such a person.*

