

SENATE BILL NO. 419—SENATOR RATTI

MARCH 21, 2019

Referred to Committee on Revenue and
Economic Development

SUMMARY—Revises provisions relating to property taxes.
(BDR 32-741)

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; revising provisions governing the assessment and taxation of property which is sold or transferred; enacting provisions to provide property tax assistance to senior citizens and persons with disabilities; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

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)

Senate Joint Resolution No. 14 of the 2017 Legislative Session (SJR 14) proposes to amend the Nevada Constitution to provide that: (1) for the first fiscal year and each subsequent fiscal year after real property is sold or transferred, the real property is not eligible for any reduction in the taxable value of real property based on depreciation; and (2) for only the first fiscal year after the real property is sold or transferred, the owner of the real property is not eligible for the partial abatement that establishes an annual cap on increases in property taxes. SJR 14 further proposes to amend the Nevada Constitution to require the Legislature to enact by law a program to provide assistance to persons domiciled in this State who are 62 years of age or older or disabled by paying such persons refunds of the property taxes imposed on the primary residences of such persons.

This bill provides for the implementation of SJR 14 if that resolution is agreed to and passed by the 2019 Legislature and approved and ratified by the voters at the General Election held on November 3, 2020. **Section 2** of this bill defines a sale or transfer of real property for the purposes of SJR 14 as a transfer of title to any estate



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or present interest in real property in this State and establishes that certain transactions are included and excluded from this definition. **Section 3** of this bill provides that for the first fiscal year after a sale or transfer of real property, as defined in **section 2**, the owner of the real property is not entitled to any partial abatement which establishes a cap on an annual increases in property taxes. Under **section 3**, for each subsequent fiscal year, the owner of the real property would be entitled to those partial abatements. **Section 4** of this bill provides that for the first fiscal year after the sale or transfer of real property, as defined in **section 2**, and each subsequent fiscal year, the taxable value of improvements on land must be determined without subtracting depreciation from the replacement cost of the improvements. **Sections 5-8** of this bill make conforming changes.

Sections 10-36 of this bill enact the "Senior and Disabled Taxpayers Protection Act" which constitutes the program the Legislature would be required to enact if SJR 14 is agreed to and passed by the 2019 Legislature and approved and ratified by the voters at the General Election held on November 3, 2020. **Sections 19, 21 and 22** of this bill entitle each person who is 62 years of age or older each person with a disability who: (1) owns his or her primary residence and whose household income is less than 300 percent of the federal poverty level to receive a refund of the property taxes due for the fiscal year in which a claim for the refund is filed; or (2) rents his or her primary residence and whose household income is less than 300 percent of the federal poverty level to receive a refund of a portion of the annual rent paid by the person which is deemed to constitute the property taxes due for the fiscal year in which a claim for the refund is filed. **Section 22** requires the Aging and Disability Services Division of the Department of Health and Human Services to establish by regulation: (1) the portion of the annual rent paid by a claimant who rents his or her primary residence which is deemed to constitute property taxes due; and (2) the amount of a refund to which a claimant is entitled by establishing a sliding scale based on the household income of claimants. **Sections 23, 24, 27, 28 and 31** of this bill establish the procedure for a claimant to claim a refund and for the Division to grant or deny such a claim. **Section 25** of this bill establishes that persons with homes exceeding a certain amount of assessed value and persons with liquid assets of more than \$250,000 are ineligible to receive a refund. **Section 26** of this bill authorizes surviving spouses, persons who are blind and veterans who receive certain property tax exemptions to receive a refund of the property taxes but require the assessed value used to determine the refund to be reduced by the amount of the exemption. **Sections 29 and 30** of this bill provide for the revocation or disallowance of a refund under certain circumstances. **Section 32** of this bill makes it a gross misdemeanor for a person to willfully make a false statement or commit fraud to obtain a refund. **Section 33** of this bill establishes the procedure to appeal a denial of a refund by the Division or a county assessor. **Section 35** of this bill establishes the Senior Citizens' and Disabled Persons' Property Tax Assistance Account in the State General Fund and requires: (1) the Account to consist of a portion of the property taxes collected by the county treasurer of each county and legislative appropriations to the Account; (2) the costs of administering **sections 10-36** and the refunds of property taxes to be paid from that Account; and (3) the county assessor of each county to be paid from the Account an amount equal to \$4 for each claim received by the county assessor and submitted to the Division.



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

Section 1. Chapter 361 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. *Except as otherwise provided in this section, for the purposes of paragraph (b) of subsection 2 of NRS 361.227 and section 3 of this act, a sale or transfer of real property is a transfer of title to any estate or present interest in real property in this State. The term:*

(a) Includes, without limitation, the following:

(1) A conveyance of the real property by deed.

(2) A conveyance of the real property by a land sale installment contract, except that the sale or transfer of the real property is deemed to occur when the land sale installment contract is executed and a sale or transfer does not occur when a deed conveying title to the property is recorded in the office of the county recorder of the county in which the real property is located.

(3) A conveyance of the real property to a trust unless:

(I) The real property is conveyed to the trust by the settlor of the trust or the settlor's spouse, or both, and each sole current beneficiary or beneficiaries of the trust is the settlor or the settlor's spouse, or both; or

(II) The real property is residential real property, is conveyed to the trust by the settlor of the trust or the settlor's spouse, or both, each current beneficiary of the trust is related to the settlor or the settlor's spouse by blood, marriage or adoption within the second degree of consanguinity and the real property is not used for a commercial purpose after the conveyance. If the real property is used for a commercial purpose after the conveyance, the real property must be deemed to be sold or transferred on the date on which property begins to be used for a commercial purpose.

(4) A conveyance of real property that is a distribution from a trust unless:

(I) The distributee is the sole present beneficiary of the trust or the spouse of the sole present beneficiary; or

(II) The real property is residential real property, each distributee, is related to the settlor or the settlor's spouse by blood, marriage or adoption within the second degree of consanguinity and the real property is not used for a commercial purpose after the conveyance. If the real property is used for a commercial purpose after the conveyance, the real property must be deemed to be sold or transferred on the date on which property begins to be used for a commercial purpose.



(5) Any change in the current beneficiaries of a trust unless:

(I) The change only adds or substitutes the spouse of the sole current beneficiary; or

(II) The real property is residential real property, the change only adds or substitutes a current beneficiary who is related to the settlor or the settlor's spouse by blood, marriage or adoption within the second degree of consanguinity and the real property is not used for a commercial purpose after the conveyance. If the real property is used for a commercial purpose after the change in the current beneficiaries of the trust, the real property must be deemed to be sold or transferred on the date on which property begins to be used for a commercial purpose.

(6) A conveyance of real property that is a distribution under a will, by intestate succession or by a deed which becomes effective upon the death of the grantor pursuant to NRS 111.655 to 111.699, inclusive, unless:

(I) The distributee is the spouse of the decedent;

(II) The real property is residential real property, the distributee is related to the settlor or the settlor's spouse by blood, marriage or adoption within the second degree of consanguinity and the real property is not used for a commercial purpose after the conveyance. If the real property is used for a commercial purpose after the conveyance of the real property, the real property must be deemed to be sold or transferred on the date on which property begins to be used for a commercial purpose.

(7) A transfer of more than 50 percent of the ownership interest in a corporation, partnership, proprietorship, limited-liability company, business association, joint venture, limited-liability partnership, business trust, professional association, joint stock company or holding company that owns real property.

(8) A conveyance of an interest in real property held as a tenancy in common, except that portion of the real property not subject to the ownership interest conveyed.

(9) A transfer of an interest in a cooperative housing entity, except that portion of the property not subject to the ownership interest conveyed.

(b) Does not include any of the following:

(1) A transfer of a present interest in real property pursuant to a lease for a term of years.

(2) A conveyance of the real property from a person to his or her spouse or from a decedent to his or her surviving spouse.

(3) A conveyance of any interest in real property subject to a life estate other than a conveyance of the life estate.



(4) A transfer of the real property to a lender, lienholder or other creditor in a foreclosure action or a voluntary transfer of the real property in lieu of a foreclosure action.

(5) A transfer of the real property by redemption.

(6) A transfer pursuant to a judgment or order of a court that makes or orders a transfer of the real property unless the judgment or order specifies a specific monetary consideration for the transfer.

(7) A transfer creating or terminating a joint tenancy if at least one of the joint tenants was an owner of the real property before the initial creation of the joint tenancy and, if the real property was owned by joint tenants at the time of the transfer:

(I) At least one of the joint tenants was a joint tenant when the joint tenancy was initially created; and

(II) That joint tenant has remained a joint tenant since the joint tenancy was initially created.

(8) A transfer of real property for security or the creation, assignment or discharge of a security interest.

(9) A transfer of real property from one member of an affiliated group to another member of the affiliated group.

(10) A transfer of more than 50 percent of the total ownership interest in a publicly traded corporation, partnership, proprietorship, limited-liability company, business association, joint venture, limited-liability partnership, business trust, professional association, joint stock company or holding company that owns real property if the ownership is transferred through multiple transactions involving unrelated persons.

(11) A transfer of real property or ownership interests resulting from a transaction that qualifies as a tax-free reorganization under 26 U.S.C. § 368.

(12) A transfer of real property that is subject to an easement for conservation if only land is transferred.

(13) A transfer of real property that qualifies as a qualified conservation contribution as defined in 26 U.S.C. § 170(h).

(14) A transfer to an educational foundation.

(15) A transfer to a university foundation.

(16) A transfer to a library foundation.

2. As used in this section:

(a) "Affiliated group" means a group of two or more corporations, partnerships, proprietorships, limited-liability companies, business associations, joint ventures, limited-liability partnerships, business trusts, professional associations, joint stock companies or holding companies, each of which is controlled by one or more common owners or by one or more members of the group.



(b) "Controlled by" means the direct or indirect ownership, control or possession of 50 percent or more of a corporation, partnership, proprietorship, limited-liability company, business association, joint venture, limited-liability partnership, business trust, professional association, joint stock company or holding company.

(c) "Cooperative housing entity" means an entity organized under the laws of this State or any other state for the purpose of the cooperative ownership of real estate whereby each of the stockholders or members is entitled, through ownership of stock or a certificate of membership in the corporation, to occupy a house, apartment or other dwelling unit on real estate owned by the corporation.

(d) "Current beneficiary" has the meaning ascribed to it in NRS 165.020.

(e) "Educational foundation" has the meaning ascribed to it in NRS 388.750.

(f) "Foreclosure action" means any action authorized by the laws of this State by which the power of sale of real property is exercised by a lender, lienholder or other creditor.

(g) "Library foundation" has the meaning ascribed to it in NRS 379.0056.

(h) "Settlor" has the meaning ascribed to it in NRS 165.020.

(i) "University foundation" has the meaning ascribed to it in NRS 396.405.

Sec. 3. For the fiscal year immediately after the sale or transfer, as described in section 2 of this act, of a parcel or other taxable unit of property, the owner of the parcel or other taxable unit of property is not entitled to any partial abatement of taxes provided pursuant to NRS 361.4722, 361.4723 or 361.4724.

Sec. 4. NRS 361.227 is hereby amended to read as follows:
361.227 1. Any person determining the taxable value of real property shall appraise:

(a) The full cash value of:

(1) Vacant land by considering the uses to which it may lawfully be put, any legal or physical restrictions upon those uses, the character of the terrain, and the uses of other land in the vicinity.

(2) Improved land consistently with the use to which the improvements are being put.

(b) ~~Any~~ Except as otherwise provided in this paragraph, any improvements made on the land by subtracting from the cost of replacement of the improvements all applicable depreciation and obsolescence. Depreciation of an improvement made on real property must be calculated at 1.5 percent of the cost of replacement for each year of adjusted actual age of the improvement, up to a



1 maximum of 50 years. *In determining the taxable value of real*
2 *property for the purposes of calculating the property taxes levied*
3 *for the first fiscal year after a sale or transfer of the real property,*
4 *as described in section 2 of this act, and for each subsequent fiscal*
5 *year, the person determining the taxable value of the real property*
6 *must not subtract depreciation from the cost of replacement of the*
7 *improvements on the real property.*

8 2. The unit of appraisal must be a single parcel unless:

9 (a) The location of the improvements causes two or more
10 parcels to function as a single parcel;

11 (b) The parcel is one of a group of contiguous parcels which
12 qualifies for valuation as a subdivision pursuant to the regulations of
13 the Nevada Tax Commission; or

14 (c) In the professional judgment of the person determining the
15 taxable value, the parcel is one of a group of parcels which should
16 be valued as a collective unit.

17 3. The taxable value of a leasehold interest, possessory interest,
18 beneficial interest or beneficial use for the purpose of NRS 361.157
19 or 361.159 must be determined in the same manner as the taxable
20 value of the property would otherwise be determined if the lessee or
21 user of the property was the owner of the property and it was not
22 exempt from taxation, except that the taxable value so determined
23 must be reduced by a percentage of the taxable value that is equal to
24 the:

25 (a) Percentage of the property that is not actually leased by the
26 lessee or used by the user during the fiscal year; and

27 (b) Percentage of time that the property is not actually leased by
28 the lessee or used by the user during the fiscal year, which must be
29 determined in accordance with NRS 361.2275.

30 4. The taxable value of other taxable personal property, except
31 a mobile or manufactured home, must be determined by subtracting
32 from the cost of replacement of the property all applicable
33 depreciation and obsolescence. Depreciation of a billboard must be
34 calculated at 1.5 percent of the cost of replacement for each year
35 after the year of acquisition of the billboard, up to a maximum of 50
36 years.

37 5. The computed taxable value of any property must not exceed
38 its full cash value. Each person determining the taxable value of
39 property shall reduce it if necessary to comply with this
40 requirement. A person determining whether taxable value exceeds
41 that full cash value or whether obsolescence is a factor in valuation
42 may consider:

43 (a) Comparative sales, based on prices actually paid in market
44 transactions.



(b) A summation of the estimated full cash value of the land and contributory value of the improvements.

(c) Capitalization of the fair economic income expectancy or fair economic rent, or an analysis of the discounted cash flow.

➔ A county assessor is required to make the reduction prescribed in this subsection if the owner calls to his or her attention the facts warranting it, if the county assessor discovers those facts during physical reappraisal of the property or if the county assessor is otherwise aware of those facts.

6. The Nevada Tax Commission shall, by regulation, establish:

(a) Standards for determining the cost of replacement of improvements of various kinds.

(b) Standards for determining the cost of replacement of personal property of various kinds. The standards must include a separate index of factors for application to the acquisition cost of a billboard to determine its replacement cost.

(c) Schedules of depreciation for personal property based on its estimated life.

(d) Criteria for the valuation of two or more parcels as a subdivision.

7. In determining, for the purpose of computing taxable value, the cost of replacement of:

(a) Any personal property, the cost of all improvements of the personal property, including any additions to or renovations of the personal property, but excluding routine maintenance and repairs, must be added to the cost of acquisition of the personal property.

(b) An improvement made on land, a county assessor may use any final representations of the improvement prepared by the architect or builder of the improvement, including, without limitation, any final building plans, drawings, sketches and surveys, and any specifications included in such representations, as a basis for establishing any relevant measurements of size or quantity.

8. The county assessor shall, upon the request of the owner, furnish within 15 days to the owner a copy of the most recent appraisal of the property, including, without limitation, copies of any sales data, materials presented on appeal to the county board of equalization or State Board of Equalization and other materials used to determine or defend the taxable value of the property.

9. The provisions of this section do not apply to property which is assessed pursuant to NRS 361.320.

Sec. 5. NRS 361.471 is hereby amended to read as follows:

361.471 As used in NRS 361.471 to 361.4735, inclusive, *and section 3 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. 6. 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 3 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 entitled to a partial abatement of the ad valorem taxes levied in a county on that property 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) A percentage of the amount determined pursuant to paragraph (a) which is equal to:

(1) The greater of:

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

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

(III) Zero; or

(2) Eight percent,

↪ whichever is less.

2. Except as otherwise provided in or required to carry out the provisions of NRS 361.4725 to 361.4729, inclusive, *and section 3 of this act*, the owner of any remainder parcel of real property for which no assessed valuation was separately established for the immediately preceding fiscal year, is entitled to a partial abatement of the ad valorem taxes levied in a county on that property for a



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 amount of that assessed valuation attributable to any improvement to or change in the actual or authorized use of the property that would not have been included in the calculation of the assessed valuation of the property for the immediately preceding fiscal year if an assessed valuation had been separately established for that property for that prior fiscal year, exceeds the sum obtained by adding:

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

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

(2) Which would have been levied in that county on the property for the immediately preceding fiscal year if an assessed valuation had been separately established for that property for that prior fiscal year based upon all the assumptions, costs, values, calculations and other factors and considerations that would have been used for the valuation of that property for that prior fiscal year, and 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) A percentage of the amount determined pursuant to paragraph (a) which is equal to:

(1) The greater of:

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

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

(III) Zero; or

(2) Eight percent,

→ whichever is less.

3. The provisions of subsection 1 do not apply to any property for which the provisions of subsection 1 of NRS 361.4723 or



1 subsection 1 of NRS 361.4724 provide a greater abatement from
2 taxation.

3 4. Except as otherwise required to carry out the provisions of
4 NRS 361.4732 and any regulations adopted pursuant to NRS
5 361.4733, the amount of any reduction in the ad valorem taxes
6 levied in a county for a fiscal year as a result of the application of
7 the provisions of subsections 1 and 2 must be deducted from the
8 amount of ad valorem taxes each taxing entity would otherwise be
9 entitled to receive for that fiscal year in the same proportion as the
10 rate of ad valorem taxes levied in the county on the property by or
11 on behalf of that taxing entity for that fiscal year bears to the
12 combined rate of all ad valorem taxes levied in the county on the
13 property by or on behalf of all taxing entities for that fiscal year.

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

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

22 **Sec. 7.** NRS 361.4723 is hereby amended to read as follows:

23 361.4723 The Legislature hereby finds and declares that an
24 increase in the tax bill of the owner of a home by more than 3
25 percent over the tax bill of that homeowner for the previous year
26 constitutes a severe economic hardship within the meaning of
27 subsection 10 of Section 1 of Article 10 of the Nevada Constitution.
28 The Legislature therefore directs a partial abatement of taxes for
29 such homeowners as follows:

30 1. Except as otherwise provided in or required to carry out the
31 provisions of subsection 2 and NRS 361.4725 to 361.4729,
32 inclusive, *and section 3 of this act*, the owner of a single-family
33 residence which is the primary residence of the owner is entitled to a
34 partial abatement of the ad valorem taxes levied in a county on that
35 property each fiscal year equal to the amount by which the product
36 of the combined rate of all ad valorem taxes levied in that county on
37 the property for that fiscal year and the amount of the assessed
38 valuation of the property which is taxable in that county for that
39 fiscal year, excluding any increase in the assessed valuation of the
40 property from the immediately preceding fiscal year as a result of
41 any improvement to or change in the actual or authorized use of the
42 property, exceeds the sum obtained by adding:

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

44 (1) Levied in that county on the property for the immediately
45 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 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. 8. 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 3 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. 9. Chapter 427A of NRS is hereby amended by adding thereto the provisions set forth as section 10 to 36, inclusive, of this act.

Sec. 10. *Sections 10 to 36, inclusive, of this act, may be cited as the "Senior and Disabled Taxpayers Protection Act."*

Sec. 11. *As used in sections 10 to 36, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 12 to 21, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 12. *"Claim" means an application for a refund of property taxes filed pursuant to section 23 of this act.*

Sec. 13. *"Claimant" means a person who files a claim.*



1 **Sec. 14.** *"Disability" has the meaning ascribed to it in*
2 *NRS 426.068.*

3 **Sec. 15. 1.** *"Home" means residential living quarters*
4 *located in this State. The quarters may consist of a single dwelling*
5 *unit, or a unit which is an integral part of a larger complex such*
6 *as a multidwelling or a multipurpose building, together with the*
7 *land upon which the unit is built and any surrounding land, not to*
8 *exceed 2 acres, and any outbuildings and facilities reasonably*
9 *necessary for use of the unit as residential living quarters.*

10 **2.** *The term includes:*

11 **(a)** *A mobile or manufactured home.*

12 **(b)** *A home, mobile or manufactured home or dwelling that the*
13 *claimant and spouse of the claimant possess under a contract of*
14 *sale, deed of trust, life estate, joint tenancy or tenancy in common.*

15 **(c)** *A residential facility for groups required to be licensed by*
16 *the Division of Public and Behavioral Health of the Department*
17 *pursuant to NRS 449.001 to 449.240, inclusive.*

18 **(d)** *A dwelling within any housing project which has been*
19 *established pursuant to chapter 315 of NRS and for which the*
20 *housing authority makes payments in lieu of taxes.*

21 **3.** *The term does not include any part of the building or land*
22 *which is not used as living quarters by the claimant and spouse*
23 *and which produces income for the claimant or spouse, if the*
24 *residential living quarters are part of a multipurpose building.*

25 **Sec. 16.** *"Household" means a claimant and his or her*
26 *spouse.*

27 **Sec. 17.** *"Income" means adjusted gross income, as defined*
28 *in the Internal Revenue Code, and includes:*

29 **1.** *Tax-free interest;*

30 **2.** *The untaxed portion of a pension, individual retirement*
31 *account or annuity;*

32 **3.** *Railroad retirement benefits;*

33 **4.** *Veterans' pensions and compensation;*

34 **5.** *Payments received pursuant to the federal Social Security*
35 *Act, including supplemental security income, but excluding*
36 *hospital and medical insurance benefits for persons who are aged*
37 *or disabled;*

38 **6.** *Public welfare payments, including allowances for shelter;*

39 **7.** *Unemployment insurance benefits;*

40 **8.** *Payments for lost time;*

41 **9.** *Payments received from disability insurance;*

42 **10.** *Disability payments received pursuant to workers'*
43 *compensation insurance;*

44 **11.** *Alimony;*

45 **12.** *Support payments;*



1 13. Allowances received by dependents of servicemen or
2 servicewomen;

3 14. The amount of recognized capital gains and losses
4 excluded from adjusted gross income;

5 15. Life insurance proceeds in excess of \$5,000;

6 16. Bequests and inheritances;

7 17. Gifts of cash of more than \$300 not between household
8 members and such other kinds of cash received by a household as
9 the Division specifies by regulation; and

10 18. Any other item specified as income in regulations adopted
11 by the Division pursuant to section 34 of this act.

12 Sec. 18. "Lot" means a portion of land that is rented to
13 accommodate a mobile or manufactured home owned or rented by
14 the claimant.

15 Sec. 19. "Property taxes accrued" means property taxes,
16 excluding special assessments, delinquent taxes and interest,
17 levied on a claimant's home in this State which are due during the
18 August immediately preceding the date of filing of a claim. If a
19 home is owned by two or more persons or entities as joint tenants
20 or tenants in common and one or more persons or entities are not
21 members of the household of the claimant, property taxes accrued
22 is that part of the property taxes levied on the home which reflects
23 the percentage of the residential space occupied by the claimant
24 and his or her household.

25 Sec. 20. "Rent" means the payment a claimant has made
26 under a bona fide tenancy or leasing agreement solely for the
27 right to occupy a home or lot during the calendar year
28 immediately preceding the filing of a claim. The term does not
29 include any amount paid for utilities, fuel, furnishings, food,
30 nursing services or institutional care.

31 Sec. 21. "Senior citizen" means any person who is domiciled
32 in this State and will attain the age of 62 years on or before the
33 last day in June immediately succeeding the filing period.

34 Sec. 22. 1. A senior citizen or person with a disability
35 whose home is placed upon the secured or unsecured tax roll, who
36 has owned the home and maintained it as his or her primary
37 residence since July 1 immediately preceding the filing of his or
38 her claim and whose household income is less than 300 percent of
39 the federally designated level signifying poverty is entitled to a
40 refund of the property tax accrued against his or her home in an
41 amount established by the Division by regulation.

42 2. A senior citizen or person with a disability who has rented
43 and maintained his or her primary residence in a home or on a lot
44 since July 1 of the preceding calendar year and whose household
45 income is less than 300 percent of the federally designated level



signifying poverty is entitled to a refund of the portion of the total annual rent paid by the senior citizen or person with a disability which is deemed to constitute the property tax accrued pursuant to the regulations adopted by the Division. The amount of the refund to which the senior citizen or person with a disability is entitled is the amount established by the Division by regulation.

3. The Division shall establish by regulation:

(a) Categories of claimants based on the household income of those claimants and the amount of the refund to which claimants in each category are entitled.

(b) The portion of the total annual rent paid by a claimant who rents his or her primary residence which is deemed to constitute accrued property tax.

4. The amount of the refund to which a claimant is entitled must not exceed the amount of the accrued property tax.

Sec. 23. 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 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 section 34 of this act.

Sec. 24. 1. The Division shall examine each claim and determine whether to grant or deny the claim.

2. If the Division grants the claim:

(a) The Division must determine the refund to which the claimant is entitled pursuant to the regulations adopted by the Division pursuant to section 22 of this act; and

(b) Pay the refund to the claimant not later than August 15, unless the Administrator cannot provide for full refunds of all granted claims pursuant to subsection 4 of section 35 of this act. If the Administrator cannot provide for full refunds of all granted claims, claims that are required to be reduced pursuant to that subsection must be paid not later than 30 business days after a



1 *meeting of the Interim Finance Committee at which those claims*
2 *are considered.*

3 *3. If the Division denies the claim, the Division must notify*
4 *the claimant of the denial by first-class mail.*

5 **Sec. 25.** *The Division shall not grant a claim if the:*

6 *1. Claimant or spouse of the claimant owns real property,*
7 *other than that claimed as a home, which has an assessed value of*
8 *more than \$50,000;*

9 *2. Home of the claimant and spouse of the claimant has an*
10 *assessed value of more than \$450,000; or*

11 *3. Liquid assets of the claimant and spouse of the claimant*
12 *are more than \$250,000.*

13 **Sec. 26.** *1. A person may receive a refund pursuant to the*
14 *provisions of sections 10 to 36, inclusive, of this act while*
15 *receiving a property tax exemption as a surviving spouse, person*
16 *who is blind or veteran if the person has filed a claim for the*
17 *exemption with the county assessor.*

18 *2. The assessed valuation of any property used to determine a*
19 *refund pursuant to the provisions of sections 10 to 36, inclusive, of*
20 *this act must be reduced by the amount of such an exemption.*

21 **Sec. 27.** *Only one member of each household may file a*
22 *claim in any tax year. If more than one member is eligible to claim*
23 *a refund, any one of the eligible members may file the claim with*
24 *the written consent of the others. If such consent is not obtainable,*
25 *the claim may be filed only if criteria regulating such a*
26 *circumstance have been prescribed by the Division.*

27 **Sec. 28.** *The right to file a claim pursuant to the provisions*
28 *of sections 10 to 36, inclusive, of this act is personal to the*
29 *claimant and does not survive the death of the claimant, except the*
30 *right may be exercised on behalf of the claimant by the legal*
31 *guardian or attorney-in-fact of the claimant. If a claimant dies*
32 *after having filed a timely claim, any refund provided pursuant to*
33 *the provisions of sections 10 to 36, inclusive, of this act inures to*
34 *the benefit of the heirs of the claimant or the executor or*
35 *administrator of the claimant, if one is appointed by a court of*
36 *competent jurisdiction within 6 months after the claim is made. If*
37 *no executor or administrator is so appointed, the claim and all*
38 *benefits thereunder lapse.*

39 **Sec. 29.** *Any grant of a refund under an improper claim may*
40 *be revoked by the county assessor or Division within 2 years after*
41 *the filing of the claim. If a refund is revoked, the claimant shall*
42 *make restitution to the State of Nevada or the county for any*
43 *refund the claimant has received pursuant to the improper claim,*
44 *and the State of Nevada or the county shall take all proper action*
45 *to collect the amount of the refund as a debt.*



1 **Sec. 30.** *A claim must be disallowed if the Division finds that*
2 *the claimant received title to a home primarily to obtain benefits*
3 *pursuant to the provisions of sections 10 to 36, inclusive, of this*
4 *act. If such a claimant has received a refund and does not repay it*
5 *together with a 10-percent penalty to the Division, the amount of*
6 *the refund and penalty must be assessed against the property*
7 *claimed by the claimant as a home.*

8 **Sec. 31.** *The Division shall deny any claim for a refund to*
9 *which the claimant is not entitled or any amount in excess of that*
10 *to which the claimant is entitled. The Division may deny in total*
11 *any claim which is filed with fraudulent intent. If any such claim*
12 *has been paid and is afterward denied, the amount of the claim*
13 *together with a 10-percent penalty must be repaid by the claimant*
14 *to the Division. If the amount of the refund and penalty is not*
15 *repaid, the amount must be assessed against any real or personal*
16 *property owned by the claimant.*

17 **Sec. 32.** *Any person who willfully makes a materially false*
18 *statement or uses any other fraudulent device to secure for himself*
19 *or herself or any other person the refund provided pursuant to the*
20 *provisions of section 10 to 36, inclusive, of this act is guilty of a*
21 *gross misdemeanor.*

22 **Sec. 33.** 1. *Any claimant aggrieved by a decision of the*
23 *Division or a county assessor which denies the refund claimed*
24 *pursuant to the provisions of section 10 to 36, inclusive, of this act*
25 *may have a review of the denial before the Administrator or the*
26 *designee of the Administrator if, within 30 days after the claimant*
27 *receives notice of the denial, the claimant submits a written*
28 *petition for review to the Administrator or the designee of the*
29 *Administrator.*

30 2. *Any claimant aggrieved by the denial in whole or in part of*
31 *relief claimed pursuant to the provisions of sections 10 to 36,*
32 *inclusive, of this act or by any other final action or review of the*
33 *Administrator or designee of the Administrator is entitled to*
34 *judicial review thereof.*

35 **Sec. 34.** 1. *The Division shall administer of the provisions*
36 *of sections 10 to 36, inclusive, of this act.*

37 2. *The Division may:*

38 (a) *Specify by regulation any other kind of income for the*
39 *purposes of section 17 of this act.*

40 (b) *Prescribe the content and form of claims and approve any*
41 *form used by a county assessor.*

42 (c) *Designate the proof required for the substantiation of*
43 *claims.*



(d) Establish criteria for determining the circumstances under which a claim may be filed by one of two eligible spouses without the consent of the other spouse.

(e) Prescribe that a claimant's ownership of the home must be shown of record.

(f) Provide by regulation that a vendee in possession of the home under an installment sale contract and responsible for paying the property taxes on the home is eligible to claim a refund as a homeowner.

(g) Limit the computation of benefits to the nearest dollar and limit issuance of warrants to \$5 or more.

(h) Verify and audit any claims, statements or other records made pursuant to the provisions of sections 10 to 36, inclusive, of this act.

(i) Adopt regulations to ensure the confidentiality of information provided by claimants.

(j) Provide by regulation for a limited extension of time to file a claim in cases of hardship.

(k) Adopt such other regulations as may be required to carry out the provisions of sections 10 to 36, inclusive, of this act.

Sec. 35. 1. The Senior Citizens' and Disabled Persons' Property Tax Assistance Account is hereby created in the State General Fund. The Account consists of money which is:

(a) Received by the State Controller for credit to the Account pursuant to subsection 2; and

(b) Appropriated to the Account by the Legislature.

2. Notwithstanding any other provision of law, on the third Mondays of July, October, January and April of each year, each county treasurer shall deposit with the State Controller for credit to the Senior Citizens' and Disabled Persons' Property Tax Assistance Account an amount of the property taxes received by the county treasurer equal to the amount authorized by the Legislature to be expended from the Account by that county multiplied by a percentage determined by dividing:

(a) The total ad valorem tax rate levied on a parcel or other taxable unit of property in the county, excluding:

(1) Any ad valorem tax rate levied on a parcel or other taxable unit of property by this State; and

(2) Any ad valorem tax rate levied on a parcel or other taxable unit of property in the county, the proceeds of which are pledged to the payment of obligations secured by those proceeds unless an independent bond counsel representing the governing body in connection with the issuance of those obligations has issued an opinion stating that the use of a portion of the proceeds of the ad valorem tax rate for the purposes of sections 10 to 36,



1 *inclusive, of this act would not impair the contract for the sale of*
2 *those obligations; and*

3 *(b) The total ad valorem tax rate levied on a parcel or other*
4 *taxable unit of property in the county.*

5 *3. Money in the Senior Citizens' and Disabled Persons'*
6 *Property Tax Assistance Account must be used only administer the*
7 *provisions of sections 10 to 36, inclusive, of this act and pay*
8 *refunds granted pursuant to the provisions of sections 10 to 36,*
9 *inclusive, of this act. From this Account, the sum of \$4 must be*
10 *allowed for each claim which is received by the county assessor*
11 *and submitted to the Division.*

12 *4. The Administrator may, from time to time, obtain from the*
13 *State Controller a statement of the balance in the Senior Citizens'*
14 *and Disabled Persons' Property Tax Assistance Account. The*
15 *Administrator shall provide for full refunds of all granted claims if*
16 *the total amount of the claims does not exceed the balance in the*
17 *Account. If the total amount of the claims exceeds that balance,*
18 *the Administrator shall proportionately reduce each claim paid*
19 *pursuant to section 24 of this act.*

20 *5. All claims against the Senior Citizens' and Disabled*
21 *Persons' Property Tax Assistance Account must be certified by the*
22 *Administrator or a person designated by the Administrator and, if*
23 *certified and approved by the State Board of Examiners, the State*
24 *Controller shall draw his or her warrant against the Account.*

25 **Sec. 36.** *Except as otherwise provided by specific statute, no*
26 *person may publish, disclose or use any personal or confidential*
27 *information contained in a claim except for purposes connected*
28 *with the administration of the provisions of sections 10 to 36,*
29 *inclusive, of this act.*

30 **Sec. 37.** 1. This section becomes effective upon passage and
31 approval.

32 2. Sections 1 to 8, inclusive, of this act become effective on
33 November 24, 2020, only if Senate Joint Resolution No. 14 of the
34 79th Session of the Nevada Legislature is agreed to and passed by
35 the 2019 Legislature and approved and ratified by the voters at the
36 General Election held on November 3, 2020.

37 3. Sections 9 to 36, inclusive, of this act become effective on
38 July 1, 2021, only if Senate Joint Resolution No. 14 of the 79th
39 Session of the Nevada Legislature is agreed to and passed by the
40 2019 Legislature and approved and ratified by the voters at the
41 General Election held on November 3, 2020.

