

ASSEMBLY BILL NO. 201—ASSEMBLYMAN DALY

MARCH 4, 2013

Referred to Committee on Taxation

SUMMARY—Revises certain provisions governing the taxation of property. (BDR 32-660)

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

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

AN ACT relating to taxation; increasing the rate of assessment of property; temporarily providing for the allocation and use of certain revenue attributable to the increase in the rate of assessment; revising the provisions governing the distribution of the proceeds of certain taxes through the Local Government Tax Distribution Account; revising the provisions governing certain partial abatements of property taxes; repealing the prohibition against certain agreements between local governments regarding the establishment of a combined property tax rate; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law requires the assessment of all property subject to taxation at 35
2 percent of its taxable value or, in the case of agricultural real property or open-
3 space real property, at 35 percent of its value for agricultural use or open-space use,
4 respectively. (NRS 361.225, 361A.130, 361A.220) **Sections 3, 13 and 14** of this
5 bill increase that rate of assessment by 1 percent during each fiscal year for 10
6 fiscal years, beginning on July 1, 2014, resulting in a net increase from 35 to 45
7 percent as of July 1, 2023. **Sections 4 and 6** of this bill revise related provisions to
8 conform with these increases in the rate of assessment.

9 Under existing law, the Executive Director of the Department of Taxation is
10 required to establish a base monthly allocation from the Local Government Tax
11 Distribution Account for each local government and special district in a county and
12 to allocate any tax proceeds which exceed that base monthly allocation in
13 accordance with a mathematical formula that incorporates certain changes in
14 population and assessed valuation. (NRS 360.690) **Section 1** of this bill revises that
15 mathematical formula to use changes in taxable value instead of changes in
16 assessed value, thereby avoiding any change in that allocation that would otherwise
17 result from the increases in the rate of assessment required by **sections 3, 13 and 14**



18 of this bill. **Sections 2 and 16** of this bill revise related provisions to conform with
19 the change to that mathematical formula.

20 Existing law provides for a partial abatement of the property taxes levied on
21 property for which an assessed valuation has previously been established, a
22 remainder parcel of real property, certain single-family residences and certain
23 residential rental dwellings. Under existing law, the amount by which tax bills may
24 increase from the previous year for those single-family residences and residential
25 rental dwellings is generally limited to 3 percent and for other property is generally
26 limited to 8 percent. Existing law exempts from these limitations on tax bill
27 increases the taxes attributable to the assessed value of certain property
28 improvements. (NRS 361.4722, 361.4723, 361.4724) **Section 10** of this bill
29 clarifies that the increases in the rate of assessment required by this bill are
30 included in these limitations on tax bill increases and **sections 7-9** of this bill clarify
31 that the increases in the rate of assessment required by this bill are included in the
32 amount of the exemption from these limitations on tax bill increases for certain
33 property improvements.

34 Existing law requires the Committee on Local Government Finance to adopt
35 regulations allocating the reductions in tax revenue that result from the partial
36 abatements of property taxes among the taxing entities that would otherwise be
37 entitled to that revenue. (NRS 361.4733) **Section 11** of this bill establishes
38 priorities for the allocation of those reductions in tax revenue caused by increases in
39 tax rates, increases in the taxable value of property and the increases in the rate of
40 assessment required by this bill.

41 **Section 21** of this bill generally requires the county treasurer of each county to
42 withhold any increase in revenue that a taxing entity, other than the State, the
43 county, the county school district and any city in the county, would otherwise
44 receive as a result of the increases in the rate of assessment required by this bill for
45 the initial 20 fiscal years, and to deposit that amount into the county general fund.
46 **Section 21** then requires each county to cause not less than half of that amount and
47 of the amount of any other increase in revenue which it receives as a result of this
48 bill to be expended or committed for expenditure for capital improvement projects
49 or infrastructure projects on or before December 31, 2034. Additionally, **section 21**
50 requires each city to cause not less than half of the amount of any increase in
51 revenue which it receives as a result of this bill to be expended or committed for
52 expenditure for capital improvement projects or infrastructure projects on or before
53 December 31, 2034. **Section 22** of this bill requires each county and city to provide
54 certain annual reports regarding its compliance with these requirements and a
55 procedure for disputing that compliance.

56 Existing law prohibits a larger local government from entering into an
57 agreement with a smaller local government located within the boundaries of the
58 larger local government pursuant to which the larger local government would
59 transfer money to the smaller local government and the smaller local government
60 would lower its property tax rate, thereby allowing the larger local government to
61 impose a higher property tax rate throughout its boundaries which does not cause
62 the combined property tax rate to exceed the statutory maximum rate of \$3.64 per
63 \$100 of assessed valuation. (NRS 361.453, 361.457) **Section 20** of this bill repeals
64 that prohibition.

65 **Sections 3, 13 and 14** of this bill, which increase the rate of assessment of
66 property by 28.57 percent over a period of 10 fiscal years, will affect the results
67 obtained under various provisions of existing law that use assessed valuation for the
68 purpose of making certain calculations. For example:

69 1. Existing law sets forth various limitations on the amount of property taxes
70 which are authorized or required to be levied in this State. This bill will increase the
71 amount of revenue that is authorized or required to be collected in accordance with
72 these limitations. (See, e.g., Nev. Const. Art. 10, § 2; NRS 3.0107, 244.377,



73 244.380, 244A.775, 266.605, 268.775, 269.115, 269.240, 269.255, 318.118,
74 318.119, 354.59813, 354.59815, 354.59817, 354.59818, 354.5987, 361.453,
75 376A.070, 387.195, 387.3285, 404.075, 428.050, 428.185, 428.285, 450.425,
76 474.190, 541.150, 541.170; Caliente City Charter § 8.010; Carlin City Charter §
77 8.010; Elko City Charter § 8.010; Henderson City Charter § 8.010; North Las
78 Vegas City Charter § 8.010; Reno City Charter § 8.010; Sparks City Charter §
79 8.010; Wells City Charter § 8.010)

80 2. Existing law sets forth various limitations upon the maximum amount of
81 debt which may be incurred by the State and many local governmental entities. The
82 dollar amount of these limitations, which are expressed as a percentage of the
83 assessed valuation of the property in the pertinent governmental areas, will be
84 raised by this bill. (See, e.g., Nev. Const. Art. 9, § 3; NRS 244A.059, 244A.453,
85 244A.653, 244A.655, 244A.789, 266.600, 269.425, 318.277, 379.0225, 387.400,
86 450.665, 474.514, 710.040, 710.210, 710.320; Caliente City Charter § 7.010; Carlin
87 City Charter § 7.010; Carson City Charter § 7.010; Henderson City Charter §
88 7.010; Las Vegas City Charter § 7.040; North Las Vegas City Charter §§ 2.310,
89 7.010; Reno City Charter § 7.010; Sparks City Charter § 7.010; Wells City Charter
90 § 7.010; Yerington City Charter § 7.010)

91 3. Existing law authorizes each city in this State to accumulate for up to 10
92 years in a fund for future capital improvements an amount of money which does
93 not exceed 25 cents per year on each \$100 of assessed value of the property in the
94 city. (NRS 268.045) This bill will increase the amount of money that may be
95 accumulated in such a fund.

96 4. Existing law prohibits the investment of the State Permanent School Fund
97 in the bonds of any county whose entire bonded indebtedness exceeds 10 percent of
98 its assessed valuation and generally prohibits the State Treasurer from purchasing
99 county bonds of an amount in excess of 4 percent of the assessed valuation of the
100 county. (NRS 355.080) This bill will authorize additional state investments in
101 county bonds by increasing the dollar amount of these limitations on those
102 investments.

103 5. Existing law requires the board of county commissioners of a county
104 whose population is 700,000 or more (currently Clark County) to transfer annually
105 from the county general fund to the county health district an allocation which does
106 not exceed the amount determined by multiplying the assessed valuation of the
107 taxable property in the county by the rate of 3.5 cents per each \$100 of assessed
108 valuation. (NRS 439.365) This bill will increase the maximum dollar amount of
109 that allocation.

110 6. Existing law requires the Department of Taxation to reduce the rate of
111 property taxes otherwise allowed to be levied by a city which receives revenue
112 from county gaming licenses in a county whose population is 700,000 or more
113 (currently Clark County) by an amount which, when multiplied by the assessed
114 valuation of the city for the previous fiscal year, would produce revenue equal to 25
115 percent of the amount of revenue the city will receive from county gaming licenses
116 for the current fiscal year. (NRS 463.327) This bill will increase the amount of
117 property tax revenue that such a city would be prevented from collecting as a result
118 of this mandatory reduction in its allowable tax rate.

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

1 **Section 1.** NRS 360.690 is hereby amended to read as follows:
2 360.690 1. Except as otherwise provided in NRS 360.730,
3 the Executive Director shall estimate monthly the amount each local



1 government, special district and enterprise district will receive from
2 the Account pursuant to the provisions of this section.

3 2. The Executive Director shall establish a base monthly
4 allocation for each local government, special district and enterprise
5 district by dividing the amount determined pursuant to NRS 360.680
6 for each local government, special district and enterprise district by
7 12, and the State Treasurer shall, except as otherwise provided in
8 subsections 3 to 8, inclusive, remit monthly that amount to each
9 local government, special district and enterprise district.

10 3. If, after making the allocation to each enterprise district for
11 the month, the Executive Director determines there is not sufficient
12 money available in the county's subaccount in the Account to
13 allocate to each local government and special district the base
14 monthly allocation determined pursuant to subsection 2, he or she
15 shall prorate the money in the county's subaccount and allocate to
16 each local government and special district an amount equal to its
17 proportionate percentage of the total amount of the base monthly
18 allocations determined pursuant to subsection 2 for all local
19 governments and special districts within the county. The State
20 Treasurer shall remit that amount to the local government or special
21 district.

22 4. Except as otherwise provided in subsections 5 to 8,
23 inclusive, if the Executive Director determines that there is money
24 remaining in the county's subaccount in the Account after the base
25 monthly allocation determined pursuant to subsection 2 has been
26 allocated to each local government, special district and enterprise
27 district, he or she shall immediately determine and allocate each:

28 (a) Local government's share of the remaining money by:

29 (1) Multiplying one-twelfth of the amount allocated pursuant
30 to NRS 360.680 by the sum of the:

31 (I) Average percentage of change in the population of the
32 local government over the 5 fiscal years immediately preceding the
33 year in which the allocation is made, as certified by the Governor
34 pursuant to NRS 360.285, except as otherwise provided in
35 subsection 9; and

36 (II) Average percentage of change in the ~~assessed~~
37 ~~valuation~~ *taxable value* of the taxable property in the local
38 government, including ~~assessed valuation~~ *the taxable value*
39 attributable to a redevelopment ~~agency~~ *area* but excluding the
40 portion attributable to the net proceeds of minerals, over the year in
41 which the allocation is made, as projected by the Department, and
42 the 4 fiscal years immediately preceding the year in which the
43 allocation is made; and

44 (2) Using the figure calculated pursuant to subparagraph (1)
45 to calculate and allocate to each local government an amount equal



1 to the proportion that the figure calculated pursuant to subparagraph
2 (1) bears to the total amount of the figures calculated pursuant to
3 subparagraph (1) of this paragraph and subparagraph (1) of
4 paragraph (b), respectively, for the local governments and special
5 districts located in the same county multiplied by the total amount
6 available in the subaccount; and

7 (b) Special district's share of the remaining money by:

8 (1) Multiplying one-twelfth of the amount allocated pursuant
9 to NRS 360.680 by the average *percentage of* change in the
10 ~~assessed valuation~~ *taxable value* of the taxable property in the
11 special district, including ~~assessed valuation~~ *the taxable value*
12 attributable to a redevelopment ~~agency~~ *area* but excluding the
13 portion attributable to the net proceeds of minerals, over the year in
14 which the allocation is made, as projected by the Department, and
15 the 4 fiscal years immediately preceding the year in which the
16 allocation is made; and

17 (2) Using the figure calculated pursuant to subparagraph (1)
18 to calculate and allocate to each special district an amount equal to
19 the proportion that the figure calculated pursuant to subparagraph
20 (1) bears to the total amount of the figures calculated pursuant to
21 subparagraph (1) of this paragraph and subparagraph (1) of
22 paragraph (a), respectively, for the local governments and special
23 districts located in the same county multiplied by the total amount
24 available in the subaccount.

25 ➔ The State Treasurer shall remit the amount allocated to each local
26 government or special district pursuant to this subsection.

27 5. Except as otherwise provided in subsection 6 or 7, if the
28 Executive Director determines that there is money remaining in the
29 county's subaccount in the Account after the base monthly
30 allocation determined pursuant to subsection 2 has been allocated to
31 each local government, special district and enterprise district and
32 that the average amount over the 5 fiscal years immediately
33 preceding the year in which the allocation is made of the ~~assessed~~
34 ~~valuation~~ *taxable value* of taxable property which is attributable to
35 the net proceeds of minerals in the county is equal to at least
36 \$50,000,000 or that the average percentage of change in population
37 of the county over the 5 fiscal years immediately preceding the year
38 in which the allocation is made, as certified by the Governor
39 pursuant to NRS 360.285, except as otherwise provided in
40 subsection 9, is a negative figure or that the average amount over the
41 5 fiscal years immediately preceding the year in which the
42 allocation is made of the ~~assessed valuation~~ *taxable value* of
43 taxable property which is attributable to the net proceeds of minerals
44 in the county is equal to at least \$50,000,000 and the average
45 percentage of change in population of the county over the 5 fiscal



1 years immediately preceding the year in which the allocation is
2 made, as certified by the Governor pursuant to NRS 360.285, except
3 as otherwise provided in subsection 9, is a negative figure, the
4 Executive Director shall immediately determine and allocate each:

5 (a) Local government's share of the remaining money by:

6 (1) Multiplying one-twelfth of the amount allocated pursuant
7 to NRS 360.680 by 1 plus the sum of the:

8 (I) Average percentage of change in the population of the
9 local government over the 5 fiscal years immediately preceding the
10 year in which the allocation is made, as certified by the Governor
11 pursuant to NRS 360.285, except as otherwise provided in
12 subsection 9; and

13 (II) Average percentage of change in the ~~assessed~~
14 ~~valuation~~ *taxable value* of the taxable property in the local
15 government, including ~~assessed valuation~~ *the taxable value*
16 attributable to a redevelopment ~~agency~~ *area* but excluding the
17 portion attributable to the net proceeds of minerals, over the year in
18 which the allocation is made, as projected by the Department, and
19 the 4 fiscal years immediately preceding the year in which the
20 allocation is made; and

21 (2) Using the figure calculated pursuant to subparagraph (1)
22 to calculate and allocate to each local government an amount equal
23 to the proportion that the figure calculated pursuant to subparagraph
24 (1) bears to the total amount of the figures calculated pursuant to
25 subparagraph (1) of this paragraph and subparagraph (1) of
26 paragraph (b), respectively, for the local governments and special
27 districts located in the same county multiplied by the total amount
28 available in the subaccount; and

29 (b) Special district's share of the remaining money by:

30 (1) Multiplying one-twelfth of the amount allocated pursuant
31 to NRS 360.680 by 1 plus the average *percentage of* change in the
32 ~~assessed valuation~~ *taxable value* of the taxable property in the
33 special district, including ~~assessed valuation~~ *the taxable value*
34 attributable to a redevelopment ~~agency~~ *area* but excluding the
35 portion attributable to the net proceeds of minerals, over the year in
36 which the allocation is made, as projected by the Department, and
37 the 4 fiscal years immediately preceding the year in which the
38 allocation is made; and

39 (2) Using the figure calculated pursuant to subparagraph (1)
40 to calculate and allocate to each special district an amount equal to
41 the proportion that the figure calculated pursuant to subparagraph
42 (1) bears to the total amount of the figures calculated pursuant to
43 subparagraph (1) of this paragraph and subparagraph (1) of
44 paragraph (a), respectively, for the local governments and special



1 districts located in the same county multiplied by the total amount
2 available in the subaccount.

3 ➔ The State Treasurer shall remit the amount allocated to each local
4 government or special district pursuant to this subsection.

5 6. Except as otherwise provided in subsection 8, if the
6 Executive Director determines that there is money remaining in the
7 county's subaccount in the Account after the base monthly
8 allocation determined pursuant to subsection 2 has been allocated to
9 each local government, special district and enterprise district, that
10 the sum of the average percentage of change in population and the
11 average percentage of change in the ~~assessed valuation~~ *taxable*
12 *value* of taxable property, as calculated pursuant to subparagraph (1)
13 of paragraph (a) of subsection 4 for each of those local
14 governments, is a negative figure, and that the average *percentage*
15 *of* change in the ~~assessed valuation~~ *taxable value* of the taxable
16 property in each of those special districts, as calculated pursuant to
17 subparagraph (1) of paragraph (b) of subsection 4, is a negative
18 figure, he or she shall immediately determine and allocate each:

19 (a) Local government's share of the remaining money by:

20 (1) Multiplying one-twelfth of the amount allocated pursuant
21 to NRS 360.680 by 1 plus the sum of the:

22 (I) Average percentage of change in the population of the
23 local government over the 5 fiscal years immediately preceding the
24 year in which the allocation is made, as certified by the Governor
25 pursuant to NRS 360.285, except as otherwise provided in
26 subsection 9; and

27 (II) Average percentage of change in the ~~assessed~~
28 *valuation* *taxable value* of the taxable property in the local
29 government, including ~~assessed valuation~~ *the taxable value*
30 attributable to a redevelopment ~~agency~~ *area* but excluding the
31 portion attributable to the net proceeds of minerals, over the year in
32 which the allocation is made, as projected by the Department, and
33 the 4 fiscal years immediately preceding the year in which the
34 allocation is made; and

35 (2) Using the figure calculated pursuant to subparagraph (1)
36 to calculate and allocate to each local government an amount equal
37 to the proportion that the figure calculated pursuant to subparagraph
38 (1) bears to the total amount of the figures calculated pursuant to
39 subparagraph (1) of this paragraph and subparagraph (1) of
40 paragraph (b), respectively, for the local governments and special
41 districts located in the same county multiplied by the total amount
42 available in the subaccount; and

43 (b) Special district's share of the remaining money by:

44 (1) Multiplying one-twelfth of the amount allocated pursuant
45 to NRS 360.680 by 1 plus the average *percentage of* change in the



1 ~~{assessed valuation}~~ *taxable value* of the taxable property in the
2 special district, including ~~{assessed valuation}~~ *the taxable value*
3 attributable to a redevelopment ~~{agency}~~ *area* but excluding the
4 portion attributable to the net proceeds of minerals, over the year in
5 which the allocation is made, as projected by the Department, and
6 the 4 fiscal years immediately preceding the year in which the
7 allocation is made; and

8 (2) Using the figure calculated pursuant to subparagraph (1)
9 to calculate and allocate to each special district an amount equal to
10 the proportion that the figure calculated pursuant to subparagraph
11 (1) bears to the total amount of the figures calculated pursuant to
12 subparagraph (1) of this paragraph and subparagraph (1) of
13 paragraph (a), respectively, for the local governments and special
14 districts located in the same county multiplied by the total amount
15 available in the subaccount.

16 ➔ The State Treasurer shall remit the amount allocated to each local
17 government or special district pursuant to this subsection.

18 7. Except as otherwise provided in subsection 8, if the
19 Executive Director determines that there is money remaining in the
20 county's subaccount in the Account after the base monthly
21 allocation determined pursuant to subsection 2 has been allocated to
22 each local government, special district and enterprise district, that
23 the sum of the average percentage of change in population and the
24 average percentage of change in the ~~{assessed valuation}~~ *taxable*
25 *value* of taxable property, as calculated pursuant to subparagraph (1)
26 of paragraph (a) of subsection 4 for each of those local
27 governments, is a negative figure, and that the average *percentage*
28 *of* change in the ~~{assessed valuation}~~ *taxable value* of the taxable
29 property in any of those special districts, as calculated pursuant to
30 subparagraph (1) of paragraph (b) of subsection 4, is a positive
31 figure, he or she shall immediately determine and allocate each:

32 (a) Local government's share of the remaining money by:

33 (1) Multiplying one-twelfth of the amount allocated pursuant
34 to NRS 360.680 by 1 plus the sum of the:

35 (I) Average percentage of change in the population of the
36 local government over the 5 fiscal years immediately preceding the
37 year in which the allocation is made, as certified by the Governor
38 pursuant to NRS 360.285, except as otherwise provided in
39 subsection 9; and

40 (II) Average percentage of change in the ~~{assessed~~
41 ~~valuation}~~ *taxable value* of the taxable property in the local
42 government, including ~~{assessed valuation}~~ *the taxable value*
43 attributable to a redevelopment ~~{agency}~~ *area* but excluding the
44 portion attributable to the net proceeds of minerals, over the year in
45 which the allocation is made, as projected by the Department, and



1 the 4 fiscal years immediately preceding the year in which the
2 allocation is made; and

3 (2) Using the figure calculated pursuant to subparagraph (1)
4 to calculate and allocate to each local government an amount equal
5 to the proportion that the figure calculated pursuant to subparagraph
6 (1) bears to the total amount of the figures calculated pursuant to
7 subparagraph (1) of this paragraph and subparagraph (1) of
8 paragraph (b), respectively, for the local governments and special
9 districts located in the same county multiplied by the total amount
10 available in the subaccount; and

11 (b) Special district's share of the remaining money by:

12 (1) Multiplying one-twelfth of the amount allocated pursuant
13 to NRS 360.680 by 1 plus the sum of the:

14 (I) Average percentage of change in the population of the
15 county over the 5 fiscal years immediately preceding the year in
16 which the allocation is made, as certified by the Governor pursuant
17 to NRS 360.285, except as otherwise provided in subsection 9; and

18 (II) Average *percentage of* change in the ~~assessed~~
19 ~~valuation~~ *taxable value* of the taxable property in the special
20 district, including ~~assessed valuation~~ *the taxable value* attributable
21 to a redevelopment ~~agency~~ *area* but excluding the portion
22 attributable to the net proceeds of minerals, over the year in which
23 the allocation is made, as projected by the Department, and the 4
24 fiscal years immediately preceding the year in which the allocation
25 is made; and

26 (2) Using the figure calculated pursuant to subparagraph (1)
27 to calculate and allocate to each special district an amount equal to
28 the proportion that the figure calculated pursuant to subparagraph
29 (1) bears to the total amount of the figures calculated pursuant to
30 subparagraph (1) of this paragraph and subparagraph (1) of
31 paragraph (a), respectively, for the local governments and special
32 districts located in the same county multiplied by the total amount
33 available in the subaccount.

34 ➔ The State Treasurer shall remit the amount allocated to each local
35 government or special district pursuant to this subsection.

36 8. The Executive Director shall not allocate any amount to a
37 local government or special district pursuant to subsection 4, 5, 6 or
38 7 unless the amount distributed and allocated to each of the local
39 governments and special districts in the county in each preceding
40 month of the fiscal year in which the allocation is to be made was at
41 least equal to the base monthly allocation determined pursuant to
42 subsection 2. If the amounts distributed to the local governments
43 and special districts in the county for the preceding months of the
44 fiscal year in which the allocation is to be made were less than the
45 base monthly allocation determined pursuant to subsection 2 and



1 the Executive Director determines there is money remaining in the
2 county's subaccount in the Account after the distribution for the
3 month has been made, he or she shall:

4 (a) Determine the amount by which the base monthly allocations
5 determined pursuant to subsection 2 for each local government and
6 special district in the county for the preceding months of the fiscal
7 year in which the allocation is to be made exceeds the amounts
8 actually received by the local governments and special districts in
9 the county for the same period; and

10 (b) Compare the amount determined pursuant to paragraph (a) to
11 the amount of money remaining in the county's subaccount in the
12 Account to determine which amount is greater.

13 ➔ If the Executive Director determines that the amount determined
14 pursuant to paragraph (a) is greater, he or she shall allocate the
15 money remaining in the county's subaccount in the Account
16 pursuant to the provisions of subsection 3. If the Executive Director
17 determines that the amount of money remaining in the county's
18 subaccount in the Account is greater, he or she shall first allocate the
19 money necessary for each local government and special district to
20 receive the base monthly allocation determined pursuant to
21 subsection 2 and the State Treasurer shall remit that money so
22 allocated. The Executive Director shall allocate any additional
23 money in the county's subaccount in the Account pursuant to the
24 provisions of subsection 4, 5, 6 or 7, as appropriate.

25 9. The percentage changes in population calculated pursuant to
26 subsections 4 to 7, inclusive, must:

27 (a) Except as otherwise provided in paragraph (c), if the Bureau
28 of the Census of the United States Department of Commerce issues
29 population totals that conflict with the totals certified by the
30 Governor pursuant to NRS 360.285, be an estimate of the change in
31 population for the calendar year, based upon the population totals
32 issued by the Bureau of the Census.

33 (b) If a new method of determining population is established
34 pursuant to NRS 360.283, be adjusted in a manner that will result in
35 the percentage change being based on population determined
36 pursuant to the new method for both the fiscal year in which the
37 allocation is made and the fiscal year immediately preceding the
38 year in which the allocation is made.

39 (c) If a local government files a formal appeal with the Bureau
40 of the Census concerning the population total of the local
41 government issued by the Bureau of the Census, be calculated using
42 the population total certified by the Governor pursuant to NRS
43 360.285 until the appeal is resolved. If additional money is allocated
44 to the local government because the population total certified by the
45 Governor is greater than the population total issued by the Bureau of



1 the Census, the State Treasurer shall deposit that additional money
2 in a separate interest-bearing account. Upon resolution of the appeal,
3 if the population total finally determined pursuant to the appeal is:

4 (1) Equal to or less than the population total initially issued
5 by the Bureau of the Census, the State Treasurer shall transfer the
6 total amount in the separate interest-bearing account, including
7 interest but excluding any administrative fees, to the Local
8 Government Tax Distribution Account for allocation among the
9 local governments in the county pursuant to subsection 4, 5, 6 or 7,
10 as appropriate.

11 (2) Greater than the population total initially issued by the
12 Bureau of the Census, the Executive Director shall calculate the
13 amount that would have been allocated to the local government
14 pursuant to subsection 4, 5, 6 or 7, as appropriate, if the population
15 total finally determined pursuant to the appeal had been used and the
16 State Treasurer shall remit to the local government an amount equal
17 to the difference between the amount actually distributed and the
18 amount calculated pursuant to this subparagraph or the total amount
19 in the separate interest-bearing account, including interest but
20 excluding any administrative fees, whichever is less.

21 10. On or before February 15 of each year, the Executive
22 Director shall provide to each local government, special district and
23 enterprise district a preliminary estimate of the revenue it will
24 receive from the Account for that fiscal year.

25 11. On or before March 15 of each year, the Executive Director
26 shall:

27 (a) Make an estimate of the receipts from each tax included in
28 the Account on an accrual basis for the next fiscal year in
29 accordance with generally accepted accounting principles, including
30 an estimate for each county of the receipts from each tax included in
31 the Account; and

32 (b) Provide to each local government, special district and
33 enterprise district an estimate of the amount that local government,
34 special district or enterprise district would receive based upon the
35 estimate made pursuant to paragraph (a) and calculated pursuant to
36 the provisions of this section.

37 12. A local government, special district or enterprise district
38 may use the estimate provided by the Executive Director pursuant to
39 subsection 11 in the preparation of its budget.

40 **Sec. 2.** NRS 360.695 is hereby amended to read as follows:

41 360.695 1. If the population and ~~assessed valuation~~ **taxable**
42 **value** of the taxable property, except any ~~assessed valuation~~
43 **taxable value** attributable to the net proceeds of minerals, within a
44 local government or special district has decreased in each of the 3
45 fiscal years immediately preceding the current fiscal year, the



1 Executive Director shall review the amount allocated to the local
2 government or special district from the Account pursuant to NRS
3 360.680, to determine whether to adjust the allocation. The local
4 government or special district may submit information to assist the
5 Executive Director in making a determination. If the Executive
6 Director determines that an adjustment to the allocation of the local
7 government or special district is necessary, the Executive Director
8 shall submit his or her findings on the matter to the Committee on
9 Local Government Finance.

10 2. The Committee on Local Government Finance shall review
11 the findings submitted by the Executive Director pursuant to
12 subsection 1. If the committee determines that an adjustment to the
13 amount allocated to the local government or special district pursuant
14 to NRS 360.680 is appropriate, the committee shall submit a
15 recommendation to the Nevada Tax Commission that sets forth the
16 amount of the recommended adjustment. If the Committee
17 determines that the adjustment is not appropriate, that decision is not
18 subject to review by the Nevada Tax Commission.

19 3. The Nevada Tax Commission shall schedule a public
20 hearing within 30 days after the Committee on Local Government
21 Finance submits its recommendation. The Nevada Tax Commission
22 shall provide public notice of the hearing at least 10 days before the
23 date on which the hearing will be held. The Executive Director shall
24 provide copies of all documents relevant to the adjustment
25 recommended by the Committee on Local Government Finance to
26 the governing body of each local government and special district
27 that is located in the same county as the local government or special
28 district that is subject to the recommended adjustment.

29 4. If, after the public hearing, the Nevada Tax Commission
30 determines that the recommended adjustment is appropriate, it shall
31 order the Executive Director to adjust the amount allocated to the
32 local government or special district pursuant to NRS 360.680.

33 **Sec. 3.** NRS 361.225 is hereby amended to read as follows:

34 361.225 All property subject to taxation must be assessed at :

35 1. *The rate of 35 percent of its taxable value ~~H~~ for purposes*
36 *of taxation during each fiscal year beginning before July 1, 2014;*

37 2. *The rate of 36 percent of its taxable value for purposes of*
38 *taxation during the fiscal year beginning on July 1, 2014;*

39 3. *The rate of 37 percent of its taxable value for purposes of*
40 *taxation during the fiscal year beginning on July 1, 2015;*

41 4. *The rate of 38 percent of its taxable value for purposes of*
42 *taxation during the fiscal year beginning on July 1, 2016;*

43 5. *The rate of 39 percent of its taxable value for purposes of*
44 *taxation during the fiscal year beginning on July 1, 2017;*



1 6. *The rate of 40 percent of its taxable value for purposes of*
2 *taxation during the fiscal year beginning on July 1, 2018;*

3 7. *The rate of 41 percent of its taxable value for purposes of*
4 *taxation during the fiscal year beginning on July 1, 2019;*

5 8. *The rate of 42 percent of its taxable value for purposes of*
6 *taxation during the fiscal year beginning on July 1, 2020;*

7 9. *The rate of 43 percent of its taxable value for purposes of*
8 *taxation during the fiscal year beginning on July 1, 2021;*

9 10. *The rate of 44 percent of its taxable value for purposes of*
10 *taxation during the fiscal year beginning on July 1, 2022; and*

11 11. *The rate of 45 percent of its taxable value for purposes of*
12 *taxation during each fiscal year beginning on or after July 1,*
13 *2023.*

14 **Sec. 4.** NRS 361.260 is hereby amended to read as follows:

15 361.260 1. Each year, the county assessor, except as
16 otherwise required by a particular statute, shall ascertain by diligent
17 inquiry and examination all real and secured personal property that
18 is in the county on July 1 which is subject to taxation, and also the
19 names of all persons, corporations, associations, companies or firms
20 owning the property. The county assessor shall then determine the
21 taxable value of all such property, and shall then list and assess it to
22 the person, firm, corporation, association or company owning it on
23 July 1 of that fiscal year. The county assessor shall take the same
24 action at any time between May 1 and the following April 30, with
25 respect to personal property which is to be placed on the unsecured
26 tax roll.

27 2. At any time before the lien date for the following fiscal year,
28 the county assessor may include additional personal property and
29 mobile and manufactured homes on the secured tax roll if the owner
30 of the personal property or mobile or manufactured home owns real
31 property within the same taxing district which has an assessed value
32 that is equal to or greater than the taxes for 3 years on both the real
33 property and the personal property or mobile or manufactured home,
34 plus penalties. Personal property and mobile and manufactured
35 homes in the county on July 1, but not on the secured tax roll for the
36 current year, must be placed on the unsecured tax roll for the current
37 year.

38 3. An improvement on real property in existence on July 1
39 whose existence was not ascertained in time to be placed on the
40 secured roll for that tax year and which is not governed by
41 subsection 4 must be placed on the unsecured tax roll.

42 4. The value of any property apportioned among counties
43 pursuant to NRS 361.320, 361.321 and 361.323 must be added to
44 the central assessment roll at the assessed value established by the



1 Nevada Tax Commission or as established pursuant to an appeal to
2 the State Board of Equalization.

3 5. In addition to the inquiry and examination required in
4 subsection 1, for any property not reappraised in the current
5 assessment year, the county assessor shall determine its assessed
6 value for that year by:

7 (a) Determining the replacement cost, subtracting all applicable
8 depreciation and obsolescence, applying the assessment ratio for
9 improvements, if any, and applying a factor for land to the assessed
10 value for the preceding year; or

11 (b) Applying to the assessed value for the preceding year a
12 factor for improvements, if any, as adopted by the Nevada Tax
13 Commission in the manner required by NRS 361.261, and a factor
14 for land developed by the county assessor and approved by the
15 Commission. The factor for land must be so chosen that the median
16 ratio of the assessed value of the land to the taxable value of the
17 land in each area subject to the factor is :

18 *(1) For each fiscal year beginning before July 1, 2014, not*
19 *less than 30 percent nor more than 35 percent;*

20 *(2) For the fiscal year beginning on July 1, 2014, not less*
21 *than 31 percent nor more than 36 percent;*

22 *(3) For the fiscal year beginning on July 1, 2015, not less*
23 *than 32 percent nor more than 37 percent;*

24 *(4) For the fiscal year beginning on July 1, 2016, not less*
25 *than 33 percent nor more than 38 percent;*

26 *(5) For the fiscal year beginning on July 1, 2017, not less*
27 *than 34 percent nor more than 39 percent;*

28 *(6) For the fiscal year beginning on July 1, 2018, not less*
29 *than 35 percent nor more than 40 percent;*

30 *(7) For the fiscal year beginning on July 1, 2019, not less*
31 *than 36 percent nor more than 41 percent;*

32 *(8) For the fiscal year beginning on July 1, 2020, not less*
33 *than 37 percent nor more than 42 percent;*

34 *(9) For the fiscal year beginning on July 1, 2021, not less*
35 *than 38 percent nor more than 43 percent;*

36 *(10) For the fiscal year beginning on July 1, 2022, not less*
37 *than 39 percent nor more than 44 percent; and*

38 *(11) For each fiscal year beginning on or after July 1,*
39 *2023, not less than 40 percent nor more than 45 percent.*

40 6. The county assessor shall reappraise all real property at least
41 once every 5 years.

42 7. The county assessor shall use the standards for appraising
43 and reappraising land adopted by the Nevada Tax Commission
44 pursuant to NRS 360.250. In using the standards, the county



1 assessor shall consider comparable sales of land before July 1 of the
2 year before the lien date.

3 8. Each county assessor shall submit a written request to the
4 board of county commissioners and the governing body of each of
5 the local governments located in the county which maintain a unit of
6 government that issues building permits for a copy of each building
7 permit that is issued. Upon receipt of such a request, the governing
8 body shall direct the unit which issues the permits to provide a copy
9 of each permit to the county assessor within a reasonable time after
10 issuance.

11 **Sec. 5.** NRS 361.300 is hereby amended to read as follows:

12 361.300 1. On or before January 1 of each year, the county
13 assessor shall transmit to the county clerk, post at the front door of
14 the courthouse and publish in a newspaper published in the county a
15 notice to the effect that the secured tax roll is completed and open
16 for inspection by interested persons of the county. A notice issued
17 pursuant to this subsection must include a statement that the secured
18 tax roll is available for inspection as specified in paragraph (b) of
19 subsection 3. The statement published in the newspaper must be
20 displayed in the format used for advertisements and printed in at
21 least 10-point bold type or font.

22 2. If the county assessor fails to complete the assessment roll in
23 the manner and at the time specified in this section, the board of
24 county commissioners shall not allow the county assessor a salary or
25 other compensation for any day after January 1 during which the roll
26 is not completed, unless excused by the board of county
27 commissioners.

28 3. Except as otherwise provided in subsection 4, each board of
29 county commissioners shall by resolution, before December 1 of
30 any fiscal year in which assessment is made, require the county
31 assessor to prepare a list of all the taxpayers on the secured roll in
32 the county and the total valuation of property on which they
33 severally pay taxes and direct the county assessor:

34 (a) To cause such list and valuations to be:

35 (1) Printed and delivered by the county assessor or mailed by
36 him or her on or before January 1 of the fiscal year in which
37 assessment is made to each taxpayer in the county; or

38 (2) Published once on or before January 1 of the fiscal year
39 in which assessment is made in a newspaper of general circulation
40 in the county; and

41 (b) To cause such list and valuations to be:

42 (1) Posted in a public area of the public libraries and branch
43 libraries located in the county;

44 (2) Posted at the office of the county assessor; and



1 (3) Published on an Internet website that is maintained by the
2 county assessor or, if the county assessor does not maintain an
3 Internet website, on an Internet website that is maintained by the
4 county.

5 4. A board of county commissioners may, in the resolution
6 required by subsection 3, authorize the county assessor not to
7 deliver or mail the list, as provided in subparagraph (1) of paragraph
8 (a) of subsection 3, to taxpayers whose property ~~is assessed at~~
9 ~~\$1,000~~ *has a taxable value of \$2,857* or less and direct the county
10 assessor to mail to each such taxpayer a statement of the amount of
11 his or her assessment. Failure by a taxpayer to receive such a mailed
12 statement does not invalidate any assessment.

13 5. The several boards of county commissioners in the State
14 may allow the bill contracted with their approval by the county
15 assessor under this section on a claim to be allowed and paid as are
16 other claims against the county.

17 6. Whenever:

18 (a) Any property on the secured tax roll is appraised or
19 reappraised pursuant to NRS 361.260, the county assessor shall, on
20 or before December 18 of the fiscal year in which the appraisal or
21 reappraisal is made, deliver or mail to each owner of such property a
22 written notice stating the assessed valuation of the property as
23 determined from the appraisal or reappraisal. A notice issued
24 pursuant to this paragraph must include a statement that the secured
25 tax roll is available for inspection as specified in paragraph (b) of
26 subsection 3. If such a statement is published in a newspaper, the
27 statement must be displayed in the format used for advertisements
28 and printed in at least 10-point bold type or font.

29 (b) Any personal property billed on the unsecured tax roll is
30 appraised or reappraised pursuant to NRS 361.260, the delivery or
31 mailing to the owner of such property of an individual tax bill or
32 individual tax notice for the property shall be deemed to constitute
33 adequate notice to the owner of the assessed valuation of the
34 property as determined from the appraisal or reappraisal.

35 7. If the secured tax roll is changed pursuant to NRS 361.310,
36 the county assessor shall mail an amended notice of assessed
37 valuation to each affected taxpayer. The notice must include:

38 (a) The information set forth in subsection 6 for the new
39 assessed valuation.

40 (b) The dates for appealing the new assessed valuation.

41 8. Failure by the taxpayer to receive a notice required by this
42 section does not invalidate the appraisal or reappraisal.

43 9. In addition to complying with subsections 6 and 7, a county
44 assessor shall:



1 (a) Provide without charge a copy of a notice of assessed
2 valuation to the owner of the property upon request.

3 (b) Post the information included in a notice of assessed
4 valuation on a website or other Internet site, if any, that is operated
5 or administered by or on behalf of the county or the county assessor.

6 **Sec. 6.** NRS 361.333 is hereby amended to read as follows:

7 361.333 1. Not later than May 1 of each year, the Department
8 shall:

9 (a) Determine the ratio of the assessed value of each type or
10 class of property for which the county assessor has the responsibility
11 of assessing in each county to:

12 (1) The assessed value of comparable property in the
13 remaining counties.

14 (2) The taxable value of that type or class of property within
15 that county.

16 (b) Publish and deliver to the county assessors and the boards of
17 county commissioners of the counties of this state:

18 (1) A comparison of the latest median ratio, overall ratio and
19 coefficient of dispersion of the median for:

20 (I) The total property for each of the 17 counties; and

21 (II) Each major class of property within each county.

22 (2) A determination whether each county has adequate
23 procedures to ensure that all property subject to taxation is being
24 assessed in a correct and timely manner.

25 (3) A summary for each county of any deficiencies that were
26 discovered in carrying out the study of those ratios.

27 2. The Nevada Tax Commission shall allocate the counties into
28 three groups such that the work of conducting the study is
29 approximately the same for each group. The Department shall
30 conduct the study in one group each year. The Commission may
31 from time to time reallocate counties among the groups, but each
32 county must be studied at least once in every 3 years.

33 3. In conducting the study the Department shall include an
34 adequate sample of each major class of property and may use any
35 statistical criteria that will indicate an accurate ratio of taxable value
36 to assessed value and an accurate measure of equality in assessment.

37 4. During the month of May of each year, the board of county
38 commissioners, or a representative designated by the board's chair,
39 and the county assessor, or a representative designated by the
40 assessor, of each county in which the study was conducted shall
41 meet with the Nevada Tax Commission. The board of county
42 commissioners and the county assessor, or their representatives,
43 shall:



1 (a) Present evidence to the Nevada Tax Commission of the steps
2 taken to ensure that all property subject to taxation within the county
3 has been assessed as required by law.

4 (b) Demonstrate to the Nevada Tax Commission that any
5 adjustments in assessments ordered in the preceding year as a result
6 of the procedure provided in paragraph (c) of subsection 5 have
7 been complied with.

8 5. At the conclusion of each meeting with the board of county
9 commissioners and the county assessor, or their representatives, the
10 Nevada Tax Commission may:

11 (a) If it finds that all property subject to taxation within the
12 county has been assessed at the proper percentage, take no further
13 action.

14 (b) If it finds that any class of property is assessed at less or
15 more than the proper percentage, and if the board of county
16 commissioners approves, order a specified percentage increase or
17 decrease in the assessed valuation of that class on the succeeding tax
18 list and assessment roll.

19 (c) If it finds ~~the~~ :

20 (I) *The* existence of underassessment or overassessment
21 wherein the ratio of assessed value to taxable value is ~~less~~ :

22 (I) *Less* than 32 percent or more than 36 percent in any of
23 the ~~following~~ classes:

24 ~~(1) Improvement values for the reappraisal area;~~

25 ~~(2) Land values for the reappraisal area; and~~

26 ~~(3) Total property values for each of the following use~~
27 ~~categories in the reappraisal area:~~

28 ~~(I) Vacant;~~

29 ~~(II) Single-family residential;~~

30 ~~(III) Multi-residential;~~

31 ~~(IV) Commercial and industrial; and~~

32 ~~(V) Rural;~~

33 ~~the~~ *designated classes for the reappraisal area* of the county which
34 are required by law to be assessed at 35 percent of their taxable
35 value ~~is~~ ;

36 (II) *Less than 33 percent or more than 37 percent in any*
37 *of the designated classes for the reappraisal area of the county*
38 *which are required by law to be assessed at 36 percent of their*
39 *taxable value;*

40 (III) *Less than 34 percent or more than 38 percent in*
41 *any of the designated classes for the reappraisal area of the county*
42 *which are required by law to be assessed at 37 percent of their*
43 *taxable value;*

44 (IV) *Less than 35 percent or more than 39 percent in*
45 *any of the designated classes for the reappraisal area of the county*



1 *which are required by law to be assessed at 38 percent of their*
2 *taxable value;*

3 *(V) Less than 36 percent or more than 40 percent in any*
4 *of the designated classes for the reappraisal area of the county*
5 *which are required by law to be assessed at 39 percent of their*
6 *taxable value;*

7 *(VI) Less than 37 percent or more than 41 percent in*
8 *any of the designated classes for the reappraisal area of the county*
9 *which are required by law to be assessed at 40 percent of their*
10 *taxable value;*

11 *(VII) Less than 38 percent or more than 42 percent in*
12 *any of the designated classes for the reappraisal area of the county*
13 *which are required by law to be assessed at 41 percent of their*
14 *taxable value;*

15 *(VIII) Less than 39 percent or more than 43 percent in*
16 *any of the designated classes for the reappraisal area of the county*
17 *which are required by law to be assessed at 42 percent of their*
18 *taxable value;*

19 *(IX) Less than 40 percent or more than 44 percent in*
20 *any of the designated classes for the reappraisal area of the county*
21 *which are required by law to be assessed at 43 percent of their*
22 *taxable value;*

23 *(X) Less than 41 percent or more than 45 percent in any*
24 *of the designated classes for the reappraisal area of the county*
25 *which are required by law to be assessed at 44 percent of their*
26 *taxable value; or*

27 *(XI) Less than 42 percent or more than 46 percent in*
28 *any of the designated classes for the reappraisal area of the county*
29 *which are required by law to be assessed at 45 percent of their*
30 *taxable value;*

31 *(2) That* in the nonreappraisal area the approved land and
32 improvement factors are not being correctly applied or new
33 construction is not being added to the assessment roll in a timely
34 manner ~~to or if~~ ; *or*

35 *(3) That* the board of county commissioners does not
36 agree to an increase or decrease in assessed value as provided in
37 paragraph (b),

38 *to* order the board of county commissioners to employ forthwith one
39 or more qualified appraisers approved by the Department. The
40 payment of those appraisers' fees is a proper charge against the
41 county notwithstanding that the amount of such fees has not been
42 budgeted in accordance with law. The appraisers shall determine
43 whether or not the county assessor has assessed all real and personal
44 property in the county subject to taxation at the rate of assessment
45 required by law. The appraisers may cooperate with the Department



1 in making their determination if so agreed by the appraisers and the
2 Department, and shall cooperate with the Department in preparing a
3 report to the Nevada Tax Commission. The report to the Nevada
4 Tax Commission must be made on or before October 1 following
5 the date of the order. If the report indicates that any real or personal
6 property in the county subject to taxation has not been assessed at
7 the rate required by law, a copy of the report must be transmitted to
8 the board of county commissioners by the Department before
9 November 1. The board of county commissioners shall then order
10 the county assessor to raise or lower the assessment of such property
11 to the rate required by law on the succeeding tax list and assessment
12 roll.

13 6. The Nevada Tax Commission may adopt regulations
14 reasonably necessary to carry out the provisions of this section.

15 7. Any county assessor who refuses to increase or decrease the
16 assessment of any property pursuant to an order of the Nevada Tax
17 Commission or the board of county commissioners as provided in
18 this section is guilty of malfeasance in office.

19 **8. As used in this section, "designated classes" means:**

20 **(a) Improvement values for the reappraisal area;**

21 **(b) Land values for the reappraisal area; and**

22 **(c) Total property values for each of the following use**
23 **categories in the reappraisal area:**

24 **(1) Vacant;**

25 **(2) Single-family residential;**

26 **(3) Multi-residential;**

27 **(4) Commercial and industrial; and**

28 **(5) Rural.**

29 **Sec. 7.** NRS 361.4722 is hereby amended to read as follows:

30 361.4722 1. Except as otherwise provided in or required to
31 carry out the provisions of subsection 3 and NRS 361.4725 to
32 361.4729, inclusive, the owner of any parcel or other taxable unit of
33 property, including property entered on the central assessment roll,
34 for which an assessed valuation was separately established for the
35 immediately preceding fiscal year is entitled to a partial abatement
36 of the ad valorem taxes levied in a county on that property each
37 fiscal year equal to the amount by which the product of the
38 combined rate of all ad valorem taxes levied in that county on the
39 property for that fiscal year and the amount of the assessed valuation
40 of the property which is taxable in that county for that fiscal year,
41 excluding any **amount of that assessed valuation attributable to**
42 **any** increase in the ~~assessed valuation~~ **taxable value** of the
43 property from the immediately preceding fiscal year as a result of
44 any improvement to or change in the actual or authorized use of the
45 property, exceeds the sum obtained by adding:



- 1 (a) The amount of all the ad valorem taxes:
2 (1) Levied in that county on the property for the immediately
3 preceding fiscal year; or
4 (2) Which would have been levied in that county on the
5 property for the immediately preceding fiscal year if not for any
6 exemptions from taxation that applied to the property for that prior
7 fiscal year but do not apply to the property for the current fiscal
8 year,
9 ↪ whichever is greater; and
10 (b) A percentage of the amount determined pursuant to
11 paragraph (a) which is equal to:
12 (1) The greater of:
13 (I) The average percentage of change in the assessed
14 valuation of all the taxable property in the county, as determined by
15 the Department, over the fiscal year in which the levy is made and
16 the 9 immediately preceding fiscal years;
17 (II) Twice the percentage of increase in the Consumer
18 Price Index for all Urban Consumers, U.S. City Average (All Items)
19 for the immediately preceding calendar year; or
20 (III) Zero; or
21 (2) Eight percent,
22 ↪ whichever is less.
23 2. Except as otherwise provided in or required to carry out the
24 provisions of NRS 361.4725 to 361.4729, inclusive, the owner of
25 any remainder parcel of real property for which no assessed
26 valuation was separately established for the immediately preceding
27 fiscal year, is entitled to a partial abatement of the ad valorem taxes
28 levied in a county on that property for a fiscal year equal to the
29 amount by which the product of the combined rate of all ad valorem
30 taxes levied in that county on the property for that fiscal year and
31 the amount of the assessed valuation of the property which is
32 taxable in that county for that fiscal year, excluding any amount of
33 that assessed valuation attributable to any improvement to or change
34 in the actual or authorized use of the property that would not have
35 been included in the calculation of the assessed valuation of the
36 property for the immediately preceding fiscal year if an assessed
37 valuation had been separately established for that property for that
38 prior fiscal year, exceeds the sum obtained by adding:
39 (a) The amount of all the ad valorem taxes:
40 (1) Which would have been levied in that county on the
41 property for the immediately preceding fiscal year if an assessed
42 valuation had been separately established for that property for that
43 prior fiscal year based upon all the assumptions, costs, values,
44 calculations and other factors and considerations that would have



1 been used for the valuation of that property for that prior fiscal year;
2 or

3 (2) Which would have been levied in that county on the
4 property for the immediately preceding fiscal year if an assessed
5 valuation had been separately established for that property for that
6 prior fiscal year based upon all the assumptions, costs, values,
7 calculations and other factors and considerations that would have
8 been used for the valuation of that property for that prior fiscal year,
9 and if not for any exemptions from taxation that applied to the
10 property for that prior fiscal year but do not apply to the property for
11 the current fiscal year,

12 ↪ whichever is greater; and

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

15 (1) The greater of:

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

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

23 (III) Zero; or

24 (2) Eight percent,

25 ↪ whichever is less.

26 3. The provisions of subsection 1 do not apply to any property
27 for which the provisions of subsection 1 of NRS 361.4723 or
28 subsection 1 of NRS 361.4724 provide a greater abatement from
29 taxation.

30 4. Except as otherwise required to carry out the provisions of
31 NRS 361.4732 and any regulations adopted pursuant to NRS
32 361.4733, the amount of any reduction in the ad valorem taxes
33 levied in a county for a fiscal year as a result of the application of
34 the provisions of subsections 1 and 2 must be deducted from the
35 amount of ad valorem taxes each taxing entity would otherwise be
36 entitled to receive for that fiscal year in the same proportion as the
37 rate of ad valorem taxes levied in the county on the property by or
38 on behalf of that taxing entity for that fiscal year bears to the
39 combined rate of all ad valorem taxes levied in the county on the
40 property by or on behalf of all taxing entities for that fiscal year.

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

44 6. For the purposes of this section, "remainder parcel of real
45 property" means a parcel of real property which remains after the



1 creation of new parcels of real property for development from one
2 or more existing parcels of real property, if the use of that remaining
3 parcel has not changed from the immediately preceding fiscal year.

4 **Sec. 8.** NRS 361.4723 is hereby amended to read as follows:

5 361.4723 The Legislature hereby finds and declares that an
6 increase in the tax bill of the owner of a home by more than 3
7 percent over the tax bill of that homeowner for the previous year
8 constitutes a severe economic hardship within the meaning of
9 subsection 10 of Section 1 of Article 10 of the Nevada Constitution.
10 The Legislature therefore directs a partial abatement of taxes for
11 such homeowners as follows:

12 1. Except as otherwise provided in or required to carry out the
13 provisions of subsection 2 and NRS 361.4725 to 361.4729,
14 inclusive, the owner of a single-family residence which is the
15 primary residence of the owner is entitled to a partial abatement of
16 the ad valorem taxes levied in a county on that property each fiscal
17 year equal to the amount by which the product of the combined rate
18 of all ad valorem taxes levied in that county on the property for that
19 fiscal year and the amount of the assessed valuation of the property
20 which is taxable in that county for that fiscal year, excluding any
21 *amount of that assessed valuation attributable to any* increase in
22 the ~~assessed valuation~~ *taxable value* of the property from the
23 immediately preceding fiscal year as a result of any improvement to
24 or change in the actual or authorized use of the property, exceeds the
25 sum obtained by adding:

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

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

29 (2) Which would have been levied in that county on the
30 property for the immediately preceding fiscal year if not for any
31 exemptions from taxation that applied to the property for that prior
32 fiscal year but do not apply to the property for the current fiscal
33 year,

34 ↪ whichever is greater; and

35 (b) Three percent of the amount determined pursuant to
36 paragraph (a).

37 2. The provisions of subsection 1 do not apply to any property
38 for which:

39 (a) No assessed valuation was separately established for the
40 immediately preceding fiscal year; or

41 (b) The provisions of subsection 1 of NRS 361.4722 provide a
42 greater abatement from taxation.

43 3. Except as otherwise required to carry out the provisions of
44 NRS 361.4732 and any regulations adopted pursuant to NRS
45 361.4733, the amount of any reduction in the ad valorem taxes



1 levied in a county for a fiscal year as a result of the application of
2 the provisions of subsection 1 must be deducted from the amount of
3 ad valorem taxes each taxing entity would otherwise be entitled to
4 receive for that fiscal year in the same proportion as the rate of ad
5 valorem taxes levied in the county on the property by or on behalf of
6 that taxing entity for that fiscal year bears to the combined rate of all
7 ad valorem taxes levied in the county on the property by or on
8 behalf of all taxing entities for that fiscal year.

9 4. The Nevada Tax Commission shall adopt such regulations as
10 it deems appropriate to carry out this section, including, without
11 limitation, regulations providing a methodology for applying the
12 partial abatement provided pursuant to subsection 1 to a parcel of
13 real property of which only a portion qualifies as a single-family
14 residence which is the primary residence of the owner and the
15 remainder is used in another manner.

16 5. The owner of a single-family residence does not become
17 ineligible for the partial abatement provided pursuant to subsection
18 1 as a result of:

19 (a) The operation of a home business out of a portion of that
20 single-family residence; or

21 (b) The manner in which title is held by the owner if the owner
22 occupies the residence, including, without limitation, if the owner
23 has placed the title in a trust for purposes of estate planning.

24 6. For the purposes of this section:

25 (a) "Primary residence of the owner" means a residence which:

26 (1) Is designated by the owner as the primary residence of
27 the owner in this State, exclusive of any other residence of the
28 owner in this State; and

29 (2) Is not rented, leased or otherwise made available for
30 exclusive occupancy by any person other than the owner of the
31 residence and members of the family of the owner of the residence.

32 (b) "Single-family residence" means a parcel or other unit of
33 real property or unit of personal property which is intended or
34 designed to be occupied by one family with facilities for living,
35 sleeping, cooking and eating.

36 (c) "Unit of personal property" includes, without limitation, any:

37 (1) Mobile or manufactured home, whether or not the owner
38 thereof also owns the real property upon which it is located; or

39 (2) Taxable unit of a condominium, common-interest
40 community, planned unit development or similar property,

41 ↪ if classified as personal property for the purposes of this chapter.

42 (d) "Unit of real property" includes, without limitation, any
43 taxable unit of a condominium, common-interest community,
44 planned unit development or similar property, if classified as real
45 property for the purposes of this chapter.



1 **Sec. 9.** NRS 361.4724 is hereby amended to read as follows:

2 361.4724 The Legislature hereby finds and declares that many
3 Nevadans who cannot afford to own their own homes would be
4 adversely affected by large unanticipated increases in property
5 taxes, as those tax increases are passed down to renters in the form
6 of rent increases and therefore the benefits of a charitable exemption
7 pursuant to subsection 8 of Section 1 of Article 10 of the Nevada
8 Constitution should be afforded to those Nevadans through an
9 abatement granted to the owners of residential rental dwellings who
10 charge rent that does not exceed affordable housing standards for
11 low-income housing. The Legislature therefore directs a partial
12 abatement of taxes for such owners as follows:

13 1. Except as otherwise provided in or required to carry out the
14 provisions of subsection 2 and NRS 361.4725 to 361.4729,
15 inclusive, if the amount of rent collected from each of the tenants of
16 a residential dwelling does not exceed the fair market rent for the
17 county in which the dwelling is located, as most recently published
18 by the United States Department of Housing and Urban
19 Development, the owner of the dwelling is entitled to a partial
20 abatement of the ad valorem taxes levied in a county on that
21 property for each fiscal year equal to the amount by which the
22 product of the combined rate of all ad valorem taxes levied in that
23 county on the property for that fiscal year and the amount of the
24 assessed valuation of the property which is taxable in that county for
25 that fiscal year, excluding any *amount of that assessed valuation*
26 *attributable to any* increase in the ~~assessed valuation~~ *taxable*
27 *value* of the property from the immediately preceding fiscal year as
28 a result of any improvement to or change in the actual or authorized
29 use of the property, exceeds the sum obtained by adding:

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

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

33 (2) Which would have been levied in that county on the
34 property for the immediately preceding fiscal year if not for any
35 exemptions from taxation that applied to the property for that prior
36 fiscal year but do not apply to the property for the current fiscal
37 year,

38 ↳ whichever is greater; and

39 (b) Three percent of the amount determined pursuant to
40 paragraph (a).

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

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

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



1 (c) Any property for which the provisions of subsection 1 of
2 NRS 361.4722 provide a greater abatement from taxation.

3 3. 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 subsection 1 must be deducted from the amount of
8 ad valorem taxes each taxing entity would otherwise be entitled to
9 receive for that fiscal year in the same proportion as the rate of ad
10 valorem taxes levied in the county on the property by or on behalf of
11 that taxing entity for that fiscal year bears to the combined rate of all
12 ad valorem taxes levied in the county on the property by or on
13 behalf of all taxing entities for that fiscal year.

14 4. The Nevada Tax Commission shall adopt such regulations as
15 it deems appropriate to carry out this section.

16 **Sec. 10.** NRS 361.4726 is hereby amended to read as follows:

17 361.4726 1. Except as otherwise provided by specific statute,
18 if any legislative act which becomes effective after April 6, 2005,
19 imposes a duty on a taxing entity to levy a new ad valorem tax or to
20 increase the rate of an existing ad valorem tax, the amount of the
21 new tax or increase in the rate of the existing tax is exempt from
22 each partial abatement from taxation provided pursuant to NRS
23 361.4722, 361.4723 and 361.4724.

24 2. For the purposes of this section ~~is~~ **“taxing”** :

25 *(a) An increase in the required rate of assessment of property*
26 *does not constitute an increase in the rate of an existing ad*
27 *valorem tax.*

28 *(b) “Taxing entity”* does not include the State.

29 **Sec. 11.** NRS 361.4733 is hereby amended to read as follows:

30 361.4733 1. The Committee on Local Government Finance
31 shall adopt:

32 (a) Such regulations as it determines to be appropriate to provide
33 for the allocation among the appropriate taxing entities of the
34 amount of any reduction in the ad valorem taxes levied on a parcel
35 or other taxable unit of real property as a result of the application of
36 NRS 361.4722, 361.4723 and 361.4724, in accordance with the
37 principles that:

38 *(1) Any reduction in the ad valorem taxes levied on a parcel*
39 *or other taxable unit of real property as a result of the application*
40 *of NRS 361.4722, 361.4723 and 361.4724 which is caused by an*
41 *increase in the rate of taxes imposed by one or more taxing entities*
42 *should be allocated before the allocation of any such reduction*
43 *which is caused by any increase in the taxable value or assessed*
44 *value of the property;*



1 (2) *Any reduction in the ad valorem taxes levied on a parcel*
2 *or other taxable unit of real property as a result of the application*
3 *of NRS 361.4722, 361.4723 and 361.4724 which is caused by an*
4 *increase in the taxable value of the property should be allocated*
5 *before the allocation of any such reduction which is caused by an*
6 *increase in the rate of assessment of the property;*

7 (3) Any reduction in the ad valorem taxes levied on a parcel
8 or other taxable unit of real property as a result of the application of
9 NRS 361.4722, 361.4723 and 361.4724 which is caused by an
10 increase in the rate of taxes imposed by one or more taxing entities
11 should be allocated to the taxing entities that would have received
12 the benefit of that increase in proportion to the relative amount of
13 benefit that otherwise would have been received from that increase;

14 ~~(2)~~ (4) Any increase in the rate of ad valorem taxes
15 imposed by a taxing entity should not affect the amount of ad
16 valorem taxes received by other taxing entities, except for
17 redevelopment agencies and tax increment areas whose property tax
18 receipts depend on the tax rate of the taxing entity that increases its
19 rate of taxes and whose territory is included, in whole or in part, in
20 the territory of the taxing entity that increases its rate of taxes; and

21 ~~(3)~~ (5) A taxing entity that does not increase its rate of ad
22 valorem taxes should not be allocated any reduction in the ad
23 valorem taxes levied on a parcel or other taxable unit of real
24 property as a result of the application of NRS 361.4722, 361.4723
25 and 361.4724, except for any reduction caused by an increase in the
26 *taxable value or* assessed value of that parcel or other taxable unit
27 of real property; and

28 (b) Subject to the principles set forth in paragraph (a):

29 (1) Such regulations as it determines to be appropriate for the
30 administration and interpretation of the provisions of NRS
31 361.4732; and

32 (2) Regulations which provide methodologies for allocating
33 among the appropriate taxing entities the amount of any reduction in
34 the ad valorem taxes levied on a parcel or other taxable unit of real
35 property as a result of the application of NRS 361.4722, 361.4723
36 and 361.4724 if the property is included in or excluded from the
37 boundaries of a redevelopment area, tax increment area or taxing
38 entity after June 14, 2005.

39 2. Any regulations adopted by the Committee on Local
40 Government Finance pursuant to this section must be adopted in the
41 manner prescribed for state agencies in chapter 233B of NRS.

42 **Sec. 12.** NRS 361.7376 is hereby amended to read as follows:

43 361.7376 1. The owner of a single-family residence may file
44 a claim to postpone the payment of all or any part of the property
45 tax accrued against his or her residence if:



1 (a) The residence is placed upon the secured or unsecured tax
2 roll and has ~~{an-assessed}~~ *a taxable* value of not more than
3 ~~+\$175,000;~~ *\$500,000;*

4 (b) He or she or any other owner of the residence does not own
5 any other real property in this state that has ~~{an-assessed}~~ *a taxable*
6 value of more than ~~+\$30,000;~~ *\$85,714;*

7 (c) The residence has been occupied by the owner for at least 6
8 months;

9 (d) The owner is not the subject of any proceeding for
10 bankruptcy;

11 (e) The owner owes no delinquent property taxes on the
12 residence for a year other than the year in which the application is
13 submitted;

14 (f) The owner has suffered severe economic hardship that was
15 caused by circumstances beyond his or her control, including,
16 without limitation, an illness or a disability that is expected to last
17 for a continuous period of at least 12 months; and

18 (g) The total annual income of the members of the owner's
19 household is at or below the federally designated level signifying
20 poverty.

21 2. The amount of property tax that may be postponed pursuant
22 to the provisions of NRS 361.736 to 361.7398, inclusive, may not
23 exceed the amount of property tax that will accrue against the
24 single-family residence in the succeeding 3 fiscal years.

25 **Sec. 13.** NRS 361A.130 is hereby amended to read as follows:

26 361A.130 1. If the property is found to be agricultural real
27 property, the county assessor shall determine its value for
28 agricultural use and assess it for taxes to be collected in ~~{the}~~ *each*
29 ensuing fiscal year at ~~{35-percent}~~ *the same percentage* of that value
30 ~~{}~~ *as the rate of assessment required by NRS 361.225 for that*
31 *year.*

32 2. The agricultural use assessment must be maintained in the
33 records of the assessor and must be made available to any person
34 upon request. The property owner must be notified of the
35 agricultural use assessment in the manner provided for notification
36 of taxable value assessments. The notice must contain the following
37 statement: Deferred taxes will become due on this parcel if it is
38 converted to a higher use.

39 **Sec. 14.** NRS 361A.220 is hereby amended to read as follows:

40 361A.220 1. If property is to be assessed as open-space real
41 property, the county assessor shall determine its value for open-
42 space use and assess it for taxes to be collected in ~~{the}~~ *each* ensuing
43 fiscal year at ~~{35-percent}~~ *the same percentage* of that value ~~{}~~ *as*
44 *the rate of assessment required by NRS 361.225 for that year.*



1 2. The open-space use assessment must be maintained in the
2 records of the assessor and must be made available to any person
3 upon request. The property owner must be notified of the open-
4 space use assessment in the manner provided for notification of
5 taxable value assessments. The notice must contain the statement:
6 Deferred taxes will become due on any portion of this parcel which
7 is converted to a higher use.

8 **Sec. 15.** NRS 350.014 is hereby amended to read as follows:

9 350.014 1. Before any proposal to incur a general obligation
10 debt or levy a special elective tax may be submitted to the electors
11 of a municipality, before any issuance of general obligation bonds
12 pursuant to subsection 4 of NRS 350.020, before entering into an
13 installment-purchase agreement with a term of more than 10 years
14 or, before any other formal action may be taken preliminary to the
15 incurrence of any general obligation debt, the proposed incurrence
16 or levy must receive the favorable vote of two-thirds of the members
17 of the commission of each county in which the municipality is
18 situated.

19 2. Before the board of trustees of a district organized or
20 reorganized pursuant to chapter 318 of NRS whose population
21 within its boundaries is less than 5,000 incurs a medium-term
22 obligation or otherwise borrows money or issues securities to
23 evidence such borrowing, other than securities representing a
24 general obligation debt or installment-purchase agreements with a
25 term of 10 years or less, the proposed borrowing or issuing of
26 securities must receive the favorable vote of a majority of the
27 members of the commission of each county in which the district is
28 situated.

29 3. When any municipality other than a general improvement
30 district whose population within its boundaries is less than 5,000
31 issues any special obligations, it shall so notify in its annual report
32 the commission of each county in which any of its territory is
33 situated.

34 4. The commission shall not approve any proposal submitted to
35 it pursuant to this section by a municipality:

36 (a) Which, if the proposal is for the financing of a capital
37 improvement, is not included in its plan for capital improvement
38 submitted pursuant to NRS 350.013, if such a plan is required to be
39 submitted;

40 (b) If, based upon:

41 (1) Estimates of the amount of tax revenue from property
42 taxes needed for the special elective tax, or to repay the general
43 obligation debt, and the dates that revenue will be needed, as
44 provided by the municipality;



1 (2) Estimates of the assessed valuation of the municipality
2 for each of the years in which tax revenue is needed, as provided by
3 the municipality;

4 (3) The amount of any other required levies of property
5 taxes, as shown on the most recently filed final budgets of each
6 entity authorized to levy property taxes on any property within the
7 municipality submitting the proposal; and

8 (4) Any other factor the municipality discloses to the
9 commission,

10 ↪ the proposal would result in a combined property tax rate in any
11 of the overlapping entities within the county which exceeds the limit
12 provided in NRS 361.453, unless the proposal also includes an
13 agreement which ~~complies with NRS 361.457 and which~~ is
14 approved by the governing bodies of all affected municipalities
15 within the area as to how the combined property tax rates will be
16 brought into compliance with the statutory limitation or unless the
17 commission adopts a plan that is approved by the Executive
18 Director of the Department of Taxation pursuant to which the
19 combined property tax rate will be in compliance with the statutory
20 limitation; or

21 (c) If, based upon the factors listed in subparagraphs (1) to (4),
22 inclusive, of paragraph (b), the proposal will affect the ability of an
23 affected governmental entity to levy the maximum amount of
24 property taxes that it may levy pursuant to NRS 354.59811, unless:

25 (1) The proposal includes a resolution approving the
26 proposal pursuant to subsection 3 of NRS 350.0135 from each
27 affected governmental entity whose ability to levy property taxes
28 will be affected by the commission's approval of the proposal; or

29 (2) The commission has resolved all conflicts between the
30 municipality and all affected governmental entities and has
31 approved the increase in property taxes resulting from the proposal
32 pursuant to NRS 350.0135.

33 5. Except as otherwise provided in subsection 6 or in paragraph
34 (b) of subsection 3 of NRS 350.583, if general obligation debt is to
35 be incurred more than 36 months after the approval of that debt by
36 the commission, the governing body of the municipality shall obtain
37 additional approval of the commission before incurring the general
38 obligation debt. The commission shall only approve a proposal that
39 is submitted pursuant to this subsection if, based on the information
40 set forth in paragraph (b) of subsection 4 that is accurate as of the
41 date on which the governing body submits, pursuant to this
42 subsection, its request for approval to the commission:

43 (a) Incurrence of the general obligation debt will not result in a
44 combined property tax rate in any of the overlapping entities within
45 the county which exceeds the limit provided in NRS 361.453;



1 (b) The proposal includes an agreement approved by the
2 governing bodies of all affected municipalities within the area as to
3 how the combined tax rates will be brought into compliance with the
4 statutory limitation; or

5 (c) The commission adopts a plan that is approved by the
6 Executive Director of the Department of Taxation pursuant to which
7 the combined property tax rate will be in compliance with the
8 statutory limitation.

9 ➔ The approval of the commission pursuant to this subsection is
10 effective for 18 months. The governing body of the municipality
11 may renew that approval for successive periods of 18 months by
12 filing an application for renewal with the commission. Such an
13 application must be accompanied by the information set forth in
14 paragraph (b) of subsection 4 that is accurate as of the date the
15 governing body files the application for renewal.

16 6. The commission may not approve a proposal pursuant to
17 subsection 5 which, based upon the factors listed in subparagraphs
18 (1) to (4), inclusive, of paragraph (b) of subsection 4, will affect the
19 ability of an affected governmental entity to levy the maximum
20 amount of property taxes that it may levy pursuant to NRS
21 354.59811, unless:

22 (a) The proposal includes a resolution approving the proposal
23 pursuant to subsection 3 of NRS 350.0135 from each affected
24 governmental entity whose ability to levy property taxes will be
25 affected by the commission's approval of the proposal; or

26 (b) The commission has resolved all conflicts between the
27 municipality and all affected governmental entities and has
28 approved the increase in property taxes resulting from the proposal
29 pursuant to NRS 350.0135.

30 7. As used in this section, "affected governmental entity" has
31 the meaning ascribed to it in subsection 9 of NRS 350.0135.

32 **Sec. 16.** NRS 354.598747 is hereby amended to read as
33 follows:

34 354.598747 1. To calculate the amount to be distributed
35 pursuant to the provisions of NRS 360.680 and 360.690 from a
36 county's subaccount in the Local Government Tax Distribution
37 Account to a local government, special district or enterprise district
38 after it assumes the functions of another local government, special
39 district or enterprise district:

40 (a) Except as otherwise provided in this section, the Executive
41 Director of the Department of Taxation shall:

42 (1) Add the amounts calculated pursuant to subsection 1 or 2
43 of NRS 360.680 for each local government, special district or
44 enterprise district and allocate the combined amount to the local



1 government, special district or enterprise district that assumes the
2 functions; and

3 (2) If applicable, add the average change in population and
4 average change in the ~~assessed valuation~~ *taxable value* of taxable
5 property that would otherwise be allowed to the local government or
6 special district whose functions are assumed, including the ~~assessed~~
7 ~~valuation~~ *taxable value* attributable to a redevelopment ~~agency~~
8 *area* but excluding the portion attributable to the net proceeds of
9 minerals, pursuant to subsection 4, 5, 6 or 7 of NRS 360.690, as
10 appropriate, to the average change in population and average change
11 in ~~assessed valuation~~ *taxable value* for the local government,
12 special district or enterprise district that assumes the functions.

13 (b) If two or more local governments, special districts or
14 enterprise districts assume the functions of another local
15 government, special district or enterprise district, the additional
16 revenue must be divided among the local governments, special
17 districts or enterprise districts that assume the functions on the basis
18 of the proportionate costs of the functions assumed.

19 ➔ The Nevada Tax Commission shall not allow any increase in the
20 allowed revenue from the taxes contained in the county's
21 subaccount in the Local Government Tax Distribution Account if
22 the increase would result in a decrease in revenue of any local
23 government, special district or enterprise district in the county that
24 does not assume those functions. If more than one local government,
25 special district or enterprise district assumes the functions, the
26 Nevada Tax Commission shall determine the appropriate amounts
27 calculated pursuant to subparagraphs (1) and (2) of paragraph (a).

28 2. If a city disincorporates, the board of county commissioners
29 of the county in which the city is located must determine the amount
30 the unincorporated town created by the disincorporation will receive
31 pursuant to the provisions of NRS 360.600 to 360.740, inclusive.

32 3. As used in this section:

33 (a) "Enterprise district" has the meaning ascribed to it in
34 NRS 360.620.

35 (b) "Local government" has the meaning ascribed to it in
36 NRS 360.640.

37 (c) "Special district" has the meaning ascribed to it in
38 NRS 360.650.

39 **Sec. 17.** NRS 354.685 is hereby amended to read as follows:

40 354.685 1. If the Department finds that one or more of the
41 following conditions exist in any local government, after giving
42 consideration to the severity of the condition, it may determine that
43 one or more hearings should be conducted to determine the extent of
44 the problem and to determine whether a recommendation of severe



- 1 financial emergency should be made to the Nevada Tax
2 Commission:
- 3 (a) Required financial reports have not been filed or are
4 consistently late.
- 5 (b) The audit report reflects the unlawful expenditure of money
6 in excess of the amount appropriated in violation of the provisions
7 of NRS 354.626.
- 8 (c) The audit report shows funds with deficit fund balances.
- 9 (d) The local government has incurred debt beyond its ability to
10 repay.
- 11 (e) The local government has not corrected violations of statutes
12 or regulations adopted pursuant thereto as noted in the audit report.
- 13 (f) The local government has serious internal control problems
14 noted in the audit report which have not been corrected.
- 15 (g) The local government has a record of being late in its
16 payments for services and supplies.
- 17 (h) The local government has had insufficient cash to meet
18 required payroll payments in a timely manner.
- 19 (i) The local government has borrowed money or entered into
20 long-term lease arrangements without following the provisions of
21 NRS or regulations adopted pursuant thereto.
- 22 (j) The governing body of the local government has failed to
23 correct problems after it has been notified of such problems by the
24 Department.
- 25 (k) The local government has not separately accounted for its
26 individual funds as required by chapter 354 of NRS.
- 27 (l) The local government has invested its money in financial
28 instruments in violation of the provisions of chapter 355 of NRS.
- 29 (m) The local government is in violation of any covenant in
30 connection with any debt issued by the local government.
- 31 (n) The local government has not made bond and lease
32 payments in accordance with the approved payment schedule.
- 33 (o) The local government has failed to control its assets such
34 that large defalcations have occurred which have impaired the
35 financial condition of the local government.
- 36 (p) The local government has recognized sizeable losses as a
37 result of the imprudent investment of money.
- 38 (q) The local government has allowed its accounting system and
39 recording of transactions to deteriorate to such an extent that it is not
40 possible to measure accurately the results of operations or to
41 ascertain the financial position of the local government without a
42 reconstruction of transactions.
- 43 (r) The local government has consistently issued checks not
44 covered by adequate deposits.



1 (s) The local government has loaned and borrowed money
2 between funds without following the proper procedures.

3 (t) The local government has expended money in violation of
4 the provisions governing the expenditure of that money.

5 (u) Money restricted for any specific use has been expended in
6 violation of the terms and provisions relating to the receipt and
7 expenditure of that money.

8 (v) Money has been withheld in accordance with the provisions
9 of NRS 354.665.

10 (w) If the local government is a school district, a loan has been
11 made from the State Permanent School Fund to the school district
12 pursuant to NRS 387.526.

13 (x) An employer in the county that accounts for more than 15
14 percent of the employment in the county has closed or significantly
15 reduced operations.

16 (y) The local government has experienced a cumulative decline
17 of 10 percent in population or ~~assessed valuation~~ *taxable value* for
18 the past 2 years.

19 (z) The ending balance in the general fund of the local
20 government has declined for the past 2 years.

21 (aa) The local government has failed to pay, in a timely manner,
22 contributions to the Public Employees' Retirement System,
23 workers' compensation or payroll taxes or fails to pay, at any time, a
24 payment required pursuant to the Federal Insurance Contributions
25 Act.

26 2. If the Department determines that a condition listed in
27 subsection 1 exists, the Department shall:

28 (a) Notify the local government about the determination;

29 (b) Request from the local government any information that the
30 Department deems to be appropriate to determine the extent of the
31 condition; and

32 (c) Require the local government to formulate a plan of
33 corrective action to mitigate the possible financial emergency.

34 3. Within 45 days after receiving notification pursuant to
35 subsection 2, a local government shall submit to the Committee any
36 information requested by the Department and a plan of corrective
37 action.

38 4. The Committee shall:

39 (a) Review a plan of corrective action submitted by a local
40 government;

41 (b) Provide observations and recommendations for the local
42 government; and

43 (c) If the Committee deems necessary, periodically review the
44 status of the financial operations of the local government.



1 5. The Department shall report the observations and
2 recommendations of the Committee to the Nevada Tax Commission.

3 6. In addition to any notice otherwise required, the Department
4 shall give notice of any hearing held pursuant to subsection 1 to the
5 governing body of each local government whose jurisdiction
6 overlaps with the jurisdiction of the local government whose
7 financial condition will be considered at least 10 days before the
8 date on which the hearing will be held.

9 7. If the Department, following the hearing or hearings,
10 determines that a recommendation of severe financial emergency
11 should be made to the Nevada Tax Commission, it shall make such
12 a recommendation as soon as practicable. Upon receipt of such a
13 recommendation, the Nevada Tax Commission shall hold a hearing
14 at which the Department, the local government whose financial
15 condition will be considered and each local government whose
16 jurisdiction overlaps with the jurisdiction of the local government
17 whose financial condition will be considered are afforded an
18 opportunity to be heard. If, after the hearing, the Nevada Tax
19 Commission determines that a severe financial emergency exists, it
20 shall require by order that the Department take over the
21 management of the local government as soon as practicable.

22 8. As used in this section, "Federal Insurance Contributions
23 Act" means subchapter A of chapter 9 of the Internal Revenue Code
24 of 1939 and subchapters A and B of chapter 21 of the Internal
25 Revenue Code of 1954, as such codes have been and may from time
26 to time be amended.

27 **Sec. 18.** NRS 387.3335 is hereby amended to read as follows:

28 387.3335 1. The board of trustees of a school district may
29 apply to the Director of the Department of Administration for a
30 grant of money from the Fund created pursuant to NRS 387.333 on
31 a form provided by the Director of the Department of
32 Administration. The application must be accompanied by proof that
33 the following emergency conditions exist within the school district:

34 (a) The ~~assessed valuation~~ *taxable value* of the taxable
35 property in the county in which the school district is located is
36 declining and all other resources available to the school district for
37 financing capital improvements are diminishing;

38 (b) The combined ad valorem tax rate of the county is at the
39 limit imposed by NRS 361.453; and

40 (c) At least:

41 (1) One building that is located on the grounds of a school
42 within the school district has been condemned;

43 (2) One of the facilities that is located on the grounds of a
44 school within the school district is unsuitable for use as a result of:

45 (I) Structural defects;



1 (II) Barriers to accessibility; or
2 (III) Hazards to life, health or safety, including, without
3 limitation, environmental hazards and the operation of the facility in
4 an unsafe manner; or

5 (3) One of the facilities that is located on the grounds of a
6 school within the school district is in such a condition that the cost
7 of renovating the facility would exceed 40 percent of the cost of
8 constructing a new facility.

9 2. Upon receipt of an application submitted pursuant to
10 subsection 1, the Director of the Department of Administration shall
11 forward the application to the:

12 (a) Department of Taxation to determine whether or not:

13 (1) The application satisfies the showing of proof required
14 pursuant to paragraphs (a) and (b) of subsection 1; and

15 (2) The board of county commissioners in the county in
16 which the school district is located has imposed a tax of more than
17 one-eighth of 1 percent pursuant to NRS 377B.100;

18 (b) State Public Works Division of the Department of
19 Administration to determine whether the application satisfies the
20 showing of proof required pursuant to paragraph (c) of subsection 1;
21 and

22 (c) Department of Education for informational purposes.

23 3. The Department of Taxation and the State Public Works
24 Division shall submit written statements of their determinations
25 pursuant to subsection 2 regarding an application to the Director of
26 the Department of Administration. Upon receipt of such statements,
27 the Director shall submit the application accompanied by the written
28 statements from the Department of Taxation and State Public Works
29 Division to the State Board of Examiners for approval.

30 4. The Director of the Department of Administration shall
31 make grants from the Fund created pursuant to NRS 387.333 based
32 upon the need of each school district whose application is approved
33 by the State Board of Examiners.

34 5. The Director of the Department of Administration shall
35 adopt regulations that prescribe the annual deadline for submission
36 of an application to the Director of the Department of
37 Administration by a school district that desires to receive a grant of
38 money from the Fund.

39 **Sec. 19.** NRS 541.080 is hereby amended to read as follows:

40 541.080 1. At any time after the filing of a petition for the
41 organization of a water conservancy district and not less than 10
42 days before the time fixed by the order of court for the hearing upon
43 the petition, and not thereafter, a petition may be filed in the office
44 of the clerk of the court wherein the proceeding for the creation of
45 the district is pending, signed by not fewer than 25 percent of the



1 owners of the lands in the proposed district, but not embraced within
2 the limits of any city or town, the aggregate ~~assessed~~ *taxable* value
3 of which, together with improvements thereon, is not less than 25
4 percent of the total ~~assessed~~ *taxable* value of land, together with
5 the improvements thereon, within the proposed district situated
6 outside such limits, and also signed by not fewer than 25 percent of
7 the owners of lands embraced within the limits of each city and
8 town in the proposed district, protesting the creation of the district.
9 The signers of the protesting petition shall state therein the land
10 owned by each, and shall also state the value thereof as shown by
11 the last preceding assessment. The term "owners of land," as used in
12 this subsection with reference to persons outside the limits of a city
13 or town within the district, means those persons who own 5 acres or
14 more of real estate, and the term "owners of land," as used in this
15 subsection with reference to persons within a city or town, means
16 those persons who own real estate, including any improvements
17 thereon, having ~~an assessed valuation~~ *a taxable value* of ~~300~~
18 *857* or more.

19 2. If a petitioner signs the petition both as owner of land
20 situated within a municipality, and owner of land situated without a
21 municipality, his or her name may be counted only as an owner of
22 land situated without a municipality.

23 3. Upon the filing of such protesting petition, the clerk of the
24 court forthwith shall make as many certified copies thereof,
25 including the signatures thereto, as there are counties in which any
26 part of the proposed district extends, and forthwith shall place in the
27 hands of the county treasurer of each such county one of the
28 certified copies. Thereupon, each of the county treasurers shall
29 determine from the tax rolls of the county in his or her hands and
30 shall certify to the district court under the official seal of the county
31 treasurer, before the day fixed for the hearing as aforesaid, the total
32 valuation of the several tracts of land listed in the protest, situated in
33 the proposed district within the county. Upon the day set for the
34 hearing upon the original petition, if it appears to the court from
35 such certificate or certificates, and from such other evidence as may
36 be adduced by any party in interest, that the protesting petition is not
37 signed by the requisite number of owners of lands and of the
38 requisite value as set forth in this section, the court shall thereupon
39 dismiss the protesting petition and shall proceed with the original
40 hearing as provided in this section.

41 4. If the court finds from the evidence that the protesting
42 petition is signed by the requisite number of owners of lands and of
43 the requisite values, the court shall forthwith dismiss the original
44 petition praying for the creation of the district. The finding and
45 order of the court upon the question of such total valuation, the



1 genuineness of the signatures, and all matters of law and fact
2 incident to such determination is conclusive on all parties in interest,
3 whether appearing or not, unless within 30 days after entry of the
4 order or dismissal an appeal is taken to the Supreme Court as
5 provided in subsection 10.

6 5. Any owner of real property in the proposed district desiring
7 to object to the organization and incorporation of the district, may,
8 on or before the date set for the cause to be heard, file objection to
9 the organization and incorporation of the district. Such objection
10 must be limited to a denial of the statements in the petition and must
11 be heard by the court as an advanced case without unnecessary
12 delay. On the final hearing of the petition the court shall define and
13 establish the boundaries of the district.

14 6. Upon the hearing, if it appears that a petition for the
15 organization of a water conservancy district has been presented, in
16 conformity with this chapter, and that the allegations of the petition
17 are true and that no protesting petition has been filed or if filed has
18 been dismissed as provided in this section, the court shall, by order
19 duly entered of record, adjudicate all questions of jurisdiction,
20 declare the district organized and give it a corporate name by which
21 in all proceedings it must thereafter be known, and thereupon the
22 district is a political subdivision of the State of Nevada and a body
23 corporate with all the powers of a public or quasi-municipal
24 corporation.

25 7. In such a decree the court shall designate the place where the
26 office or principal place of the district must be located, which must
27 be within the corporate limits of the district, and which may be
28 changed by order of the board from time to time. The regular
29 meetings of the board must be held at such office or place of
30 business, but for cause may be adjourned to any other convenient
31 place. The official records and files of the district must be kept at
32 the office so established.

33 8. If the court finds that no petition has been presented in
34 conformity with this chapter, or that the material facts are not as set
35 forth in the petition filed, it shall dismiss the proceedings and
36 adjudge the costs against the county that filed the petition. An
37 appeal to the Supreme Court from the order of dismissal may be
38 taken as provided in subsection 10. Nothing in this section prevents
39 the filing of a subsequent petition or petitions for similar
40 improvements or for a similar water conservancy district, and the
41 right so to renew such proceedings is hereby expressly granted and
42 authorized.

43 9. If an order is entered establishing the district, the order is
44 final and conclusively establishes the regular organization of the
45 district against all persons, unless an appeal is taken to the Supreme



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1 Court or quo warranto proceedings attacking the order are instituted
2 on behalf of the State of Nevada by the Attorney General. The
3 organization of the district may not be directly or collaterally
4 questioned in any suit, action or proceedings except as expressly
5 authorized in this section.

6 10. Any petitioner, protestant or objector is entitled to appeal to
7 the Supreme Court from the order of the district court entered
8 pursuant to this section. Such appeals must be taken within 30 days
9 after the entry of the order in accordance with the Nevada Rules of
10 Appellate Procedure.

11 **Sec. 20.** NRS 361.457 is hereby repealed.

12 **Sec. 21.** 1. Except as otherwise provided in this section and
13 NRS 701A.385 and notwithstanding any other provision of law to
14 the contrary:

15 (a) The county treasurer of each county shall:

16 (1) Withhold from the proceeds of the ad valorem taxes
17 levied by or on behalf of each local governmental entity other than
18 the county, the county school district and any city within the county,
19 the amount of any increase in those proceeds that the local
20 governmental entity would otherwise be entitled to receive for each
21 fiscal year that begins on or after July 1, 2014, and ends on or before
22 June 30, 2034, which is attributable to the increases in the rate of
23 assessment of property, as required by sections 3, 4, 13 and 14 of
24 this act, above the rate that applied for the fiscal year beginning on
25 July 1, 2013; and

26 (2) Deposit the amount withheld pursuant to subparagraph
27 (1) in the county general fund for the use of the county.

28 (b) Each county shall cause not less than 50 percent of:

29 (1) The money deposited in the county general fund pursuant
30 to subparagraph (2) of paragraph (a); and

31 (2) The amount of any increase in the proceeds of the ad
32 valorem taxes levied by the county, other than any taxes levied on
33 behalf of any other governmental entity or political subdivision of
34 this State, for each fiscal year that begins on or after July 1, 2014,
35 and ends on or before June 30, 2034, which is attributable to the
36 increases in the rate of assessment of property, as required by
37 sections 3, 4, 13 and 14 of this act, above the rate that applied for
38 the fiscal year beginning on July 1, 2013,

39 to be expended or committed for expenditure on or before
40 December 31, 2034, for the actual construction costs of capital
41 improvement projects or infrastructure projects.

42 (c) Each city shall cause not less than 50 percent of the amount
43 of any increase in the proceeds of the ad valorem taxes levied by or
44 on behalf of the city, other than any taxes levied on behalf of any
45 other governmental entity or political subdivision of this State, for



1 each fiscal year that begins on or after July 1, 2014, and ends on or
2 before June 30, 2034, which is attributable to the increases in the
3 rate of assessment of property, as required by sections 3, 4, 13 and
4 14 of this act, above the rate that applied for the fiscal year
5 beginning on July 1, 2013, to be expended or committed for
6 expenditure on or before December 31, 2034, for the actual
7 construction costs of capital improvement projects or infrastructure
8 projects.

9 2. The provisions of subsection 1:

10 (a) Do not apply to any portion of the taxes levied upon taxable
11 property in:

12 (1) A tax increment area that is required pursuant to NRS
13 278C.250 or a specific city charter to be allocated to a tax increment
14 account for the tax increment area; or

15 (2) A redevelopment area that is required pursuant to NRS
16 279.676 to be allocated to a special fund of the redevelopment
17 agency for the redevelopment area;

18 (b) Do not apply to any tax proceeds that a local governmental
19 entity is entitled to receive while under the management of the
20 Department of Taxation pursuant to NRS 354.685 to 354.725,
21 inclusive, if the Executive Director of the Department determines
22 that those proceeds are needed to provide for the payment of the
23 required debt service and operating expenses of the local
24 governmental entity; and

25 (c) Must not be applied to modify, directly or indirectly, the
26 allocation, distribution or use of any tax proceeds in such a manner
27 as to impair adversely any outstanding bonds or other obligations of
28 any local governmental entity which are payable from or secured by
29 a pledge of those proceeds until all such obligations have been
30 discharged in full or provision for their payment and redemption has
31 been fully made.

32 3. The Committee on Local Government Finance shall, in the
33 manner prescribed for state agencies in chapter 233B of NRS, adopt
34 such regulations as it determines to be necessary for:

35 (a) A county treasurer to determine the amount of money
36 required to be withheld and deposited pursuant to paragraph (a) of
37 subsection 1;

38 (b) A county to determine the amount of money required to be
39 expended or committed for expenditure pursuant to paragraph (b) of
40 subsection 1; and

41 (c) A city to determine the amount of money required to be
42 expended or committed for expenditure pursuant to paragraph (c) of
43 subsection 1.



1 4. As used in this section, "local governmental entity" includes
2 any political subdivision of this State and any other local
3 governmental entity in this State. The term does not include the
4 State.

5 **Sec. 22.** On or before November 1 of each calendar year
6 ending on or after December 31, 2014, and on or before
7 December 31, 2035:

8 1. Each county shall post on its Internet website and submit to
9 the Director of the Legislative Counsel Bureau for transmission to
10 the next regular session of the Legislature:

11 (a) A report detailing:

12 (1) The amounts deposited in the county general fund for the
13 immediately preceding fiscal year pursuant to subparagraph (2) of
14 paragraph (a) of subsection 1 of section 21 of this act; and

15 (2) The amounts expended and committed for expenditure to
16 comply with the provisions of paragraph (b) of subsection 1 of
17 section 21 of this act, and the purposes for which those expenditures
18 were made or committed; and

19 (b) A procedure for the board of county commissioners of the
20 county to receive, hear and resolve petitions by members of the
21 public disputing the county's compliance with the provisions of
22 paragraph (b) of subsection 1 of section 21 of this act.

23 2. Each city shall post on its Internet website and submit to the
24 Director of the Legislative Counsel Bureau for transmission to the
25 next regular session of the Legislature:

26 (a) A report detailing the amounts expended and committed for
27 expenditure to comply with the provisions of paragraph (c) of
28 subsection 1 of section 21 of this act, and the purposes for which
29 those expenditures were made or committed; and

30 (b) A procedure for the governing body of the city to receive,
31 hear and resolve petitions by members of the public disputing the
32 city's compliance with the provisions of paragraph (c) of subsection
33 1 of section 21 of this act.

34 **Sec. 23.** This act becomes effective on July 1, 2013.

TEXT OF REPEALED SECTION

361.457 Establishment of combined tax rate: Prohibited agreements between local governments. The governing bodies of the local governments within a county shall not agree upon a combined tax rate that is achieved by a larger local government agreeing to transfer money to a smaller local government whose



boundaries are located within the boundaries of the larger local government to enable the smaller local government to lower its tax rate to establish a combined tax rate for the county that complies with the limitation set forth in NRS 361.453.



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