

Chapter 361 of NAC

ADOPTED TEMPORARY REGULATION OF  
THE NEVADA TAX COMMISSION

LCB File No. T006-17

(Filed with the Secretary of State on June 22, 2017)

Regulation on Remainder Parcel  
Abatements

Adopted May 8, 2017

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

AUTHORITY: §§1-, NRS 360.090, 360.250, 361.4722(5);

**Section 1.** Chapter 361 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 34, inclusive, of this regulation.

**NAC 361.61002 Definitions.** ([NRS 360.090](#), [361.4722](#)) As used in [NAC 361.61002](#) to [361.61038](#), inclusive, unless the context otherwise requires, the words and terms defined in [NAC 361.61004](#) to [361.6103](#), inclusive, have the meanings ascribed to them in those sections.

(Added to NAC by Tax Comm'n by R001-07, eff. 3-23-2007)

**NAC 361.61004 “Abatement percentage” defined.** ([NRS 360.090](#), [361.4722](#))

“Abatement percentage” means the percentage determined pursuant to paragraph (b) of subsection 2 of [NRS 361.4722](#).

(Added to NAC by Tax Comm'n by R001-07, eff. 3-23-2007)

**NAC 361.61006**

**“Agricultural use” defined.** ([NRS 360.090](#), [361.4722](#))

“Agricultural use” has the meaning ascribed to it in [NRS 361A.030](#).

(Added to NAC by Tax Comm’n by R001-07, eff. 3-23-2007)

***Sec. 2.*** NAC 361.61008 is hereby amended to read as follows:

**NAC 361.61008** “Commercial or industrial use” means any use:

1. Conducted primarily for profit, except for any agricultural use, open-space use, residential use, institutional use, recreational use or use as vacant land ~~held for development~~; and
2. Any other use that does not constitute any agricultural use, open-space use, residential use, institutional use, recreational use or use as vacant land ~~held for development~~. *A use that is not otherwise specified in NAC 361.61006, 361.61012, 361.61018, 361.61024, 361.61028, or 361.6103 shall be considered commercial or industrial use.*

***Sec. 3.*** NAC 361.6101 is hereby amended to read as follows:

**NAC 361.6101 “Current year” defined.** “Current year” means the fiscal year for which a determination of the application of the partial abatement of taxes for any ~~new parcel~~ *property for which a new or different assessor parcel number has been assigned* is being made.

**NAC 361.61012 “Institutional use” defined.** ([NRS 360.090](#), [361.4722](#))

“Institutional use” means any civic, charitable or religious use, including, without limitation, use as a church, cemetery or hospital.

(Added to NAC by Tax Comm’n by R001-07, eff. 3-23-2007)

***Sec. 4.*** NAC 361.61014 is hereby omitted:

~~— NAC 361.61014 — “New parcel” defined. (NRS 360.090, 361.4722) “New parcel” means a parcel for which a new or different assessor parcel number has been assigned from the prior year as a result of the division of any previously existing parcel or parcels, the combination of any previously existing parcels, or any change in the configuration of any parcels or of lot size or lot boundaries, by means of a parcel map, subdivision map, certificate of land division, long-term lease, action of any governmental entity or any other means.~~  
~~— (Added to NAC by Tax Comm’n by R001-07, eff. 3-23-2007)~~

*Sec. 5.* NAC 361.61016 is hereby amended to read as follows:

NAC 361.61016 “New parcel for development” defined. “New parcel for development” means each new parcel which ~~is not eligible for the partial abatement in the current year.~~ *results from the division of any previously existing parcel or parcels, the combination of any previously existing parcels, or any change in the configuration of any parcels or of lot size or lot boundaries, by means of a parcel map, subdivision map, deed, certificate of land division, long-term lease, action of any governmental entity or any other means.*

NAC 361.61018 “Open-space use” defined. (NRS 360.090, 361.4722) “Open-space use” has the meaning ascribed to it in NRS 361A.050.

(Added to NAC by Tax Comm’n by R001-07, eff. 3-23-2007)

NAC 361.6102 “Partial abatement” defined. (NRS 360.090, 361.4722) “Partial abatement” means the partial abatement of taxes provided pursuant to subsection 2 of NRS 361.4722. (Added to NAC by Tax Comm’n by R001-07, eff. 3-23-2007)

NAC 361.61022 “Prior year” defined. (NRS 360.090, 361.4722) “Prior year” means the fiscal year immediately preceding the current year. (Added to NAC by Tax Comm’n by R001-07, eff. 3-23-2007)

NAC 361.61024 “Recreational use” defined. (NRS 360.090, 361.4722)

“Recreational use” means any active or passive recreational use, including, without limitation, use as a trail, park, community garden, playground or athletic field.

(Added to NAC by Tax Comm’n by R001-07, eff. 3-23-2007)

**Sec. 6. NAC 361.61026 is hereby amended to read as follows:**

NAC 361.61026 Remainder parcel” means each new parcel which is eligible for the partial abatement in the current year *including any new parcel for development if the use of that parcel has not changed from the immediately preceding fiscal year.*

NAC 361.61028 “Residential use” defined. ([NRS 360.090](#), [361.4722](#)) “Residential use” means use as a dwelling or for personal, family or household purposes, whether rented to particular persons or not, including, without limitation, use as a single-family detached housing unit, townhouse, condominium unit, mobile home or multifamily unit. The term includes the use of lots in a residential subdivision for which a final map has been recorded and on which residential improvements will be constructed, but does not include the use of parcels which are not yet divided into individual residential lots by the filing of a final map.

(Added to NAC by Tax Comm’n by R001-07, eff. 3-23-2007)

**Sec. 7. NAC 361.6103 is hereby amended to read as follows:**

NAC 361.6103 “Vacant land ~~held for development~~” defined. ([NRS 360.090](#), [361.4722](#)) “Vacant land ~~held for development~~” means land which *does not have improvements sufficient to determine a is held for investment or future development and has not previously been held for* residential use, commercial or industrial use, institutional use or recreational use.

(Added to NAC by Tax Comm’n by R001-07, eff. 3-23-2007)

**NAC 361.61032 Scope and purpose.** ([NRS 360.090](#), [361.4722](#)) The provisions of [NAC 361.61002](#) to [361.61038](#), inclusive, set forth the methodology that must be followed to carry out the provisions of subsection 2 of [NRS 361.4722](#) in evaluating each new parcel for the purposes of applying the partial abatement of taxes provided by that subsection. (Added to NAC by Tax Comm'n by R001-07, eff. 3-23-2007)

***Sec. 8.* NAC 361.61034 is hereby amended to read as follows:**

**NAC 361.61034** 1. Each new parcel *for development* must be separately evaluated to determine whether there has been any change in the use of the property that comprises the parcel.

2. A determination that there is a change in the use of the property must be based on a finding that:

(a) The property was being used as vacant land ~~held for development~~ as of the commencement of the prior year and:

(1) As the result of the recording of a subdivision map creating individual lots for residential development, the property is held for residential use as of the commencement of the current year; or

(2) As the result of the recording of a subdivision map creating a new commercial or industrial subdivision including any new parcels created within the subdivision in the same year, the property is held for commercial or industrial use as of the commencement of the current year; or

~~(23)~~ As the result of new construction on the parcel sufficient to allow for an identification

of the use of the property, the property is in agricultural use, open-space use, residential use, commercial or industrial use, institutional use or recreational use as of the commencement of the current year; or

(b) The use of the property as of the commencement of the current year for agricultural use, open-space use, residential use, commercial or industrial use, institutional use or recreational use is different from the use of the property as of the commencement of the prior year.

(4). As used in this section, “use of the property” means the principal use of the property for one of the following purposes:

- (a) Agricultural use;
- (b) Open-space use;
- (c) Residential use;
- (d) Commercial or industrial use;
- (e) Institutional use;
- (f) Recreational use; or
- (g) Use as vacant land ~~held for development~~.

(5). If the total area encompassing the parent parcel(s) of the subject property from the prior year had more than one use, the county assessor may determine a single use for each portion of the total area of the property for the purpose of determining whether there is any change in the actual use for any new parcel for development.

(6). If the use of the property:

(a) Has not changed, the parcel is a remainder parcel.

(b) Has changed, the parcel is a new parcel for development *not subject to the abatement*.

**NAC 361.61036 Calculation of amount of abatement and maximum amount of property taxes.** ([NRS 360.090](#), [361.4722](#))

1. The partial abatement for a remainder parcel must be calculated as follows:

(a) Determine the amount of net property taxes attributable to the land area of and any improvements to the remainder parcel for the prior year as provided in [NAC 361.61038](#).

(b) Multiply the net property taxes determined in accordance with subsection 1 by the abatement percentage applicable to the remainder parcel for the current year.

(c) Add the amounts determined pursuant to paragraphs (a) and (b). If the sum is:

(1) Less than the amount of taxes that would have been assessed on the remainder parcel for the current year without the abatement, the difference constitutes the amount of the partial abatement for the remainder parcel for the current year.

(2) Greater than or equal to the amount of taxes that would have been assessed on the remainder parcel for the current year without the abatement, then there is no partial abatement for the remainder parcel for the current year.

2. The maximum amount of property taxes which may be levied on a remainder parcel for the current year must be calculated as follows:

(a) Determine the amount of property taxes to be added to the tax roll in the current year attributable to:

(1) An incremental change in land value resulting from a change in the actual or authorized use of the remainder parcel; or

(2) A new improvement to the remainder parcel, that would not have been included in the calculation of the assessed value of the remainder parcel for the prior year had a separate valuation for the remainder parcel been established in the prior year.

(b) Add the amounts determined pursuant to paragraph (a) and paragraphs (a) and (b) of subsection 1 to determine that maximum amount.

(Added to NAC by Tax Comm'n by R001-07, eff. 3-23-2007)

*Sec. 9.* NAC 361.61038 is hereby amended to read as follows:

**NAC 361.61038 Determination of amount of net property taxes attributable to remainder parcel for prior year; appeal of determination.** ([NRS 360.090](#), [361.4722](#),[361.4734](#))

1. Except as otherwise provided in subsection 2, the amount of net property taxes attributable to the land area of and any improvements to a remainder parcel for the prior year must be determined as follows:

(a) Identify each of the parcels which contained the land area of the remainder parcel *and the total taxable value of each parcel* in the prior year

~~(b) Determine the pro-rata percentage that the remainder parcel's land and improvements contributed to the assessed value of each of the parcels identified in paragraph (a) for the prior year.~~

~~—(c) Multiply the percentage determined in paragraph (b) for each of the parcels identified in paragraph (a) by the total amount of taxes levied, or which would have been levied but for any exemptions from taxation, in the prior year on that parcel.~~

~~—(d) The amount of net property taxes attributable to the remainder parcel for the prior year is the sum of the products determined pursuant to paragraph (c) for each of the parcels identified in paragraph (a).~~ Determine the total amount of taxes assessed, or which



would have been assessed but for any exemptions from taxation, in the prior year for the parcel or parcels identified in paragraph (a).

(c) Calculate the effective tax rate for the remainder parcel for the prior year by dividing *the total amount of taxes in paragraph (b) by the total taxable value identified in paragraph (a);*

(d) *Determine a taxable value for the remainder parcel for the prior year based on all the assumptions, costs, values, calculations, and other factors and considerations that would have been used for the valuation of that property for that prior fiscal year;*

(e) *Multiply the taxable value for the remainder parcel calculated in paragraph (d) by the effective tax rate calculated in paragraph (c) to determine the taxes that would have been levied in the county on that property in the prior year;*

2. The owner of a remainder parcel may appeal to the Nevada Tax Commission pursuant to [NRS 361.4734](#) and any regulations adopted to carry out that section to show that the method prescribed in subsection 1 produces an inequitable result. Pursuant to such an appeal, the Nevada Tax Commission may use an alternative method that provides an equitable result.

Sec 10. 1. These regulations will be applicable to and beginning with abatement determinations made for the 2015/2016 fiscal year.

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY  
ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066**

**LCB FILE T006-17  
Regulation on Remainder Parcel Abatements**

The following statement is submitted for temporary amendments, additions and deletions, to Nevada Administrative Code (NAC) 361 adopted by the Nevada Tax Commission.

1. The Need for and Purpose of the Temporary Regulation.

The need and purpose of the adopted temporary regulation, **LCB File No. T006-17**, is to provide guidance to county assessors in the proper determination of remainder parcels. The temporary regulation also provides for a standardized calculation for determining the amount of net property taxes attributable to a remainder parcel for the prior year.

2. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

The Department of Taxation (Department), as staff to the Nevada Tax Commission (“NTC”) solicited comment from the public by sending notice of workshops and hearing by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop/Hearing</u>	<u>Number Notified</u>	<u>Representing Businesses</u>
10-17-2016	Workshop	11-01-2016	162	95
12-07-2016	Workshop	12-22-2016	198	99
02-15-2017	Workshop	03-17-2017	198	99
05-08-2017	Hearing	05-08-2017	162	99

The mailing list included the interested parties list maintained by the Department, as well as officials of local governments. These documents were also made available on the website of the Department of Taxation, [www.tax.nv.gov](http://www.tax.nv.gov), the legislative website at [www.leg.state.nv.us](http://www.leg.state.nv.us) and the Department of Administration website at <https://notice.nv.gov/>. These documents were also posted at the location listed in Exhibit A, attached.

Comments were received from county assessors, taxpayer representatives and Department of Taxation staff during the workshop and adoption hearing.

A copy of the audio taped comments or the record of proceedings or minutes of the workshops may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Nevada Department of Taxation, 1550 College Parkway, Carson City, Nevada 89706, or by e-mailing the Nevada Department of Taxation at [CSpurlock@tax.state.nv.us](mailto:CSpurlock@tax.state.nv.us).

**3. The number of persons who:**

**(a) Attended and testified at each workshop:**

<b>Date of Workshop</b>	<b><u>Attended</u></b>	<b><u>Testified</u></b>
11-01-2016	32	7
12-22-2016	19	7
03-17-2017	30	7

**(b) Attended and testified at each hearing:**

<b>Date of Hearing</b>	<b><u>Attended</u></b>	<b><u>Testified</u></b>
5-08-2017	111	5

**(c) Submitted to the agency written comments:**

<b>Date of Workshop</b>	<b><u>Number Received</u></b>
11-01-2016	0
12-22-2016	1
03-17-2017	3

4. **A list of names and contact information, including telephone number, business address, business telephone number, electronic mail address, and name of entity or organization represented, for each person identified above in #3, as provided to the agency, is attached as Exhibit B.**

5. **A description of how comment was solicited from affected businesses, a summary of their response, and an explanation describing how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected businesses in the same manner as they were solicited from the public. No comments from businesses or other taxpayers were received. A copy of the summary may be obtained as described in question 2.

6. **If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The temporary regulation was adopted with no changes as no requests for changes were received. The NTC adopted the temporary regulation as presented.

7. **The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:**

- (a) Both adverse and beneficial effects; and
- (b) Both immediate and long-term effects.

*Adverse and Beneficial Effects*

The regulation presents no reasonably foreseeable or anticipated, adverse economic effects to small businesses or to the general public.

*Immediate and Long-Term Effects*

The immediate and long-term effects will be to clarify the determination of remainder parcels for consistency and to minimize unnecessary litigation. It also simplifies and standardizes the calculation of remainder values while maintaining equity in abatements with existing parcels.

**8. The estimated cost to the agency for enforcement of the adopted regulation.**

The proposed temporary regulations present no significant foreseeable or anticipated cost or decrease in costs for enforcement. However, it appears that there may be some additional administrative costs for the County Assessor's and County Treasurers, which cannot be quantified at this time.

**9. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

There are no other state or government agency regulations that the adopted regulations duplicate.

**10. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

The Nevada Tax Commission is not aware of any provision in this regulation which is also governed by federal regulation.

**11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The regulation does not provide for a new fee, and does not increase an existing fee.

**12. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business or directly restricted the formation, operation or expansion of a small business? What methods did the agency use in determining the impact of the regulation on a small business?**

Please see attached Small Business Impact Statement.

**Exhibit A**  
**List of Locations where Notices were posted:**

Department of Taxation  
1550 College Parkway  
Carson City, NV

Nevada Gaming Control Board  
Grant Sawyer State Office Building  
555 East Washington Avenue  
Las Vegas, NV

Department of Taxation  
Grant Sawyer Building, Suite 1300  
555 E. Washington Avenue  
Las Vegas, NV

Legislative Counsel Bureau  
4041 South Carson Street  
Carson City, NV

Department of Taxation  
4600 Kietzke Lane  
Building L, Suite 235  
Reno, NV

Clark County Government Center  
500 South Grand Central Parkway  
Las Vegas, NV

Department of Taxation  
2550 Paseo Verde Parkway, Suite  
180  
Henderson, NV  
Nevada Gaming Control Board  
1919 College Parkway  
Carson City, NV

Nevada State Library and Archives  
100 N. Stewart Street  
Carson City, NV

Nevada Attorney General's Office  
100 North Carson Street  
Carson City, NV

In addition, the notices were emailed to the following libraries for posting:

Amargosa Valley Library  
29 E. Farm Road  
Amargosa Valley, NV

Boulder City Library District  
701 Adams Blvd  
Boulder City, NV

Carson City Library  
900 N. Roop Street  
Carson City, NV 89701

Clark County Library  
1401 East Flamingo Road  
Las Vegas, NV

Churchill County Library  
553 South Maine Street  
Fallon, NV 89406  
Douglas County Library  
1625 Library Lane  
Minden, NV

Elko County Library  
720 Court Street  
Elko, NV

Esmeralda County Library District  
Goldfield Public Library  
Corner of Crook and Fourth Street  
Goldfield, NV 89013-0430

Henderson District Public Libraries  
Paseo Verde Library  
280 S. Green Valley parkway  
Henderson, NV 89012

Humboldt County Library  
85 East Fifth Street  
Winnemucca, Nevada 89445

Lincoln County Library  
63 Main Street  
Pioche, NV 89043-0330

Lyon County Library  
20 Nevin Way  
Yerington, NV

Lander County Library  
625 S. Broad St  
Battle Mountain NV 89820

Mineral County Library  
First & "A" Street  
Hawthorne, NV 89415

North Las Vegas Library  
2250 Las Vegas Blvd  
NLV, NV 89030

Pahrump Community Library  
701 East Street  
Pahrump, NV 89048

Pershing County Library  
1125 Central Avenue  
Lovelock, NV

Round Mountain Public Library  
73 Hadley Circle  
Round Mountain, NV

Storey County Library  
26 S. B St  
Virginia City, NV 89440

Tonopah Library District  
167 S Central St  
Tonopah, NV 89049

Washoe County Library  
4001 S. Virginia St.  
Reno NV