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Bill Explanation

ASSEMBLY BILL 533
Assembly Committee on Taxation
Hearing: April 3, 2003

EXPLANATION – Provides changes recommended by the County Assessors Association to provisions governing the recordation and taxation of property.

Section 1: Provides exclusive authority to the Department of Taxation to oversee assessment standards and practices of the county assessors and prohibits any state or local government agency other than the department from performing an audit, other than a financial audit, of the receipts generated in the assessors' offices.

Section 2: Requires an owner of at least 25 mobile homes that are leased within a county for commercial purposes that have not been converted to real property to file with the county assessor the statement of personal property required by NRS 361.265, an inventory of such homes and a report of any new or used homes brought into the county as required by NRS 361.562.

Sections 4 to 6 and 39 to 40:

Index the widows and orphans exemption and the exemption for blind persons from property tax and government services tax, respectively, for changes in the CPI beginning in FY 2005-06.

Section 5: Authorizes an assessor to mail a renewal form to an owner of a housing project that qualified for a low-income housing exemption. Provides that the renewal form must indicate the number of units and low-income units in the housing project. Prohibits the exemption for the next fiscal year if the owner fails to complete the renewal form or fails to qualify for the exemption.

Sections 7 to 8 and 41 to 42:

Eliminate the eligibility dates of service to qualify for the veterans' exemption from property tax and government services tax, respectively.

Sections 9 to 12 and 43 to 46:

Authorize the designation of the revenue from the exemption for disabled veterans from property tax and government services tax, respectively, to the Veterans' Home Account.

Section 13: Prohibits an assessor from reflecting a change of ownership of land on the tax roll unless the document conveying the ownership contains a correct, as well as a complete, description of the land.

Section 14: Requires a licensed appraiser to obtain an appraiser's certificate issued by the Department of Taxation before appraising property for tax purposes.

- Section 15:** Modifies the term "full cash value" for purposes of ensuring that taxable value does not exceed the market value of property by adding the phrase "of a fee simple interest in the property" after "full cash value." Requires an assessor, upon the request of an owner, to furnish copies of any materials used to determine or defend the taxable value of property with the most recent appraisal of the property.
- Section 16:** Provides that the value of intangible property is not to be exempted from the determination of the "full cash value of a fee simple interest in property" for purposes of testing whether taxable value exceeds market value.
- Section 17:** Clarifies how an assessor is to value property that is not reappraised that year.
- Section 18:** Requires an owner of at least 25 mobile or manufactured homes that are leased within a county for commercial purposes that have not been converted to real property to include in the statement of personal property the year, make or model, size, serial number and location of each such home.
- Section 19:** Revises the date from January 1 to December 18 that an assessor is to deliver a notice of the assessed value of property from an appraisal or reappraisal to the owner.
- Section 20:** Provides that the Department of Taxation has exclusive authority over the equalization of property values among the counties and that its ratio study is the final determination of those ratios and remains valid until the next study. Prohibits any state or local government agency other than the department from performing an audit, other than a financial audit, of the receipts generated in the assessors' offices or otherwise attempting to influence the manner in which property is assessed.
- Section 21:** Revises the date by which a county board of equalization must complete its business, except for matters remanded by the state board, from February 28 to the last day of February.
- Section 22:** Prohibits a county board of equalization from reducing an assessment unless the appellant shows by clear and satisfactory evidence that the value is excessive or inequitable. Also prohibits the board from reducing an assessment if the taxpayer has failed to comply with a subpoena issued by an assessor to produce documentation needed to value property or has not provided the necessary financial and legal documents that are necessary for an assessor to determine the taxable value of property.

Sections 23 to 25:

Clarify and revise certain dates pertaining to taxpayer appeals to a county board of equalization, mostly to allow appeals to be extended to the next business day if the date falls on a weekend day or holiday.

Section 26:

Revises certain dates to allow the filing of taxpayer appeals to the State Board of Equalization to be extended to the next business day if the date falls on a weekend day or holiday. Prohibits the state board from reducing an assessment if the taxpayer has failed to comply with a subpoena issued by an assessor to produce documentation needed to value property, has not provided the necessary financial and legal documents that are necessary for an assessor to determine the taxable value of property, has refused entry to the assessor to conduct a physical examination of the property, or fails to show by clear and satisfactory evidence that the value is excessive or inequitable. Requires an assessor to review each year any change made by the state board the previous year and maintain or remove the change as circumstances warrant.

Section 27:

Slightly modifies the final dates for an assessor to file reports with the Department of Taxation.

Section 28:

Requires that a taxpayer who is protesting the payment of taxes to file the protest in the form of a notarized statement.

Section 29:

Specifically provides that a tax lien is superior to all other liens on taxable property.

Section 30:

Allows an owner of at least 25 mobile or manufactured homes that are leased within a county for commercial purposes that have not been converted to real property to pay the taxes in four installments only if the owner has returned the statement of personal property required by NRS 361.265 by July 31. Provides for payment of personal property taxes in four installments if the business has paid the taxes without accruing penalties during the two preceding years in any county in the state.

Section 31:

Eliminates the requirement that a statement filed by a taxpayer seeking relief from penalties and interest imposed on the late payment of taxes due to circumstances beyond his control be "under oath."

Section 32:

Clarifies that the abatement for taxes on personal property acquired by a government entity begins on the date of sale for purchased property and date of judgment for property acquired by condemnation.

Section 33:

Increases the commission on the money collected from personal property taxes from six to eight percent of the gross amount collected that is retained by the county. Earmarks one-quarter of the commission for the acquisition and

improvement of the use of technology in an assessor's office. Requires that any of the earmarked revenue that is not committed for expenditure by the end of a fiscal year be reverted to the county general fund.

Section 34: Revises the locations for the posting of a notice of seizure of personal to include the county courthouse or county office building where the assessor is located and the immediate vicinity of the property being seized. Provides that the assessor is not required to sell property if the highest bid received is less than the lowest acceptable bid, which covers all taxes, penalties and costs associated with the seized property.

Section 35: Clarifies provisions relating to the application of property taxes to certain vehicles used as dwelling unit that are not subject to the government services tax. Defines "dwelling unit" to exclude such vehicles that are located within a recreational vehicle park that is licensed for parking vehicles for a duration of less than nine months per year.

Section 36: Eliminates the abatement of taxes for real or personal property that has been removed on or after the lien date.

Sections 37 and 38:

Transfer responsibility for an affidavit concerning development work performed at a mining site from the county clerk to the county recorder.

Section 47: Clarifies certain provisions relating to the recording of documents relating to real property.

Sections 48, 53, 56 to 63 and 65 to 66:

Require certain recorded documents and various maps, plats, records of survey and supporting documents to be compatible with the technology used by the county assessor. **Section 61** also requires that any amended subdivision plat, parcel map, map of division into large parcels or record of survey have a legal description that describes only the property included in the amendment.

Section 49: Authorizes the use, at the discretion of the recorder, of the proceeds of an optional fee charged by a county recorder for recording certain documents by other county offices that do business with the recorder.

Section 50 to 52:

Authorize the Clark County assessor to request and the governing body of a city or cities to approve the realignment of a boundary line that bisects a parcel of land that creates more than one tax parcel from a single legal parcel; provides certain requirements for the continuation of debt service for outstanding general and other obligations secured by pledged revenue when territory is detached from a city under these provisions; and apply certain definitions to the new provisions.

Sections 54, 55 and 64:

Provide technical changes to accommodate references to renumbered subsections elsewhere in the bill.

Section 67: Provides the following effective dates and sunset dates for various sections of the bill:

- July 1, 2003 is the effective date for this section and sections 1 to 7, 9, 11 13 to 41, 43, 45, 47 to 66.
- June 30, 2004 is the sunset date for the transitional sections 7, 9, 11, 41, 43 and 45.
- July 1, 2004 is the effective date for sections 8, 10, 12, 42, 44 and 46 that replace the transitional sections.