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**Work Session Document**  
**Assembly Taxation Committee**  
**April 8, 2003**

**AB 200**—Provides for the sale to a private party of a tax lien against real property after taxes have been delinquent for one year. The prime sponsor and another proponent of the measure pointed out that the use of tax liens would provide revenue to local governments faster while also limiting their loss of revenue if the owner of property files for bankruptcy protection. At the same time, investors, while assuming certain risks, would gain access to a new investment option that could provide higher income than other investment alternatives. A county treasurer opposed the bill because of concerns that she would be pressured to sell tax liens, that it would add costs because of the additional paperwork burden, and that it could produce additional litigation. At least two county treasurers were most concerned about the additional interest that would be applied and their inability to waive interest and penalties in particular taxpayer hardship cases once the tax lien is sold.

The prime sponsor of the measure proposed a series of amendments to the bill that are attached. One key amendment eliminates the ability of the holder of the tax lien to apply for a deed to the property that is subject to the lien. If the committee chooses to process this bill, staff suggests the following amendments to correct certain language in sections 23 and 24 of the bill:

Amend section 23, page 15, by deleting lines 26 and 27, and inserting:

*“real property against which a tax lien was sold in a manner that did not comply with the provisions of sections 2 to 13, inclusive, of this act.”.*

Amend section 24, page 15, line 36, by deleting *“this section.”* and inserting *“NRS 541.230.”*

**AB 204**—Proposes to triple the business license tax and cigarette tax and increase liquor taxes by 89 percent and the quarterly fees on restricted slots by 33 percent to provide additional state revenue during the April to June quarter. A spokesman for the Governor and the budget director explained the bill and indicated it was needed to shore up the state’s precarious fiscal condition in the event that a war with Iraq or another terrorist attack damages the state’s economy even further. The administration estimates the bill will raise about \$77.2 million during the three months; the fiscal division’s estimate is \$72.4 million. If state revenues continue to come in as expected for the remainder of the fiscal year, at least \$45 million of the revenues will be used to replenish part of an expected \$100 million appropriation from the state budget stabilization (rainy-day) fund. Staff presented several options that the committee could consider to reach this year’s ending fund balance requirement if the Legislature did not appropriate \$45 back to the rainy-day fund. These included a no tax option and several options that required less revenue than AB 204.

In a second day of testimony, several proponents made the same case as the administration, arguing that the only options beyond these tax increases were cuts to education and safety-net programs in the event the state economy declined once again. A couple of proponents argued that the cigarette tax increase was particularly important because it would discourage smoking and improve the health of some Nevadans.

The business community expressed various opinions on AB 204. Some rejected the bill on the grounds that the rainy-day fund was to be the bridge when there were temporary revenue shortfalls, and that raising taxes temporarily to replenish the fund was not logical. Some others supported partial increases in the taxes in AB 204, but generally expressed agreement that the tripling of the business license tax and the cigarette tax was excessive. The maximum acceptable increases expressed by some representatives for business and cigarette taxes were no more than double the current rates. There was little opposition to the liquor tax increases, except that the increases fall most heavily on the same segment of retailers as the other tax increases in AB 204. One small slot route operator suggested that the tax increase on restricted slots should be restructured to fall more heavily on major slot route operations and suggested a way to do that. A representative of slot route operators proposed that the increase in slot fees be limited to 25 percent rather than 33 percent.

F- 1 of 23

ASSEMBLY COMMITTEE ON TAXATION  
DATE: 4/8/03 ROOM: 4100 EXHIBIT F  
SUBMITTED BY: TED EVANS - LCB

**AB 208**—Authorizes a county to impose, with voter approval, a sales tax of up to one-quarter percent to pay for the operation and maintenance of a swimming pool. The bill applies only to counties with a population of less than 15,000. However, because the voters of White Pine County approved an advisory question on this matter at last November's general election, the bill would allow White Pine County to enact the tax without subsequent voter approval. The prime sponsor of the bill indicated that White Pine County was using a sales tax for this purpose because the property tax rate was already at the \$3.64 combined limit within the county.

A spokesman for the Department of Taxation **proposed an amendment to section 6 to make the act effective on July 1, 2003, rather than passage and approval**, so that the businesses in White Pine County can be properly notified of the increased tax and to allow proper administration of the tax for those businesses that file quarterly tax returns.

**AB 229**—This bill would increase the tax that a county of origin may impose on the transfer of water to another county in this state or to another state from \$6 per acre-foot per year to \$60 per acre-foot per year. Proponents of the measure argue that the \$6 figure is arbitrary and insufficient to get potential users of the water to bargain in good faith. The proponents also noted that the amount is very low compared to the amounts for water transfers that have been negotiated elsewhere in the West. Opponents argue that the \$60 figure is too high and is just as arbitrary as the \$6 figure. They note that the imposition of such a tax by a county of origin would discourage rather than encourage negotiations for the use of the water.

Both proponents and opponents offered amendments to the bill that are attached to this document. If the bill is processed further, staff suggests the following amendment to clarify the existing statutory language:

**Amend section 1, page 1, by deleting lines 5 and 6, and inserting:**

***“another county in this state or in another state, the county of origin may impose a”.***

**AB 339**—Increases the business tax from \$25 to \$35 per full-time equivalent employee per quarter effective July 1, 2003. The prime sponsor pointed out that an increase in the tax was overdue and that it would help the state meet its revenue needs. He also noted that the tax is easy to administer and easily calculated by businesses and is not opposed by the construction industry. A spokesperson for the Nevada Taxpayers Association agreed with the sponsor and noted that her organization also supported this increase in the tax. The measure was opposed by a representative of the Progressive Leadership Alliance who noted her organization was supporting a broad-based business tax similar to that proposed by the Governor and believed that an increase in the business tax does nothing to broaden the tax base. If approved, the bill would increase General Fund revenues by about \$66 million for the upcoming biennium.

**AB 342**—Imposes a \$3 per night occupancy tax on the rental of a room by a transient lodging establishment. The prime sponsor of the bill noted that it could provide more than \$300 million for the General Fund during the 2003-2005 biennium. He believed it was a better alternative than many of the tax proposals being discussed this session. He pointed out that it is tax that is passed along to the visitor on the rental bill and that it is imposed in New Orleans, which competes directly with Las Vegas for conventions and tourists. Opponents of the bill include representatives of visitor bureaus, vacation companies and hotels, motels and resorts. They believed that it would discourage visitors and reduce Nevada's competitiveness during a time that the state is facing many challenges from increased competition and the effects of September 11. Property owners from areas outside Las Vegas pointed out that the flat rate occupancy tax could increase their effective room tax rates by 10 percentage points or more.

**An amendment to AB 342 was proposed** on behalf of the American Resort Development Association, which was not opposed to the bill, **to clarify the exemption for occupancy by owners of time-share interests**. That amendment is attached. **A second amendment was proposed** by businesses which rent rooms to tenants whose stays typically exceeds 28 consecutive days **to eliminate the need provided in Section 13 for a 28-day prepayment of the lodging costs to qualify for the exemption for consecutive periods exceeding 28 days**. The prime sponsor supports both amendments.

**AB 348**—Establishes procedures for the Nevada Tax Commission to follow before adopting factors that are applied annually to the taxable value of improvements for property that has not been reappraised. The prime sponsor of the bill noted that the factors for improvements that are provided to assessors by the tax commission sometimes cause property to be overvalued. There was some disagreement among the assessors regarding the need for the bill, although no one directly recommended that the bill be killed. Every assessor agreed, however, that the bill should be amended to eliminate the ability of a board of county commissioners to object to the factors in an attempt to have them changed. **The amendment would simply delete all references to “board(s) of county commissioners” in section 1.** The Nevada Taxpayers Association also supported the bill and the proposed amendment.

**AB 351**—Proposes to the voters an amendment to the Sales and Use Tax Act to exempt medicines and medical devices ordered for senior citizens 62 and over by licensed health care providers. If approved by the voters, the act triggers an identical exemption from all local sales taxes. The prime sponsor of the bill noted that seniors need many medical products for their well-being that are available over the counter, but that the sales taxes on such products make them less affordable. She noted that a senior would have to provide a document from the medical provider to the seller to obtain the exemption. Concerns were raised over the size of the potential fiscal effect of the exemption and how the exemption would be administered. The sponsor indicated she would review the bill and **possibly propose amendments** that may alleviate those concerns.

**AB 364**—Authorizes the imposition of a one-cent per gallon gasoline tax by a city or county to be used to mitigate the impact of high-volume traffic on developed areas through various right-of-way improvements such as sound walls, sidewalks, crossing aids, etc. The prime sponsor of the bill noted that AB 364 would provide a potential source of revenue to local governments for such projects that does not now exist. A supporter of the bill also pointed out that the proceeds could be leveraged to secure Federal matching funds to construct the right-of-way improvements. Opponents of the measure included fuel dealers and suppliers. They objected to the potential addition of higher taxes on already high fuel prices. One opponent also objected to the earmarking of fuel tax revenue for specific purposes. A representative of the Department of Motor Vehicles indicated that the bill would have a fiscal effect on the department and that an unsolicited fiscal note had been prepared. That fiscal note has not reached the fiscal division as yet.

One person noted the difficulty of collecting the tax under the provisions of AB 364 because a single city could impose the tax. He suggested amending the bill to either allow the option only at the county level or to have the tax collected at retail if the authority to levy the tax is left with a city. The prime sponsor agreed that the bill would need to be amended to make the collection of the tax as administratively efficient as possible. **A proposed amendment is attached.**

**AB 366**—Provides a \$2,000 exemption from the determined value of a vehicle for purposes of the governments services tax for a resident of Nevada who is on active duty in the Armed Forces but is required to live in another state because of that military service. The section also provides for indexing of the \$2,000 for inflation as measured by changes in the Consumer Price Index beginning in FY 2005-06. The prime sponsor of the bill and various supporters of the measure noted that granting an exemption is a fair and right thing to do to show of appreciation to those who serve their country in the military. One supporter of the bill also noted that Federal law exempts non-resident service members from being compelled to pay the taxes of the state where they are stationed. There was no opposition to the AB 366. The Department of Motor Vehicles submitted a fiscal note that estimated a revenue loss of between \$400,000 and \$1.6 million depending upon the number of residents on active duty who apply for the exemption.

**An amendment, which is attached, was proposed to exempt any resident from the government services tax who is on active duty in the United State military. The amendment also proposes to expand the veterans' exemption (\$1,750 for next year) to cover all veterans regardless of the dates they served in the military if they were on active duty for at least 90 consecutive days and were honorably discharged.**

**AB 387**—Reduces the rate of the Government Services Tax (GST) from four percent to two percent and increases certain other taxes and eliminates certain tax exemptions to replace the forgone revenues. The prime sponsor noted that the GST is one of the most disliked taxes in the state, and the tax on vehicles in Nevada is one of the highest in the nation. It would also provide a tax break to Nevada residents at a time other taxes are likely to be increased. There was only limited testimony on the bill due to time constraints. Representatives from the real estate industry voiced opposition to the 50 cent per \$500 of value (\$200 on a \$200,000 home) increase in the Real Property Transfer Tax contained in the bill. They argued that the tax would make it more difficult for first-time homebuyers to qualify for a loan and that it would hurt real estate sales in general. **The bill was to be further considered in a subcommittee.**

**AB 437**—Revises the definition of “supplier” of liquor produced outside the United States to include only a brewer, distiller, manufacturer, producer, vintner, or bottler of liquor or his designated agent or, only when there is no such producer to sell the liquor to an importer into this state, the owner of the liquor when it is first transported to a location under the jurisdiction of the U.S. government. A principal supporter indicated that the bill would clarify existing language and possibly close a loophole in the interpretation of the statute that could be exploited by unethical liquor dealers. A spokesman for a small wine wholesaler opposed the bill on the basis that it would likely reduce competition for liquor products produced outside the United States, which, in turn, would hurt both small wholesalers and consumers alike. Although the change in the definition appears to be substantive, a spokesman from the Department of Taxation agreed with the supporters of the bill.

**AB 442**—Authorizes a county assessor to abate property taxes for the land portion of certain residences to avoid a severe economic hardship for the owner and specifies the procedures to be followed and the requirements to grant the exemption. The prime sponsor noted that the bill was a direct result of voter’s approval of Question 8 on the 2002 ballot, which expressly authorized such an exemption. He observed that property values are increasing at extraordinary rates in the Lake Tahoe basin, for example, and that many property owners cannot afford the taxes and may be forced to sell their property. In many instances the taxes become so high and the uses of the property so restricted that the only potential buyer is a government agency. He noted that the bill provides for a seven-year recapture of the abated taxes if the property is sold or otherwise changes ownership.

**The sponsor proposed an amendment, a copy of which is attached.** The Nevada Taxpayers Association voiced support for the bill but suggested that **the committee consider amendments that would add some objective criteria, such as the income of the claimant or the increase in the assessed value of the property, to qualify for the exemption.** No specifics on the taxpayers’ group suggestion were provided.

**AB 514**—Provides for enactment of certain provisions that are necessary to carry out the Streamlined Sales and Use Tax Agreement. The prime sponsor of the bill noted that it was important for Nevada to become a party to the agreement for several reasons. The most important being that it would likely result in the state being likely to collect taxes on Internet and catalog sales to residents. He provided data that indicated nearly \$200 million per year of state and local revenue is currently being lost because of such sales. Other supporters of the legislation included representatives of the retail industry, the Nevada Taxpayers Association and the Department of Taxation.

Following the meeting, at the request of the chairman, staff discussed with Legislative Counsel whether the bill, which is, according to the title, in skeleton form, needed to be further amended. Legislative Counsel indicated that further amendments were needed for Nevada to conform to the requirements of the agreement and that **her office would provide a proposed amendment for the committee to consider.** The amendment will be made available as soon as possible.

**AB 533**—Amends various statutes of concern to county assessors as proposed by the Assessor’s Association. Among other things, the bill would revise various assessment standards and practices, exemptions and the relationship between the assessor and other state and local government agencies. Spokesmen for the assessors explained the bill in detail and responded to many questions from the

committee members. They also proposed several amendments to the bill and agreed to others as questions were raised.

After the assessors' testimony concluded, there was little opposition to most of the bill, although a representative from Clark County submitted an amendment to remove two sections of the bill that gave exclusive authority to the Department of Taxation to conduct performance audits of assessors, and a spokesman representing cities opposed a provision that increased the percentage commission on personal property taxes retained by a county. The assessors oppose these changes. A veterans' organization and a county recorder proposed other amendments that did not raise any objections. A Nevada Taxpayers Association representative opposed the increases and expansion of the exemptions contained in the bill.

**A compilation of the proposed amendments is attached.**

**AJR 8**— Proposes to amend the Nevada Constitution to make an exception to the uniform and equal provisions relating to taxation to authorize the reassessment of property upon the transfer of its ownership and, under certain circumstances, upon its conversion to another use. The prime sponsor noted that this would allow the Legislature to draft legislation to provide additional taxable value in the state by reassessing property upon its sale or conversion to another use. This resolution is exempt from the April 11 deadline, but has also been referred to the Committee on Constitutional Amendments. If approved at this Legislative Session, the measure would have to be approved in an identical form by the 2005 Legislature before being sent to the voters for their approval.

## ATTACHMENTS

Amendments to AB 200

Delete underlined - Insert *italicized*

age 2

Sec 4 sub 2. Line 21 The procedure must include *but is not limited to:*

Sec 5 sub 1. Line 34 The board of county commissioners may direct the county treasurer *The county treasurer may decide*

Sec 5 sub 1. (d) Line 44 The price for the tax lien established by the board treasurer is at least equal to the amount of the taxes, *penalties, costs and interest* which are delinquent for the parcel.

Page 3

Sec 6 sub 2. (b) Line 32 The rate of interest established by the board may not be less than 15 10 percent per annum or more than 30 20 percent per annum.

Page 5

Sec 9 sub 1. Line 1 county treasurer shall:

- (a) *collect the delinquent taxes pursuant to the remedies set forth in NRS 361.5648 to 361.730, inclusive, or*
- (b) send a notice

Sec 9 sub 1. Line 3 maintained by the county treasurer. The holder may *must*, within

sec 9 sub 2. (a) Lines 9 & 10 Delete all as it appears as (a) in sub 1.

Sec 9 Line 11 (b) The county treasurer may sell the tax lien to another person if the county treasurer is directed to do so by the board of county commissioners.  
*the county treasurer may sell a new tax lien. The buyer of the new tax lien must redeem any previously purchased lien.*

Page 6

Sec 12 Line 15 of this act within 2 years after it is sold, the holder of the certificate of purchase may:

1. Commence an

*the same time granted the county to collect the taxes set forth in NRS 361.5648 to 361.645, inclusive, may commence an* action for the collection of the delinquent taxes, penalties, interest and costs pursuant to NRS 361.645 to 361.715, inclusive; or

2. File a written request with the county treasurer to receive a deed to the parcel of real property which is the subject of the tax lien.

Delete all of Section 13

Renumber sections appropriately

Delete all appearances of , if the board of county commissioners so directs. which follow section 13.

Define interest to be simple interest to be calculated annually on each certificate from the original date of issue.

AB 229 Amendment

Proposed by the Southern Nevada Water Authority

**Section 1.** NRS 533.438 is hereby amended to read as follows:

533.438 1. Except as otherwise provided in subsection 4, if an appropriation of ground water pursuant to a permit to appropriate ground water results in the transfer to and beneficial use of water in a county in this state other than the county in which the water is appropriated or in another state, the county of origin may impose a tax of ~~150~~ ~~560~~ \$6 per acre-foot per year on the transfer. *The county of origin may further negotiate with parties for other compensation and may enter into interlocal agreements pursuant to NRS 277 to arrange for other benefits that would accrue to the county of origin which facilitates the development of water resources in the county from which it is appropriated.*

2. A county of origin shall not impose a tax pursuant to subsection 1 without the prior approval of the State Engineer. The county of origin shall notify the State Engineer in writing of its intent to impose the tax. The State Engineer shall review the notice of intent to impose the tax to determine:

(a) Whether the appropriation of ground water pursuant to the permit specified in subsection 1 results in a transfer to and beneficial use of water in a county in this state other than the county of origin or in another state; and

(b) The amount of water, if any, that is:

(1) Subject to the proposed tax because of that transfer and beneficial use; or

(2) Not subject to the proposed tax pursuant to subsection 4.

3. Within 30 days after reviewing the notice of intent to impose the tax, the State Engineer shall send a written notice to the county of origin that includes the results of his review. If the State Engineer determines that the appropriation of ground water pursuant to the permit results in a transfer to and beneficial use of water in a county in this state other than the county of origin or in another state, the State Engineer shall include in the notice the amount of water that is subject to the proposed tax. The county may, upon such a determination, impose the tax on the transfer.

4. A tax may not be imposed pursuant to this section on water that is appropriated and beneficially used pursuant to a permit to appropriate ground water which is issued for a point of diversion and a place of beneficial use in the county of origin and which, after the water is diverted and beneficially used, is discharged or migrates into a county in this state other than the county of origin or into another state.

5. All money collected from a tax imposed pursuant to this section must be deposited in a trust fund for the county. The principal and interest of the trust fund may be used by the county only for the purposes of economic development, health care and education.

6. For the purposes of this section, if a basin includes land lying in more than one county, each county any part of whose land is included is a county of origin to the extent of the proportionate amount of water transferred from it. The State Engineer shall determine the respective proportions.

7. As used in this section:

(a) A "basin" is one designated by the State Engineer for the purposes of chapter 534 of NRS.



- Imputed Property Tax
  - Assume \$5,000/ac.ft. value
  - Assessed value is \$1,666
  - Property tax equivalent =  $(\$3.64/100) \times \$1,666 = \$60.64/ac.ft.$

### **Closing Thoughts**

- Is the fee provided for in NRS 533.438 really a tax or a fee?
- If a tax, can it be imposed upon a tax exempt entity (i.e. a county, city, water authority or water district)?
- What about inflation? If not regularly adjusted to account for inflation, the value of the revenue stream made possible through NRS 533.438 diminishes each year? Current NRS authorizes annual real property tax revenue increase by local governments of up to 6 percent to reflect inflation.
  - Arizona Water Banking Authority fees paid to Salt River Valley Water Users Assn. are increased by 3 percent annually
  - Duke Energy fees to City of Clovis are adjusted annually by the Consumer Price Index, but never will fall below the original base amount

### **Suggested Amendments to AB 229**

- Change all reference in the bill from tax to fee.
- Provide mechanism for annual adjustment of fee to account for inflation.
- Assess fee on a per 1,000 gallon basis, measured by a flow meter.

**For Additional Info. Contact:**  
**Mike L. Baughman, Ph.D.**  
**Executive Director**  
**Humboldt River Basin Water Authority**  
**(775) 883-2051**

# PROPOSED AMENDMENTS TO AB 342

(March 24, 2003)

Proposed amendment submitted by:

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On behalf of the American Resort Development Association

Purpose: To clarify the exemption for occupancy by owners of time share interests.

## Amend Section 4:

Sec. 4. 1. "Transient lodging establishment" means any establishment that is kept, used or maintained as, or held out to members of the public to be, a place where sleeping or rooming accommodations are furnished to temporary or transient paying guests.

2. Except as otherwise provided in subsection 3, the term includes, without limitation:

- (a) Hotels.
- (b) Motels.
- (c) Time-share projects, except when an owner of a ~~{unit}~~ *timeshare interest* in ~~{the}~~ *a* time-share project who has a right to use or occupy ~~{the}~~ *a* unit is occupying ~~{the}~~ *a* unit pursuant to a time-share instrument as defined in NRS 119A.150 *or a program for the exchange of occupancy rights pursuant to NRS 119A.590.*
- (d) Apartment hotels.
- (e) Vacation trailer parks.
- (f) Campgrounds.
- (g) Parks for recreational vehicles.
- (h) Any other establishment that rents rooms or spaces, or both, to temporary or transient paying guests.

## Add New Section 33:

**Section 33. NRS 244.33565 Taxes on revenues from rental of transient lodging: Adoption of ordinance defining "transient lodging."** 1. Each board of county commissioners shall adopt an ordinance that defines the term "transient lodging" for the purposes of all taxes

imposed by the board on the rental of transient lodging. The ordinance must specify the types of lodging to which the taxes apply.

2. The definition adopted by the board may include rooms or spaces in any one or more of the following:

- (a) Hotels;
- (b) Motels;
- (c) Apartments;
- (d) Time-share projects, except when an owner of a ~~{unit}~~ *timeshare interest* in ~~{the}~~ *a* time-share project who has a right to use or occupy ~~{the}~~ *a* unit is occupying ~~{the}~~ *a* unit pursuant to a time-share instrument as defined in NRS 119A.150 *or a program for the exchange of occupancy rights pursuant to NRS 119A.590;*
- (e) Apartment hotels;
- (f) Vacation trailer parks;
- (g) Campgrounds;
- (h) Parks for recreational vehicles; and
- (i) Any other establishment that rents rooms or spaces to temporary or transient guests.

3. The board may provide one or more different definitions pursuant to subsection 1 for different jurisdictions within the county in which the taxes are collected. Unless the governing body of the governmental entity that collects the taxes consents by majority vote to a change, each definition must be consistent with the past practices of the specific jurisdiction in which the taxes are collected.

(Added to NRS by 1997, 1266)

Amendment No. \_\_\_\_\_

# 2

Assembly Amendment to Assembly Bill 364 (BDR 32-1119)
Proposed by: City of Sparks
Amendment Box:
Resolves Conflicts with: N/A
Amends Summary, preamble and text of bill.

Amend the Summary of the Bill to read: **SUMMARY --Authorizes imposition of additional tax on motor vehicle fuel by counties for distribution, in part, to cities.**

Amend the preamble to read: **AN ACT relating to taxes on motor vehicle fuels; authorizing counties to impose an additional tax on motor vehicle fuel; requiring that a portion of the tax be allocated to incorporated cities; prescribing the authorized uses of the revenue from the tax; and providing other matters properly relating thereto.**

Amend Section 2 of the Bill by deleting all subsections and replacing with new subsections to read as follows:

*1. In addition to any other tax provided for in this chapter, a board of county commissioners may, by ordinance impose an excise tax of 1 cent per gallon on motor vehicle fuel, except aviation fuel.*

*2. Any ordinance enacted pursuant to subsection 1 must:*

*(a) impose the additional excise tax (stating the amount of the tax per gallon of fuel) on the first day of the second calendar month following the enactment of the ordinance;*

*(b) include provisions identical to those contained in this chapter on the date of enactment of the ordinance, insofar as applicable, except that the name of the county as taxing agency must be substituted for that of the state and that an additional supplier's license is not required;*

*(c) include a provision that all amendments to this chapter subsequent to the date of enactment of the ordinance, not inconsistent with this chapter, automatically become a part of the motor vehicle fuel tax ordinance of the county;*

*(d) include a provision that the county shall contract prior to the effective date of the county motor vehicle fuel tax ordinance with the department to perform all functions incident to the administration or operation of the motor vehicle fuel tax ordinance of the county; and*

*(e) include a provision that any ordinance amending the county motor fuel tax ordinance shall include a provision in substance that the county shall amend the contract made with the department under paragraph (d) of this subsection prior to the effective date of such amendatory ordinance, unless the county determines with the written concurrence of the commission that no such amendment of the contract is necessary or desirable.*

*3. All motor vehicle fuel taxes collected during any month by the department pursuant to contract with any county shall be transmitted each month by the department to such county and the department shall charge the county for the department's services to reimburse the department for the cost to it of rendering the services provided under the contract with the county.*

*4. The money paid to the county by the department pursuant to the provisions of subsection 3 of Section 2 of this Act shall be allocated between the county, for the unincorporated area of the county, and each of the incorporated cities within the county in proportion to population.*

*5. The county shall allocate and pay the money pursuant to subsection 4 above on a monthly basis.*

Amend Section 3 of the bill to eliminate subsection 1 and renumber subsection 2.

MARCIA De Braga

AB 366

**Section 1.** Chapter 371 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. A vehicle registered by any actual bona fide resident of the State of Nevada who is on active duty in the Armed Forces of the United States is exempt from governmental and supplemental services tax.*

*2. Before allowing any exemption pursuant to the provisions of this section, the Department shall require such proof of the status of the applicant as may be necessary to determine his qualifications for the exemption. After the department determines that the person is entitled to the exemption, the department shall annually grant the exemption for vehicles registered by that person until the department determines that the person is no longer entitled to the exemption.*

*3. If any person files a false affidavit or produces false proof to the Department, and as a result of the false affidavit or false proof a tax exemption is allowed to a person not entitled to the exemption, he is guilty of a misdemeanor.*

*4. If a vehicle ceases to be exempt from taxation after the beginning of a registration year, the amount of the tax otherwise due will be reduced by 1/12 for each month that has elapsed since the beginning of the year.*

**Sec. 2.** NRS 371.1035 is hereby amended to read as follows: Exemption of a vehicle registered to veteran. Vehicles to the extent of \$2000 determined valuation, registered by any actual bona fide resident of the State of Nevada who:

- (a) has served a minimum of 90 continuous days active duty, none of which was for training purposes, *OR*
- (b) Has served on active duty in connection with carrying out the authority granted to the President of the United States

in Public Law 102-1 and who received, upon severance from service, an honorable discharge or certificate of satisfactory services from the Armed Forces of the United States, is exempt from taxation.

2-38 (a) Pay to the Department all or any portion of the amount by  
2-39 which the tax would be reduced if he claimed his exemption;  
and

2-40 (b) Direct the Department to deposit that amount for credit to  
2-41 the Veterans' Gift Account established pursuant to NRS  
417.145.

2-42 2. Any person who wishes to waive his exemption pursuant  
to  
2-43 this section shall designate the amount to be credited to the  
Account  
2-44 on a form provided by the Department.

3-1 3. The Department shall deposit any money received pursuant  
3-2 to this section with the State Treasurer for credit to the Veterans'  
3-3 Home Account established pursuant to NRS 417.145. The State  
3-4 Treasurer shall not accept:  
3-5 (a) For Fiscal Year 2001-2002, more than a total of \$1,250,000;  
3-6 (b) For Fiscal Year 2002-2003, more than a total of \$1,500,000;  
3-7 and  
3-8 (c) For Fiscal Year 2003-2004, more than a total of  
3-9 \$1,750,000,  
3-10 for credit to the Account pursuant to this section and NRS  
361.0905  
3-11 during any fiscal year.

3-12 **Sec. 3.** NRS 371.1035 is hereby amended to read as follows:

3-13 371.1035 1. Any person who qualifies for an exemption  
3-14 pursuant to NRS 371.103 *or section 1 of this act* may, in lieu of  
3-15 claiming his exemption:

3-16 (a) Pay to the Department all or any portion of the amount by  
3-17 which the tax would be reduced if he claimed his exemption;  
and

3-18 (b) Direct the Department to deposit that amount for credit to  
3-19 the Veterans' Home Account established pursuant to NRS  
417.145.

3-20 2. Any person who wishes to waive his exemption pursuant  
to  
3-21 this section shall designate the amount to be credited to the  
Account  
3-22 on a form provided by the Department.

3-23 3. The Department shall deposit any money received  
pursuant  
3-24 to this section with the State Treasurer for credit to the Veterans'  
3-25 Home Account established pursuant to NRS 417.145. The State  
3-26 Treasurer shall not accept more than a total of \$2,000,000 for  
credit  
3-27 to the Account pursuant to this section and NRS 361.0905  
during



3-28 any fiscal year.

3-29 **Sec. 4.** NRS 371.105 is hereby amended to read as follows:

3-30 371.105 ~~{Claims}~~ *Except as otherwise provided in NRS*

3-31 *371.103 and section 1 of this act, claims* pursuant to NRS  
371.101,

3-32 371.102, 371.103 or 371.104 *or section 1 of this act* for tax

3-33 exemption on the governmental services tax and designations of  
any

3-34 amount to be credited to the Veterans' Home Account pursuant  
to

3-35 NRS 371.1035 must be filed annually at any time on or before  
the

3-36 date when payment of the tax is due. All exemptions provided  
for in

3-37 this section must not be in an amount which gives the taxpayer a

3-38 total exemption greater than that to which he is entitled during  
any

3-39 fiscal year.

3-40 **Sec. 5.** NRS 371.106 is hereby amended to read as follows:

3-41 371.106 1. Whenever any vehicle ceases to be exempt from

3-42 taxation under NRS 371.101, 371.102, 371.103 or 371.104 *or*

3-43 *section 1 of this act* because the owner no longer meets the

3-44 requirements for the exemption provided in those sections, its  
owner

3-45 shall immediately notify the Department of the fact.

4-1 2. If a person fails to notify the Department as required by  
4-2 subsection 1 and as a result of such failure is allowed a tax  
4-3 exemption to which he is not entitled, there ~~shall~~ *must* be added  
to  
4-4 and collected with the tax otherwise due a penalty equal to  
double  
4-5 the amount of the tax. If the person's failure is fraudulent and  
results  
4-6 in his receiving a tax exemption to which he is not entitled, the  
4-7 person is also guilty of a gross misdemeanor.  
4-8 **Sec. 6.** 1. This section and sections 1, 2, 4 and 5 of this act  
4-9 become effective on July 1, 2003.  
4-10 2. Section 3 of this act becomes effective on July 1, 2004.  
4-11 3. Section 2 of this act expires by limitation on June 30,  
2004.

## Proposed Amendment to Assembly Bill No. 442

Amend sec. 3, page 2, by deleting lines 1 through 24, and inserting:

**“Sec. 3. 1.** *Any owner of a single-family residence that has been occupied by the owner for at least 6 months and is expected to continue to be so occupied for at least the next fiscal year may file an application with the county assessor of the county in which the residence is located for an abatement of the property taxes that have been or will be assessed against the property if the value of the appurtenant land increased in one or more of the last assessments at such a rate as to create a severe economic hardship for an owner of the property.*

*2. In determining whether the value of the appurtenant land increased in <sup>one or more of</sup> the last assessments<sub>^</sub> at such a rate as to create a severe economic hardship for one or more owners of the property, the county assessor may consider any information the county assessor deems appropriate, including, without limitation, whether the property taxes assessed as a result of the last assessment in which the value of the appurtenant land was significantly increased are so high as to cause no prospective purchasers to be willing to buy the property from the owner or owners except governmental or other purchasers who are exempt from property taxes.”.*

Amend sec. 4, page 3, by deleting lines 21 through 26 and inserting:

**“3.** *The County Assessor shall grant the abatement if he determines that the facts in his possession indicate to him that the value of the land appurtenant to a single family dwelling has increased at a rate that has created a severe economic hardship for the applicant. Such a decision is in the sole discretion of the County Assessor.*

*4. If the County Assessor denies an application, he shall send to the applicant a written notice of his determination within 10 days after the determination is made.”.*

**Amendments to AB 533 proposed or agreed to by county assessors:  
(compiled and prepared by fiscal analysis division)**

Amend bill as whole by deleting sections 14 and 49 and renumbering sections 15 through 48 as 14 through 47 and renumbering sections 50 through 67 as sections 48 through 65.

Amend section 1, page 3, by deleting line 9 and inserting:

***“Department or the legislative auditor, shall not perform an audit, other than a financial”.***

Amend section 4, page 3, by deleting “and orphan children” on lines 31 and 32 and inserting:

~~“and orphan children”~~; by deleting “or orphan child” on line 37 and inserting:

~~“or orphan child”~~; and by deleting “spouse or orphan child” on line 38 and inserting: “spouse. ~~or orphan child.~~”

Amend section 15, page 16, line after “6.” by inserting:

***“The provisions of sections 1 and 2 of NRS 361.228 do not apply for the purposes of determining the full cash value of a fee simple interest in property pursuant to subsection 5.”***

Amend section 15, pages 16 and 17, by renumbering subsections 7 through 9 as subsections 8 through 10.

Amend section 16, page 17, by deleting lines 19 to 21.

Amend section 20, page 21, by deleting line 38 and inserting:

***“state entity, other than the legislative auditor, may audit the receipts generated in the office of the”.***

Amend section 22, page 25, lines 11 and 12, by deleting:

***“is excessive or”*** and inserting:

***“exceeds the full cash value of a fee simple interest in property or is”.***

Amend section 26, page 29, line 5, by deleting “require” and inserting

***“authorized”.***

Amend section 26, page 29, line 9, by deleting:

***“is excessive or”*** and inserting:

***“exceeds the full cash value of a fee simple interest in property or is”.***

Amend section 39, page 39, by deleting “and orphan children” on lines 20 and 21 and inserting:

~~“and orphan children”~~; by deleting “or orphan child” on line 26 and inserting:

~~“or orphan child”~~; and by deleting “spouse or orphan child” on line 27 and inserting:

~~“spouse. or orphan child.”~~

Amend section 47, page 48, by deleting lines 16 through 26 and inserting:

***“3. The county recorder shall not record with respect to real property any ~~conveyance of real property or instrument in writing~~ deed, including, without limitation, a:***

***(a) Grant, bargain and sale deed;***

***(b) Quitclaim deed;***

***(c) Warranty deed; or***

***(d) Trustee’s deed upon sale,***

***unless the document being recorded contains the name and address of the person to whom a statement of taxes assessed on the real property is to be mailed.”***

Amend section 48, page 49, by deleting lines 13 and 14, and inserting:  
“documents. *Such documents must be in a form acceptable to the county recorder and the county assessor.*”

Amend section 53, page 51 by deleting lines 37 and 38, and inserting:  
“*be in a form acceptable to the county recorder and the county assessor.*”

Amend section 56, page 54, by deleting lines 10 and 11, and inserting:  
“*be in a form acceptable to the county recorder and the county assessor.*”

Amend section 57, page 54, by deleting lines 41 and 42, and inserting:  
“*in a form acceptable to the county recorder and the county assessor.*”

Amend section 58, page 55, by deleting lines 31 and 32, and inserting:  
“*in a form acceptable to the county recorder and the county assessor.*”

Amend section 59, page 56, by deleting lines 12 and 13, and inserting:  
“*in a form acceptable to the county recorder and the county assessor.*”

Amend section 60, page 58, by deleting lines 36 and 37, and inserting:  
“*in a form acceptable to the county recorder and the county assessor.*”

Amend section 61, page 60, by deleting lines 13 and 14, and inserting:  
“*and the supporting documents must be in a form acceptable to the county recorder and the county assessor.*”

Amend section 62, page 61, by deleting lines 8 and 9, and inserting:  
“*in a form acceptable to the county recorder and the county assessor.*”

Amend section 65, page 62, by deleting lines 37 and 38, and inserting:  
“*in a form acceptable to the county recorder and the county assessor.*”

Amend section 66, page 63, by deleting lines 8 and 9, and inserting:  
“*documents must be in a form acceptable to the county recorder and the county assessor.*”

**Amendment to AB 533 proposed by Chairman Parks:**  
(prepared by fiscal analysis division)

Amend section 19, page 20, by deleting lines 25 through 27, and inserting:  
“(b) To ~~cause~~ **make available to the public** such list and valuations ~~to be published  
once~~ on or before January 1 of the fiscal year in which assessment is made ~~in~~. **The list  
and valuations must be printed and placed for inspection in all public libraries and  
branch libraries in the county and in a public area of the county courthouse or the  
county office building in which the assessor’s office is located and:**

**(1) Posted on a website or other Internet site that is operated or administered by or on  
behalf of the county or county assessor; or**

**(2) If there is no website or other Internet site operated by or on behalf of the county  
or county assessor, published once in a newspaper of general circulation in the county.”**

**Amendment Proposed by Veterans' Representative:**

ASSEMBLY BILL NO. 533

SUMMARY – Makes various changes to provisions governing the recordation and taxation of property. (BDR 32-122)

AMMENDEMENT – Pursuant to provision of NRS 417.145 paragraph 7:

Page 6, Section 7, paragraph 5 (b), line 34 change:

**“Home” to “Gift”**

Page 8, Section 8, paragraph 4 (b), line 3 change:

**“Home” to “Gift”**

Page 8, Section 9, paragraph 1 (b), line 39 change:

**“Home” to “Gift”**

Page 9, Section 9, paragraph 3 (b), line 1 change:

**“Home” to “Gift”**

Page 9, Section 9, paragraph 3 (b), line 17 change:

**“Home” to “Gift”**

Page 9, Section 9, paragraph 3 (b), line 24 change:

**“Home” to “Gift”**

Page 10, Section 11, paragraph 5 (b), line 29 change:

**“Home” to “Gift”**

Page 12, Section 12, paragraph 4 (b), line 12 change:

**“Home” to “Gift”**

4/02/2003

**Assembly Bill 533  
(As Introduced)**

**SUGGESTED AMENDMENT**

**Proposed by AUDIT DEPARTMENT, CLARK COUNTY NEVADA**  
*Contact person: Jerry Carroll, Director (702) 455-3269*

Intent of Amendment: To remove sections 1 and 20 and return the bill to existing law as it relates to audits.

Amend the bill as a whole by deleting sections 1 and 20 and renumbering sections 2 through 19 as sections 1 through 18 and sections 21 through 67 as sections 19 through 65.

Amend section 67, page 63, by deleting lines 10 through 16 and inserting:

- "**Sec. 65.** 1. This section and sections 1 to 6, inclusive, 8, 10, 12 to 39, inclusive, 41, 43 and 45 to 64, inclusive, of this act become effective on July 1, 2003.
2. Sections 6, 8, 10, 39, 41 and 43 of this act expire by limitation on June 30, 2004.
  3. Sections 7, 9, 11, 40, 42 and 44 of this act become effective on July 1, 2004."