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AB 533 - Proposed Amendment
Nevada Association of REALTORS®
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First Reprint
Page 16, section 16,

Remove proposed wording:

16-17 **Sec. 16.** NRS 361.228 is hereby amended to read as follows:
16-18 361.228 1. All intangible personal property is exempt from
16-19 taxation, including, without limitation:
16-20 (a) Shares of stock, bonds, mortgages, notes, bank deposits,
16-21 book accounts such as an acquisition adjustment and credits, and
16-22 securities and choses in action of like character; and
16-23 (b) Goodwill, customer lists, contracts and contract rights,
16-24 patents, trademarks, trade names, custom computer programs,
16-25 copyrights, trade secrets, franchises and licenses.
16-26 2. The value of intangible personal property must not enhance
16-27 or be reflected in the value of real property or tangible personal
16-28 property.
16-29 3. The attributes of real property, such as zoning, location,
16-30 view and geographic features, are not intangible personal property
16-31 and must be considered in valuing the {real} property, if appropriate.
16-32 ~~[4. The provisions of subsections 1 and 2 do not apply for the~~
16-33 ~~purposes of determining the full cash value of a fee simple interest~~
16-34 ~~in property pursuant to subsection 5 of NRS 361.227].~~

Rational:

Currently the law acknowledges that items as illusive as "good will" should be excluded from the valuation process for property tax purposes. Such intangibles are dependent on extreme subjectiveness in any attempt to set a value for them. The worth of these intangibles is difficult to determine, with values that can fluctuate widely in short periods of time due to commercial market vagaries.

There needs to be a certainty in how property tax values are set. The proposed amendment creates uncertainty by requiring county assessors to attempt to value the intangible. It opens the door for an increase in hearings on how the county should value such things as the trademark worth of a McDonald's or the "good will" of a neighborhood laundromat.

Intangibles, like the name implies, are poor subjects for tax valuation. The proposed wording should be removed.

The Voice for Real Estate™ in Nevada

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ASSEMBLY WAYS AND MEANS

DATE: 5/19/03 ROOM: 3137 EXHIBIT D

SUBMITTED BY: Mark Schofield

