
ASSEMBLY BILL NO. 442—ASSEMBLYMAN HETTRICK

MARCH 17, 2003

Referred to Committee on Taxation

SUMMARY—Provides for abatement of property taxes for certain residences to avoid severe economic hardship. (BDR 32-783)

FISCAL NOTE: Effect on Local Government: Yes.
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; authorizing county assessors to grant an abatement of property taxes for certain residences to avoid severe economic hardship; providing for the repayment of all or a portion of the abated taxes upon sale of the property or other mitigation of the severe economic hardship; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 361 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 13, inclusive, of this
3 act.
4 **Sec. 2.** *As used in sections 2 to 13, inclusive, of this act,*
5 *unless the context otherwise requires:*
6 1. *“Occupied by the owner” means that the residence and the*
7 *appurtenant land are held for the exclusive use of the owner, or*
8 *one or more of the owners, and not rented, leased or otherwise*
9 *made available for exclusive occupancy by a person other than the*
10 *owner or owners.*
11 2. *“Single-family residence” includes:*
12 (a) *A single dwelling unit and all land appurtenant thereto.*



1 ***(b) An individually owned residential unit that is an integral***
2 ***part of a larger complex and all land included in the assessed***
3 ***valuation of the individually owned unit.***

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

13 **2.** ***In determining whether the value of the appurtenant land***
14 ***increased in the last assessment at such a rate as to create a severe***
15 ***economic hardship for one or more owners of the property, the***
16 ***county assessor may consider any information the county assessor***
17 ***deems appropriate, including, without limitation, whether the***
18 ***property taxes assessed as a result of the last assessment in which***
19 ***the value of the appurtenant land was significantly increased are***
20 ***so high as to cause no prospective purchasers to be willing to buy***
21 ***the property from the owner or owners except governmental or***
22 ***other purchasers who are exempt from property taxes and will not***
23 ***purchase the property for a fair appraised value of the property or***
24 ***pay property taxes on the property after the purchase.***

25 **3.** ***Any application for an abatement of property taxes***
26 ***pursuant to this section must be filed on or before June 1 of any***
27 ***year with the county assessor of the county in which the property***
28 ***is located to be effective, if approved, for the next ensuing fiscal***
29 ***year.***

30 **4.** ***Except as otherwise provided in this subsection, a new***
31 ***application to continue the abatement is required on or before***
32 ***June 1 following any change in ownership of any portion of the***
33 ***property. If the property is divided, an owner who retains a portion***
34 ***of that property and qualifies for an abatement is not required to***
35 ***file a new application to continue the abatement on the portion***
36 ***retained.***

37 **5.** ***The application must be made on a form prepared by the***
38 ***Department and supplied by the county assessor and must include***
39 ***such information as may be required to determine the entitlement***
40 ***of the applicant to an abatement of the taxes on the property. Each***
41 ***application must contain an affidavit or affirmation by the***
42 ***applicant that the statements contained therein are true.***

43 **6.** ***The application must be signed by:***
44 ***(a) The owner or owners of the property;***



1 ***(b) Any person, of lawful age, authorized by an executed***
2 ***power of attorney to sign an application on behalf of any person***
3 ***described in paragraph (a); or***

4 ***(c) The guardian or conservator of any person described in***
5 ***paragraph (a) or the executor or administrator of such a person's***
6 ***estate.***

7 ***7. The county assessor shall not approve an application***
8 ***unless each owner of record or his representative as specified in***
9 ***subsection 6 signs the application. The county assessor may***
10 ***require such additional information from the applicant as he***
11 ***deems necessary to evaluate the application.***

12 ***Sec. 4. 1. Upon receipt of an application, the county***
13 ***assessor shall make an independent determination of the owner's***
14 ***eligibility for an abatement of the property taxes on the single-***
15 ***family residence.***

16 ***2. The county assessor may inspect the property and request***
17 ***such evidence of use and sources of income as is necessary to***
18 ***make an accurate determination of the owner's eligibility. The***
19 ***county assessor may deny the application when the owner or***
20 ***occupant refuses to permit the inspection or furnish the evidence.***

21 ***3. The county assessor shall send to the applicant a written***
22 ***notice of his determination within 10 days after determining the***
23 ***applicant's entitlement to an abatement of the property taxes on***
24 ***the single-family residence.***

25 ***4. The county assessor shall record an application with the***
26 ***county recorder within 10 days after approval.***

27 ***Sec. 5. 1. If the owner of a single-family residence is found***
28 ***to be eligible for an abatement of property taxes pursuant to***
29 ***sections 2 to 13, inclusive, of this act, the county assessor shall***
30 ***determine the amount of increase in the assessed valuation of the***
31 ***property that resulted in the increased property taxes that caused***
32 ***the owner to qualify for the abatement and reduce the amount of***
33 ***the current assessed valuation of the property by an amount equal***
34 ***to that increase. The county assessor shall then freeze the assessed***
35 ***valuation at that amount for the property for as long as the***
36 ***property owner continues to qualify for the abatement.***

37 ***2. A statement of the amount of the abatement must be***
38 ***maintained in the records of the assessor and must be made***
39 ***available to any person upon request. The information used by the***
40 ***county assessor to determine whether to grant an abatement, such***
41 ***as financial information relating to the owner or owners of the***
42 ***property is confidential and must not be released by the county***
43 ***assessor except in defense of his actions in a civil action brought***
44 ***in a court of competent jurisdiction to challenge the denial of an***



1 *abatement. The owner must be notified of the assessment in the*
2 *manner provided for notification of taxable valuation assessments.*

3 **Sec. 6. 1.** *The county assessor shall enter on the*
4 *assessment roll the assessed valuation of a single-family residence*
5 *based on the reduction in its assessed valuation granted pursuant*
6 *to sections 2 to 13, inclusive, of this act until the owner of the*
7 *property is disqualified for the abatement.*

8 **2.** *Within 30 days after any owner is disqualified for a*
9 *reduction in the assessed valuation of a single-family residence,*
10 *the county assessor shall send a written notice of disqualification*
11 *by certified mail with return receipt requested to each owner of*
12 *record. The notice must contain the assessed valuation for the*
13 *next ensuing fiscal year calculated in accordance with the*
14 *provisions of section 7 of this act.*

15 **Sec. 7.** *When the owner of a single-family residence is no*
16 *longer qualified for a reduction in the assessed valuation of the*
17 *property, the county assessor shall determine the assessed*
18 *valuation of the property by assessing it anew in the same manner*
19 *that all like property in the county is assessed.*

20 **Sec. 8.** *The determination of a county assessor as to whether*
21 *an owner of property is eligible to receive an abatement of*
22 *property taxes pursuant to sections 2 to 13, inclusive, of this act in*
23 *each year is final unless appealed in the manner provided in*
24 *chapter 361 of NRS for complaints of overvaluation, excessive*
25 *valuation or undervaluation.*

26 **Sec. 9.** *Within 30 days after determining that the owner of a*
27 *single-family residence is no longer qualified for an abatement of*
28 *the property taxes on that residence, the county assessor shall send*
29 *a written notice of that determination by certified mail, return*
30 *receipt requested, to each owner of record. The notice must*
31 *contain the taxable and assessed valuations for the next tax roll*
32 *and all prior years for which a deferred tax or penalty is owed*
33 *pursuant to section 11 or 12 of this act.*

34 **Sec. 10. 1.** *An owner of a single-family residence who*
35 *receives a notice pursuant to section 9 of this act that is*
36 *postmarked on or after July 1 and before December 16 may appeal*
37 *in the manner provided in NRS 361.355:*

38 *(a) The determination that the owner is no longer qualified for*
39 *an abatement of property taxes on the residence; and*

40 *(b) The valuations for the years described in the notice,*
41 *to the board of equalization of the county in which the property is*
42 *located.*

43 **2.** *An owner who receives such a notice which is postmarked*
44 *on or after December 16 and before July 1 may appeal, not later*
45 *than July 15 of the ensuing fiscal year:*



- 1 (a) *The determination that the owner is no longer qualified for*
- 2 *an abatement of the property taxes on the residence; and*
- 3 (b) *The valuations for the years described on the notice,*
- 4 *directly to the State Board of Equalization.*

5 **Sec. 11.** *If the county assessor is notified or otherwise*
6 *becomes aware that an owner of a single-family residence*
7 *transferred ownership or otherwise disposed of the property or for*
8 *some other reason is no longer qualified for an abatement on the*
9 *property taxes on that residence, the county assessor shall add to*
10 *the tax extended against that residence on the next property tax*
11 *statement the deferred tax, which is the difference between the*
12 *taxes that would have been paid or payable if the assessed*
13 *valuation had not been reduced and the taxes which would have*
14 *been paid or payable on the basis of the taxable valuation*
15 *calculated pursuant to section 6 of this act, for each year in which*
16 *the reduction was in effect for the property during the first fiscal*
17 *year in which the owner was no longer qualified for the abatement*
18 *of property taxes and the preceding 6 fiscal years or such portion*
19 *thereof as the owner of the property qualified for an abatement of*
20 *the taxes. The county assessor shall assess the property pursuant*
21 *to NRS 361.227 for the next fiscal year following the date on*
22 *which the owner is no longer qualified for the abatement.*

23 **Sec. 12. 1.** *If the county assessor determines that the*
24 *deferred tax for any fiscal year or years was not assessed in the*
25 *year it became due, he may assess it anytime within 5 fiscal years*
26 *after the end of the fiscal year in which an owner of a single-*
27 *family residence is no longer qualified for a reduced assessment*
28 *pursuant to sections 2 to 13, inclusive, of this act.*

29 **2.** *If the county assessor determines that a single-family*
30 *residence was assessed at a reduced rate rather than at full taxable*
31 *value for any fiscal year in which the owner thereof was not*
32 *qualified for such a reduction, he may assess the deferred tax for*
33 *that year anytime within 5 years after the end of that fiscal year.*

34 **Sec. 13. 1.** *The deferred tax and penalty assessed pursuant*
35 *to sections 11 and 12 of this act are a perpetual lien against the*
36 *single-family residence until paid as provided in NRS 361.450.*

37 **2.** *Each year, the county assessor shall record a list of parcel*
38 *numbers and owners' names for single-family residences on*
39 *which a lien exists pursuant to subsection 1.*

40 **Sec. 14.** This act becomes effective on July 1, 2003.

