

ASSEMBLY BILL NO. 442—ASSEMBLYMAN HETTRICK

MARCH 17, 2003

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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.

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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 one or more of the last***  
11 ***assessments at such a rate as to create a severe economic hardship***  
12 ***for an owner of the property.***

13       **2.** ***In determining whether the value of the appurtenant land***  
14 ***increased in one or more of the last assessments at such a rate as***  
15 ***to create a severe economic hardship for one or more owners of***  
16 ***the property, the county assessor may consider any information***  
17 ***the county assessor deems appropriate, including, without***  
18 ***limitation, whether property taxes assessed as a result of one or***  
19 ***more of the last assessments in which the value of the appurtenant***  
20 ***land was significantly increased are so high as to cause no***  
21 ***prospective purchasers to be willing to buy the property from the***  
22 ***owner or owners except governmental or other purchasers who***  
23 ***are exempt from property taxes.***

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

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

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

42       **6.** ***The application must be signed by:***

43       **(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 grant the abatement if he**  
22 **determines that the facts in his possession indicate to him that the**  
23 **value of the land appurtenant to a single family dwelling has**  
24 **increased at a rate that has created a severe economic hardship**  
25 **for the applicant. Such a decision is in the sole discretion of the**  
26 **county assessor.**

27       **4. If the county assessor denies an application, he shall send**  
28 **to the applicant a written notice of his determination within 10**  
29 **days after the determination is made.**

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

40       **2. A statement of the amount of the abatement must be**  
41 **maintained in the records of the assessor and must be made**  
42 **available to any person upon request. The information used by the**  
43 **county assessor to determine whether to grant an abatement, such**  
44 **as financial information relating to the owner or owners of the**  
45 **property is confidential and must not be released by the county**



1 *assessor except in defense of his actions in a civil action brought*  
2 *in a court of competent jurisdiction to challenge the denial of an*  
3 *abatement. The owner must be notified of the assessment in the*  
4 *manner provided for notification of taxable valuation assessments.*

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

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

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

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

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

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

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

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



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

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

6       (b) The valuations for the years described on the notice,  
7 directly to the State Board of Equalization.

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

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

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

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

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

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

