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ASSEMBLY BILL NO. 530—COMMITTEE ON TAXATION

(ON BEHALF OF THE DEPARTMENT OF TAXATION)

MARCH 24, 2003

Referred to Committee on Taxation

SUMMARY—Revises provisions governing certain property taxes.  
(BDR 32-489)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: No.

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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 property tax; requiring a company that uses certain property of an interstate or intercounty nature directly in its operations to file with the Nevada Tax Commission written reports to enable the Commission to establish an appropriate valuation of the property; providing for an extension of time in which to file a required report; providing for the payment of a penalty for failure to file a required report by the date due; providing for the collection of penalties and interest for the late payment of certain property taxes; 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 a new section to read as follows:  
3     ***1. To enable the Nevada Tax Commission to establish***  
4     ***appropriate valuations of property pursuant to subsection 1 of***  
5     ***NRS 361.320, each company that uses property subject to***  
6     ***valuation pursuant to subsection 1 of NRS 361.320 shall file with***  
7     ***the Nevada Tax Commission a written report, signed under***  
8     ***penalty of perjury, that contains such financial and other***



\* A B 5 3 0 \*

1 *information as required by the Nevada Tax Commission. Except*  
2 *as otherwise provided in subsection 2, the report must be filed:*

- 3 (a) *On or before March 31 of each year; or*  
4 (b) *If the Nevada Tax Commission notifies the company that*  
5 *the Nevada Tax Commission will determine the valuation of the*  
6 *property for the first time or because the property has been found*  
7 *to be escaping taxation, within 45 days after receipt of the*  
8 *notification.*

9 2. *A company subject to the reporting requirements of*  
10 *subsection 1 may, at any time before the date otherwise due for the*  
11 *filing of the report, submit a written request to the Department for*  
12 *an extension of time in which to file the report with the Nevada*  
13 *Tax Commission. If the Department determines that good cause*  
14 *exists for an extension, the Department may grant the company a*  
15 *30-day extension in which to file the report.*

16 3. *If a company subject to the reporting requirements of*  
17 *subsection 1 fails to provide the required report to the Nevada Tax*  
18 *Commission by the date due, the Nevada Tax Commission may*  
19 *make an estimate of the value of the property and assess it*  
20 *accordingly. The State Board of Equalization shall not reduce an*  
21 *assessment made pursuant to this subsection.*

22 4. *If a company subject to the reporting requirements of*  
23 *subsection 1 fails to file a required report by the date due, the*  
24 *company shall pay to the Department a penalty of 10 percent of*  
25 *the tax due or \$5,000, whichever is less. The Department shall*  
26 *deposit any amount paid as a penalty in the State General Fund.*  
27 *The Department may, for good cause shown, waive the payment of*  
28 *the penalty or any part thereof.*

29 **Sec. 2.** NRS 361.320 is hereby amended to read as follows:

30 361.320 1. At the regular session of the Nevada Tax  
31 Commission commencing on the first Monday in October of each  
32 year, the Nevada Tax Commission shall *examine the reports filed*  
33 *pursuant to section 1 of this act and* establish the valuation for  
34 assessment purposes of any property of an interstate or intercounty  
35 nature used directly in the operation of all interstate or intercounty  
36 railroad, sleeping car, private car, natural gas transmission and  
37 distribution, water, telephone, scheduled and unscheduled air  
38 transport, electric light and power companies, and the property of all  
39 railway express companies operating on any common or contract  
40 carrier in this state. This valuation must not include the value of  
41 vehicles as defined in NRS 371.020.

42 2. Except as otherwise provided in subsections 3 and 6 and  
43 NRS 361.323, the *Nevada Tax* Commission shall establish and fix  
44 the valuation of all physical property used directly in the operation  
45 of any such business of any such company in this state, as a



1 collective unit. If the company is operating in more than one county,  
2 on establishing the unit valuation for the collective property, the  
3 *Nevada Tax* Commission shall then determine the total aggregate  
4 mileage operated within the State and within its several counties and  
5 apportion the mileage upon a mile-unit valuation basis. The number  
6 of miles apportioned to any county are subject to assessment in that  
7 county according to the mile-unit valuation established by the  
8 *Nevada Tax* Commission.

9 3. After establishing the valuation, as a collective unit, of a  
10 public utility which generates, transmits or distributes electricity, the  
11 *Nevada Tax* Commission shall segregate the value of any project in  
12 this state for the generation of electricity which is not yet put to use.  
13 This value must be assessed in the county where the project is  
14 located and must be taxed at the same rate as other property.

15 4. The Nevada Tax Commission shall adopt formulas and  
16 incorporate them in its records, providing the method or methods  
17 pursued in fixing and establishing the taxable value of all property  
18 assessed by it. The formulas must be adopted and may be changed  
19 from time to time upon its own motion or when made necessary by  
20 judicial decisions, but the formulas must in any event show all the  
21 elements of value considered by the *Nevada Tax* Commission in  
22 arriving at and fixing the value for any class of property assessed by  
23 it. These formulas must take into account, as indicators of value, the  
24 company's income and the cost of its assets, but the taxable value  
25 may not exceed the cost of replacement as appropriately  
26 depreciated.

27 5. If two or more persons perform separate functions that  
28 collectively are needed to deliver electric service to the final  
29 customer and the property used in performing the functions would  
30 be centrally assessed if owned by one person, the Nevada Tax  
31 Commission shall establish its valuation and apportion the valuation  
32 among the several counties in the same manner as the valuation of  
33 other centrally assessed property. The Nevada Tax Commission  
34 shall determine the proportion of the tax levied upon the property by  
35 each county according to the valuation of the contribution of each  
36 person to the aggregate valuation of the property. This subsection  
37 does not apply to a qualifying facility, as defined in 18 C.F.R. §  
38 292.101, which was constructed before July 1, 1997.

39 6. A company engaged in a business described in subsection 1  
40 that does not have property of an interstate or intercounty nature  
41 must be assessed as provided in subsection ~~8~~ 7.

42 ~~[7. As used in this section:~~  
43 ~~—(a) "Company" means any person, company, corporation or~~  
44 ~~association engaged in the business described.~~



1 ~~—(b) “Commercial mobile radio service” has the meaning~~  
2 ~~ascribed to it in 47 C.F.R. § 20.3 as that section existed on~~  
3 ~~January 1, 1998.~~

4 ~~—8.] 7.~~ All other property, including, without limitation, that of  
5 any company engaged in providing commercial mobile radio  
6 service, radio or television transmission services or cable television  
7 services, must be assessed by the county assessors, except as  
8 otherwise provided in NRS 361.321 and 362.100 and except that the  
9 valuation of land and mobile homes must be established for  
10 assessment purposes by the Nevada Tax Commission as provided in  
11 NRS 361.325.

12 ~~[9.] 8.~~ On or before November 1 of each year, the Department  
13 shall forward a tax statement to each private car line company based  
14 on the valuation established pursuant to this section and in  
15 accordance with the tax levies of the several districts in each county.  
16 The company shall remit the ad valorem taxes due on or before  
17 December 15 to the Department which shall allocate the taxes due  
18 each county on a mile-unit basis and remit the taxes to the counties  
19 no later than January 31. The portion of the taxes which is due the  
20 State must be transmitted directly to the State Treasurer. A company  
21 which fails to pay the tax within the time required shall pay a  
22 penalty of 10 percent of the tax due or \$5,000, whichever is greater,  
23 in addition to the tax. Any amount paid as a penalty must be  
24 deposited in the State General Fund. The Department may, for good  
25 cause shown, waive the payment of a penalty pursuant to this  
26 subsection. As an alternative to any other method of recovering  
27 delinquent taxes provided by this chapter, the Attorney General may  
28 bring a civil action in a court of competent jurisdiction to recover  
29 delinquent taxes due pursuant to this subsection in the manner  
30 provided in NRS 361.560.

31 **9. As used in this section:**

32 (a) *“Company” means any person, company, corporation or*  
33 *association engaged in the business described.*

34 (b) *“Commercial mobile radio service” has the meaning*  
35 *ascribed to it in 47 C.F.R. § 20.3, as that section existed on*  
36 *January 1, 1998.*

37 **Sec. 3.** NRS 361.3205 is hereby amended to read as follows:

38 361.3205 1. The Department shall enter on a central  
39 assessment roll the assessed valuation established for such classes of  
40 property as are enumerated in NRS 361.320, except for private car  
41 lines, together with the apportionment of each county of the  
42 assessment.

43 2. On or before January 1 of the fiscal year in which the  
44 assessment is made, the Department shall mail to each taxpayer on  
45 the central assessment roll a notice of the amount of his assessment.



1 The Department shall bill each such taxpayer pursuant to subsection  
2 3 of NRS 361.480. ~~The~~ *Except as otherwise provided in*  
3 *subsection 3, the* tax must be paid to the Department pursuant to  
4 NRS 361.483.

5 3. *If the amount of any tax required by NRS 361.320 or*  
6 *361.321 for property placed on the unsecured tax roll is not paid*  
7 *within 10 days after it is due, it is delinquent and must be collected*  
8 *as other delinquent taxes are collected by law, together with a*  
9 *penalty of 10 percent of the amount of the tax which is owed, as*  
10 *determined by the Department, in addition to the tax, plus interest*  
11 *at the rate of 1 percent per month, or fraction of a month, from the*  
12 *date the tax was due until the date of payment. The Department*  
13 *shall deposit all amounts paid as a penalty or interest pursuant to*  
14 *this subsection in the State General Fund.*

15 4. Upon receipt, the Department shall apportion and promptly  
16 remit all taxes due each county.

17 ~~4.~~ 5. As an alternative to any other method of recovering  
18 delinquent taxes provided by this chapter, the Attorney General may  
19 bring a civil action in a court of competent jurisdiction to recover  
20 delinquent taxes due under this section in the manner provided in  
21 NRS 361.560.

22 **Sec. 4.** NRS 361.330 is hereby amended to read as follows:

23 361.330 No assessment of property is invalid, and no  
24 collection of taxes may be enjoined, restrained or ordered to be  
25 refunded, on account of any failure:

26 1. To do any act required by NRS 361.315 to 361.325,  
27 inclusive ~~;~~, *and section 1 of this act;* or

28 2. To do any act required by this chapter within the time so  
29 required, if notice and an opportunity to be heard were afforded  
30 generally to the class of taxpayers affected by the act required to be  
31 done.

32 **Sec. 5.** 1. This section and sections 1, 2 and 4 of this act  
33 become effective upon passage and approval.

34 2. Section 3 of this act becomes effective on July 1, 2003.

