

SENATE BILL NO. 440—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 24, 2003

Referred to Committee on Taxation

SUMMARY—Provides for postponement of payment of property taxes in cases of severe economic hardship under certain circumstances. (BDR 32-658)

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; providing for the postponement of the payment of property taxes in cases of severe economic hardship under certain circumstances; providing a penalty; 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 21, inclusive, of this
3 act.
4 **Sec. 2.** *As used in sections 2 to 21, inclusive, of this act,*
5 *unless the context otherwise requires, the words and terms defined*
6 *in sections 3 to 8, inclusive, of this act have the meanings ascribed*
7 *to them in those sections.*
8 **Sec. 3.** *“Claim” means a claim for the postponement of the*
9 *payment of property tax filed pursuant to section 11 of this act.*
10 **Sec. 4.** *“Household” means a claimant and a spouse, parent,*
11 *child or sibling, or any combination thereof.*
12 **Sec. 5.** *“Income” means adjusted gross income, as defined in*
13 *the Internal Revenue Code, and includes:*
14 1. *Tax-free interest;*
15 2. *The untaxed portion of a pension or annuity;*
16 3. *Railroad retirement benefits;*



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- 1 4. *Veterans' pensions and compensation;*
- 2 5. *Payments received pursuant to the federal Social Security*
- 3 *Act, including supplemental security income, but excluding*
- 4 *hospital and medical insurance benefits for the aged and disabled;*
- 5 6. *Public welfare payments, including allowances for shelter;*
- 6 7. *Unemployment insurance benefits;*
- 7 8. *Payments for lost time;*
- 8 9. *Payments received from disability insurance;*
- 9 10. *Disability payments received pursuant to workers'*
- 10 *compensation insurance;*
- 11 11. *Alimony;*
- 12 12. *Support payments;*
- 13 13. *Allowances received by dependents of servicemen;*
- 14 14. *The amount of recognized capital gains and losses*
- 15 *excluded from adjusted gross income;*
- 16 15. *Life insurance proceeds in excess of \$5,000;*
- 17 16. *Bequests and inheritances; and*
- 18 17. *Gifts of cash of more than \$300 not between household*
- 19 *members and such other kinds of cash received by a household as*
- 20 *the Department specifies by regulation.*
- 21 **Sec. 6.** *"Occupied by the owner" means that a single-family*
- 22 *residence and the appurtenant land are held for the exclusive use*
- 23 *of an owner, or one or more of the owners, and not rented, leased*
- 24 *or otherwise made available for exclusive occupancy by a person*
- 25 *other than an owner or the owners.*
- 26 **Sec. 7.** *"Property tax accrued" means property taxes,*
- 27 *excluding special assessments, delinquent taxes and interest,*
- 28 *levied on a claimant's single-family residence located in this state.*
- 29 **Sec. 8.** *"Single-family residence" includes:*
- 30 1. *A single dwelling unit and all land appurtenant thereto.*
- 31 2. *An individually owned residential unit that is an integral*
- 32 *part of a larger complex and all land included in the assessed*
- 33 *valuation of the individually owned unit.*
- 34 **Sec. 9.** 1. *The owner of a single-family residence may file a*
- 35 *claim to postpone the payment of all or any part of the property*
- 36 *tax accrued against his residence if:*
- 37 (a) *The residence is placed upon the secured or unsecured tax*
- 38 *roll and has an assessed value of not more than \$175,000;*
- 39 (b) *He or any other owner of the residence does not own any*
- 40 *other real property in this state that has an assessed value of more*
- 41 *than \$30,000;*
- 42 (c) *The residence has been occupied by the owner for at least 6*
- 43 *months;*
- 44 (d) *The owner is not the subject of any proceeding for*
- 45 *bankruptcy;*



1 (e) *The owner owes no delinquent property taxes on the*
2 *residence for a year other than the year in which the application is*
3 *submitted;*

4 (f) *The owner has suffered severe economic hardship that was*
5 *caused by circumstances beyond his control including, without*
6 *limitation, an illness or a disability that is expected to last for a*
7 *continuous period of at least 12 months; and*

8 (g) *The total annual income of the members of the owner's*
9 *household is at or below the federally designated level signifying*
10 *poverty.*

11 2. *The amount of property tax that may be postponed*
12 *pursuant to the provisions of sections 2 to 21, inclusive, of this act*
13 *may not exceed the amount of property tax that will accrue against*
14 *the single-family residence in the succeeding 3 fiscal years.*

15 **Sec. 10.** *If two or more members of a household are eligible*
16 *to file a claim pursuant to section 11 of this act, the members may*
17 *determine between themselves who will be the claimant. If they are*
18 *unable to agree, the matter must be referred to the Nevada Tax*
19 *Commission and its decision is final. Only one claim may be filed*
20 *for any household.*

21 **Sec. 11.** 1. *A claim must be filed with the county assessor*
22 *of the county in which the claimant's single-family residence is*
23 *located.*

24 2. *The claim must be made under oath and filed in such form*
25 *and content, and be accompanied by such information, as the*
26 *Department may prescribe to determine the eligibility of the*
27 *claimant to file the claim.*

28 3. *The claim must be signed by:*

29 (a) *The owner or owners of the property;*

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

33 (c) *The guardian or conservator of any person described in*
34 *paragraph (a) or the executor or administrator of such a person's*
35 *estate.*

36 4. *The Department or county assessor shall provide the*
37 *appropriate form for filing such a claim to each claimant.*

38 **Sec. 12.** 1. *A county assessor shall, within 30 days after*
39 *receiving a claim pursuant to section 11 of this act, determine:*

40 (a) *Whether the claimant is eligible to postpone the payment of*
41 *the property taxes accrued against his single-family residence;*

42 (b) *The amount of property tax, if any, that will be postponed;*
43 *and*

44 (c) *The period for which the property tax will be postponed.*



1 2. *The county assessor shall notify the claimant of his*
2 *decision by first-class mail.*

3 3. *Any claimant aggrieved by a decision of the county*
4 *assessor may submit a written petition for a review of that decision*
5 *to the Nevada Tax Commission within 30 days after the claimant*
6 *receives notice of the decision.*

7 4. *Any claimant aggrieved by a decision of the Nevada Tax*
8 *Commission is entitled to judicial review.*

9 **Sec. 13.** 1. *If a claim is approved, the county assessor of the*
10 *county in which the single-family residence is located shall issue*
11 *to the claimant a certificate of eligibility. The certificate must be in*
12 *a form prescribed by the Department and include:*

13 (i) *The name of the claimant;*

14 (ii) *A legal description of the single-family residence for which*
15 *the claimant filed the claim;*

16 (iii) *The amount of the property tax accrued against the single-*
17 *family residence that will be postponed;*

18 (iv) *The period for which the property tax will be postponed;*
19 *and*

20 (v) *Such other information as the Department may require.*

21 2. *The county assessor shall cause to be recorded with the*
22 *county recorder of the county in which the single-family residence*
23 *is located a copy of the certificate of eligibility issued pursuant to*
24 *subsection 1 within 10 days after the claim is approved. The*
25 *postponement of the payment of the taxes becomes effective on the*
26 *date on which the certificate is filed with the county recorder.*

27 **Sec. 14.** *Interest accrues on the amount of property tax*
28 *postponed pursuant to sections 2 to 21, inclusive, of this act at the*
29 *rate of 6 percent of the total amount postponed as of the date the*
30 *postponed taxes are paid or become due and payable. Except as*
31 *otherwise provided in subsection 8 of NRS 361.483, no other*
32 *penalties or interest accrue during the period of postponement.*

33 **Sec. 15.** 1. *Any property tax postponed pursuant to sections*
34 *2 to 21, inclusive, of this act is a perpetual lien against the single-*
35 *family residence on which it accrued until the tax and any*
36 *penalties and interest which may accrue thereon are paid.*

37 2. *The lien attaches from the date on which a certificate of*
38 *eligibility is recorded with the county recorder of the county in*
39 *which the single-family residence is located pursuant to section 13*
40 *of this act.*

41 3. *The property tax postponed must be collected in the*
42 *manner provided in this chapter for all taxable property in this*
43 *state upon becoming due and payable pursuant to sections 2 to 21,*
44 *inclusive, of this act.*



1 **Sec. 16.** *A claimant who has postponed the payment of*
2 *property tax pursuant to sections 2 to 21, inclusive, of this act may*
3 *submit to the county assessor of the county in which the single-*
4 *family residence is located a request for a statement of the total*
5 *amount postponed as of the date of the request and the interest*
6 *accrued thereon. Upon the receipt of such a request, the county*
7 *assessor shall request the county treasurer of the county in which*
8 *the single-family residence is located to prepare such a statement*
9 *and deliver a copy of the statement to the county assessor. Upon*
10 *the receipt of the statement, the county assessor shall provide the*
11 *claimant with a copy of the statement.*

12 **Sec. 17.** *1. Except as otherwise provided in section 18 of*
13 *this act, the payment of property tax postponed pursuant to*
14 *sections 2 to 21, inclusive, of this act becomes due and payable:*

15 *(a) If the single-family residence ceases to be occupied by the*
16 *claimant, or the claimant sells or otherwise disposes of his*
17 *possessory interest in the residence;*

18 *(b) If the claimant allows any property tax that has not been*
19 *postponed on the single-family residence to become delinquent*
20 *during the period of postponement;*

21 *(c) When the period for which the property tax will be*
22 *postponed expires, as indicated in the claimant's certificate of*
23 *eligibility; or*

24 *(d) If the claimant dies. If a surviving spouse or other member*
25 *of the household is eligible to file a claim to postpone the payment*
26 *of property tax accrued on the single-family residence continues to*
27 *occupy the residence, the amounts postponed are not due unless*
28 *that member of the household dies or ceases to occupy the*
29 *residence.*

30 *2. Payments on the amount of property tax postponed may be*
31 *made before they become due and payable.*

32 **Sec. 18.** *A county assessor shall deny any claim to which a*
33 *claimant is not entitled. A county assessor may deny any claim*
34 *which he finds to have been filed with fraudulent intent. If any*
35 *such claim has been approved and is afterward revoked, the*
36 *amount of the property tax that was postponed together with a 10*
37 *percent penalty becomes due and payable. If the tax and penalty*
38 *are not paid, the amount must be assessed against any real or*
39 *personal property owned by the claimant.*

40 **Sec. 19.** *Any person who willfully makes a materially false*
41 *statement or uses any other fraudulent device to secure for himself*
42 *or any other person the postponed payment of property tax*
43 *pursuant to the provisions of sections 2 to 21, inclusive, of this act*
44 *is guilty of a gross misdemeanor.*



1 **Sec. 20. 1.** *The Department is responsible for the*
2 *administration of the provisions of sections 2 to 21, inclusive, of*
3 *this act.*

- 4 **2.** *The Department may:*
5 **(a)** *Prescribe the content and form of claims and approve any*
6 *form used by a county assessor.*
7 **(b)** *Designate the information required to be submitted for*
8 *substantiation of claims.*
9 **(c)** *Establish criteria for determining the circumstances under*
10 *which a claim may be filed by one of two eligible persons.*
11 **(d)** *Prescribe that a claimant's ownership of his single-family*
12 *residence must be shown of record.*
13 **(e)** *Verify and audit any claims, statements or other records*
14 *made pursuant to the provisions of sections 2 to 21, inclusive, of*
15 *this act.*
16 **(f)** *Adopt regulations to ensure the confidentiality of*
17 *information provided by claimants.*
18 **(g)** *Adopt such other regulations as may be required to carry*
19 *out the provisions of sections 2 to 21, inclusive, of this act.*

20 **Sec. 21.** *Except as otherwise provided by specific statute, no*
21 *person may publish, disclose or use any personal or confidential*
22 *information contained in a claim except for purposes connected*
23 *with the administration of the provisions of sections 2 to 20,*
24 *inclusive, of this act.*


25 **Sec. 22.** NRS 361.450 is hereby amended to read as follows:
26 361.450 1. Except as otherwise provided in subsection 3,
27 every tax levied under the provisions of or authority of this chapter
28 is a perpetual lien against the property assessed until the tax and any
29 penalty charges and interest which may accrue thereon are paid.
30 2. Except as *otherwise* provided in this subsection ~~§~~ *and*
31 *section 15 of this act*, the lien attaches on July 1 of the year for
32 which the taxes are levied, upon all property then within the county.
33 The lien attaches upon all migratory property, as described in NRS
34 361.505, on the day it is moved into the county. If real and personal
35 property are assessed against the same owner, a lien attaches upon
36 such real property also for the tax levied upon the personal property
37 within the county . ~~§-and-a~~ A lien for taxes on personal property
38 also attaches upon real property assessed against the same owner in
39 any other county of the State from the date on which a certified copy
40 of any unpaid property assessment is filed for record with the county
41 recorder in the county in which the real property is situated.
42 3. All liens for taxes levied under this chapter which have
43 already attached to a mobile or manufactured home expire on the
44 date when the mobile or manufactured home is sold, except the liens
45 for personal property taxes due in the county in which the mobile or



1 manufactured home was situate at the time of sale, for any part of
2 the 12 months immediately preceding the date of sale.

3 4. All special taxes levied for city, town, school, road or other
4 purposes throughout the different counties of this state are a lien on
5 the property so assessed, and must be assessed and collected by the
6 same officer at the same time and in the same manner as the state
7 and county taxes are assessed and collected.

8 **Sec. 23.** NRS 361.483 is hereby amended to read as follows:

9 361.483 1. Except as otherwise provided in subsection 5 
10 *and sections 2 to 21, inclusive, of this act*, taxes assessed upon the
11 real property tax roll and upon mobile or manufactured homes are
12 due on the third Monday of August.

13 2. Taxes assessed upon the real property tax roll may be paid in
14 four approximately equal installments if the taxes assessed on the
15 parcel exceed \$100.

16 3. Taxes assessed upon a mobile or manufactured home may
17 be paid in four installments if the taxes assessed exceed \$100.

18 4. Except as otherwise provided in NRS 361.505, taxes
19 assessed upon personal property may be paid in four approximately
20 equal installments if:

21 (a) The total personal property taxes assessed exceed \$10,000;

22 (b) Not later than July 31, the taxpayer returns to the county
23 assessor the written statement of personal property required
24 pursuant to NRS 361.265;

25 (c) The taxpayer files with the county assessor, or county
26 treasurer if the county treasurer has been designated to collect taxes,
27 a written request to be billed in quarterly installments and includes
28 with the request a copy of the written statement of personal property
29 required pursuant to NRS 361.265; and

30 (d) The business has been in existence for at least 3 years if the
31 personal property assessed is the property of a business.

32 5. If a person elects to pay in installments, the first installment
33 is due on the third Monday of August, the second installment on the
34 first Monday of October, the third installment on the first Monday
35 of January, and the fourth installment on the first Monday of March.

36 6. If any person charged with taxes which are a lien on real
37 property fails to pay:

38 (a) Any one installment of the taxes on or within 10 days
39 following the day the taxes become due, there must be added thereto
40 a penalty of 4 percent.

41 (b) Any two installments of the taxes, together with accumulated
42 penalties, on or within 10 days following the day the later
43 installment of taxes becomes due, there must be added thereto a
44 penalty of 5 percent of the two installments due.



1 (c) Any three installments of the taxes, together with
2 accumulated penalties, on or within 10 days following the day the
3 latest installment of taxes becomes due, there must be added thereto
4 a penalty of 6 percent of the three installments due.

5 (d) The full amount of the taxes, together with accumulated
6 penalties, on or within 10 days following the first Monday of
7 March, there must be added thereto a penalty of 7 percent of the full
8 amount of the taxes.

9 7. Any person charged with taxes which are a lien on a mobile
10 or manufactured home who fails to pay the taxes within 10 days
11 after an installment payment is due is subject to the following
12 provisions:

13 (a) A penalty of 10 percent of the taxes due; and

14 (b) The county assessor may proceed under NRS 361.535.

15 8. *If any property tax postponed pursuant to sections 2 to 21,*
16 *inclusive, of this act becomes due and payable and the person*
17 *charged with that tax fails to make the required payment within 10*
18 *days after it becomes due, there must be added thereto a penalty of*
19 *7 percent of the amount of the tax that is due. If the required*
20 *payment is not paid within 30 days after it becomes due, there*
21 *must be added thereto all penalties and interest that would have*
22 *accrued had the property tax not been postponed pursuant to*
23 *sections 2 to 21, inclusive, of this act.*

24 9. The ex officio tax receiver of a county shall notify each
25 person in the county who is subject to a penalty pursuant to this
26 section of the provisions of NRS 360.419 and 361.4835.

27 **Sec. 24.** This act becomes effective on July 1, 2003.

