ADOPTED REGULATION OF THE

NEVADA TAX COMMISSION

LCB File No. R098-26

EXPLANATION – Matter in ***italics*** is new; matter in brackets **[**~~omitted material~~**]** is material to be omitted.

AUTHORITY: § 1, NRS 360.090 and 361.4723; § 2, NRS 360.090 and 361.4724; § 3, NRS 360.090 and 375.060.

A REGULATION relating to real property; revising provisions governing the manner in which owners of real property claim certain partial abatements of property tax; revising the information that may be included in the declaration of value form required to accompany a deed evidencing a transfer of title of real property or land sale installment contract that is presented for recordation to a county recorder; providing for electronic signature of the declaration of value form; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for a partial abatement of the property taxes imposed on a parcel or other unit of real property, which has the effect of establishing an annual cap on increases of the property taxes imposed on the real property. The formula for calculating these partial abatements limits the annual increase of such property taxes to not more than: (1) eight percent for real property other than a single-family residence that is the primary residence of the owner or a residential rental dwelling with rent less than a certain amount; and (2) three percent for such a single-family residence or qualified residential rental dwelling. (NRS 361.4722-361.4724) Before the enactment of Assembly Bill No. 377 (A.B. 377) of the 2025 Legislative Session, to claim the partial abatement of property taxes for a single-family residence which is the primary residence of the owner, the owner of the residence was required to submit a form provided by the county assessor of the county in which the property is located. (NRS 361.4723; NAC 361.606) A claim for the partial abatement of property taxes for a qualified residential rental dwelling was required to be filed annually with the county assessor not later than June 15 and accompanied by an affidavit concerning the amount of rent charged to the tenants of the property. (NRS 361.4724; NAC 361.607) A.B. 377 additionally authorized a person to claim these partial abatements of property taxes on the declaration of value form prescribed by the Nevada Tax Commission that is required to accompany a deed or land sale installment contract offered for recording to a county recorder and that is used to calculate the amount of real property transfer tax due upon the sale or transfer of the property. (NRS 361.4723, 361.4724, 375.060)

Section 3 of this regulation provides for the declaration of value form to include a claim for a partial abatement of property taxes for a single-family residence which is the primary residence of the owner or for a qualified residential rental dwelling. If such a partial abatement is claimed on the form, **section 3** requires the county recorder to transmit the claim to the county assessor of the county in the manner prescribed by the Commission. **Sections 1 and 2** of this regulation make conforming changes to existing regulations to authorize a claim for these partial abatements to be made on the declaration of value form. (NAC 361.606, 361.607)

Existing regulations require the declaration of value form prescribed by the Commission to be signed under the penalty of perjury by the grantee, the grantor or the agent of the grantee or grantor and filed with the county recorder. (NAC 375.180) **Section 3** provides that an electronic signature made in accordance with existing law satisfies this requirement.

Section 1. NAC 361.606 is hereby amended to read as follows:

361.606 1. A claim for a primary residential abatement must be ~~[:]~~ ***submitted on:***

(a) ~~[Submitted on a]~~ ***A*** form provided by the county assessor of the county in which the property is located ~~[;]~~ and

~~[(b) Signed]~~ ***signed*** by:

(1) Any owner of record of the property;

(2) Any person of lawful age who is authorized by an executed power of attorney to sign the claim on behalf of an owner of record of the property;

(3) The legal guardian or conservator of an owner of record of the property; or

(4) The executor or administrator of the estate of an owner of record of the property ~~[.]~~ ***;***

or

(b) The form prescribed by the Commission for a declaration of value that, in accordance with NRS 375.060 and NAC 375.180, accompanies a:

(1) Deed evidencing a transfer of title to the property that is presented to the county recorder for recordation; or

(2) Land sale installment contract relating to the property that is presented for recordation to the county recorder of the county.

2. The form ***provided by the county assessor*** for claiming a primary residential abatement may require the claimant to state that:

(a) The claimant is the owner of the property;

(b) The property is a single-family residence;

(c) The property is the primary residence of the owner of the property, exclusive of any other residence in Nevada;

(d) The property is not rented, leased or otherwise made available for exclusive occupancy by any person other than the owner of the property and members of the family of the owner of the property;

(e) The claimant agrees to notify the county assessor if the property is no longer used as:

(1) A single-family residence; or

(2) The primary residence of the owner of the property, exclusive of any other residence in Nevada; and

(f) The claim is affirmed and certified by the owner of the property under any penalties provided by law.

3. The county assessor shall:

(a) If the county assessor determines it to be necessary, verify whether the property is eligible for a primary residential abatement.

(b) If the county assessor determines that the property is not eligible for a primary residential abatement, determine whether the property is eligible for a general abatement.

4. A claim for a primary residential abatement may be amended to reflect changes in the ownership or occupation of the property. If such a change occurs after July 1, the change must not be indicated on either the secured or unsecured tax roll, as applicable, until the next fiscal year.

Sec. 2. NAC 361.607 is hereby amended to read as follows:

361.607 1. A county assessor shall annually mail to the owner of each residential rental dwelling in the county a written notice of the right to claim a residential rental abatement.

2. A claim for a residential rental abatement ~~[must be:]~~ ***:***

(a) ~~[Filed]~~ ***May be included on the form prescribed by the Commission for a declaration of value that, in accordance with NRS 375.060 and NAC 375.180, accompanies a:***

(1) Deed evidencing a transfer of title to the property that is presented to the county recorder for recordation; or

(2) Land sale installment contract relating to the property that is presented for recordation to the county recorder of the county.

(b) Must be filed annually with the county assessor of the county in which the property is located not later than June 15 of each year ~~[;]~~ and

~~[(b) Accompanied]~~ ***accompanied*** by an affidavit which states:

(1) That the amount of rent collected from each of the tenants of the property is equal to or less than the applicable fair market rent published by the United States Department of Housing and Urban Development. For the purpose of determining the applicable fair market rent, a studio apartment must be considered to be a single room.

(2) The greatest amount of rent charged a tenant of the property for the period from April 1 of the year immediately preceding the lien date for the current year until March 31 of the current year.

3. The Department shall annually notify each county assessor of:

(a) The amounts of the applicable fair market rents for the current year, as published for March 31 of that year by the Department of Housing and Urban Development, excluding the amounts of utility allowances.

(b) The amounts of applicable utility allowances, based upon the information reported by the appropriate Nevada regional housing authority to the Department of Housing and Urban Development.

4. For the purpose of determining the eligibility of property for a residential rental abatement, the county assessor shall compare:

(a) The greatest amount of rent charged a tenant of the property for the period from April 1 of the year immediately preceding the lien date for the current year until March 31 of the current year, excluding any amount paid for utilities; and

(b) The amount of the applicable fair market rent for the current year, as provided by the Department pursuant to subsection 3, excluding the amount of the applicable utility allowance. For the purposes of this section, the county assessor shall use as the applicable utility allowance:

(1) The typical utility allowance for the pertinent category of property, as provided by the Department pursuant to subsection 3; or

(2) A utility allowance calculated by the county assessor for the specific property from the information reported by the appropriate Nevada regional housing authority to the Department of Housing and Urban Development.

5. A residential rental dwelling is not eligible for a residential rental abatement if the rent received for any rental unit of the property for the period from April 1 of the year immediately preceding the lien date for the current year until March 31 of the current year, excluding any amount included in the rent for the payment of utilities, exceeds the amount of the applicable fair market rent for the current year, excluding the amount of the applicable utility allowance.

6. The owner of any property for which a claim for a residential rental abatement is filed:

(a) Has the burden of proving that the property is not transient lodging; and

(b) Must:

(1) Provide to the county assessor such information as the county assessor requires to determine the eligibility of the property for a residential rental abatement and to ascertain the continuing eligibility of the property for a residential rental abatement; and

(2) Maintain accurate records in support of that information and allow the county assessor to audit those records at any time.

7. For the purposes of this section and NRS 361.4724, the Commission interprets the term:

(a) "Residential rental dwelling" to mean a residential dwelling:

(1) For which consideration is paid for its temporary use and occupancy; or

(2) Which is occupied by a member of the family of the owner of the dwelling for no consideration.

(b) "Transient lodging" to:

(1) Mean, except as otherwise provided in subparagraph (2), any facility or structure, or any portion thereof, which is occupied or intended or designed for occupancy and which is held out for use by transient guests who pay rent for the temporary privilege of dwelling, lodging or sleeping therein. For the purposes of this subparagraph, "facility or structure" includes any hotel, resort hotel, motel, bed and breakfast, lodging house, time-share project, vacation home, apartment house, recreational vehicle park or campground, and any similar facility or structure.

(2) Exclude any:

(I) Hospital, sanitarium, medical clinic, convalescent home, nursing home, home for aged persons, foster home or similar facility operated for the care or treatment of human beings;

(II) Asylum, jail, prison, orphanage or other facility in which human beings are detained and housed under legal restraint; or

(III) Housing owned or controlled by an educational institution and used exclusively to house students, faculty or other employees of the institution.

Sec. 3. NAC 375.180 is hereby amended to read as follows:

375.180 1. Except as otherwise provided in subsection 3, if a deed evidencing a transfer of title of real property is offered for recording to a county recorder, the county recorder shall require a declaration of value to be made, on a form prescribed by the Nevada Tax Commission, and personally signed under penalty of perjury by the grantee, the grantor or the agent of the grantee or grantor. ***An electronic signature used in accordance with NRS 111.366 to 111.3697, inclusive, and chapter 719 of NRS satisfies the requirement of this subsection for the declaration of value to be signed.*** The declaration of value:

(a) Must contain, without limitation:

(1) The name and mailing address of the grantor, the grantee and the business or natural person requesting the recording if the grantor or grantee does not request the recording;

(2) A description of the use of the property;

(3) The full amount paid or to be paid for the property; and

(4) Information concerning the possible penalties and interest that may be imposed pursuant to NRS 375.030.

(b) May contain information regarding a claim for an exemption from the tax ~~[,]~~ ***imposed by chapter 375 of NRS,*** including, without limitation:

(1) The type of exemption claimed;

(2) A statement explaining the reason for the claim;

(3) A statement indicating whether ~~[or not]~~ the exemption is being applied to a partial interest in the property; and

(4) The sales price of the property, if that information is available.

(c) May contain information regarding a claim for a partial abatement of property taxes pursuant to NRS 361.4723 or a partial abatement of property taxes pursuant to NRS 361.4724, including, without limitation, the type of partial abatement of property taxes claimed. If a claim for any such partial abatement of property taxes is contained in a declaration of value, the county recorder must transmit the claim to the county assessor of the county in the manner prescribed by the Nevada Tax Commission.

2. The county recorder shall not accept an incomplete form except:

(a) If the transfer of title of real property is exempt from a tax imposed by chapter 375 of NRS, no value for the property need be declared on the form.

(b) If multiple parcels of real property are being transferred, at least one parcel must be listed on the form. If additional space is needed to list all the parcels of real property being transferred, the words "see attached" must be written next to the listed parcel number and an attachment that lists the number of each parcel being transferred must accompany the form.

3. If the value of the property is stated incorrectly on the declaration of value or the amount of tax is computed incorrectly, the person who pays an amount of tax which exceeds the amount due may make a claim for a refund of the amount of tax which he or she overpaid by completing a refund request form, which may be obtained from the office of the county recorder of the county in which the tax is paid. The form must be signed under penalty of perjury by the person entitled to the refund or the person's legal representative and submitted to the county recorder of the county in which the tax is paid. If the claim is unaudited, the claim must be submitted within 6 months after the date of recording pursuant to NRS 244.250. If the claim for a refund is submitted pursuant to an audit, the claim may be submitted within 3 years after the date of recording.