SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY NRS 233B.0608 and NRS 233B.0609

LCB File No. R098-26

1. Background

LCB File No. R098-26, establishes requirements related to real property; revises provisions governing the manner in which owners of real property claim certain partial abatements of property tax; revises 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; provides for electronic signature of the declaration of value form; and provides other matters properly relating thereto.

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 authorizes 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.

2. **A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R098-26. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 247 members of its interested parties list.
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

The content responses are summarized below:

- One response was received by the Department for LCB Draft of Proposed Regulation - File No. R098-26. The respondent listed 16 employees currently employed by their business on the Small Business Impact Questionnaire and answered "no" to all five questions on the questionnaire without further explanation or clarification, thus indicating that the proposed permanent regulation has no adverse, beneficial, direct or indirect impact on the respondent's small business.

Anyone interested in obtaining a copy of the completed small business impact questionnaire used for this summary can contact:

Kari Skalsky
Nevada Department of Taxation
3850 Arrowhead Drive
Carson City, NV 89706
kskalsky@tax.state.nv.us
Phone: (775) 684-2041

3. **The manner in which the analysis was conducted, including the methods used to determine the impacts of the proposed regulation on small businesses.**

One response was received for LCB Draft of Proposed Regulation R098-26 for the questionnaire regarding the impact of the regulation on small businesses as summarized in the response to #2 above. Accordingly, the Department analyzed the proposed language and used informed, reasonable judgement in determining that there will be no impact on small businesses.

4. **The estimated economic effect of the proposed regulation on the small businesses which it is to regulate:**

   <u>Adverse and Beneficial Effects</u>

   The Department finds that there is no reasonable, foreseeable or anticipated adverse or beneficial economic effect on small businesses.

   <u>Direct and Indirect Effects</u>

   The Department finds that there is no reasonable, foreseeable or anticipated direct or indirect economic effect on small businesses.

5. **A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

   The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R098-26. The proposed language and questionnaire were dispersed to the following:
   - Emailed by the Department to 247 members of its interested parties list.
   - Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

   One response was received for LCB Draft of Proposed Regulation R098-26 for the questionnaire regarding the impact of the regulation on small businesses as summarized in the response to #2 on the second page of this statement. Accordingly, the Department analyzed the proposed language and used informed, reasonable judgement in determining that there will be no impact on small businesses.

6. **The estimated cost to the agency for enforcement of the proposed regulation.**

   The proposed permanent regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

7. **If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

   The proposed permanent regulation does not include new fees or increase an existing fee.

8. **If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions arc necessary.**

   The proposed permanent regulation does not overlap or duplicate any regulation of other federal, state or local government entities.

9. The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.

The Department has determined that there will be no adverse impacts to small businesses based on its analysis of the proposed permanent regulation.

I hereby certify, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was properly prepared, and the information contained herein is accurate.

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Shellie Hughes, Executive Director
June 22, 2026