

**ADOPTED REGULATION OF THE  
NEVADA TAX COMMISSION**

**LCB File No. R183-07**

Effective August 26, 2008

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

AUTHORITY: §§1-6, NRS 360.090, 360.250 and 361.233.

A REGULATION relating to the taxation of real property; providing a methodology for the assessment and valuation of the real property within a common-interest community; and providing other matters properly relating thereto.

**Section 1.** Chapter 361 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this regulation.

**Sec. 2.** *As used in sections 2 to 5, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in NRS 361.233 have the meanings ascribed to them in that section.*

**Sec. 3.** *The provisions of sections 2 to 5, inclusive, of this regulation apply to the assessment and valuation of the real property within a common-interest community.*

**Sec. 4. 1.** *A county assessor shall:*

*(a) Determine the taxable value of each community unit of a common-interest community separately and assess the tax thereon to the current owner of the community unit; and*

*(b) Determine the taxable value of the common elements of a common-interest community separately and assess the tax thereon to the current owners of the community units of the common-interest community as provided in section 5 of this regulation.*

*2. If a parcel includes both a community unit and any portion of the common elements of a common-interest community, a county assessor shall:*

*(a) Determine the taxable value of any improvements and land that comprise that community unit separately and assess the tax thereon to the current owner of the community unit; and*

*(b) Determine the taxable value of any improvements and land that comprise that portion of the common elements of the common-interest community and assess the tax thereon to the current owners of the community units of the common-interest community as provided in section 5 of this regulation.*

*3. For the purposes of:*

*(a) Paragraph (a) of subsection 1, the taxable value of the common elements of a common-interest community must not enhance or be reflected in the taxable value of a community unit of that common-interest community; and*

*(b) Paragraph (a) of subsection 2, the taxable value of any improvements and land that comprise the common elements of a common-interest community must not enhance or be reflected in the taxable value of any improvements and land that comprise a community unit of that common-interest community.*

*Sec. 5. 1. Except as otherwise provided in subsection 3 of section 4 of this regulation, a county assessor shall include in the valuation of each community unit of a common interest community an amount calculated by multiplying the taxable value of all the common elements of the common-interest community by a fraction, the numerator of which is 1 and the denominator of which is:*

*(a) Except as otherwise provided in paragraph (b), the total number of community units in the common-interest community; or*

*(b) If the common-interest community is still under development, the total number of community units planned to be constructed in the common-interest community,*

*↳ regardless of whether each community unit has yet been identified by a separate assessor's parcel number.*

*2. If a county assessor is unable to determine from public records the information necessary to carry out the provisions of subsection 1, the county assessor shall submit to the owners of the common elements of the common-interest community a written request for such information as the county assessor determines to be necessary to carry out those provisions.*

*Such information may include, without limitation:*

*(a) The total number of community units constructed or planned to be constructed in the common-interest community;*

*(b) The assessor's parcel number or other identifying information for each community unit in the common-interest community; and*

*(c) The assessor's parcel number or other identifying information for each portion of the common elements of the common-interest community.*

*3. If the owners of the common elements of a common-interest community fail to provide the information requested pursuant to subsection 2 within 60 days after receiving that request, the county assessor shall allocate the taxable value of the common elements of the common-interest community to the community units of the common-interest community based on any information available to the county assessor.*

*4. The Department shall provide a standard form for requesting and providing information pursuant to this section.*

**Sec. 6.** NAC 361.010 is hereby amended to read as follows:

361.010 As used in NAC 361.010 to 361.61038, inclusive, *and sections 2 to 5, inclusive, of this regulation*, unless the context otherwise requires, the words and terms defined in NAC 361.012 to 361.018, inclusive, have the meanings ascribed to them in those sections.

**NOTICE OF ADOPTION OF PROPOSED REGULATION  
LCB File No. R183-07**

The Nevada Tax Commission adopted regulations assigned LCB File No. R183-07 which pertain to chapter 361 of the Nevada Administrative Code.

**INFORMATIONAL STATEMENT**

- 1. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.**

The Department of Taxation, as staff to the Nevada Tax Commission, solicited comment from the public by sending notice of workshops and hearings by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop</u>	<u>Number Notified</u>	<u>Representing Businesses</u>
8/1/07	Workshop	8/13/07	352	192
8/31/07	Workshop	9/17/07	352	192
9/7/07	Workshop	9/18/07	352	192
10/2/07	Workshop	10/17/07	352	192
3/4/08	Hearing	4/7/08	366	187
4/11/08	Workshop	4/29/08	366	187
5/14/08	Hearing	6/25/08	366	187

The mailing list included the interested parties list maintained by the Department, as well as officials of local jurisdictions subject to these regulations.

Many oral and two written comments were received at the workshops and hearing. A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at **trubald@tax.state.nv.us**.

The Legislative Counsel Bureau completed its review and revisions on December 5, 2007. The Tax Commission further amended the regulation at the hearing on June 25, 2008.

- 2. The number persons who:**

- (a) Attended and testified at each workshop:**

<u>Date of Workshop</u>	<u>Attended</u>	<u>Testified</u>
8/13/07	26	11
9/17/07	33	19

9/18/07	33	18
10/17/07	19	12
4/29/08	22	11

**(b) Attended and testified at each hearing:**

<u>Date of Hearing</u>	<u>Commission/ Public Attended</u>	<u>Public Testified</u>
4/7/08	8 /70	2
6/25/08	8 / 55	7

**(c) Submitted to the agency written comments:**

<u>Date of Workshop / Hearing</u>	<u>Number Received</u>
8/13/07	4
9/17/07	4
9/18/07	2
10/17/07	5
4/07/08	1
4/29/08	4
6/25/08	1

**3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.**

Comments were solicited from affected and interested businesses and persons, by notices posted at the Nevada State Library; various Department of Taxation locations throughout the state; and at the Main Public Libraries in counties where an office of the Department of Taxation is not located. Comments were also solicited by direct mail to assessors and the interested parties list maintained by the Department. Approximately 55% of the approximately 352 direct mail notices were sent to individuals or associations representing business.

Members of the Nevada Tax Commission, officials of the Nevada Department of Taxation, local government officials, and members of the general public commented on some or all of the proposed language changes during the workshop process and during the Adoption Hearing.

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Department at **trubald@tax.state.nv.us**.

**4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.**

The permanent regulation was adopted with changes reflecting the verbal and written comments submitted to, or received by, the Department of Taxation primarily from attorneys representing private industry, individual taxpayers, county assessors, and Tax Commission members during the workshops and hearings listed above. The Nevada Tax Commission adopted the permanent regulation as revised at the adoption hearing; and believed no changes other than those made were necessary.

**5. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:**

- (a) Both adverse and beneficial effects; and**
- (b) Both immediate and long-term effects.**

The Commission has found that the regulation does not impose a direct and significant burden upon businesses and the public in Nevada. The permanent regulation provides the methodology for the assessment and valuation of the real property within a common-interest community.

The regulations present no reasonably foreseeable or anticipated immediate or long-term negative economic effects to businesses. The immediate and long-term effects of the regulation are to provide equitable treatment in the valuation of common-interest community real property.

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

The Department anticipates little additional cost for local governments to administer the regulation.

**7. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.**

There are not other state or government agency regulations that the proposed amendments duplicate.

**8. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.**

The Commission is not aware of any provision in this regulation which is also governed by federal regulation.

9. **If the 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 Nevada Tax Commission is not aware of any provision in this regulation that provides for a new fee, or increases an existing fee.