

**PROPOSED REGULATION OF THE  
COMMITTEE ON LOCAL GOVERNMENT FINANCE**

**Proposed Regulation for Allocation of Taxes outside Redevelopment Areas  
and Tax Increment Areas after Abatement**

Sec. 1. Chapter 361 of NAC is hereby amended by adding thereby the provisions of Section 2 to 4, inclusive, of this regulation.

Sec. 2. In General. *This regulation provides for the allocation of property taxes collected on taxable property which is not located in redevelopment areas or tax increment areas as provided in NRS 361.4733, as amended by Section 24 of Ch 415 of the 2007 regular session of the Nevada Legislature. Unless otherwise stated, all calculations required to be made by this regulation are calculated separately for each parcel and are re-calculated for each fiscal year.*

Sec. 3. Definitions. *The terms defined in this section shall have the meanings given them in this section for all purposes of this regulation unless the context otherwise requires.*

1. *“Combined overlapping adjusted tax rate” means the sum of all of the entity adjusted parcel tax rates of each taxing entity that levies a property tax on that parcel.*

2. *“Entity adjusted parcel tax rate” has the meaning given to that term in Subsection 2 of NAC 361.611.*

3. *“Entity parcel tax rate increase” means the ad valorem tax rate imposed by or on behalf of a taxing entity on a parcel or other unit of property for a fiscal year minus the entity adjusted parcel tax rate of that taxing entity for the preceding fiscal year; but if this difference is less than zero, the entity parcel tax rate increase shall be treated as zero.*

4. *“Redevelopment Area” means a redevelopment area as defined in Ch 279 of NRS in which taxes are distributed as provided in NRS 279.676.*

5. *“Tax Increment Area” means the area included in a tax increment area as defined in Ch 278C of NRS in which taxes are distributed as provided in NRS 278C.250.*

Sec. 4. The following applies to allocate a portion of the reductions in tax revenues resulting from partial abatements applicable to property located outside redevelopment areas and tax increment areas for which the combined overlapping tax rate has increased from the combined overlapping adjusted tax rate for the prior fiscal year. This Section shall not be applied in a manner that (i) would abate any tax rate increase that is exempt from abatement under NRS 361.4726, Subsection 3 of NRS 361.4727 or NRS 361.4728 or (ii) would not allocate the revenues from such a tax rate increase to the taxing entity who levied the tax that is exempt from abatement or on behalf of whom such a tax was levied. In addition, see NRS 361.4732 for special rules applicable in the case of annexations.

*1. On or before August 1 of each fiscal year, the tax receiver of each county shall determine for each parcel or other taxable unit of property located in that county the amount which equals the lesser of:*

*(a) The amount of the partial abatement of taxes to which the owner of the property is entitled pursuant to NRS 361.4722, 361.4723 or 361.4724 for the current fiscal year; or*

*(b) The product of the assessed value of the property for the current fiscal year and the difference between:*

*(1) The combined overlapping tax rate applicable to the property for the current fiscal year; and*

*(2) The combined overlapping adjusted tax rate applicable to the property for the immediately preceding fiscal year.*

*2. On or before August 1 of each fiscal year, the Department shall determine for each parcel or other taxable unit of property which is valued pursuant to NRS 361.320 or 361.323, the amount which equals the lesser of:*

*(a) The amount of the partial abatement of taxes to which the owner of the property is entitled pursuant to NRS 361.4722, 361.4723 or 361.4724 for the current fiscal year; or*

*(b) The product of the assessed value of the property for the current fiscal year and the difference between:*

*(1) The combined overlapping tax rate applicable to the property for the current fiscal year; and*

*(2) The combined overlapping adjusted tax rate applicable to the property for the immediately preceding fiscal year.*

*3. For properties located outside of redevelopment areas and tax increment areas, that portion of the amount of any reduction in the ad valorem taxes levied on any parcel or other taxable unit of property as a result of the application of NRS 361.4722, 361.4723 and 361.4724 which is determined pursuant to subsection 1 or 2 must be deducted from the amount of ad valorem taxes that would otherwise be distributed to taxing entities whose entity parcel tax rate increase is greater than zero in proportion to those entities respective entity parcel tax rate increases.*

Sec. 5. NAC 361.611 is hereby amended to read as follows:

NAC 361.611 Calculation of deductions from amounts taxing entities otherwise entitled to receive. (~~NRS 361.473, 361.4731,~~ NRS 361.4733)

1. For the purpose of calculating any amount required to be deducted pursuant to subsection 4 of NRS 361.4722, subsection 3 of NRS 361.4723 or subsection 3 of NRS 361.4724 for a fiscal year from the amount any taxing entity would otherwise be entitled to receive from the ad valorem taxation of a parcel or other taxable unit of property, the entity-adjusted parcel tax rate of each taxing entity must be used to determine:

(a) The rate of ad valorem taxes levied in the county on that property by or on behalf of each taxing entity for that fiscal year; and

(b) The combined rate of all ad valorem taxes levied in the county on that property by or on behalf of all taxing entities for that fiscal year.

2. ~~For the purpose of making the calculations required for each parcel or other taxable unit of property pursuant to NRS 361.473 or 361.4731, the entity-adjusted parcel tax rate of each taxing entity must be used to determine:~~

~~—(a) The ad valorem tax rate of each taxing entity applicable to that property for the immediately preceding fiscal year; and~~

~~—(b) The combined overlapping tax rate applicable to that property for the immediately preceding fiscal year.~~

~~—3.]~~ For the purposes of this section, the “entity-adjusted parcel tax rate” of a taxing entity means the rate of ad valorem taxes imposed by or on behalf of that taxing entity upon a parcel or other taxable unit of property for a fiscal year, as calculated by:

(a) Multiplying the actual rate of ad valorem taxes levied by or on behalf of that taxing entity for that fiscal year by the assessed value of that property for that fiscal year;

(b) Subtracting from the amount determined pursuant to paragraph (a) any amount deducted for that fiscal year pursuant to subsection 3 of ~~[NRS 361.473 or paragraph (a) of subsection 3 of NRS 361.4731]~~ Section 4 of this regulation from the amount that taxing entity would otherwise be entitled to receive from the ad valorem taxation of that property; and

(c) Dividing the amount determined pursuant to paragraph (b) by the assessed value of that property for that fiscal year to determine that entity-adjusted parcel tax rate.

Section 6. This regulation is effective on the date of its adoption and filing as provided in NRS 233B.070.