

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

**LCB File No. R023-08**

March 6, 2008

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

AUTHORITY: §§1-11, NRS 361.4733.

A REGULATION relating to property taxes; providing a methodology for the allocation of any reduction in tax revenue resulting from certain partial abatements of taxes imposed on property located outside of any redevelopment area or tax increment area; 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 10, inclusive, of this regulation.

**Sec. 2.** *As used in sections 2 to 10, inclusive, of this regulation, unless the context otherwise requires, the words and terms defined in sections 3 to 9, inclusive, of this regulation have the meanings ascribed to them in those sections.*

**Sec. 3.** *“Combined overlapping adjusted tax rate” means the sum of all the entity-adjusted parcel tax rates of all the taxing entities that levy an ad valorem tax on a parcel or other taxable unit of property.*

**Sec. 4.** *“Combined overlapping tax rate” has the meaning ascribed to it in NRS 361.4715.*

**Sec. 5.** *“Entity-adjusted parcel tax rate” has the meaning ascribed to it in NAC 361.611.*

**Sec. 6.** *“Entity parcel tax rate increase” means:*

*1. Except as otherwise provided in subsection 2, the remainder obtained by subtracting the entity-adjusted parcel tax rate of a taxing entity applicable to a parcel or other taxable unit of property for the immediately preceding fiscal year from the rate of ad valorem taxes imposed by or on behalf of that taxing entity on that parcel or other taxable unit of property for the current fiscal year; or*

*2. If the remainder determined pursuant to subsection 1 is a negative number, zero.*

**Sec. 7.** *“Redevelopment area” means a redevelopment area, as defined in NRS 279.410, regarding which any taxes levied on property in that area are distributed as provided in NRS 279.676.*

**Sec. 8.** *“Tax increment area” means a tax increment area, as defined in NRS 278C.130, regarding which any taxes levied on property in that area are distributed as provided in NRS 278C.250.*

**Sec. 9.** *“Taxing entity” has the meaning ascribed to it in NRS 361.4721.*

**Sec. 10.** *1. Except as otherwise provided in subsection 2 or required to carry out the provisions of NRS 361.4732:*

*(a) 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, other than any property to which paragraph (b) applies, for which the combined overlapping tax rate applicable to the property for the current fiscal year exceeds the combined overlapping adjusted tax rate applicable to the property for the immediately preceding fiscal year, the amount which equals the lesser of:*

*(1) The amount of any 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*

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

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

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

*(b) 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 and for which the combined overlapping tax rate applicable to the property for the current fiscal year exceeds the combined overlapping adjusted tax rate applicable to the property for the immediately preceding fiscal year, the amount which equals the lesser of:*

*(1) The amount of any 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*

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

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

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

*(c) 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 paragraph (a) or (b) must be deducted from the amount of ad valorem taxes that would otherwise be distributed to the*

*taxing entities whose entity parcel tax rate increase is greater than zero in proportion to their respective entity parcel tax rate increases.*

*(d) Each calculation required pursuant to this section must be:*

*(1) Calculated separately for each parcel or other taxable unit of property; and*

*(2) Recalculated for each fiscal year.*

*2. The provisions of this section must not be applied in any manner that:*

*(a) Would provide for the abatement of any increase in ad valorem taxes which, in accordance with NRS 361.4726, subsection 3 of NRS 361.4727 or NRS 361.4728, is exempt from each partial abatement from taxation provided pursuant to NRS 361.4722, 361.4723 and 361.4724; or*

*(b) Would not allocate the revenue from any increase in ad valorem taxes described in paragraph (a) to the taxing entity who levies that increase or on behalf of whom that increase is levied.*

*3. As used in this section, “property” means property which is located outside of any redevelopment area or tax increment area.*

**Sec. 11.** NAC 361.611 is hereby amended to read as follows:

361.611 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]~~ *paragraph (c) of subsection 1 of section 10 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.