

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

LCB File No. R044-06

April 10, 2006

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

AUTHORITY: §1, NRS 361.4733; §2, NRS 361.473, 361.4731, 361.4733; §3, NRS 361.4732, 361.4733.

A REGULATION relating to the partial abatement of property taxes; providing for the administration and interpretation of the statutory provisions governing the allocation of certain portions of reductions in revenue resulting from certain partial abatements and the effect of the annexation of real property to a taxing entity; 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 and 3 of this regulation.

Sec. 2. 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 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.

Sec. 3. *For the purpose of carrying out the provisions of NRS 361.4732, the annexation of a parcel or other taxable unit of real property to a taxing entity includes:*

1. The inclusion of the property within the boundaries of an existing taxing entity as a result of a change in the boundaries of that taxing entity;

2. The inclusion of the property within the boundaries of a new taxing entity; and

3. The assumption by a taxing entity of the functions of another taxing entity that:

(a) Was entitled to levy or require the levy on its behalf of any ad valorem taxes on the property during the immediately preceding fiscal year; and

(b) Has been dissolved.