

A.J.R. 1 of the 76th Session

ASSEMBLY JOINT RESOLUTION NO. 1—
COMMITTEE ON TAXATION

(ON BEHALF OF THE NEVADA LEAGUE OF
CITIES AND MUNICIPALITIES)

PREFILED DECEMBER 14, 2010

Referred to Concurrent Committees on Legislative
Operations and Elections and Taxation

SUMMARY—Proposes to amend certain provisions of the Nevada Constitution related to the assessment and collection of property taxes to authorize the Legislature to provide by law for the calculation of the taxable value of improvements to real property upon the transfer, sale or conveyance of the property. (BDR C-402)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

ASSEMBLY JOINT RESOLUTION—Proposing to amend certain provisions of the Nevada Constitution related to the assessment and collection of property taxes to authorize the Legislature to provide by law for the calculation of the taxable value of improvements to real property upon the transfer, sale or conveyance of the property.

Legislative Counsel’s Digest:

1 Existing law requires that depreciation of an improvement to real property be
2 calculated at 1.5 percent of the replacement cost of the improvement for each year
3 of adjusted actual age of the improvement, up to a maximum of 50 years, when
4 determining the value of the property for the purposes of assessing and collecting
5 property taxes. (NRS 361.227) This proposed amendment to the Nevada
6 Constitution authorizes the Legislature to enact a statute which provides for the
7 calculation of the taxable value of improvements to real property upon such
8 transfers, sales or other conveyances of the property as the Legislature deems
9 appropriate.



1 RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF
2 NEVADA, JOINTLY, That Section 1 of Article 10 of the Nevada
3 Constitution be amended to read as follows:

4 Section 1. 1. The Legislature shall provide by law for
5 a uniform and equal rate of assessment and taxation, and shall
6 prescribe such regulations as shall secure a just valuation for
7 taxation of all property, real, personal and possessory, except
8 mines and mining claims, which shall be assessed and taxed
9 only as provided in Section 5 of this Article.

10 2. Shares of stock, bonds, mortgages, notes, bank
11 deposits, book accounts and credits, and securities and choses
12 in action of like character are deemed to represent interest in
13 property already assessed and taxed, either in Nevada or
14 elsewhere, and shall be exempt.

15 3. The Legislature may constitute agricultural and open-
16 space real property having a greater value for another use
17 than that for which it is being used, as a separate class for
18 taxation purposes and may provide a separate uniform plan
19 for appraisal and valuation of such property for assessment
20 purposes. If such plan is provided, the Legislature shall also
21 provide for retroactive assessment for a period of not less
22 than 7 years when agricultural and open-space real property is
23 converted to a higher use conforming to the use for which
24 other nearby property is used.

25 4. Personal property which is moving in interstate
26 commerce through or over the territory of the State of
27 Nevada, or which was consigned to a warehouse, public or
28 private, within the State of Nevada from outside the State of
29 Nevada for storage in transit to a final destination outside the
30 State of Nevada, whether specified when transportation
31 begins or afterward, shall be deemed to have acquired no
32 situs in Nevada for purposes of taxation and shall be exempt
33 from taxation. Such property shall not be deprived of such
34 exemption because while in the warehouse the property is
35 assembled, bound, joined, processed, disassembled, divided,
36 cut, broken in bulk, relabeled or repackaged.

37 5. The Legislature may exempt motor vehicles from the
38 provisions of the tax required by this Section, and in lieu
39 thereof, if such exemption is granted, shall provide for a
40 uniform and equal rate of assessment and taxation of motor
41 vehicles, which rate shall not exceed five cents on one dollar
42 of assessed valuation.

43 6. The Legislature shall provide by law for a progressive
44 reduction in the tax upon business inventories by 20 percent



1 in each year following the adoption of this provision, and
2 after the expiration of the 4th year such inventories are
3 exempt from taxation. The Legislature may exempt any other
4 personal property, including livestock.

5 7. No inheritance tax shall ever be levied.

6 8. The Legislature may exempt by law property used for
7 municipal, educational, literary, scientific or other charitable
8 purposes, or to encourage the conservation of energy or the
9 substitution of other sources for fossil sources of energy.

10 9. No income tax shall be levied upon the wages or
11 personal income of natural persons. Notwithstanding the
12 foregoing provision, and except as otherwise provided in
13 subsection 1 of this Section, taxes may be levied upon the
14 income or revenue of any business in whatever form it may
15 be conducted for profit in the State.

16 10. The Legislature may provide by law for an
17 abatement of the tax upon or an exemption of part of the
18 assessed value of a single-family residence occupied by the
19 owner to the extent necessary to avoid severe economic
20 hardship to the owner of the residence.

21 *11. The Legislature may provide by law for the*
22 *determination of the value of improvements to real property*
23 *for the purposes of taxation upon the transfer, sale or other*
24 *conveyance of the property as the Legislature determines to*
25 *be appropriate.*



