

SENATE JOINT RESOLUTION NO. 13—SENATORS  
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MARCH 12, 2015

Referred to Committee on Revenue and  
Economic Development

SUMMARY—Proposes to amend the Nevada Constitution to limit the total amount of certain property taxes that may be levied on real property. (BDR C-1004)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.  
Effect on the State: Yes.

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

SENATE JOINT RESOLUTION—Proposing to amend the Nevada Constitution to limit the total amount of certain property taxes that may be levied on real property.

**Legislative Counsel’s Digest:**

1 This resolution proposes to amend the Nevada Constitution to limit the amount  
2 of certain property taxes which may be cumulatively levied per year on real  
3 property to 1 percent of the base value of the property. Additionally, this resolution  
4 provides that: (1) if one-half or more of the ownership interest in certain real  
5 property is transferred, the base value of the property becomes the cash value of the  
6 property on the date the ownership interest is transferred; (2) an improvement to  
7 real property increases the base value of the property by the cash value of the  
8 improvement, unless the improvement replaces certain improvements which were  
9 destroyed, protects the safety of the occupants or improves accessibility to persons  
10 with disabilities; (3) the base value of real property cannot increase or decrease  
11 from year to year by more than 3 percent, except as otherwise set forth in this  
12 resolution; (4) an owner domiciled in Nevada who has attained the age of 62 years  
13 may transfer the base value of his or her principal residence to a new residence of  
14 comparable value; and (5) an owner whose real property is taken by the exercise of  
15 eminent domain may transfer the base value of the condemned property to a new  
16 property of comparable value.



\* S J R 1 3 R 1 \*

1 RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF  
2 NEVADA, JOINTLY, That a new section, designated Section 7, be  
3 added to Article 10 of the Nevada Constitution to read as follows:

4 *Sec. 7. 1. The maximum amount of tax ad valorem*  
5 *that may be cumulatively levied per year on real property is*  
6 *1 percent of the base value of the property. This limit does*  
7 *not apply to taxes ad valorem levied to pay the interest and*  
8 *principal of any bonded indebtedness or to pay any*  
9 *obligation under a contract made in connection with such*  
10 *bonded indebtedness.*

11 *2. Except as otherwise provided in subsections 3 to 7,*  
12 *inclusive, the base value of real property is the property's*  
13 *taxable value from which the assessed value for the Fiscal*  
14 *Year 2017-2018 was calculated.*

15 *3. Except as otherwise provided in this subsection and*  
16 *subsection 7, if one-half or more of an ownership interest in*  
17 *real property is transferred, the base value of the property*  
18 *becomes the cash value of the property as of the date of*  
19 *transfer of the ownership interest. The provisions of this*  
20 *subsection do not apply if the transfer of ownership interest*  
21 *is to the spouse, child or grandchild of the transferor, or if*  
22 *the transfer of ownership interest is to or from a separate*  
23 *legal entity of which the transferor is the beneficial owner.*

24 *4. Except as otherwise provided in subsection 7:*

25 *(a) If existing improvements to real property are*  
26 *materially enhanced or new improvements are constructed,*  
27 *except if constructed to replace existing improvements*  
28 *destroyed by natural disaster or other casualty, the base*  
29 *value of the property must be increased by the cash value of*  
30 *the enhancement or improvement, respectively.*

31 *(b) If real property is converted to another use, the base*  
32 *value of the property must be redetermined after the*  
33 *conversion by appraisal at its cash value in accordance with*  
34 *the new use of the property.*

35 *5. Except as otherwise provided in subsections 3, 4 and*  
36 *7, the base value of real property must not be increased*  
37 *from year to year by any amount greater than the lesser of*  
38 *the increase caused by inflation, if any, or 3 percent. The*  
39 *base value of real property must be decreased from year to*  
40 *year:*

41 *(a) To reflect any substantial damage to or destruction*  
42 *of the property; and*

43 *(b) By an amount, not to exceed 3 percent, equal to any*  
44 *decrease in the value of the property caused by deflation or*  
45 *other economic or market conditions.*



1           6. For the purposes of subsection 5, inflation and  
2 deflation must be measured by the Consumer Price Index  
3 for All Urban Consumers compiled by the United States  
4 Bureau of Labor Statistics for the preceding calendar year.  
5 If the Index specified in this subsection ceases to be  
6 compiled, the Legislature shall provide by law for another  
7 appropriate method of measuring inflation and deflation.

8           7. Notwithstanding any provision of this section to the  
9 contrary:

10           (a) An owner domiciled in this State who has attained  
11 the age of 62 years may replace his or her principal  
12 residence with another of comparable value and transfer to  
13 the new residence the base value of the old residence for the  
14 purpose of limiting the ad valorem tax on the new residence.  
15 If the cash value of the new residence exceeds the cash  
16 value of the old residence by more than 10 percent, the base  
17 value of the new residence must equal the base value of the  
18 old residence plus the amount by which the cash value of  
19 the new residence exceeds the cash value of the old  
20 residence.

21           (b) An improvement may be constructed or materially  
22 enhanced without changing the base value of real property  
23 if the construction or enhancement is necessary to protect  
24 the safety of the occupants or improve accessibility to  
25 persons with disabilities.

26           (c) An owner whose real property is taken by the  
27 exercise of eminent domain may replace the condemned  
28 property with property of comparable value and transfer to  
29 the new property the base value of the condemned property  
30 for the purpose of limiting the ad valorem tax on the  
31 property. If the cash value of the new property exceeds the  
32 cash value of the condemned property by more than 10  
33 percent, the base value of the new property must equal the  
34 base value of the condemned property plus the amount by  
35 which the cash value of the new property exceeds the cash  
36 value of the condemned property.

37           8. The Legislature shall provide by law for:

38           (a) A uniform and just valuation of the base value of  
39 real property; and

40           (b) Any other measure necessary to implement this  
41 section.

42           9. If any provision of this section or the application  
43 thereof to any person, thing or circumstance is held invalid,  
44 the invalidity does not affect the provisions or application of  
45 this section that can be given effect without the invalid



1 *provision or application, and to this end the provisions of*  
2 *this section are severable.*

3 *10. As used in this section:*

4 *(a) "Cash value" means the most probable price which*  
5 *property would bring in a competitive and open market*  
6 *under all conditions requisite to a fair sale.*

7 *(b) "Comparable value" means either a lower cash*  
8 *value or up to 10 percent more in cash value.*

9 *(c) "Condemned property" means property taken by the*  
10 *exercise of eminent domain.*

11 And be it further

12 RESOLVED, That Section 1 of Article 10 of the Nevada  
13 Constitution be amended to read as follows:

14 Section 1. 1. ~~{The}~~ *Except as otherwise provided in*  
15 *Section 7 of this Article, the* Legislature shall provide by law  
16 for a uniform and equal rate of assessment and taxation, and  
17 shall prescribe such regulations as shall secure a just  
18 valuation for taxation of all property, real, personal and  
19 possessory, except mines and mining claims, which shall be  
20 assessed and taxed only as provided in Section 5 of this  
21 Article.

22 2. Shares of stock, bonds, mortgages, notes, bank  
23 deposits, book accounts and credits, and securities and choses  
24 in action of like character are deemed to represent interest in  
25 property already assessed and taxed, either in Nevada or  
26 elsewhere, and shall be exempt.

27 3. The Legislature may constitute agricultural and open-  
28 space real property having a greater value for another use  
29 than that for which it is being used, as a separate class for  
30 taxation purposes and may provide a separate uniform plan  
31 for appraisal and valuation of such property for assessment  
32 purposes. If such plan is provided, the Legislature shall also  
33 provide for retroactive assessment for a period of not less  
34 than 7 years when agricultural and open-space real property is  
35 converted to a higher use conforming to the use for which  
36 other nearby property is used.

37 4. Personal property which is moving in interstate  
38 commerce through or over the territory of the State of  
39 Nevada, or which was consigned to a warehouse, public or  
40 private, within the State of Nevada from outside the State of  
41 Nevada for storage in transit to a final destination outside the  
42 State of Nevada, whether specified when transportation  
43 begins or afterward, shall be deemed to have acquired no  
44 situs in Nevada for purposes of taxation and shall be exempt  
45 from taxation. Such property shall not be deprived of such



1 exemption because while in the warehouse the property is  
2 assembled, bound, joined, processed, disassembled, divided,  
3 cut, broken in bulk, relabeled or repackaged.

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

10 6. The Legislature shall provide by law for a progressive  
11 reduction in the tax upon business inventories by 20 percent  
12 in each year following the adoption of this provision, and  
13 after the expiration of the 4th year such inventories are  
14 exempt from taxation. The Legislature may exempt any other  
15 personal property, including livestock.

16 7. No inheritance tax shall ever be levied.

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

21 9. No income tax shall be levied upon the wages or  
22 personal income of natural persons. Notwithstanding the  
23 foregoing provision, and except as otherwise provided in  
24 subsection 1 of this Section, taxes may be levied upon the  
25 income or revenue of any business in whatever form it may  
26 be conducted for profit in the State.

27 10. The Legislature may provide by law for an  
28 abatement of the tax upon or an exemption of part of the  
29 assessed value of a single-family residence occupied by the  
30 owner to the extent necessary to avoid severe economic  
31 hardship to the owner of the residence.







