



JOE LOMBARDO
Governor

STATE OF NEVADA
STATE BOARD OF EQUALIZATION

3850 Arrowhead Drive, 2nd Floor
Carson City, Nevada 89706
Telephone (775) 684-2160

SHELLIE HUGHES
Secretary

Posted 8/9/24

NOTICE OF INTENT TO ACT UPON A REGULATION

AMENDED

Notice of Hearing for the Adoption of

LCB File No. R037-24

State Board of Equalization

The State Board of Equalization will hold a Public Hearing at **9:00 a.m.** on **Monday, September 9, 2024**. The purpose of the hearing is to receive comments from all interested parties regarding the adoption of the regulation that pertains to LCB File No. R037-24.

You may attend this meeting at either of the following physical locations:

Nevada Department of Taxation
700 E. Warm Springs Road, 1st Floor
Las Vegas, Nevada 89119

Nevada Department of Taxation
4600 Kietzke Lane, Suite L235
Reno, Nevada 89502

This meeting will also be available by zoom. Please use the link below to join the
<https://us02web.zoom.us/j/81348666825>

Or One tap mobile:

+16694449171, 81348666825#
+16699009128, 81348666825#

Or join by phone:

Dial (for higher quality, dial a number based on your current location):
+1 669 444 9171 US or +1 669 900 9128 US (San Jose) or +1 719 359 4580 US or +1 253 205
0468 US or +1 253 215 8782 or +1 346 248 7799 US (Houston) or +1 309 205 3325 US or +1
312 626 6799 US (Chicago) or +1 360 209 5623 US or +1 386 347 5053 US or +1 507 473 4847
US or +1 564 217 2000 US or +1 646 558 8656 US (New York) or +1 646 931 3860 US or +1
689 278 1000 US or +1 301 715 8592 US (Washington DC) or +1 305 224 1968 US

Meeting ID: **813 4866 6825**

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Need and purpose of the proposed regulations or amendments

Various provisions of NAC Chapter 361 require updating to be consistent with current requirements under Nevada statutes as well as best practices for government property assessment. These changes were approved under the Governor's Executive Order 2023-003.

This regulation updates references to registered agents to whom certain notices must be sent; revises requirements for attorneys who represent parties before the State Board of Equalization; authorizes certain notices and documents to be filed with the State Board by electronic mail; repeals provisions concerning the format and service of certain documents; and provides other matters properly relating thereto.

Section 1 of this regulation updates references to the current edition of the *Standard on Ratio Studies* which is used by the State Board as a factor in determining whether property has been assessed uniformly under current appraisal methods, and the manner in which a copy of that publication may be obtained.

Section 2 of this regulation updates applicable references to registered agents to comply with terminology in statute. (NAC 361.666)

Section 3 of this regulation requires that an attorney representing a party before the State Board be an attorney: (1) in good standing who is licensed and admitted to practice law in this State; or (2) who is otherwise authorized to practice law in this State pursuant to the rules of the Nevada Supreme Court.

Sections 4 and 5 of this regulation provide that notices and documents filed with the State Board may be filed by electronic mail.

Section 6 of this regulation repeals provisions which specify the format for documents filed with the State Board and which require certain documents to be served on the Department.

2. How to obtain the approved or revised text of regulations prepared by LCB

You may obtain a copy of the proposed permanent regulation by writing to the Nevada Department of Taxation, 3850 Arrowhead Drive, 2nd Floor, Carson City, Nevada 89706; or by calling the office at (775) 684-2059. The proposed permanent regulation is also available for review and download on the Department of Taxation website at <https://tax.nv.gov/> or on the Nevada Legislature website at <https://www.leg.state.nv.us/>.

3. Methods used in determining the impact on a small business

No response was received for LCB Draft of Proposed Regulation R037-24. Since no response was received, the agency used informed, reasonable judgment in determining that there will not be an impact on small businesses due to the nature of the regulation changes.

The Department will continue to accept input on the impact of the proposed permanent regulation on small businesses through the regulatory process. No respondents indicated that this regulation would have a direct and significant economic burden upon a small business.

The Department held a workshop for concerned members of the public to state their concerns and submit correspondence regarding the regulation.

Clark County made public comment regarding section 3 and section 6 of the regulation.

The Clark County Assessor suggests changing the current provision to align with NAC 360.085. Under the proposed Rule 42, an out-of-state attorney representing a client before the State Board would need approval from the Board, apply to the Nevada State Bar, and associate with a Nevada-licensed attorney. The Assessor asserted that the new requirement creates an unnecessary burden on the State Board and staff. The Assessor recommends adopting NAC 360.085 instead, as it provides consistency and ensures that out-of-state attorneys will still associate with a Nevada-licensed attorney, achieving the same goal as Rule 42 without the extra burden.

The Clark County Assessor also suggested to not repeal NAC 361.748. The claims under NRS 361.420 are different than a challenge to the State Board's decision. In light of this statutory claim provision, it would be the Assessor's and District Attorney's recommendation that NAC 361.748 remain to ensure that the Department is served a copy of an action brought under NRS 361.420.

4. Estimated economic effect of regulation on businesses and the public

a. Adverse and beneficial effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated adverse economic effects on small businesses or the public.

b. Immediate and long-term effects

The proposed permanent regulation does not present any reasonable, foreseeable or anticipated immediate or long-term economic effects on small businesses or the public.

5. Cost for enforcement of the regulations

The proposed permanent regulation does not present any significant, foreseeable or anticipated cost or decrease in costs for enforcement.

6. Overlap or duplication of other state or local governmental agencies

The proposed permanent regulation does not overlap or duplicate any regulation of other state or local governmental entities.

7. Regulation required by federal law

Not Applicable

8. More stringent than federal regulations

The Department is not aware of any similar federal regulations of the same activity in which the state regulations are more stringent.

9. New or increases in existing fees

The proposed permanent regulation does not include new fees or increase an existing fee.

Persons wishing to comment on the proposed action of the State Board of Equalization may appear at the above scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the State Board of Equalization, 3850 Arrowhead Drive, 2nd Floor, Carson City, Nevada 89706. Written submissions must be received at least two weeks prior to the above scheduled public hearing.

Under NRS 233B.064(2), when adopting any regulation, the Agency, if requested to do so by an interested person, either prior to adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporation, and its reason for overruling the consideration urged against its adoption.

A copy of the Notice and the proposed permanent regulation to be adopted and/or amended is on file and has been posted at the following location: The Department of Taxation - 3850 Arrowhead Drive, 2nd Floor, Carson City, Nevada 89706.

Members of the public may inspect these documents during regular business hours at the above location. Additional copies of the notice and proposed permanent regulation to be adopted and/or amended are available at the below locations.

The text of the proposed permanent regulation will include the entire text of any section of the Nevada Administrative Code, which is proposed for amendment or repeal. Copies will be mailed to members of the public upon request. A reasonable fee may be charged for copies if deemed necessary.

Notice has been EMAILED/MAILED for posting at the following locations: Department of Taxation - 4600 Kietzke Lane, Building L, Ste 235, Reno, Nevada; Department of Taxation - 700 E. Warm Springs Rd, Ste 200, Las Vegas, Nevada; The Legislative Building - Capitol Complex, Carson City, Nevada; The Nevada State Library -100 Stewart Street, Carson City, Nevada; Interested Parties Group; and the Mailing List maintained by the Department. Notice of this meeting was posted on the Department of Taxation website at <https://tax.nv.gov/>, on the Legislative website at <https://www.leg.state.nv.us/>, and the Nevada Public Notice Website at <https://notice.nv.gov/>.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this hearing should notify Christina Griffith at 775-684-2041 or cmgriffith@tax.state.nv.us at least 3 days before the hearing. In order to comply with the security procedures of the Department, you will be required to show identification and sign a visitor's log prior to entering the meeting room.

If you need an accommodation in order to communicate during the hearing, the Department will provide one at no cost to you. Arrangements for an interpreter should be made as soon as possible, but no later than 14 days before the scheduled meeting. Please contact Christina Griffith at 775-684-2041 at least 14 days in advance to request an interpreter in your preferred language. You may also submit your request to cmgriffith@tax.state.nv.us.

Si necesita una ayuda para comunicarse durante la audiencia, el Departamento se lo proporcionará sin costo alguno. Los trámites para conseguir un intérprete deben hacerse lo antes posible, pero a más tardar 14 días antes de la cita programada. Por favor, póngase en contacto con Christina Griffith al 775-684-2041 con al menos 14 días de anticipación para solicitar un intérprete en su idioma de preferencia. También puede solicitarlo a través de cmgriffith@tax.state.nv.us.

**PROPOSED REGULATION OF THE
STATE BOARD OF EQUALIZATION**

LCB File No. R037-24

May 14, 2024

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

AUTHORITY: §§ 1 and 4, NRS 361.375 and 361.395; § 3, NRS 361.375 and 361.385; §§ 2, 5 and 6, NRS 361.375.

A REGULATION relating to property tax; updating information concerning a publication adopted by reference; updating references to registered agents to whom certain notices must be sent; revising requirements for attorneys who represent parties before the State Board of Equalization; authorizing certain notices and documents to be filed with the State Board by electronic mail; repealing provisions concerning the format and service of certain documents; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the State Board of Equalization to adopt regulations governing the conduct of its business. (NRS 361.375) Under existing law, the State Board is required, during each of its annual sessions, to review the tax rolls of the various counties to equalize property valuations in the State and hear and determine appeals of actions taken by county boards of equalization. (NRS 361.395)

Under existing regulations, a ratio study is one factor that the State Board considers in determining whether property in this State has been assessed uniformly in accordance with the methods of appraisal and at the level of assessment required by law. (NAC 361.660) Such a ratio study is a comparison of the assessed valuation established by a county assessor for a sampling of property to: (1) an estimate of the taxable value of the property by the Department of Taxation or an independent appraiser; or (2) the sales price of the property. (NAC 361.654) Under existing regulations, a ratio study requested by the State Board must be conducted in accordance with the *Standard on Ratio Studies*, July 2007 edition, published by the International Association of Assessing Officers. (NAC 361.658, 361.662) Existing regulations provide that if this publication is revised and, after reviewing the revision, the State Board does not give notice that the revision is not suitable for this State within a certain period, the revision to the publication is adopted for use in this State. (NAC 361.658) **Section 1** of this regulation updates references to the current edition of the *Standard on Ratio Studies* and the manner in which a copy of that publication may be obtained.

Existing law requires business entities doing business in this State to designate in certain filings with the Secretary of State a registered agent located in this State, upon whom legal process and notices may be served. (NRS 14.020, 77.310) Senate Bill No. 242 of the 2007

Legislative Session changed the title of such agents from “resident agent” to “registered agent.” (Chapter 480, Statutes of Nevada 2007, at pages 2629-2728) **Section 2** of this regulation updates references to such agents in an existing regulation. (NAC 361.666)

Existing law provides that all sessions of the State Board are public and any person is entitled to appear in person or by his or her agent or attorney. (NRS 361.385) Existing regulations require an attorney who represents a party before the State Board to be admitted to practice and in good standing before the highest court of any state of the United States. (NAC 361.698) **Section 3** of this regulation eliminates this requirement and requires instead that such an attorney be an attorney: (1) in good standing who is licensed and admitted to practice law in this State; or (2) who is otherwise authorized to practice law in this State pursuant to the rules of the Nevada Supreme Court.

Existing regulations require that certain notices and documents be filed with the State Board. (NAC 361.7018, 361.723) **Sections 4 and 5** of this regulation provide that such notices and documents may be filed by electronic mail.

Existing regulations: (1) set forth the format for documents that are filed with the State Board; and (2) require a person who files an action for redress from a finding of the State Board to serve certain documents on the Department. (NAC 361.721, 361.748) **Section 6** of this regulation repeals these provisions.

Section 1. NAC 361.658 is hereby amended to read as follows:

361.658 1. The State Board hereby adopts by reference the *Standard on Ratio Studies*, ~~July 2007~~ *April 2013* edition, published by the International Association of Assessing Officers ~~[The Standard on Ratio Studies may be obtained from the International Association of Assessing Officers, 314 West 10th Street, Kansas City, Missouri 64105-1616, or on]~~, *which is available, free of charge, at* the Internet ~~[at <http://www.iaao.org/store>, for the price of \$10.]~~ *address https://www.iaao.org/media/standards/Standard_on_Ratio_Studies.pdf.*

2. If the publication adopted by reference in subsection 1 is revised, the State Board will review the revision to determine its suitability for this State. If the State Board determines that the revision is not suitable for this State, the State Board will hold a public hearing to review its determination and give notice of that hearing within 30 days after the date of the publication of the revision. If, after the hearing, the State Board does not revise its determination, the State Board will give notice that the revision is not suitable for this State within 30 days after the

hearing. If the State Board does not give such notice, the revision becomes part of the publication adopted by reference pursuant to subsection 1.

Sec. 2. NAC 361.666 is hereby amended to read as follows:

361.666 1. The State Board will require the Department to place on the Internet website maintained by the Department, not less than 10 business days before the date of each hearing scheduled pursuant to NAC 361.664 or 361.665, a copy of the notice of the hearing and of the agenda for the meeting at which the State Board will conduct the hearing.

2. If the State Board proposes to issue an order increasing the valuation of any class or group of properties at any hearing scheduled pursuant to NAC 361.664 or 361.665, the State Board will require the Department to provide to each interested person the notice of the hearing required by subsection 2 of NRS 361.395. If the notice is not provided to an interested person by personal service and the mailing address of that person is not available, the Department must send the notice of the hearing by registered or certified mail to the address of the relevant property or, if the interested person has designated a ~~resident~~ *registered* agent pursuant to chapter 77 of NRS, the address of that ~~resident~~ *registered* agent as it appears in the records of the Secretary of State. For the purposes of subsection 2 of NRS 361.395, the State Board construes the term “interested person” to have the meaning ascribed to it in NAC 361.653.

Sec. 3. NAC 361.698 is hereby amended to read as follows:

361.698 If a party chooses to be represented by an attorney, the attorney must be ~~one who is admitted to practice and in good standing before the highest court of any state of the United States.~~ *an attorney in good standing who is licensed and admitted to practice law in this State or an attorney who is otherwise authorized to practice law in this State pursuant to the rules of the Nevada Supreme Court.*

Sec. 4. NAC 361.7018 is hereby amended to read as follows:

361.7018 1. A petitioner who desires to be represented by an authorized agent must notify the State Board in writing. The notice may be filed with the State Board at any time before the commencement of the hearing. The State Board will accept a notice filed by facsimile transmission ~~H~~ *or electronic mail*, but the original document must be filed with the State Board before the commencement of the hearing.

2. The written notification must be on the form prescribed by the State Board. The notice must include, for the property on which the petitioner is appealing the valuation and in connection with which the agent is being appointed:

(a) The name of the property owner as it appears on the assessment roll that sets forth the valuation being appealed;

(b) If the property owner is not a natural person:

(1) The organizational type of the entity that is the property owner, such as a sole proprietorship, trust, corporation, limited-liability company, general or limited partnership, government or governmental agency;

(2) The name of the state under the laws of which the entity was organized; and

(3) Whether the entity is a nonprofit organization;

(c) A statement to the effect that the agent is authorized to sign and file petitions, to receive all notices and decision letters related to the appeal and to represent the petitioner in all related hearings and matters, including, without limitation, the entry into a stipulation or the withdrawal of the appeal;

(d) Contact information, including the daytime telephone number, alternate telephone number, facsimile transmission number, mailing address and electronic mail address of the petitioner;

(e) A description of the petitioner's relationship to the owner of the property, such as that the petitioner is:

- (1) The owner of the property;
- (2) A co-owner of the property;
- (3) A partner of a general or limited partnership that owns the property;
- (4) A member of a limited-liability company that owns the property;
- (5) A trustee of the trust that owns the property;
- (6) An officer or director of a corporation that owns the property;
- (7) A person employed by the owner of the property or an affiliate of the owner who is acting within the scope of his or her employment; or
- (8) An employee or officer of a management company under a written agreement with the property owner that satisfies the conditions of NRS 361.362;

(f) The physical address of the property or, in the case of personal property, of the place where the property is located, including the county and, if applicable, the city;

(g) The assessor's parcel number or identifying number of the property;

(h) An indication of whether the appeal involves more than one property and, if so, the assessor's parcel number or identifying number of each such property included in the appeal;

(i) The fiscal year and type of the assessment roll that sets forth the valuation being appealed;

(j) The name, title, company name, if applicable, mailing address, telephone number for daytime business hours, alternate telephone number, facsimile transmission number and electronic mail address of the authorized agent;

(k) The signature and title of the agent acknowledging that he or she has accepted the appointment as the authorized agent and the date on which he or she accepted the appointment; and

(l) A verification signed by a person who declares under penalty of perjury that:

(1) The information contained in the authorization, including any accompanying statements or documents, is true, correct and complete to the best of his or her knowledge and belief;

(2) The signatory has appointed the authorized agent named in the form and is authorized to make the appointment; and

(3) The signatory is:

(I) The owner of the property, including, without limitation, a person who owns, controls or possesses in its entirety taxable property, including a leasehold interest, possessory interest, beneficial interest or beneficial use in the property; or

(II) A person employed by the owner or an affiliate of the owner who is acting within the scope of his or her employment.

↪ A person who verifies an authorization pursuant to this paragraph must include his or her signature, title and the date on which he or she signs the verification.

Sec. 5. NAC 361.723 is hereby amended to read as follows:

361.723 1. Any petition, pleading, brief, correspondence, notice or other written document required or authorized to be filed with the State Board may be filed in person or by facsimile machine, *electronic mail*, United States mail or third-party delivery service.

2. A document filed in person, ~~or~~ by facsimile machine *or electronic mail* must be received by the State Board not later than 5 p.m. on the last day for filing the document set forth in the applicable statute or regulation. The State Board will stamp each document filed with the date and time it is received. A document is presumed to have been received at the date and time shown on the stamp.

3. Except as otherwise provided in this subsection, a document filed by mail or third-party delivery service is timely filed if it is deposited with the post office or delivery service, correctly addressed, postage prepaid and postmarked not later than the last day for filing the document set forth in the applicable statute or regulation. A postmark provided by a postage meter does not establish that a document is timely filed.

4. If the last day set forth in a statute or regulation for the performance of an act falls on a Saturday, Sunday or legal holiday, the act is timely if it is performed on the next business day. For the purposes of this section, the performance of an act includes, without limitation, filing a document with the State Board and serving a document on a party.

5. The State Board will not admit into evidence a document that is not timely filed as set forth in this section except upon a motion for its admission pursuant to NAC 361.705.

Sec. 6. NAC 361.721 and 361.748 are hereby repealed.

TEXT OF REPEALED SECTIONS

361.721 Format of documents. (NRS 361.375, 361.395) All petitions, pleadings, briefs, correspondence, notices and other written documents filed with the State Board must be on white paper that is 8 1/2 by 11 inches in size and must be legibly written, printed or typewritten on one side of the paper only.

361.748 Action for redress from finding of State Board. (NRS 361.375) A person who commences an action pursuant to NRS 361.410 to 361.435, inclusive, for redress from a finding of the State Board shall serve a copy of the summons, complaint or petition on the Department.