

FINANCIAL IMPACT OF THE PROPERTY TAX REFORM INITIATIVE FOR NEVADA

The Property Tax Reform Initiative for Nevada (Initiative) proposes to amend Article 10 of Nevada's Constitution to change how real property value is determined and establish a maximum property tax rate of 1 percent of the base value of the real property. Under the Initiative, the base value of a parcel of real property is based upon the taxable value of the property for the fiscal year 2003-2004, subject to certain exceptions and adjustments, including adjustments for allowable growth, and depending upon such factors as when the property was last sold or improvements were added. If the Initiative were implemented, the first fiscal year it could become effective is fiscal year 2011-2012 (July 1, 2011 – June 30, 2012).

The Fiscal Analysis Division has determined that the Initiative will have a financial impact on the State and local governments, if approved by the voters. The Fiscal Analysis Division has not completed the analysis required to estimate the potential financial impact of the Initiative. A fiscal note that includes an explanation of the financial impact will be provided to the Secretary of State when completed for posting on their Internet website, pursuant to NRS 295.105.

Prepared by the Fiscal Analysis Division of the Legislative Counsel Bureau – March 7, 2008