

SENATE BILL NO. 199—SENATORS SCHEIBLE AND PARKS

FEBRUARY 18, 2019

JOINT SPONSOR: ASSEMBLYMAN FUMO

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to real property.
(BDR 32-747)

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

AN ACT relating to real property; requiring the waiver of interest and penalties imposed for the late payment of property taxes under certain circumstances; requiring certain licensed professionals to provide notice to unrepresented purchasers of real property of the amount of certain taxes for which the purchaser is responsible; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a county treasurer or county assessor to waive all or part of the interest or penalty due from a person who fails to make a timely payment of a property tax as a result of circumstances beyond his or her control and who files a statement setting forth the facts of his or her claim. (NRS 361.4835) **Section 1** of this bill requires a county treasurer or county assessor to waive all of the interest or penalty, or both, for a person's failure to make a timely payment of a property tax if: (1) the tax is assessed on real property that was purchased by the person within 30 days before the tax became due; (2) the person declares under penalty of perjury that he or she did not receive the notice concerning the tax required by **section 2, 3 or 4** of this bill; and (3) the person has not received such a waiver in the immediately preceding 3 years.

Section 2 of this bill requires each licensed real estate broker, real estate broker-salesperson or real estate salesperson who represents a purchaser in a real estate transaction to provide written notice to the purchaser, not later than the close of escrow, of the amount of any taxes on the property that must be paid by the purchaser. A licensee who fails to provide such notice is subject to disciplinary action and liable in a civil action to the purchaser for the amount of all penalties



and interest imposed on the purchaser and for reasonable attorney's fees and the costs of bringing the action.

Sections 3 and 4 of this bill similarly require a person licensed as an escrow agent, escrow agency, title agent or escrow officer who administers an escrow in connection with a real property transaction in which the purchaser is not represented by a real estate broker, real estate broker-salesperson or real estate salesperson to provide written notice to the purchaser, not later than the close of escrow, of the amount of any taxes on the property that must be paid by the purchaser. A licensee who fails to provide such notice is subject to disciplinary action and liable in a civil action to the purchaser for the amount of all penalties and interest imposed on the purchaser for failure to make a timely payment of such taxes and for reasonable attorney's fees and the costs of bringing the action.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 361.4835 is hereby amended to read as follows:

361.4835 1. ~~HH~~ *Except as otherwise provided in subsection 2, if* the county treasurer or the county assessor finds that a person's failure to make a timely return or payment of tax that is assessed by the county treasurer or county assessor and that is imposed pursuant to chapter 361 of NRS, except NRS 361.320, is the result of circumstances beyond the person's control and occurred despite the exercise of ordinary care and without intent, the county treasurer or the county assessor may relieve the person of all or part of any interest or penalty, or both.

2. *The county treasurer or the county assessor shall relieve a person of all interest or penalty, or both, imposed pursuant to NRS 361.483 for the person's failure to make a timely return or payment of tax if:*

(a) *The tax is assessed on real property that was purchased by the person within 30 days before the tax became due;*

(b) *The person declares under penalty of perjury that he or she did not receive the notice concerning the tax required by section 2, 3 or 4 of this act; and*

(c) *The person has not been relieved of the penalty and interest pursuant to this subsection within the immediately preceding 3 years.*

3. A person seeking ~~this~~ relief *pursuant to this section* must pay the amount of the tax due and, within 30 days after the date the payment is made, file a statement setting forth the facts upon which the person bases his or her claim with the county treasurer or the county assessor.

~~3.1~~ 4. The county treasurer or the county assessor shall disclose, upon the request of any person:



(a) The name of the person; and

(b) The amount of the relief.

~~[4-]~~ 5. If the relief sought by the taxpayer is denied, the taxpayer may appeal from the denial to the Nevada Tax Commission.

~~[5-]~~ 6. The county treasurer or the county assessor may defer the decision to the Department.

Sec. 2. Chapter 645 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person licensed as a real estate broker, real estate broker-salesperson or real estate salesperson who represents a purchaser in a real estate transaction shall provide written notice to the purchaser, not later than by the close of escrow, of the amount of any taxes on the property that must be paid by the purchaser.

2. A person licensed as a real estate broker, real estate broker-salesperson or real estate salesperson who violates the provisions of subsection 1 is:

(a) Subject to disciplinary action pursuant to NRS 645.630; and

(b) Liable in a civil action to the purchaser for the amount of all penalties and interest imposed on the purchaser pursuant to NRS 361.483 for failure to make a timely return or payment of the tax and for reasonable attorney's fees and the costs of bringing the action.

Sec. 3. Chapter 645A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person licensed as an escrow agent or escrow agency who administers an escrow in connection with a real property transaction in which the purchaser is not represented by a real estate broker, real estate broker-salesperson or real estate salesperson, shall provide written notice to the purchaser, not later than by the close of escrow, of the amount of any taxes on the property that must be paid by the purchaser.

2. A person licensed as an escrow agent or escrow agency who violates the provisions of subsection 1 is:

(a) Subject to disciplinary action pursuant to NRS 645A.090; and

(b) Liable in a civil action to the purchaser for the amount of all penalties and interest imposed on the purchaser pursuant to NRS 361.483 for failure to make a timely return or payment of the tax and for reasonable attorney's fees and the costs of bringing the action.



1 **Sec. 4.** Chapter 692A of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 **1. A person licensed as a title agent or an escrow officer who**
4 **administers an escrow in connection with a real property**
5 **transaction in which the purchaser is not represented by a real**
6 **estate broker, real estate broker-salesperson or real estate**
7 **salesperson, shall provide written notice to the purchaser, by not**
8 **later than the close of escrow, of the amount of any taxes on the**
9 **property that must be paid by the purchaser.**

10 **2. A person licensed as a title agent or escrow officer who**
11 **violates the provisions of subsection 1 is:**

12 **(a) Subject to disciplinary action pursuant to NRS 692A.105;**
13 **and**

14 **(b) Liable in a civil action to the purchaser for the amount of**
15 **all penalties and interest imposed on the purchaser pursuant to**
16 **NRS 361.483 for failure to make a timely return or payment of the**
17 **tax and for reasonable attorney's fees and the costs of bringing**
18 **the action.**

19 **Sec. 5.** This act becomes effective on July 1, 2019.

