

Senate

COMMITTEE ON TAXATION

Minutes of Meeting -- April 2, 1969

Committee members present: James Gibson, Chairman
 Carl F. Dodge
 James Slattery
 Mahlon Brown
 Coe Swobe
 M. J. Christensen
 Marvin L. White

Also present were:

Ed Bowers	Exec. Sec., Nevada Gaming Commission
Roy E. Nickson	Nevada Tax Commission
Marvin Humphry	Washoe Co. Street & Highway
Claude Hunter	City of Reno
Robert F. Guinn	Nevada Motor Transport Association
Virgil P. Anderson	AAA
Roland Oakes	Associated General Contractors
Charles York	Extension Service, Fallon
Richard R. Hanna	Las Vegas-Tonopah-Reno Stage Line, Inc.
George Ogilvie	City of Las Vegas
C. P. Brechler	Clark County Street & Highway Commission
John P. Fraser	AAA
Daryl E. Capurro	Nevada Motor Transport Association
H. A. Laird	City of Las Vegas
Ray Knisley	Lovelock (Rancher)
Fred Settlemyer	Minden (Rancher)
Dick McDougal	Lovelock (Cattle Feeder)
Richard Fulstone	Peoples Packing Co., Fallon
Kenneth Mebane	
Sam Broyles	
Virgil Getto	Assemblyman

Press representatives

Chairman Gibson called the meeting to order. The first bill to be considered was as follows:

SB-438 Proposed by Committee on Taxation.
 Increases vehicle privilege tax rate.

Mr. Guinn, representing the Nevada Motor Transport Association spoke in opposition to this bill. He referred to other bills that have been passed during this session that produce revenue for highway purposes, and felt that the increase in tax proposed in this bill was unnecessary. He also stressed that the method of distribution currently used in increased revenues would have to be changed in order to give the cities any appreciable increase.

Mr. Anderson, representing the AAA, Mr. Oakes, representing the AGC, and Mr. Hanna, representing LTR Stage Lines, all spoke on this bill, and in each instance concurred with Mr. Guinn in opposition to it. Discussion followed of the various tax increases that have already been imposed.

Chairman Gibson then referred to a bill not yet introduced on an optional gas tax and asked the general feeling of those present in regard to this. Mr. Humphry, chairman of the Washoe County Regional Street and Highway Commission, spoke and recommended the introduction of this bill. Mr. Brechler of the Clark County Regional Street and Highway Commission then presented papers to the committee entitled "Aims and Accomplishments" and referred to Exhibits A and B (see attached). He requested that the committee act favorably on the introduction of this legislation. Chairman Gibson said that the committee would take the introduction of this bill under consideration.

AB-387 Proposed by Messrs. Getto, Howard, Glaser, Jacobsen, Dini, Lowman, Homer, Hilbrecht, Kean, Tim Hafen, Frank Young, Bryan, Fry, Mrs. Tyson, Messrs. Prince, Swallow, Espinoza, Mrs. Brookman, Messrs. Bryan, Viani, Mrs. Frazzini, Miss Foote and Mr. Wood.

Includes livestock within "free port" tax exemption.

Senator Dodge explained the background on this bill. Mr. Ray Knisley of Lovelock spoke on this bill, stating that he felt the bill would do more good generally to Nevada agriculture than anything that has been passed here in years. Senator Dodge then introduced Mr. York of the Extension Service in Fallon, who concurred with Mr. Knisley that the hay grower is going to benefit most from this, but the total benefit is going to reach all segments of the economy. Mr. McDougal, who has a commercial feed lot in Lovelock presented material to the committee regarding what the tax would mean to their operation (see attached). Mr. MeBane (cattle feeding company in Fallon) concurred with Mr. McDougal speaking in favor of this bill.

Chairman Gibson questioned as to whether there would be any loss in the present tax revenue by adopting this measure. Mr. Getto said that possibly immediately there would be a loss, but felt it would be made up by property that will be established in the area (taxable property) and by money that will be spent in this area. He added that in Nevada there is a real problem in trying to market the agricultural products and that the two or three feeding lots that have been created in Nevada have actually created a market for the hay and grain that is grown in the local areas. By establishing more feed lots, we will utilize more of the hay and grain that is grown in this state.

Mr. Richard Fulstone of the Peoples Packing Company in Yerington was next to speak on this bill. He concurred with what had already been said. He added that there is a real disadvantage here in the distance to market, so consequently in any area where they can save some money it would add to

the general economics connected with this phase of agriculture. Mr. Fulstone said that there was no doubt that the feed lots that have been developed here have stimulated the growth of grain in the area and there would be more grain grown in this area, more agricultural products will be raised, developing larger labor forces, et cetera, by the feed lots working in this area. Mr. Settlemyer also spoke as a member of the Agricultural Council, and said that they have "endorsed" this bill, and that they do endorse the principle of cattle on feed coming under the free port law just as a matter of equity.

Discussion followed and Chairman Gibson stated that the committee would take this under advisement.

Mr. Bowers of the Nevada Gaming Commission then gave a report with regard to the proposed increased gaming taxes in Nevada. He referred to "Nevada Gaming Commission Revenue Summary," and went over the figures contained therein (see attached).

There being no further business, the meeting was adjourned.

Respectfully submitted,

Patricia F. Burke

Patricia F. Burke,
Committee Secretary

COMMISSION MEMBERS:

C. R. CLELAND, Chairman
WILLIAM R. HAMPTON, Vice Chairman
ALBERT FRANKLIN
ORAN K. GRAGSON
DARWIN LAMB
JAMES G. RYAN
GRANT S. STEWART

Legal Advisor:
GEORGE E. FRANKLIN, JR.
District Attorney

**CLARK COUNTY REGIONAL
STREET AND HIGHWAY COMMISSION**

P. O. BOX 396 LAS VEGAS, NEVADA
PHONE (702) 385-3131 — EXT. 484

TECHNICAL COMMITTEE
MEMBERS:

RICHARD P. SAUER, Chairman
GEORGE C. MONAHAN, Vice Chairman
WILLIAM T. DeVALCOURT
DAVID B. HENRY
CLAY LYNCH
CHARLES SWEET
ART TRELEASE

AIMS AND ACCOMPLISHMENTS

In 1965, the State Legislature authorized any County with a population of over 25,000 and which has adopted a street and highway plan embracing the territory of more than one municipal corporation, to establish a Regional Street and Highway Commission consisting of two members from the County, two members from the largest city in the County, and one member from each of the remaining incorporated cities in the County. Probably the most important item in chapter 373, as passed in 1965, gave these counties the right to levy a one-cent per gallon motor fuel tax to be used to finance any program of the Regional Street and Highway Commission.

Before any of the monies received from the one-cent gas tax can be spent, the Regional Street and Highway Commission must evaluate the proposed project in terms of the priorities established by the adopted plan, the relation of the proposed construction to other projects already constructed or authorized, the relative need for the project in comparison with other proposed and funds available.

The 1965 act also gave the County the authority to issue revenue bonds to provide financing for immediate construction of the project.

At the 1966 Special Session of the State Legislature, the Nevada Revised Statutes was ammended, removing the restriction allowing only counties of over 25,000 to take advantage of this act thereby allowing all counties in the state to impose the tax as the other conditions are met.

The Las Vegas Valley Area Major Street and Highway Plan was completed in 1963 by Wilbur Smith and Associates for the State Highway Department, the Cities of Las Vegas and North Las Vegas, and Clark County. The plan is based on an Origin Destination Study made in 1955 by the Nevada State Highway Department. Because of the increases in traffic volumes since 1955, the State Highway Department conducted a new Origin Destination Study in 1965.

The Urban Planning Section of the Nevada Highway Department is presently updating and revising the Wilbur Smith Report using the latest information available. The local entities have provided the Highway Department with their growth projections which will be used for the traffic projections. The preliminary results will be available early in 1969 with the final report being completed as soon after as possible.

The Wilbur Smith Report was used as a guide in establishing a priority list for construction. These projects were established without regard to cost or to which political entity was involved, but rather by need for the improvement to benefit the general public. The original priority list of the Regional Street and Highway Commission consisted of twenty nine (29) projects.

The total cost of these projects is estimated at a little over fourteen million dollars, of which a little over four million dollars is estimated to be required for right of way acquisitions.

In order to construct as many projects as possible with the money available, the Regional Street and Highway Commission is financing only the construction of the required travel lanes as shown in the Wilbur Smith Report. Any parking lanes, curb and gutter, sidewalks, and street lighting installed at the time of construction is to be financed through special assessment districts.

Construction has been completed on Spring Mountain Road between the Strip and Jones Boulevard.

On Twenty-fifth Street and Civic Center Drive, construction has been completed between Stewart and Owens and between Carey and Cheyenne. While construction is under way between Owens and Lake Mead Boulevard and is scheduled for completion in the fall.

On Maryland Parkway, construction has been completed between Sahara Avenue and Charleston Boulevard and on Twelfth Street between Fremont Street and Stewart, the reconstruction of Maryland Parkway between Charleston Boulevard and Clark is scheduled for this spring as is the installation of traffic signals on five intersections between Tropicana and Sahara Avenue.

The construction of Cheyenne between Tonopah Highway and Salt Lake Highway has been completed, as has the construction of Tropicana including the Railroad Grade Crossing between the Interstate Highway and Arville Street.

On Decatur Boulevard, construction between Spring Mountain Road and Sahara Avenue and between Alta and Fremont Street has been completed. Scheduled for this coming summer is the construction of Decatur Boulevard between Sahara Avenue and Charleston Boulevard and between Washington and Tonopah Highway with the right of way presently being purchased.

The construction of Sunset Road between Boulder Highway and Russell Road has been completed while the construction of Russell Road between Paradise and Sunset Road is presently underway and is scheduled for completion in the fall.

Charleston Boulevard between Pahor and Westwind is presently under construction and is scheduled for completion during August of this year. In Henderson, the construction of Center Street between Major Avenue and Lake Mead Drive has also been completed.

Planned for construction during the next year is Maryland Parkway North of Stewart and on Owens Avenue.

The local entities are also using general fund monies to complete other sections of these roads.

When the construction of the projects on the present priority list is completed, Decatur Boulevard, Maryland Parkway, and Twenty-fifth Street will be four and six lane facilities, able to carry the major portion of North - South traffic, with the East - West traffic being carried on Russell, Sunset, Charleston Boulevard, Owens Avenue, and Cheyenne Road.

Exhibit A attached shows the projects under the first priority list of the Regional Street and Highway Commission.

The following is a partial list of the North - South Streets which the Wilbur Smith Report states should be completed before the Las Vegas Valley reaches a population of 375,000.

- Rainbow Boulevard
- Jones Boulevard
- Highland Street
- Losee Road
- Pecos Drive
- Larab Boulevard

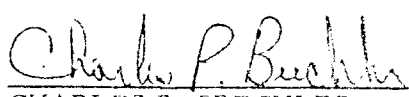
The following is a partial list of the East - West Streets needing some reconstruction:

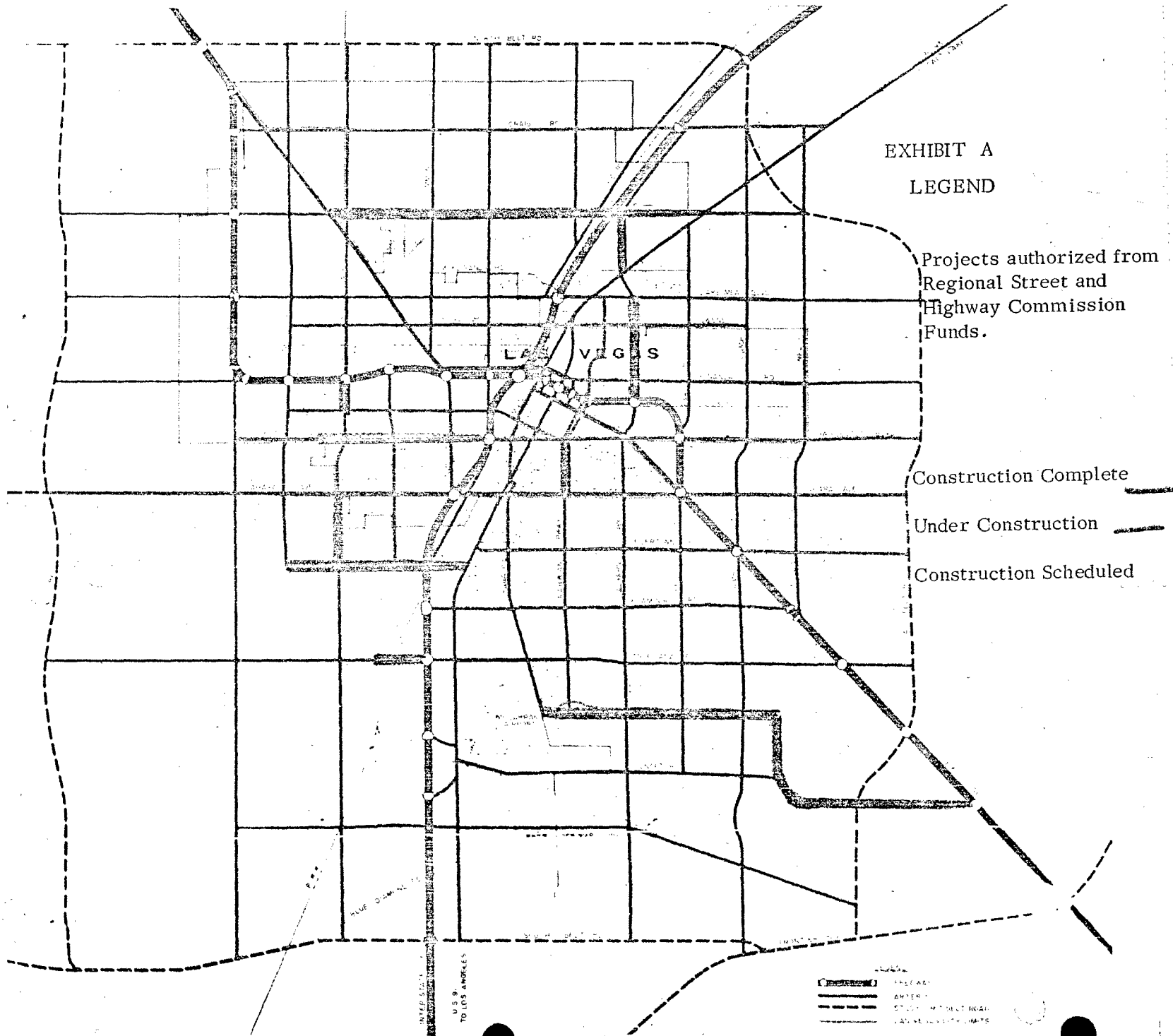
- Craig Road
- Lake Mead Boulevard
- Bonanza Road
- Alta Drive
- Desert Inn Road
- Flamingo Road
- Tropociana Road
- Sunset Road
- Warm Spring Road

Exhibit B attached shows the projects which have not been started. The construction of these streets will not be possible until additional financing is secured for the Regional Street and Highway Commission. In 1963, the Wilbur Smith report estimated that the cost of these projects would be over \$30,000,000.00.

Also very important to the Las Vegas Valley is the East Leg of the Downtown Freeway, which is necessary to provide a limited access route from the South into and through the center of the city.

The additional one-cent on the County option gas tax will provide funds for these projects.


 CHARLES P. BRECHLER
 Managing Engineer



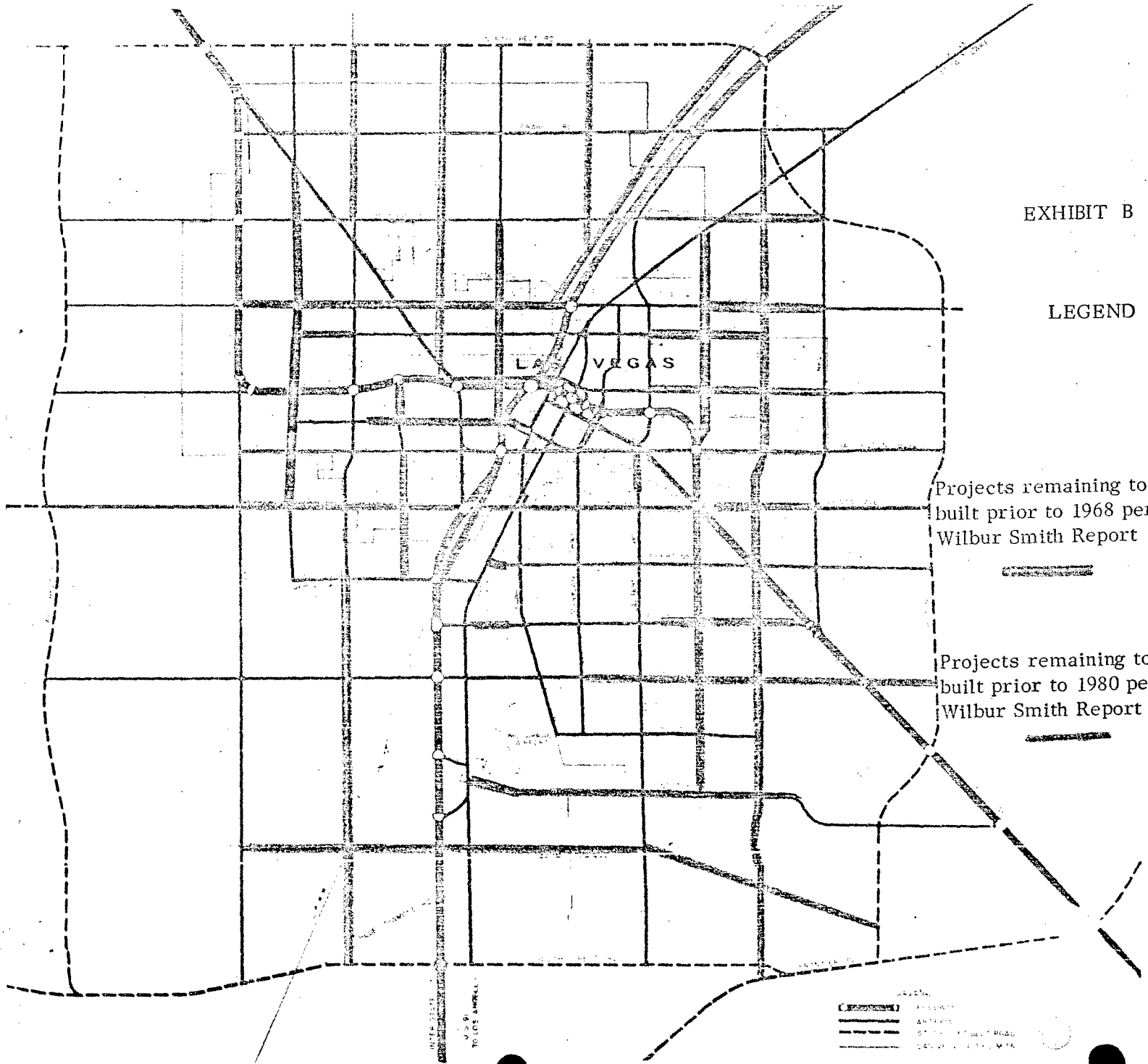


EXHIBIT B

LEGEND

Projects remaining to be
 built prior to 1968 per
 Wilbur Smith Report

Projects remaining to be
 built prior to 1980 per
 Wilbur Smith Report

[Symbol] Interstate
 [Symbol] Arterial
 [Symbol] State Highway
 [Symbol] Local Road

INTERSTATE
 TO LAS VEGAS
 V.S.P.
 TO LAS VEGAS

nevada nile ranch, inc.

P. O. BOX 820 LOVELOCK, NEVADA 89419

PHONE (702) 273-2646

April 2, 1969

Example of taxes on feedlot cattle

Average number of cattle on feed 12,000

Average value - 750 lbs. @ 28¢ = \$210.00

Total average value - \$2,520,000

25% assessed value - \$630,000

Tax on \$630,000 @ \$3.11/\$100 evaluation - \$19,593.00

Approximately 75% - 80% of cattle would be considered
in interstate commerce so tax would amount to
\$15,000 to \$16,000

Important points

1. All inventories whether animate or inanimate should be treated the same.
2. Rural areas should enjoy same state tax benefits as urban areas.
3. Arbitrary taxation will suppress the cattle feeding industry in Nevada.

NEVADA GAMING COMMISSION

REVENUE SUMMARY

March 31, 1969

	<u>CURRENT FISCAL YEAR</u>		<u>PRIOR FISCAL YEAR</u>		<u>CURRENT YEAR COMPARED WITH PRIOR YEAR</u>	
	<u>March 1969</u>	<u>1968-69 to Date</u>	<u>March 1968</u>	<u>1967-68 to Date</u>	<u>Year to Date Variance</u>	
					<u>Dollar</u>	<u>Percentage</u>
<u>RECEIPTS:</u>						
Percentage Fees on Gross Revenue	\$ 1,527.32	\$ 17,403,195.63	\$ 946.60	\$ 14,292,077.70	\$ + 3,111,117.93	+ 21.768
Quarterly Flat Fee on Games	427,497.95	1,317,271.65	366,568.75	1,202,581.25	+ 114,690.40	+ 9.537
Nonrestricted Slots Flat Fee	254,810.00	792,160.00	216,210.00	711,407.50	+ 80,752.50	+ 11.351
Annual Fee on Games	19,950.00	883,250.00	1,850.00	880,650.00	+ 2,600.00	+ .295
Flat Fee on Restricted Slots	92,811.08	296,440.00	89,215.00	287,979.19	+ 8,460.00	+ 2.938
Advance Fee Deposit	(603.51)	378,848.64	47.98	536,548.07	- (157,699.43)	- (29.391)
Investigative Fees	13,126.31	98,999.10	5,096.60	56,527.02	+ 42,472.08	+ 75.136
Race Wire License Fees	2,880.00	27,300.00	2,640.00	26,560.00	+ 740.00	+ 2.786
Penalties	447.51	29,683.09	5,050.00	40,846.19	- (11,163.10)	- (27.330)
Equip., Manuf., Lic., etc.	700.00	12,532.59	200.00	4,600.00	+ 7,932.59	+ 172.448
Miscellaneous	-0-	1,119.79	-0-	.92	+ 1,118.87	+ .001
Sub-Total	\$ 813,146.66	\$ 21,240,800.49	\$ 687,824.93	\$ 18,039,777.84	\$ + 3,201,022.65	+ 17.744
Casino Entertainment Tax	-0-	4,182,727.00	-0-	3,814,436.98	+ 368,290.02	+ 9.655
Casino Entertainment Penalties	-0-	-0-	-0-	325.09	- (325.09)	- (100.000)
TOTALS	\$ 813,146.66	\$ 25,423,527.49	\$ 687,824.93	\$ 21,854,539.91	\$ + 3,568,987.58	+ 16.331
<u>DISTRIBUTION OF RECEIPTS:</u>						
Total to Counties	\$ 17,954.89	\$ 794,924.42	\$ 1,665.15	\$ 792,581.31	\$ + 2,343.11	+ .296
General Fund *	795,191.77	24,628,603.07	686,159.78	21,061,958.60	+ 3,566,644.47	+ 16.934
TOTALS	\$ 813,146.66	\$ 25,423,527.49	\$ 687,824.93	\$ 21,854,539.91	\$ + 3,568,987.58	+ 16.331
Each of 17 Counties	\$ 1,056.17	\$ 46,760.26	\$ 97.95	\$ 46,622.43	\$ + 137.83	+ .296

* General Fund amounts as shown remain subject to year-end adjustment for administrative costs.