

Senate
COMMITTEE ON TAXATION

Minutes of Meeting -- April 23, 1969

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

Also present:

Curt Blyth Nevada Municipal Association

Chairman Gibson called the meeting to order. Under consideration was one bill.

SB-473 Proposed by Clark County Delegation.
Provides for taxation of certain electric light
and power companies.

The original bill concerns allocation of revenue from Southern California Edison to Nye and Esmeralda Counties. At this point, Sierra Pacific is negotiating for purchase of the Nye and Esmeralda lines. The bill will provide for settlement between the five northern counties (DC line counties) and Clark County on distribution of revenue.

Yesterday, April 22, there was a Joint Meeting of Senate and Assembly Taxation Committees, the Clark County Delegation and other interested parties. At that time, details of the bill were discussed and the following figures posted for consideration:

<u>SB-473 w/ purchase (15%)</u>	Clark	1,656,000
	DC Counties	5,505,000
<u>No Bill w/purchase</u>	Clark	1,316,000
	DC Counties	860,000
<u>SB-473 no purchase (15%)</u>	Clark	1,452,000
	Esmeralda	100,000
	Nye	172,000
	DC Counties	546,000
<u>No Bill No Purchase</u>	Clark	844,000
	Esmeralda	300,000
	Nye	532,000
	DC Counties	594,000

Senator Dodge stated that there was involved an argument regarding equity in the last group of figures above -- Esmeralda having 300,000 and Nye having 532,000. He said he felt the sale would go through, there being a willing buyer and seller. Therefore, disparity is not the factor anymore. On the 15% proposal in the first group above, \$550,000 is split between five counties. If the figure were increased to 20%, there would be almost \$200,000 difference. This would be face-saving to northern Nevada counties, who are departing from the normal allocation. It would also split the Clark County figures in the first and third groups above (1,656,000 and 1,452,000).

Senator Gibson pointed out that the bill is on the Secretary's desk and will stay there unless the Committee has an appetite for it. The Washoe County Delegation doesn't want to amend the bill without the satisfaction of this Committee and will back it if the Committee confirms their approval.

Senator Brown stated that we will not see the tax money in full until 1973 and that the DC line is already in central Nevada.

Senator Dodge said he had two possible amendments to the bill. One would state that if the sale transpired, it would go to any other operating unit in Nevada. The other would put the rate at 15-20% -- with the condition that it be 20% if it sells and 15% otherwise. He repeated that we are departing from the usual allocation formula, but felt he wouldn't have any trouble defending the bill in his county.

It was agreed to have the amendment drawn and then look at the bill again.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Patricia F. Burke

Patricia F. Burke,
Committee secretary