

MINUTES OF MEETING - COMMITTEE ON TAXATION - 56TH ASSEMBLY SESSION
February 12, 1971

PRESENT: Kean, Swallow, Smalley, Glaser, Smith

ABSENT: Lingenfelter, May

Guests: Keith Ashworth, Assemblyman
Ray Knisley
Nick Orphan, City of Ely
G. Etchevery, City of Ely
Van Peterson, Ely
Mrs. Van Peterson, Ely
Curtis Blyth, Municipal Association
Cy Ryan UPI

Mr. Etchevery, Mayor of Ely, spoke for the delegation in presenting their particular tax problems and needs. His presentation was based on the revenue projections data prepared by Mr. Curtis Blyth. He stated White Pine County was not involved with the $\frac{1}{2}\%$ sales tax measure now before the Supreme Court and that decision would not effect them.

Mr. Etchevery stated that if the cigarette and liquor taxes were taken away from the county and redistributed to all the counties on a population basis, based on the 1970 census, Ely would be bankrupt within two years and so would most of the other small cities. They would like to hold the tax structure of the City of Ely as is -- based on redistribution in accordance with population of the 1960 census figures.

Mr. Smith stated Ely had demonstrated complete cooperation with the county government and also the desire to be independent and work out their own budget.

The Ely delegation completed their presentation and departed.

The Committee discussed the likelyhood, if the sales tax were declared unconstitutional, other taxes distributed outside the area where they were collected would also be declared unconstitutional. Examples of inequities of this system were pointed out--such as sales tax collected in cities that served a large area as a shopping center. Much of that revenue came from out-of-town purchasers.

Mr. Ashworth said that in cities such as Las Vegas merchants were leaving the incorporated area and moving their businesses to the unincorporated area because land and taxes were less costly. The city lost this tax revenue yet still had to furnish services to these people.

Assembly

Minutes of Meention - Taxation Committee

February 12, 1971

Mr. Kean said the Supreme Court had indicated they would not rule two ways. They would rule whether or not the $\frac{1}{2}\%$ sales tax was or was not constitutional and also would rule what was constitutional.

AB-80 - Extends property tax exemption to aged and to all veterans.

AB-112- Increases property tax exemptions for widows and orphans.

Mr. Kean stated he had asked Mr. Art Palmer to research the financial results of these measures should they be enacted so the Committee would have this guideline to aid them in their consideration of the bills.

Mr. Curtis Blyth discussed his "Revnue Projections" and commented on undesireable effects an unfavorable Supreme Court decision would have on Las Vegas and Reno.

Mr. Knisley suggested that this decision not be anticipated.

Meeting adjourned.

AGENDA FOR COMMITTEE ON _____ TAXATION

Date February 12 Time 8:00 A.M. Room 240

Bills or Resolutions
to be considered

Subject

Counsel
requested*

Presentation of fiscal problemes from
a delegation from White Pine County.

*Please do not ask for counsel unless necessary.

HEARINGS PENDING

Date _____ Time _____ Room _____
Subject _____

Date _____ Time _____ Room _____
Subject _____