

MINUTES OF MEETING - COMMITTEE ON TAXATION - 56TH ASSEMBLY SESSION
February 16, 1971

PRESENT: Kean, Swallow, Lingenfelter, May, Smalley, Glaser, Smith

GUESTS: Miss Hawkins, Assemblyman
Mr. Keith Ashworth, Assemblyman
Mr. Ross Prince, Assemblyman
Mr. M. Kent Hafen, Assemblyman
Mr. Joe Digles, Nevada Resort Association

Chairman Kean convened the meeting at 8:20 a.m.

AB-288 Provides for adoption of city-county relief tax in counties with no incorporated city.

Miss Hawkins and Mr. Hafen introduced this bill and were present to speak as proponents. Miss Hawkins stated in Mineral County they had no incorporated cities and could not take advantage of the $\frac{1}{2}\text{¢}$ tax measure now in effect. They need this revenue to finance a school bond issue in the amount of \$1,000,000. The Federal Government owns so much property here that is untaxable they do not have any ad valorem taxes.

The present $\frac{1}{2}\text{¢}$ county-city tax law applies only to counties with incorporated cities and was enacted to relieve the cities that were in difficulty because of insufficient funds to finance necessary services. If the Supreme Court handed down a favorable decision on the $\frac{1}{2}\text{¢}$ measure now in contention, they would like to be ready with this bill to give other cities the same source of revenue.

Mr. Hafen said Nye and Esmeralda Counties did not generate enough money that this bill be of any help to them, although they do have fiscal problems.

Miss Hawkins stated Senator Titlow had introduced Senate Bill 164 that was very similar to this one and it was immaterial which was enacted as the intent was the same; but it was most important to her constituents that one be enacted.

Mr. Lingenfelter and Mr. Swallow agreed to study AB-288 and SB-164 and make a decision as to which was the better bill. The Committee would then make their determinations.

Mr. Swackhamer spoke for a proposed resolution memorializing Congress to allow credit for state slot machine tax. The \$250 collected on each of these coin operated machines each year was not part of federal revenue but part of vice control. In states where gambling was legal it was not a vice. For about seven years they had been trying to get Congress to consider a measure that would allow the state to share in this tax but so far, for various reasons, had been unsuccessful.

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At this time, to insure favorable consideration, they would like to introduce a bill to the effect that any funds derived therefrom would go into education. This bill would assure Washington that the gambling industry could not gain by their releasing the funds. The State will ask for 80% of the revenue the Federal Government derives from this source. If this resolution is definitely tied to an educational program there is a good chance it will pass.

Specific allocation of this money was discussed by the committee. It was felt that the greatest need for educational facilities was between high school and college at the community college level. It was the majority opinion that a clause to the effect that no less than fifty percent of these funds would be allocated to community college facilities.

Mr. Swallow stated there was a bill (AB-3) before the Education Committee to establish an advisory counsel and a part of their duties would deal with retraining. He said it was his understanding this was one of the functions of the community colleges. The creation of the advisory counsel should lend emphasis to this resolution.

The necessity for immediate action was stressed. The sooner the bill gets to Washington the sooner it will be acted upon. Mr. Lingenfelter said he would like to see this measure come through as an amendment to the senate bill. In this way it would not have to go back to committee but could be handled with a voice vote.

Mr. Swackhamer would like the Taxation Committee to introduce this legislation.

Mr. Swallow moved that a committee request be addressed to Mr. Russ McDonald and urge the speedy release of Mr. Swackhamer's bill covering distribution of slot tax revenue to the "Educational Capital Construction Fund," so that it may be accompanied with an expeditious submittal of SJR-10 which gives the State of Nevada a large percentage of the gambling tax. It was felt that a copy of this bill would give our Washington representatives a tool by which they could emphasize that the release of this gambling tax money is for educational purposes and thus enhance our chances of recovering this tax money. Mr. Smith seconded; motion carried unanimously.

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Mr. Lingenfelter moved that the Committee accept Mr. Swackhamer's amendment to the resolution when it is received and make a do pass. Mr. Swallow Seconded; motion carried unanimously.

Mr. May moved that the Committee introduce a bill to approve \$50,000 from the general fund of the State of Nevada to provide for a two year controlled study of the revenues obtained by taxation and disbursement of same throughout the state.

Mr. Lingenfelter seconded; motion carried unanimously.

Meeting adjourned.

AGENDA FOR COMMITTEE ON TAXATION

Date Feb. 16 Time 8:00 A.M. Room 240

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Testimony Counsel requested*</u>
	<u>To consider measure to provide counties that do not have incorporated cities the same rights as counties that do have incorporated cities.</u>	<u>Miss Hawkins</u>
<u>SJR-10</u>	<u>Memorializes Congress to allow credit for state slot machine tax.</u>	
	<u>Resolution as entered by the states of Florida and West Virginia memorializing Congress to allow sharing by state and local governments of Federal income tax revenue.</u>	

*Please do not ask for counsel unless necessary.

HEARINGS PENDING

Date _____ Time _____ Room _____
Subject _____

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