

Secretary

MINUTES OF MEETING - COMMITTEE ON TAXATION - 56TH ASSEMBLY SESSION

March 11, 1971

PRESENT: Kean, May, Smalley, Glaser, Smith

ABSENT: Lingenfelter, Swallow

GUESTS: Mr. Dryer, Assemblyman
Mr. Ashworth, Assemblyman
Mrs. White, Assemblyman
Mr. Prince, Assemblyman
Mr. Curt Blyth, Nevada Municipal Association
Mr. Ray Knisley

Chairman Kean convened meeting at 8:15 a.m.

Mr. Kean said he would like for the committee to introduce as a bill the proposal (as revised) of the sub-committee on distribution of the cigarette-liquor tax revenues. (AB-361)

AB-361 - Establishes minimal payments to incorporated cities and unincorporated towns from liquor and cigarette tax revenues.

Mr. Smith said the revised amendments to AB-361 did not solve the problems of Henderson, Sparks and Boulder City. The Clark County people say they will try to work out an agreement for county aid to the cities in financial difficulty. If they can work out something, this committee won't have to get involved in these specific local problems.

Mr. Kean said two years ago the State had had to help North Las Vegas and the Legislators from the northern counties had voted to do so. Mr. Ashworth said the Legislature forgave North Las Vegas of quite a lot of interest.

Mr. Kean said it was his opinion the ½% additional sales tax was not the solution. He thought the proposal worked out by the sub-committee was the fairest. He could not see any other answer.

Mr. Smith said Henderson could not lose a half million dollars. He requested the Committee take a little more time to consider the matter. Perhaps the city-county people would be able to work out something.

Mr. Blyth said that no matter how AB-361 was revised or amended, it would not help Henderson, Boulder City, or Sparks. These cities want the authority to help themselves in the form of additional ½¢ tax.

Mr. Glaser said the sub-committee had tried to balance the proposal by helping the small entities and at the same time recouping the loses of the major entities by giving the advantage of population increase prior to the 1980 census. Now it doesn't do anything for the small entities if they are required to meet the constitutional ad valorem assessment limit and levy the ½% optional sales tax. If they are forced to go to the \$5 limit now, they will not be able to finance bond issues for future improvements. It is now my opinion that perhaps we should indefinitely postpone AB-361 and the amendments thereto

Assembly

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Mrs. White said she had lived in Boulder City for the past 16 years. During that time she had seen the town go from a prosperous, self-supporting entity to the present situation. As Las Vegas and North Las Vegas grew and transportation improved, the large cities became the shopping centers; old established businesses disappeared and new ones did not locate there. The tax dollars of Boulder City citizens go the larger cities, and the small entities are suffering from a tax shortage as a result. Boulder City has exhausted all sources of revenue.

Mr. Kean said he would like the Committee to prepare a bill based on the work of the sub-committee.

Mr. Glaser said he would like to see the sales tax feature included in the bill; and the mandatory \$5 assessment rate eliminated.

Mr. Prince suggested these small cities could put the extra money derived from the maximum assessment into a reserve fund for improvement projects.

Mr. Ashworth said he thought the \$5 ad valorem tax limit was too broad a base and it was not fair to issue an ultimatum to the small entities that if they did not levy the \$5, they could not get the cigarette and liquor tax revenue.

Mr. May said without the amendment specifying the \$5 rate as a requisite for receipt of supplementary cigarette-liquor taxes, he would have to withhold his vote for a committee introduction on AB-361.

Mr. May also said it had been indicated the North Las Vegas people will recommend what assistance they can give the small cities in their area from their own funds.

AB-653 - Requires dealers to give to county assessors notice of camper sales.

Mr. Kean explained purposes of the bill. Mr. Smith moved the Committee Do Pass AB-653; Mr. May seconded; motion carried.

AJR-4 - Requests Congress to call constitutional convention to provide for tax-sharing amendment.

Possible results of AJR-5^{*} discussed. If two-thirds of states passed this resolution, Congress would have to call a convention. It is possible the entire constitution would then be subject to amendment. This would not be desirable.

There will be a hearing on AJR-5^{*}, March 12. Senators Monroe and Brown and Mr. Russ McDonald will be requested to appear.

Meeting Adjourned.

*Should read A.J.R. 4.