

MINUTES

Assembly
TAXATION COMMITTEE
February 13, 1973

Members Present: Messrs. May Huff
Smalley Demers
Broadbent McNeel
Craddock

Members Absent: Messrs. Fry
Bremner

Guests Present: Messrs. William Lloyd, John Moschetti,
W.H. Kretschmer, Bill Byrne,
Dennis Compston, Leroy L. Ward
R.O. Barkley, Homer Rodriguez,
E.L. Newton, Gary Gray, Bud Clifton,
Harry E. Winkelman, Jack Flanagan,
Charles Sheeran

The meeting was called to order by Chairman May promptly at 8:00 a.m. on February 13, 1973, and stated that there be no prejudice to each of the absent members.

Chairman May indicated the primary purpose of this meeting was to allow Mr. Ernest L. Newton, Executive Secretary, Nevada Taxpayers Association, to provide information to the committee concerning the Nevada tax situation.

Several of the county assessors were present at this meeting by request of Mr. Demers, and Chairman May advised them to discuss any problems they wished to express. Because Mr. Newton had previously been scheduled to speak at today's meeting, it was decided to hold presentation of these problems until after his presentation.

Mr. Newton began his presentation by briefly explaining the origin of taxes and their purpose. He stated that he believes that nowadays they are being submerged to improve trade and commerce rather than raising money. It was decided that taxation should be used to bring in new industry and to improve charitable functions. Consequently, churches and no-profit organizations are exempt.

He further explained that the tax commission by statute is not a representative, legislative, or administrative body; it is a judicial body. By statute it operates in order to provide an opportunity for tax payers and tax administrators to settle their differences before a body of experts in particular fields.

Its function is almost entirely judicial. The tax commission has one administrative duty and that is to act as an assessor to determine evaluation for inter-county tax payers such as railroads. The commission shall set the agricultural land and live-stock evaluations and makes a judicial decision that for the next

year items will be assessed at a certain value. Mr. Newton then stated that he strongly believed in the integrity of the members of the commission and resented the idea that it might be otherwise. He stated the reasons he believes this is for one they are not paid very much and two they are chosen primarily for their expertise in one field in particular which makes them very effective. The continuity of the members is one of its strengths.

Mr. Newton added that people pay taxes. The taxes are based on different scales, but it is people who pay the taxes. He feels that the base should be measured by ability to produce. He further explained the income and expenditure sides of taxation.

He then commented that land taken out of productivity should be evaluated later than a piece of land that is producing great income for the owner presently. He then discussed A.J.R. 23 that would take out of private usefulness certain pieces of property for a time by contract. This act would be a tax incentive to enable people to maintain property and not have to yield to development which may lead to overbuilding.

Mr. Newton also touched on the aspect of improvement of property and plants to cut down pollution and how these compelled improvements do not bring up the productivity of the plant at all although they are often expensive to accomplish.

Dr. Broadbent wanted to know who the Nevada Taxpayers Association is and who they consist of. Mr. Newton explained that it is a group of individuals and corporate tax payers who incorporated themselves to do what they could to control run away public expenditures in 1922. He discussed their policy and membership and also its operation.

Discussion was held concerning the Division of Assessment Standards and the State Board of Equalization. Their duties and required functions were explained.

Chairman directed discussion toward the permanent school fund, its purpose and operation. Mr. Newton informed the committee that it is used as a leveling out device. Chairman May brought up the issue of money lying in checking accounts before transfer into the fund drawing little interest. He feels something should be done to prevent this.

The meeting was then opened for comments from the county assessors present to voice problems they might wish to express. Mr. Byrne opened discussion on A.B. 50. He thought that in section 1 paragraph 3 "may" should be the first word to leave

the decision of whether there should be an appraisal open and not mandatory.

Chairman May stated that formal hearings for A.B. 50, A.B. 140, A.B. 172, S.B. 90 for Thursday, February 15, 1973.

Discussion was held on the Annual Report of the Tax Commission, exhibit B, which increases the powers of the Division of Assessment Standards. Mr. Homer Rodriguez stated that a bill was being drafted to give power to check some commercial personal property records. Mr. Demers will introduce this bill in today's session.

Mr. Newton then read NRS 360.190 to the committee for their information. This covered the idea of "matching funds" that could provide a method for funding the expense of hiring people with expertise to help in assessments for small counties.

Chairman May asked of problems that the small counties might come up against if making the total assessment every five years as would be required by statute. Mr. Moschetti stated that the lack of qualified people to do the assessing is a great problem because there is such a variety of property located in one county.

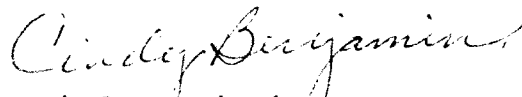
There was further discussion on assessment determination by present productivity or capable productivity. Bureau of Land Management records are used to determine capability but more expertise is needed.

Mr. Craddock opened discussion on the difference of prices property is sold for and evaluation, but Mr. Winkelman pointed out that the property assessment is not based on market price but on an amount set by the State Tax Commission. Mr. Winkelman stated that Douglas county was using the soil sample basis for evaluation but is in the process of changing to assessment productivity.

It was decided that because most of the assessors present today would not be able to attend all future committee meetings that relative information would be sent to Mr. Homer Rodriguez to be distributed among them.

There being no further business before the committee, motion was made to adjourn. Seconded. The meeting was adjourned at 9:50 a.m.

Respectively submitted,



Cindy Benjamin
Assembly Attache