

MINUTES

Assembly

TAXATION COMMITTEE

February 15, 1973

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

Members Absent: Messrs. Fry (excused)
 Bremner (excused)

Guests Present: Messrs. James Rathbun, Leroy L. Ward
 W.H. Kretschmar, John Moschetti,
 William Lloyd, Dennis Compston,
 Bill Byrne, R.O. Barkely, Homer
 Rodriquer, Jack Flanagan, Charles
 Sheeran.

The meeting was called to order by Chairman May. It was stated that the purpose of the meeting was to take testimony from the witnesses, primarily assessors, on A.B. 50, 152, 172, 140, and S.B. 90 and also the Annual Report of the Tax Commission. The Chairman briefly explained each bill.

Mr. Byrne, Chief Deputy Assessor for Clark County, was appointed by the assessors to speak on Exhibit B contained in the Report of the Tax Commission and on the various bills.

To begin his presentation, Mr. Byrne gave a brief background on Nevada's property tax and explained the statute covering this and the Division of Assessment Standards that sets guidelines that the county assessors must follow. He also briefly explained the procedures through which a person must go to follow up on complaints on assessments. He mentioned that a bill will be presented to the committee suggesting that the county assessors have an opportunity to appeal a decision of the State Board of Equalization to the District Court. As it stands now, the only one that can appeal if not in agreement with the decision of the County Board of Equalization and then to the State Board of Equalization is the tax payer. Final decision would rest with the District Court. However, the law is mute as to whether or not the county assessor can appeal; two parties at litigation but only one can appeal. This bill would afford the opportunity to the county assessor to appeal a decision if in his judgment and that of the Board of County Commissioners, and the District Attorney that it would be the best procedure to follow.

Mr. Smalley inquired as to whether the large or small tax payers would take a decision to District Court because of the cost that would be involved, but Mr. Bryne stated that it would most likely be the larger tax payer.

Introduction of this bill has been arranged, A.B. 107, and reference to Government Affairs. Chairman May suggested that if in concurrence with the witnesses that it be referred also to the Taxation Committee.

A.B. 50 Discussion

Mr. Byrne explained the sampling basis used by the State Tax Commission for land assessment to determine whether the property has been assessed at 35% of its market value. He stated that often there is a difference and if the difference is 2.5% either way then the county assessors are advised and are directed to bring it nearer to 35%. The difference may be shown in what is called "special lands".

A.B. 50 would permit the Tax Commission to send its staff into a county at the county assessor's request to give assistance in appraising and assessing their properties to meet the 35% requirement. In some instances in the smaller counties, the reason they would like assistance is not for a policing but to be able to obtain assistance from people with the expertise that their staff may not have pertaining to certain properties and their assessment.

Dr. Broadbent inquired if the ratio study was the prime function of the Division of Assessment Standards. Mr. Bryne informed him that it is one of the administrative functions of the Tax Commission through the Division of Assessment Standards.

Information was given from Mr. Jim Rathbun, the Tax Commission representative, on the make up of the appointive members and duties of the Tax Commission staff. There was also discussion on their salary and a method to put these people on a commission basis.

Mr. Bryne stated that the Tax Commission was making available the assistance requested available now to the counties and that A.B. 50 would enact amending legislation to the original statute that would make this a legal provision. However, Mr. Bryne believes that in section 1 paragraph 3 the word "may" should be added so as to leave the option to conduct the appraisals up to the Tax Commission. Mr. James Rathbun read a letter from Mr. John Sheehan, Executive Secretary of the Tax Commission, that contained a similar suggestion. Chairman May requested that Mr. Rodriguez get together with Mr. Sheehan to discuss this suggested change to a compatible solution.

Mr. Bryne informed the committee on details of the ratio studies done by the county assessors and the Tax Commission. The Tax Commission establishes values of property and checks these values with the records of the county assessor. The county assessors has the obligation to make reappraisals for taxation purposes at least once in every five years, and

Mr. Bryne stated that most county assessors take portions of the county each year. In subsequent years different portions of the county will be reappraised until the whole county has been brought up to date.

In order for the ratio study to be a useful thing, the assessors believe that the Tax Commission's samplings should be limited to only that portion of the county that the assessor reappraised that year. He stated that a paper covering this request was submitted to the Tax Commission and was believed to have been accepted, but the Annual Report of the Tax Commission submitted to the Legislature stated that if discrepancies are found in the appraisals of the county assessors the Tax Commission could make adjustments for the difference. The assessors state that if the limitation was set there would be no differences. Chairman May suggested that perhaps this could be settled by deriving more compatible language.

Mr. McNeel brought up discussion on how complaints by taxpayers are filed and how the Board of County Commissioners would handle such complaints.

Mr. Demers then mentioned that in Las Vegas the Clark County assessor has hired a professional appraisal firm from Chicago that does the appraising on the Strip and downtown areas. This firm is one of the largest in the world.

Mr. Rodriguez stated that the small counties did not have the capital to hire professional people and this is why they are asking for this help through the Tax Commission. There was further discussion on the training of assessors in Nevada to become CAE's.

Mr. Huff was excused at 9:00 a.m. for conflict with another meeting.

S.B. 90 Discussion

Chairman May explained that this bill is very similar to A.B. 106 that the committee and Assembly has already passed. A.B. 106 changes the wording of the original statute from "make an affidavit before the county assessor" to "may file an affidavit with the county assessor". Therefore, enabling people to mail the affidavit. This Senate bill is very similar to the Assembly bill.

Chairman May scheduled S.B. 90 for final action at a later date.

A.B. 172 Discussion

This bill concerns the qualifications for the veterans tax exemption. Mr. Byrne explained that the assessors felt that this would be a harmful piece of legislation because it would not require an exemptee to, once he had qualified for the exemp-

tion, ever do it again. This would present a problem to the assessors to keep records of his current living, residential status. This would provide no policing method for the assessors to use.

Chairman May, with concurrence of the committee that the bill was not in the best interest of the state, scheduled it for public hearing on February 20, 1973.

A.B. 140 Discussion

This bill eliminates the deadline for asserting vehicle exemptions. Mr. Bryne explained that this deadline was set for the first of August of each year and people would have to use the exemption by this date or they would not be eligible. He felt that it was inconvenient for both the person filing and for the administration procedures. For example, a person whose license expires in January would have to hold on to his exemption affidavit he received in August until his license expires in January.

Chairman May stated that he would like to have all the tax exemption bills discussed at one time and requested Mr. Bryne to inform the committee on how and why tax exemptions for veterans were established.

Mr. Bryne, once head of the Veterans' Committee, explained that exemptions received by veterans had to be limited. He stated that veterans receiving exemptions from other states as well as Nevada simultaneously, therefore, residency requirements were formed.

The Chairman appointed a subcommittee consisting of Mr. Smalley and Dr. Broadbent to confer with Senator Brown to determine whether this committee should give a Do Pass for S.B. 90.

Mr. Don Peckham inquired about the bill that would give the assessors the power to audit and subpoena, and Mr. Demers told him that he had tried to introduce it but was met with opposition and believed that the summary of the bill would have to be reworded.

There was discussion on the assessment of single family dwellings and on mobile homes. Mr. Bryne stated that there are three approaches to the value and they are cost, market, and income. He also mentioned that mobile homes depreciate faster than houses and compared the value to that of Blue Book listings for cars. The assessors feel that the rate of depreciation is too rapid and something should be done.

The Chairman announced that Mr. O.A. Thomas, General

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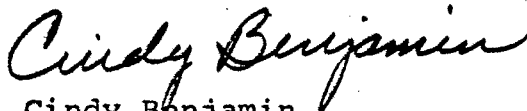
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Tax Commissioner for Southern Pacific Transportation Company, San Francisco, California, would be speaking before the committee on February 22, 1973, regarding the assessing and taxation of railroads and railroad property in Nevada.

There being no further business before the committee, motion was made to adjourn. Seconded. The meeting was adjourned at 9:34 a.m.

Respectfully submitted,



Cindy Benjamin
Assembly Attache