

Assembly
TAXATION COMMITTEE
February 20, 1973

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

Members Absent: Messrs. Bremner (excused)

Guests Present: Messrs. James Rathbun, Jack Hunter, Homer
Rodriguez, Gene Milligan, John
Moschetti, Richard Morgan, Norman
Glaser, M. Jeoffry Dahl, Loyd Sorensen,
Ray Knisley, Jack Sheehan.

The meeting was called to order by Chairman May at 8:05 a.m. The purpose of the meeting was to act on the bills on which testimony was heard last week. (A.B. 104, 140, 152, 172 and S.B. 90) The Chairman specified that Mr. Sheehan would start the testimonies because of a later appointment he would have to leave at 8:30.

A.B. 50 Discussion

Mr. Sheehan spoke on A.B. 50 and the Division of Assessment Standards Annual Report, Exhibit B. He stated that after being in contact with the county assessors the consensus was the Tax Commission was covering too much of the county where the ratio study was concerned. He also stated that the Tax Commission did not have the manpower to go into the counties to help with the 35% assessing task and proposed a solution by diluting the emphasis placed on the ratio study and then breaking loose the manpower to go into the counties. He stated that his objection to A.B. 50 is the mandatory "shall" provision of the bill. He feels that the Tax Commission does not have the manpower to handle this and with the agreement of the assessors believes that the word "shall" in line 2 be changed to "may".

Dr. Broadbent brought discussion to the floor on the statement made by the assessors that they wished to have the "may" inserted as the first word on line 14 and they did not mention changing the word "shall" to "may" in line 2.

Mr. Sheehan stated that he suggested his change plus the deletion of the first paragraph that deals with the ratio study. He planned to incorporate the ratio study provisions into NRS 361.333. The Tax Commission now, must conduct a ratio study of each class of property in each county, but he proposes to conduct a study once every five years in each class of property and in the interim years update that ratio study each year. That study would visit only those properties that the ratio study had found to be not at 35% and would, therefore, not make studies of properties that had already been found to be at 35%. It would also enable them to raise

those properties not at 35% to meet the standard. He stated that the assessors were in agreement with this.

Mr. Sheehan also explained the procedure by which the Tax Commission would adjust the differences revealed by the ratio study by giving the county assessor credit at the rate of percentage of growth each year that was determined by the ratio study. They would allow the credit recognizing the fact that because of inflationary values the land may have risen in evaluation. He stated that this over-view would show on a countywide basis the properties at 35% and also find the problem areas.

Mr. McNeel thought that changing the word "shall" to "may" would have an important effect on the overall statute and that more consideration should be given to the after effects of the change. Dr. Broadbent was in agreement. Putting "may" at the beginning of the statute in line 2 would make only the first paragraph mandatory and the rest of the statute would be changed to optional duties for the Tax Commission.

There was further discussion as to the actual changes of this bill. Chairman May indicated that it had been hoped to act on this bill today and asked Mr. Rodriguez if the county assessors were in agreement. Mr. Rodriguez stated that they were. Chairman May thought that perhaps a subcommittee should be appointed for further investigation. He therefore, appointed Mr. Smalley, Mr. Craddock, and Mr. McNeel to the subcommittee and directed them to report back to the committee with their recommendations.

A.B. 104 Discussion

Mr. Demers, Chairman of the previously appointed subcommittee, informed the committee that it is unconstitutional for the Tax Commission to remove any debts to the state from their records. The subcommittee, therefore, recommends that these uncollectable accounts go into some type of inactive file where they could be held in suspension until such time as it might be conceivable to collect the debt. By doing this, it would provide the Tax Commission with a more accurate view of their financial status. The inactive file would be reviewed periodically.

Mr. Demers also stated that the subcommittee felt that as far as other agencies following along with this bill, it would be better to use this on a trial basis to see its workability before adding the other agencies.

Chairman May stated that the subcommittee amendment to this bill had been drafted and circulated it through the committee.

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A.B. 172 Discussion

Mr. Demers noted that the assessors did not show favor with this bill because it would provide no policing method for them to keep on the exemptees.

They felt that perhaps another way would be more beneficial. Chairman May thought that A.B. 140 might possibly solve some of the problems.

A.B. 140 Discussion

This bill abolishes the deadline for asserting vehicle privilege tax exemption claims. Mr. Rodriguez stated that the assessors are in favor of this bill.

A.B. 152 Discussion

This bill would permit county assessors to retain 6% of the use tax collected on motor vehicles.

Mr. Sheehan stated that he had no quarrel with the concept. However, he felt that there might be a constitutional problem in giving the 6% and thought that perhaps a better way would be to have the county assessors submit claims to the state to receive a reimbursement that would equal the 6%.

Mr. Moschetti, Elko county assessor, brought up the fact that the use tax might come from sources other than the motor vehicle tax and asked if the assessors would receive 6% of all taxes.

Discussion followed on the financial impact this would have for county assessors. Mr. Demers requested a fiscal note including (1) the amount involved as the bill stands now, and (2) the amount involved if it were to include mobile homes and other sources of use tax.

A.B. 106 Discussion S.B. 90 Discussion

Mr. Smalley, chairman of the previously appointed subcommittee, stated that Senator Brown had received a letter from the Tax Commission stating that they would prefer A.B. 106 rather than S.B. 90, and the Senator believed that A.B. 106 could be passed out of their committee. Mr. Smalley assumed that the Assembly committee should have no further interest in S.B. 90.

There being no further questions on these bills the Chairman directed discussion to A.J.R. 23 of the last session.

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A.J.R. 23 Discussion

Mr. Norman Glaser, former Assemblyman, member of the Taxation Committee and one of the primary sponsors of this bill, stated that this bill was the result of the problems that existed in the Truckee Meadows area because subdivisions were beginning to encroach on the farm lands. This was also true to some extent in the Carson and Minden areas.

He explained that through previous legislation it was allowed to have the assessor assess farms as agricultural ground as such, as long as they were being farmed. The assessor in Washoe County challenged this as being unconstitutional, and the Supreme Court upheld his objection. Therefore, in the last session, Mr. Capurro and Mr. Glaser submitted A.J.R. 23 which would eliminate the constitutional question. They planned it after legislation in other states. He briefly explained the basics of the plans used in Maryland, Florida, New Jersey, and Connecticut where they used differentiated assessment with tax recapture which makes mandatory a period of time which the land must be held. Oregon and California had a little different solution of using a contractual arrangement with the local tax entity and the farmer.

Mr. Glaser then gave background of the bill and its amendments as it went through the committee and the houses in the last session. In addition, he explained how the "not less than seven years" concept and the phrase "open space real property" were derived. In conclusion, he urged favorable support of this bill.

Dr. Broadbent questioned Mr. Glaser as to what he thought was the primary purpose of this legislation and he stated that he wanted to keep ranching the ranches and farming the farms and does not want to see the farmers and ranchers forced out of business by subdivisions that could create pressure and raise the taxes to where they would be forced to sell out.

Discussion followed as to the definition of "open space". Mr. Moschetti felt that the property should be assessed as to its use.

Chairman May suggested that a closer look be had at the wording of this bill. He felt that this bill recognizes that there is a problem with encroachment of development on agricultural land and is worded so as to permit successive sessions of the Legislature and the voters to allow for the definition of reclassification, taxation, and recapture. He feels that the summary may be misleading and that the context of the bill would simply allow for the enactment of future legislation along these lines.

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Mr. Hunter, chairman of the Nevada Tax Commission, explained the makeup of the Tax Commission and how its members and its chairman are appointed by the Governor.

He stated that he did not feel that there was equalization of representation on the commission and that there should be a restructure of the Commission. Chairman May distributed copies of the bill* that Mr. Hunter would like to introduce through the committee for this purpose. It would allow three more citizens on the Tax Commission to equalize representation of urban and rural areas of the state.

Mr. Fry made a motion to introduce this bill and have it re-referred to the Taxation Committee. Seconded by Mr. Smalley. It received a unanimous vote of "yea" from the committee.

Mr. Hunter showed a photostat of the bulletin based on the value of acreage that was established in 1921 that is presently being used by the Tax Commission in their evaluations. He advised that copies would be made available to the committee.

Witnesses were excused for disposition of the bills. See attached Vote Tally Sheets.

Following disposition of the bills, Mr. Fry made a motion to adjourn. Seconded. The meeting was adjourned at 10:02 a.m.

Respectfully submitted,

Cindy Benjamin

Cindy Benjamin
Assembly Attache

* A.B. 353 (BOR 32-734)

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 50 DATE: January 22, 1973
SPONSOR: Demers, May, Banner
SUBJECT: Permits division of assessment standards to conduct appraisals for county assessors when any county assessor requests such assistance.

COMMITTEE ACTION: DATE: February 20, 1973
AMENDMENT YES: _____ NO: _____
AMENDMENT PROPOSED BY:
SECONDED BY:

COMMITTEE VOTE	YES:	NO:	ABSENT:	NOT VOTING:	EXCUSED:
MAY					
SMALLEY					
BREMNER					
DEMERS					
CRADDOCK					
BROADBENT					
FRY					
HUFF					
McNEEL					

DISPOSITION: DATE: February 20, 1973
DO PASS _____ Motion:
DO PASS AS AMENDED _____ Second:
INDEFINITELY POSTPONED _____

NOTES: Hold for subcommittee report.

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 104 DATE: January 24, 1973
 SPONSOR: Committee on Taxation
 SUBJECT: Enables Nevada tax commission to write off uncollectible taxes.

COMMITTEE ACTION : DATE: February 20, 1973

AMENDMENT YES: X NO: _____
 AMENDMENT PROPOSED BY: Mr. Demers
 SECONDED BY:

<u>COMMITTEE_VOTE</u>	YES:	NO:	ABSENT:	NOT VOTING:	EXCUSED:
MAY	X				
SMALLEY	X				
BREMNER					X
DEMERS	X				
CRADDOCK	X				
BROADBENT	X				
FRY	X				
HUFF	X				
MCNEEL	X				

DISPOSITION

DATE: February 20, 1973

DO PASS
 DO PASS AS AMENDED X Motion: Broadbent
 INDEFINITELY POSTPONED _____ Second: Smalley

NOTES:

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 140 DATE: January 30, 1973
 SPONSOR: May, Hickey, Dreyer
 SUBJECT: Abolishes deadline for asserting vehicle privilege
 tax exemption claims.

COMMITTEE ACTION : DATE: February 20, 1973
AMENDMENT YES: NO: _____
 AMENDMENT PROPOSED BY:
 SECONDED BY:

<u>COMMITTEE_VOTE</u>	YES:	NO:	ABSENT:	NOT VOTING:	EXCUSED:
MAY	X				
SMALLEY	X				
BREMNER					X
DEMERS	X				
CRADDOCK	X				
BROADBENT	X				
FRY	X				
HUFF	X				
McNEEL	X				

DISPOSITION DATE: February 20, 1973
 DO PASS X Motion: McNeel
 DO PASS AS AMENDED _____ Second: Demers
 INDEFINITELY POSTPONED _____

NOTES:

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 152 DATE: January 30, 1973
SPONSOR: Getto, Dini
SUBJECT: Permits county assessor to retain 6 percent of use tax he collects on motor vehicles.

COMMITTEE ACTION : DATE: February 20, 1973
AMENDMENT YES: _____ NO: _____
AMENDMENT PROPOSED BY:
SECONDED BY:

<u>COMMITTEE_VOTE</u>	YES:	NO:	ABSENT:	NOT VOTING:	EXCUSED:
MAY					
SMALLEY					
BREMNER					
DEMERS					
CRADDOCK					
BROADBENT					
FRY					
HUFF					
McNEEL					

DISPOSITION DATE: February 20, 1973
DO PASS _____ Motion:
DO PASS AS AMENDED _____ Second:
INDEFINITELY POSTPONED _____

NOTES: Requested a fiscal note for this bill

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 172 DATE: January 31, 1973
 SPONSOR: Dini
 SUBJECT: Eliminates requirement for annual filing of affidavit
 to qualify for veteran's tax exemption.

COMMITTEE ACTION : DATE: February 20, 1973
AMENDMENT YES: _____ NO: _____
 AMENDMENT PROPOSED BY:
 SECONDED BY:

<u>COMMITTEE_VOTE</u>	YES:	NO:	ABSENT:	NOT VOTING:	EXCUSED:
MAY	X				
SMALLEY	X				
BREMNER					X
DEMERS	X				
CRADDOCK	X				
BROADBENT	X				
FRY	X				
HUFF	X				
MCNEEL	X				

DISPOSITION DATE: February 20, 1973

DO PASS _____ Motion: Demers
 DO PASS AS AMENDED _____ Second: Broadbent
 INDEFINITELY POSTPONED X

NOTES:

TAXATION COMMITTEE - 57th SESSION

BILL NO.: S.B. 90 DATE: January 24, 1973
SPONSOR: Senator Hecht
SUBJECT: Eliminates requirement that affidavits for property tax exemption be made before county assessor.

COMMITTEE ACTION : DATE: February 20, 1973
AMENDMENT YES: _____ NO: _____
AMENDMENT PROPOSED BY:
SECONDED BY:

COMMITTEE_VOTE	YES:	NO:	ABSENT:	NOT VOTING:	EXCUSED:
MAY	X				
SMALLEY	X				
BREMNER					X
DEMERS	X				
CRADDOCK	X				
BROADBENT	X				
FRY	X				
HUFF	X				
MCNEEL	X				

DISPOSITION DATE: February 20, 1973
DO PASS _____ Motion: Demers
DO PASS AS AMENDED _____ Second: McNeel
INDEFINITELY POSTPONED X

NOTES:

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.J.R. 23 DATE: February 19, 1971
SPONSOR: Capurro, Glaser
SUBJECT: Proposes constitutional amendment to permit differential assessment and tax recapture of agricultural lands.

COMMITTEE ACTION : DATE:
AMENDMENT YES: NO:
AMENDMENT PROPOSED BY:
SECONDED BY:

COMMITTEE_VOTE	YES:	NO:	ABSENT:	NOT VOTING:	EXCUSED:
MAY	X				
SMALLEY		X			
BREMNER					X
DEMERS	X				
CRADDOCK		X			
BROADBENT		X			
FRY	X				
HUFF		X			
McNEEL		X			

DISPOSITION DATE: February 20, 1973
DO PASS X Motion: Demers
DO PASS AS AMENDED Second: Broadbent
INDEFINITELY POSTPONED

NOTES: "Do Pass" failed to pass.

February 16, 1973

The Honorable Darrell H. Dreyer
Majority House Leader of the
57th Session of the Nevada
State Legislature

Re: Assembly Taxation Committee Action Report

Pursuant to your request as of February 15, 1973,
the following information is herewith transmitted.

The following bills and/or resolutions have of this date
been referred to your Assembly Taxation Committee. The bills
and/or resolutions are listed below along with definite or
contemplated action opposite each bill or resolution.

- A.J.R. 23 of the 56th Session ACTION: Have held two public hearings to date with a third and final one pending appearance of former Assemblyman Norman Glaser to testify. Re: Subject resolution.
- A.B. 99 ACTION: Passed by committee February 6, 1973, passed Senate February 14. Enrolled.
- A.B. 100 ACTION: Passed by committee February 6, 1973, passed by Senate February 14. Enrolled.
- A.B. 101 ACTION: Hold for additional testimony by Mr. Mc Elhone of Clark County.
- A.B. 102 ACTION: Passed by committee February 6, in Senate Taxation Committee.
- A.B. 103 ACTION: Passed by committee February 6, passed by Senate February 14. Enrolled.
- A.B. 104 ACTION: Assembly Taxation Subcommittee appointed. Report back on my desk today; favorable action contemplated within week.
- A.B. 105 ACTION: Being held at request of Nevada Tax Commission pending action on similar Senate measure.

A.B. 106

ACTION: Passed by Committee February 6,
in Senate Taxation Committee.

The following measures were discussed at your Assembly Taxation Committee February 15, 1973. Favorable action contemplated shortly with exception of S.B. 90 which is very similar to A.B. 106. Presently passed Assembly and in Senate Taxation Committee are A.B. 140, 152, 172.

Also referred to your Assembly Committee on Taxation is A.B. 30 a tax exemption bill; A.B. 69 a tax exemption bill; A.B. 244, a tax exemption bill; A.B. 261 a tax exemption bill; A.B. 297 a tax exemption bill; A.B. 311 a tax exemption bill.

It is the intention of your Taxation Committee to shortly schedule a public hearing for the above mentioned bills, to date no action taken or contemplated; low priority.

On Monday, February 19, 1973, your Assembly Taxation Committee is meeting jointly with the Senate Taxation Committee to hear testimony on A.B. 201 and S.B. 90; Senior Citizen Tax Exemption; high priority.

Respectfully submitted,

Cindy Benjamin

Cindy Benjamin
Assembly Attache

ASSEMBLY

AGENDA FOR COMMITTEE ON TAXATION

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Date February 20, 73 Time 8:00 a.m. Room 222

Bills or Resolutions
to be considered

Subject

Counsel
requested*

A.B. 50

SUMMARY—Permits division of assessment standards to conduct appraisals for county assessors when any county assessor requests such assistance. Fiscal Note: No. (BDR 32-637)

A.B. 152

SUMMARY—Permits county assessor to retain 6 percent of use tax he collects on motor vehicles. Fiscal Note: No. (BDR 43-610)

A.B. 172

SUMMARY—Eliminates requirement for annual filing of affidavit to qualify for veteran's tax exemption. Fiscal Note: No. (BDR 32-653)

A.B. 140

SUMMARY—Abolishes deadline for asserting vehicle privilege tax exemption claims. Fiscal Note: No. (BDR 32-588)

S.B. 90

SUMMARY—Eliminates requirement that affidavits for property tax exemption be made before county assessor. Fiscal Note: No. (BDR 32-526)

*Please do not ask for counsel unless necessary.

HEARINGS PENDING

Date _____ Time _____ Room _____
Subject _____

Date _____ Time _____ Room _____
Subject _____