

MINUTES

Assembly

TAXATION COMMITTEE  
February 6, 1973

11

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

Members Absent: None

Guests Present: Messrs. John J. Sheehan, Sherman Hickman,  
Jack Hunter, Richard L. Morgan,  
Kay Broadbent, Edward Klatt,  
Raymond Yowell, Robert Frank,  
Ross Morres, Gaylord Ealkworth,  
Gary Gray, John Meter

The meeting was called to order by Chairman May promptly at 8:00 a.m. on February 6, 1973. Since Mr. Sheehan had to attend by statute another meeting at 9:00 a.m., he requested that bills A.B. 99-106 be opened for testimony before A.J.R. 23.

In regard to resolution A.J.R. 23 of the 56th Session, ✓  
Chairman May commented that it is not subject to reinterpretation in any way and must pass in its present form.

At Mr. Sheehan's request, A.B. 100 was discussed first. He stated that his assistant had comment on A.B. 99, but he had not arrived as yet.

A.B. 100 Discussion

Mr. Sheehan, Executive Secretary of the Nevada Tax Commission, commented that this bill covered an overdraft in the original language of the bill and was simply for clarification and verification of internal records.

There being no subsequent changes made, Dr. Broadbent made a motion that the committee recommend a "Do Pass" on A.B. 100. Second by Mr. Craddock.

Mr. Smalley pointed out that in accordance with Committee Rule No. 10, no vote shall be taken in the presence of any witnesses. Therefore, the motion and second on this bill were ruled out of order.

Chairman May requested that Dr. Broadbent be assigned to this bill to answer questions when it is read by the Chief Clerk on the floor.

A.B. 101 Discussion

Chairman May explained that this bill exempts casual importers from liquor licensing requirements. He also noted that Mr. Lowman had mentioned at least one dealer in Southern Nevada wanted to be heard, therefore, testimony would be heard from Mr. Sheehan, but the bill would be held for other testimony.

Mr. Bremner stated that the dealer's wife had passed away Saturday, and he wasn't able to attend the meeting today.

Mr. Sheehan informed the committee that since the change to an international airport many people desired to bring small quantities of liquor into Nevada for household or personal use and this bill would simply not require them to hold a liquor license. This bill is to accommodate the international traveller.

Mr. Craddock wondered how the tax on alcoholic beverages in Nevada compares to the of adjacent states. Mr. Sheehan indicated that it is not substantially different.

Chairman May, with the committee in agreement on this bill, assigned Mr. Bremner to this bill when it is read by the Chief Clerk on the floor.

A.B. 102 Discussion

This would give the Tax Commissioner the power to give consent for acquisition of land by the federal government in Nevada.

Mr. Sheehan explained that this bill is to clarify some of the language of the original bill and to exclude the Governor from the Tax Commission. However, the Governor must be a cosigner to any certificate that the tax commission enters on for acquisition of land by the federal government.

Dr. Broadbent questioned what happens to land that the tax commission consents to the government. Is the tax situation changed. Mr. Sheehan explained that they would become exempt from taxes as are all federal lands. Dr. Broadbent further questioned if to Mr. Sheehan's knowledge if there were any contemplated exchanges of State land to federal ownership. Mr. Sheehan stated that there are exceptions to this statutes wherein the federal government acquires large parcels of land for forestry purposes and in which the tax commission does not get involved.

Chairman May commented that he happened to notice a bill where the Division of Forestry is relinquishing land back to the federal government and it would probably cover this property situation.

Mr. Huff was assigned by Chairman May to this bill to answer questions when it is read on the floor.

A.B. 103 Discussion

Mr. Sheehan explained that this bill is simply a house-keeping bill. Its purpose is to clarify the change of 372 to 706 of N.R.S. in paragraph 5.

Chairman May assigned Mr. Craddock to this bill to answer questions that may arise when it is read on the floor.

A.B. 104 Discussion

This bill would authorize commissioners to strike from the records uncollectible taxes.

Mr. Sheehan informed the committee that these uncollectible taxes create a terrible bookkeeping problem. He also commented that other state agencies also wished to be amended to this bill, but were recommended that they draft individual bills so as not to jeopardize the tax commission's effort.

Mr. McNeel expressed concern that no dollar value was placed on the amount of taxes that could be written off. Mr. Sheehan explained that the county and district attorney must satisfy themselves as to what would be correct for each individual account. Bankruptcy, for example, would incur large amounts of uncollectable taxes while other accounts may not.

Mr. Craddock was in accordance with Mr. McNeel's remarks, but Dr. Broadbent stated that all businesses and organizations must be flexible and that eventually there is a checks and balances system.

Chairman May appointed a subcommittee consisting of Mr. Demers, Chairman; Mr. Smalley, and Mr. McNeel to pursue this bill further and report its findings to the committee. Also, other agencies, such as the Motor Vehicles Department wish to enter into this bill and were urged to contact the chairman of the subcommittee.

It was decided that A.B. 104 would be held for the subcommittee's report.

A.B. 105 Discussion

Mr. Sheehan stated that in accordance with committee rules, he wished to have this bill killed because more comprehensive legislation on the same subject matter has been offered on the Senate side by Senator Dodge which render this bill obsolete. He also stated that this bill does not do what the other bill is desigend to do.

Dr. Broadbent wondered if the fate of the other bill in the Senate would have any affect on the Assembly bill.

Mr. Sheehan stated that if the Senate bill is passed than the Assembly bill will be contrary to it. He also stated that the Assembly bill was prepared hastily to meet the November deadline and since then more thought has been given this subject and thus the Senate bill.

A.B. 106 Discussion

Mr. Sheehan stated that this bill simplifies procedure for claiming tax exemptions by mail.

Mr. McNeel questioned if this bill changes the date that one can file or would a person be able to file any time during the year.

Mr. May stated that this bill changes no dates, and assigned Mr. Fry to this bill.

A.B. 99 Discussion

Mr. Sheehan stated that A.B. 99 is simply a housekeeping bill. The purpose of this bill is to recognize that the comptroller will write the checks. This is presently being handled as such; this bill is simply to recognize this fact.

Mr. Demers commented that in Section 3 paragraph (b) money is to be distributed to the county but he wanted to know who in the county would be responsible for the money. Mr. Sheehan informed him that the county treasurer would receive the money.

Chairman May assigend Mr. McNeel to this bill.

Chairman May then asked for testimony from the witnesses on any of the bills discussed. He explained A.J.R. 23 of the last session had passed both houses and is now being referred to the Taxation Committee and to the Assembly for consideration. Should it pass both houses this time it would be placed on the November ballot for acceptance or rejection by the

voters. It being a constitutional amendment, it can not be changed in any. It must be either accepted or rejected in its present form.

Chairman May then asked for testimony concerning this "green belt" bill.

Mr. John Meter, Executive Secretary of the County Commissioners Association, stated that this bill would set up a separate class where "green belt" or open space areas are being encroached on by urban development. As a result of this development the land is raised in value and rezoned as far as the assessors are concerned. Because of this, more land would be taken out of agricultural use.

This bill would allow property owners to set property aside in a special category thereby receiving a tax benefit. At any time, it being set up on a seven year basis, during the seven years if the property is sold there would be a penalty in the form of a retroactive tax that has to be paid. Subsequently, the taxes would not be lost to the community because when it is sold it would receive the retroactive tax. This bill would benefit the owner who wants to keep the land open for agricultural use or simply for open space.

Mr. Meter also stated that there obviously are some things that will have to be worked out through state statutes such as whether or not a person can sign up for consecutive seven year periods, if so will retroactive taxes start at the beginning of the first seven years and start over for the second seven years. He feels that this bill will help to not force development of land.

Mr. Bremner questioned whether this would create the problem of people turning their land into "green belt" areas receiving the tax break and holding on to it for long periods of time until the value raises and then selling it at a future date. This would tend to have "green belt area" spring up. Mr. Meter stated that this could happen but that state statutes would have to be adopted to prevent this. There will have to be consideration taken as to the mechanism of the bill if it is adopted.

Mr. Jack Hunter, Chairman of the Tax Commission, wished to speak in the capacity of an interested citizen and not as Chairman of the commission. He felt that this is a special interest resolution which would allow people to be in a "green belt" area. Mr. Hunter also felt that this would create problems such as a person holding "green belt" areas in the middle of an urban development area and being taxed at a lower rate than the people on adjacent land, thus hindering the growth and development

Assembly

of cities.

Chairman May interrupted the meeting to designate that Mr. Huff, Mr. Fry, and Mr. Sheehan could be excused to attend overlapping meetings.

Mr. Demers questioned Mr. Hunter as to whether the State could draw up statutes to get around his foreseen problems. Mr. Hunter stated that he believes that a complete study of the present tax structure should be administered. He also added that 86% of the tax burden is being carried by the urban citizen and yet he does not received a major on the tax commission.

Chairman May requested that Mr. Hunter plan to be a guest speaker for the committee in the future to discuss this idea further.

Dr. Broadbent inquired if other legislation is being proposed to insure "green belt" areas in the form of asking developers to offer for sale to counties or cities certain parts of their land to guarantee that there would be outright ownership by counties or cities rather than confiscating the land; it might be healthier to have the counties or cities buy the land.

Mr. Fry stated that presently by using land for agricultural purposes it does have a higher classification and that legislators could set up guidelines for higher evaluation of the land.

Mr. Craddock stated that in the tax commission bias must not be used in evaluation of land and that this should be kept in mind during the study of this bill.

Chairman May stated that for the benefit of the committee this bill be held for testimony by Mr. Glaser who was one of the primary sponsors.

Mr. Gene Miligan of the Nevada Association of Realtors stated that they would like to make written statements on this bill. They do feel that this bill will have serious ramifications.

Chairman May indicated that a bill had come to him that would call for the restructure of the tax commission and hopefully he would bring it before the committee for discussion.

The witnesses were excused for disposition of the bills.

See attached Vote Tally Sheet.

ASSEMBLY ACTION	SENATE ACTION	ASSEMBLY / SENATE AMENDMENT BLANK
Adopted <input type="checkbox"/>	Adopted <input type="checkbox"/>	Amendments to Assembly / Senate
Lost <input type="checkbox"/>	Lost <input type="checkbox"/>	Bill / Joint Resolution No. <u>23</u> (BDR <u>0-299</u> )
Date: _____	Date: _____	of the 56th session
Initial: _____	Initial: _____	Proposed by <u>Assemblyman Mc Neal</u>
Concurred in <input type="checkbox"/>	Concurred in <input type="checkbox"/>	
Not concurred in <input type="checkbox"/>	Not concurred in <input type="checkbox"/>	
Date: _____	Date: _____	
Initial: _____	Initial: _____	

Amendment N<sup>o</sup> 214



Amend section 1, page 1, by deleting lines 17 and 18 and inserting:  
"provisions of this section, the legislature may constitute agricultural, forestry, mining, grazing, and recreational real property having a greater value for another use than that".

Amend section 1, page 1, by deleting lines 23 and 24 and inserting:  
"7 years when agricultural, forestry, mining, grazing or recreational real



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Amendment No. 214 to ~~Assembly Bill~~ <sup>Joint Resolution</sup> No. ~~31~~ (BDR C-399) Page 2  
of the 56th session

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property is converted to a higher use. Such retroactive assessment shall apply to any and all subsequent conversions of use of such real property after the initial conversion of such property from agricultural, forestry, mining, grazing or recreational use."

Amend the title by deleting line 4 and inserting:

"cultural, forestry, mining, grazing and recreational real property and to provide for tax recapture for such".



TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.J.R. 23 DATE: January 15, 1973 (February 19, 1971)  
SPONSOR: Capurro and Glaser  
SUBJECT: Proposes constitutional amendment to permit differential assessment and tax recapture of agricultueal lands.

COMMITTEE ACTION DATE: February 6, 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:  
DO PASS \_\_\_\_\_  
DO PASS AS AMENDED \_\_\_\_\_  
INDEFINATELY POSTPONED \_\_\_\_\_

NOTES:

Hold for further testimony.

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B . 99      DATE: January 24, 1973  
 SPONSOR:  
 SUBJECT: Transfers apportionment of city-county relief tax  
 to state controller

COMMITTEE ACTION      DATE: February 6, 1973  
 AMENDMENT    YES: \_\_\_\_\_ NO:   X    
 AMENDMENT PROPOSED BY:  
 SECONDED BY:

COMMITTEE VOTE	YES:	NO:	ABSENT:	NOT VOTING:	EXCUSED:
MAY	<input checked="" type="checkbox"/>				
SMALLEY	<input checked="" type="checkbox"/>				
BREMNER	<input checked="" type="checkbox"/>				
DEMERS	<input checked="" type="checkbox"/>				
CRADDOCK	<input checked="" type="checkbox"/>				
BROADBENT	<input checked="" type="checkbox"/>				
FRY					<input checked="" type="checkbox"/>
HUFF					<input checked="" type="checkbox"/>
McNEEL	<input checked="" type="checkbox"/>				

DISPOSITION      DATE: February 6, 1973

DO PASS        X        Motion: Mr. Demers  
 DO PASS AS AMENDED      \_\_\_\_\_      Second: Mr. Bremner  
 INDEFINATELY POSTPONED      \_\_\_\_\_

NOTES:

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 100      DATE: January 24, 1973  
SPONSOR:  
SUBJECT: Corrects formula used to determine amount of fuel tax used for improvement of recreational facilities.

COMMITTEE ACTION      DATE: February 6, 1973  
AMENDMENT    YES: \_\_\_\_\_ NO: X  
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 6, 1973  
DO PASS        X        Motion: Mr. Demers  
DO PASS AS AMENDED      \_\_\_\_\_      Second: Mr. McNeel  
INDEFINATELY POSTPONED      \_\_\_\_\_

NOTES:

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 101      DATE: January 24, 1973  
 SPONSOR:  
 SUBJECT Exempts casual importers from liquor licensing requirement.

COMMITTEE ACTION      DATE: February 6, 1973  
 AMENDMENT YES: \_\_\_\_\_ NO: X  
 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 6, 1973  
 DO PASS      X      Motion: Mr. Broadbent  
 DO PASS AS AMENDED      \_\_\_\_\_      Second: Mr. Bremner  
 INDEFINATELY POSTPONED      \_\_\_\_\_

NOTES: Voting was not completed. It was decided to hold this bill until further testimony from Mr. A.J. Maclahon of Nevada Beverage can be heard.

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 102      DATE: January 24, 1973  
SPONSOR:  
SUBJECT: Modernizes provisions for land acquisition in Nevada  
by the United States.

COMMITTEE ACTION      DATE: February 6, 1973  
AMENDMENT    YES:      NO:   X    
AMENDMENT PROPOSED BY:  
SECONDED BY:

COMMITTEE VOTE	YES:	NO:	ABSENT:	NOT VOTING:	EXCUSED:
MAY	<input checked="" type="checkbox"/>				
SMALLEY	<input checked="" type="checkbox"/>				
BREMNER	<input checked="" type="checkbox"/>				
DEMERS	<input checked="" type="checkbox"/>				
CRADDOCK	<input checked="" type="checkbox"/>				
BROADBENT	<input checked="" type="checkbox"/>				
FRY					<input checked="" type="checkbox"/>
HUFF					<input checked="" type="checkbox"/>
McNEEL	<input checked="" type="checkbox"/>				

DISPOSITION      DATE: February 6, 1973  
  
DO PASS        X        Motion: Mr. Demers  
DO PASS AS AMENDED                  Second: Mr. Bremner  
INDEFINATELY POSTPONED            

NOTES:

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 103      DATE: January 24, 1973  
SPONSOR:  
SUBJECT: Corrects improper internal reference in NRS.

COMMITTEE ACTION      DATE: February 6, 1973  
AMENDMENT    YES:           NO:   X    
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 6, 1973  
DO PASS        X        Motion: Mr. Demers  
DO PASS AS AMENDED                Second: Mr. Smalley  
INDEFINATELY POSTPONED          

NOTES:

TAXATION COMMITTEE - 57th SESSION

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

COMMITTEE ACTION      DATE:      February 6, 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:

DO PASS      \_\_\_\_\_  
 DO PASS AS AMENDED      \_\_\_\_\_  
 INDEFINATELY POSTPONED        X  

NOTES:

Sent to subcommittee.

TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 105      DATE: January 24, 1973  
 SPONSOR:  
 SUBJECT: Limits tax exemption on cigarettts exported from Nevada.

COMMITTEE ACTION      DATE: February 6, 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:

DO PASS      \_\_\_\_\_

DO PASS AS AMENDED      \_\_\_\_\_

INDEFINATELY POSTPONED        X  

NOTES:



TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 106      DATE: January 24, 1973  
 SPONSOR:  
 SUBJECT: Simplifies procedure for claiming tax exemptions.

COMMITTEE ACTION      DATE: February 6, 1973  
 AMENDMENT    YES:           NO:   X    
 AMENDMENT PROPOSED BY:  
 SECONDED BY:

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

DISPOSITION      DATE:

DO PASS        X        Motion: Mr. Demers  
 DO PASS AS AMENDED                Second: Mr. Bremner  
 INDEFINATELY POSTPONED          

NOTES:

ASSEMBLY

AGENDA FOR COMMITTEE ON TAXATION

Date February 6, 73 Time 8:00 a.m. Room 222

Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

A.B. 99

SUMMARY—Transfers apportionment of city-county relief tax to state controller. Fiscal Note: No. (BDR 32-347)

A.B. 100

SUMMARY—Corrects formula used to determine amount of fuel tax used for improvement of recreational facilities. Fiscal Note: No. (BDR 32-352)

A.B. 101

SUMMARY—Exempts casual importers from liquor licensing requirement. Fiscal Note: No. (BDR 32-349)

A.B. 102

SUMMARY—Modernizes provisions for land acquisition in Nevada by the United States. Fiscal Note: No. (BDR 26-350)

A.B. 103

SUMMARY—Corrects improper internal reference in NRS. Fiscal Note: No. (BDR 43-354)

A.B. 104

SUMMARY—Enables Nevada tax commission to write off uncollectible taxes. Fiscal Note: No. (BDR 32-353)

A.B. 105

SUMMARY—Limits tax exemption on cigarettes exported from Nevada. Fiscal Note: No. (BDR 32-348)

A.B. 106

SUMMARY—Simplifies procedure for claiming tax exemptions. Fiscal Note: No. (BDR 32-351)

\*Please do not ask for counsel unless necessary.

HEARINGS PENDING

Date \_\_\_\_\_ Time \_\_\_\_\_ Room \_\_\_\_\_  
Subject \_\_\_\_\_

Date \_\_\_\_\_ Time \_\_\_\_\_ Room \_\_\_\_\_  
Subject \_\_\_\_\_

