

No Tapes

Assembly  
TAXATION COMMITTEE  
March 1, 1973

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

Members Absent: None

Guests Present: Messrs. Richard Morgan, Nevada State Education Assoc.  
Jim Rathbun, Nevada Tax Commission  
Jack Sheehan, Nevada Tax Commission  
Edward Klatt, Legislative Intern  
Michael J. Bosch  
Gary Gray, Clark County Classroom  
Teachers Association  
Wilson MaKabe, Veterans Administration  
Disabled American Veterans  
David B. Litton, Veterans Administration  
Charles R. Smith, Veterans Administration  
Patricia A. Smith, Veterans Administration  
Kenneth F. Hanner, Veterans Administration  
Homer Rodriguez, Carson City Assessor  
G. Holbrook Hawes, National Committee of  
Senior Citizens.

The meeting was called to order by Chairman May at 8:00 a.m. in room 222 on March 1, 1973. The primary purpose of this meeting was to hear further testimony on A.B. 30, 69, 152, 244, 261, 311, 50, 101, 105, 201, & 358.

Mrs. Ford was the first to give testimony concerning A.B. 311. She stated that she was in support of this bill, but would like to allow the exemption to all veterans regardless if they had received a bonus from another state. She felt that the bonuses given were superficial and did not amount to a great sum of money.

Mr. Sheehan of the Tax Commission referred the committee to a letter to Chairman May from the Tax Commission that gave the financial impact of A.B. 311. (attachment 1, #6) This letter also gave the financial impact of certain assembly bills now being considered by the committee; A.B. 30, 69, 152, 244, 315.

Mrs. Ford stated that the bill would cover veterans who owned real property in Nevada. She stated that a questionnaire had been sent to the county assessors to try to get some idea on how many veterans would qualify under this bill and how many are now receiving the property tax benefit. She also presented three studies dealing with the concept of veterans' bonuses in Washington, South Dakota, and Pennsylvania. Because of their length, these studies are not

attached, but will be held on file with the secretary. Mr. McNeel concurred with Mrs. Ford's idea that this type of legislation should include all veterans and to not allow this would be a unequal type of restriction. Mr. Demers felt that it was a good bill but recommended that "or bonuses" should be added to line 15 on page 2 of the bill. He also felt that it should be clarified as to where the funds will come from, and Mrs. Ford stated that the committee should decide this. She added that perhaps the veteran could be requested to sign an affidavit testifying that he had not received a bonus from any other state. Discussion followed as to the source of the funds.

#### A.B. 30 Discussion

Chairman May indicated that he had personally contacted Mr. Lowman and the secretary gave written notice informing him that A.B. 30 would be open for discussion at this meeting.

Mr. Sheehan, again making reference to the letter directed to Chairman May, read the financial impact of this bill. (atch. 1, # 1)

Mr. McNeel brought up discussion on a similar measure in the Senate, and Chairman May stated that S.B. 31 had been passed out of the committee and referred to Senate finance.

#### A.B. 152 Discussion

Chairman May informed the committee that he had received a "conflict notice" from the Legislative Counsel Bureau on this bill and that an amendment was drafted and must be taken into consideration along with the bill. It would simply resolve the conflict.

The Chairman indicated that he and the secretary had contacted Mr. Getto informing him that this bill would be discussed at this meeting.

Mr. Homer Rodriguez, Carson City Assessor, stated in behalf of the county assessors that they were in support of this bill with its amendment.

Mr. Fry wished clarification on the constitutionality question of this bill, and Mr. Sheehan explained the concept of having the assessors submit a bill to the Tax Commission for the reimbursement. The tax would be paid as usual but the assessor would receive a reimbursement from it afterwards.

Mr. Fry felt that if the funds were put into the general fund of the counties and if this bill would incur extra expense for the individual counties then this bill would not actually be as effective as it was intended.

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Since there seemed to still be some question concerning this bill, Chairman May directed a subcommittee consisting of Mr. Craddock, Mr. Fry, and Mr. Bremner to investigate and report their recommendations.

Chairman May turned the meeting over to Assemblyman Smalley, Vice Chairman, for the remainder of the meeting.

A.B. 244 Discussion

Assemblyman Hickey read a resolution proposed by the disabled veterans of Northern Nevada in support of this bill. He stated that the financial impact for the state would be approximately \$20,000. Dr. Broadbent indicated that according to the Tax Commission's estimation this figure would be correct.

Mr. Demers questioned if the funds would come from the general fund, and Mr. Hickey stated he would leave this up to the deliberation of the committee.

Mr. Sheehan thought that perhaps a limitation should be placed on this bill. Mr. Bremner pointed out that the wording in section 1 paragraph 2 is broad and might allow people who are not severely disabled to take advantage of the tax benefit.

Mr. Wilson MaKabe of the Veterans Administration and Disabled American Veterans gave testimony in support of this bill. He introduced Mr. Charles Smith, Mr. David Litton, and Mr. Kenneth Hanner, all disabled veterans.

Mr. MaKabe explained to the committee the federal grant that assists in the construction of special housing for veterans who must use a wheelchair or other aid devices and for which conventionally built houses are inadequate.

Mr. MaKabe also stated that he believed some limitations might be advisable for this bill, but that the limitation restricting it to only bona fide residents who entered into service from Nevada is not a benefit. He stated that this would probably be individual legislation if this limitation is set but otherwise it could only effect about 15 veterans.

Mr. Craddock wondered if the guidelines set for the federal grants could be used as guidelines and qualifications for this bill. However, it was felt that the federal qualifications were too severe.

A.B. 261 Discussion

Mr. Glover gave testimony in support of this bill and stated that he felt that the Artist Association should have a tax exempt status.

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He informed the committee that this non-profit organization owns a half block of property and that they may have to sell it if they do not get the tax exemption. He stated that "Inc." should be added to Nevada Artists' Association

Mr. Bremner stated that perhaps S.B. 273, a similar bill, might be more thorough, but Mr. May stated that this bill had been killed in committee.

A.B. 201 Discussion

It was noted that this bill will be rereferred to Ways and Means.

Mr. Sheehan distributed copies of a chart that outlined the differences of S.B. 31 to A.B. 201 and S.B. 136 and explained each. There was discussion on the age requirement and the \$5,000.00 limitation.

Mr. George Hawes of the National Committee for Senior Citizens testified in support of this legislation. He commented that they would like to have the \$5,000 raised to \$7,000 and complied with Mr. Sheehans' objection for including the renters.

There was some discussion as to whether mobile home owners should be included. Mr. Fry thought that they were asking the "best of both worlds". It was decided to have Mr. Hawes give a full presentation on this subject at a future committee meeting.

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

Because of lack of time, A.B. 69, 50, 101, 105, & 358 were not discussed at this meeting and were re-scheduled for March 6, 1973. There being no further business before the committee, Mr. Bremner made a motion to adjourn. Seconded. Meeting was adjourned at 10:03 a.m.

Respectfully submitted,



Cindy Benjamin  
Assembly Attache



MIKE O'CALLAGHAN, Governor

JOHN J. SHEEHAN, Secretary

**ATTACHMENT 1**

February 27, 1973

The Honorable Paul May, Chairman  
 Assembly Taxation Committee  
 Legislative Building  
 Carson City, Nevada 89701

Dear Chairman May:

Your requested information regarding the impact of certain assembly bills now being considered by your committee; following is that analysis.

1. ~~AB 30~~ - Section 1 of that bill would grant a \$1,000 exemption to persons 65 years of age or older. Based on census data and studies of the American Council on Governmental Relations would indicate the following:

Real property exemption - 8,332 persons x \$989 average = \$8,240,348  
 Unsecured property exemption - 5,376 persons x \$769 average = \$4,434,144  
 Total property assessed valuation exempt = \$12,374,492.

Section 2 of that bill would extend the veterans exemption to all veterans in the State of Nevada. Currently, there are 19,466 veterans on the tax roll receiving exemptions; however, this would be increased to 63,567 following adoption of this bill. Current exemptions total \$18,305,845; following enactment of AB 30 those figures would be:

Real property - 49,445 veterans x \$989 average = \$48,901,105  
 Unsecured property - 14,122 veterans x \$769 average = \$10,859,818  
 Total number of veterans = 63,567  
 Total assessed valuation exempt = \$59,760,913

The number of veterans is based on census information and data currently reported on the segregations of the roll as filed by the various county assessors. This legislation would increase the number of veterans receiving property tax exemptions by 44,101 persons and increase veterans exemptions by \$41,455,068.

The total impact of AB 30 if passed as written would be to increase exemptions from \$18,305,845 to \$72,135,415 (an increase of \$53,829,570) and the number of persons receiving exemption status from 19,466 to 77,275. Based on the State average of \$4.50 per \$100 assessed value, the additional tax loss would be \$2,422,331 or 2.3 percent of the \$107.2 million total ad valorem tax collected.

2. ~~AB 69~~ - The effect of this legislation would be to increase the amount of property tax exemption from \$1,000 to \$2,500 for widows and orphan children.

The Honorable Paul May, Chairman  
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Currently, we have 4,127 widows receiving real property tax exemptions totaling \$4,073,620; 924 receiving an unsecured roll exemption of \$849,121, and 2 orphans receiving real property tax exemptions totaling \$1,900.

Therefore, by multiplying the total present exemption of \$4,925,241 by 2 and 1/2 we find that the impact of this bill would be to increase the assessed valued exemption from that amount to \$12,313,103 or an increase of \$7,387,861. The impact would be a loss of \$332,454.

This would mean that the impact of AB 30 and AB 69 together would increase property tax exemptions by approximately \$61,217,000 and generate a tax loss of approximately \$2,754,784, or 2.6 percent of the total ad valorem tax collected.

3. AB 152 - The effect of this bill would be to allow county assessors in the 15 counties other than Clark and Washoe to receive 6 percent of the use tax collections made on motor vehicles. It should be emphasized that they do not collect use tax only on motor vehicles but also on airplanes, boats and other miscellaneous items. However, based on calendar 1972 we find that the 15 assessors collected \$315,818 which, with a 6 percent commission, would have cost the State General Fund \$11,748; local school districts \$5,874 and county/city relief tax entities \$1,326 or a total of \$18,948.
4. AB 244 - The purpose of this bill would be to exempt from taxation real and personal property owned by a totally disabled veteran. Statistics reveal there are approximately 50 such totally disabled veterans in the State of Nevada. Using average personal and real property valuations, this would be an assessed value exemption of \$446,600 or a tax impact of approximately \$20,097 based on the \$4.50 rate.
5. AB 297 - No material is available to compute an impact.
6. AB 311 - This bill appears to give the same benefit to veterans as would AB 30. To reiterate we find that the impact would be to increase the exempt assessed valuation from \$18,305,845 to \$59,760,913. This would generate an additional tax loss of \$1,865,478 based on a \$4.50 rate.
7. AB 315 - This bill would remove net proceeds of mines valuations from the tax base on which school districts compute the local funds available. The result of this legislation would be to increase that amount of monies distributed from the State Distributive School Fund. In fiscal year 1970-71 the local support dollars lost would have been \$367,773 and for fiscal 1971-72 it would have been \$300,372. These are the amounts which would have been paid out of the State Distributive School Fund. That figure will approximate \$370,000 in fiscal 1972-73.



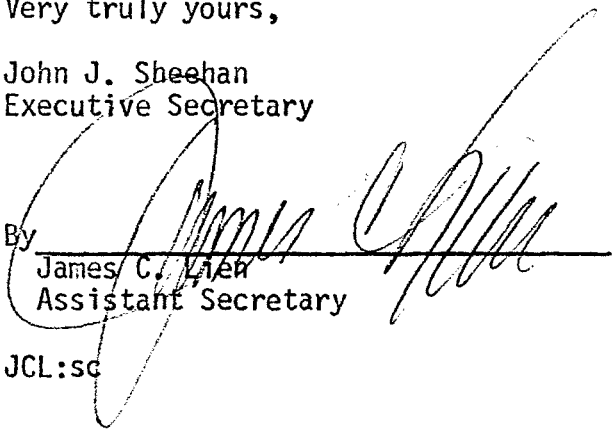
The Honorable Paul May, Chairman  
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Should you have any question on the above information, do not hesitate to contact me. This office will be available for testimony at the time the committee considers the bills.

Very truly yours,

John J. Sheehan  
Executive Secretary

By   
James C. Lien  
Assistant Secretary

JCL:sc

## TAXATION COMMITTEE - 57th SESSION

BILL NO.: AB 311                      DATE: February 15, 1973  
 SPONSOR: Ford  
 SUBJECT: Extends veterans' tax exemption to all veterans.

COMMITTEE ACTION :              DATE: March 1, 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: March 1, 1973

DO PASS    \_\_\_\_\_                      Motion: May  
 DO PASS AS AMENDED                      \_\_\_\_\_                      Second: Craddock  
 INDEFINITELY POSTPONED                        X  

## NOTES:

Mr. McNeel made a motion to "DO PASS". Motion died for lack of a second.

Motion was made to "DO PASS AS AMENDED" ( amended to say that the money would come from the general fund). Motion died for lack of a second.



TAXATION COMMITTEE - 57th SESSION

BILL NO.: A.B. 30 DATE: January 16, 1973  
 SPONSOR: Lowman, McNeel, Getto, Hayes, Schofield, Fry, Huff  
 SUBJECT: Extends property tax exemption to aged and to all veterans.

COMMITTEE ACTION : DATE: March 1, 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: March 1, 1973

DO PASS \_\_\_\_\_

Motion: Demers

DO PASS AS AMENDED \_\_\_\_\_

Second: Broadbent

INDEFINITELY POSTPONED     X    

NOTES:

TAXATION COMMITTEE - 57th SESSION

BILL NO.: AB 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: March 1, 1973  
AMENDMENT    YES:           NO: \_\_\_\_\_  
AMENDMENT PROPOSED BY:  
SECONDED BY:

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

DISPOSITION                             DATE: March 1, 1973  
DO PASS                                       \_\_\_\_\_                     Motion: Fry  
DO PASS AS AMENDED                     \_\_\_\_\_                     Second: Bremner  
INDEFINITELY POSTPONED                    X   

NOTES: Previously held to acquire a fiscal note.  
          Hold for subcommittee report: Mr. Craddock, Mr. Fry,  
          and Mr. Bremner.

TAXATION COMMITTEE - 57th SESSION

BILL NO.: AB 244                      DATE: February 9, 1973  
 SPONSOR: Hickey, Banner, Howard, Jacobsen, Prince, Dini, Glover, Getto  
 SUBJECT: Provides increased property tax exemption for severely dis-  
 abled veterans.

COMMITTEE ACTION :                      DATE: March 1, 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: March 1, 1973  
 DO PASS    \_\_\_\_\_                      Motion: Demers - Motion to Table  
 DO PASS AS AMENDED                              \_\_\_\_\_                      Second: May  
 INDEFINITELY POSTPONED                        \_\_\_\_\_

NOTES: Proposed amendment for monetary limitation

TAXATION COMMITTEE - 57th SESSION

BILL NO.: AB 261 DATE: February 12, 1973
SPONSOR: Glover, Dini, Jacobsen
SUBJECT: Provides tax exempt status for Nevada Artists' Association.

COMMITTEE ACTION : DATE: March 1, 1973
AMENDMENT YES: NO:
AMENDMENT PROPOSED BY:
SECONDED BY:

Table with columns: COMMITTEE\_VOTE, YES, NO, ABSENT, NOT VOTING, EXCUSED. Rows include names: MAY, SMALLEY, BREMNER, DEMERS, CRADDOCK, BROADBENT, FRY, HUFF, MCNEEL.

DISPOSITION DATE: March 1, 1973
DO PASS Motion: Bremner
DO PASS AS AMENDED Second: Demers
INDEFINITELY POSTPONED X

NOTES:

TAXATION COMMITTEE - 57th SESSION

BILL NO.: AB 201                      DATE: February 1, 1973  
 SPONSOR: Committees on Ways and Means and Taxation  
 SUBJECT: Provides property tax assistance for senior citizens.

COMMITTEE ACTION :                      DATE: March 1, 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:    March 1, 1973  
 DO PASS-Referral to Ways & Means    X    Motion: Demers  
 DO PASS AS AMENDED                      \_\_\_\_\_    Second: May  
 INDEFINITELY POSTPONED                \_\_\_\_\_

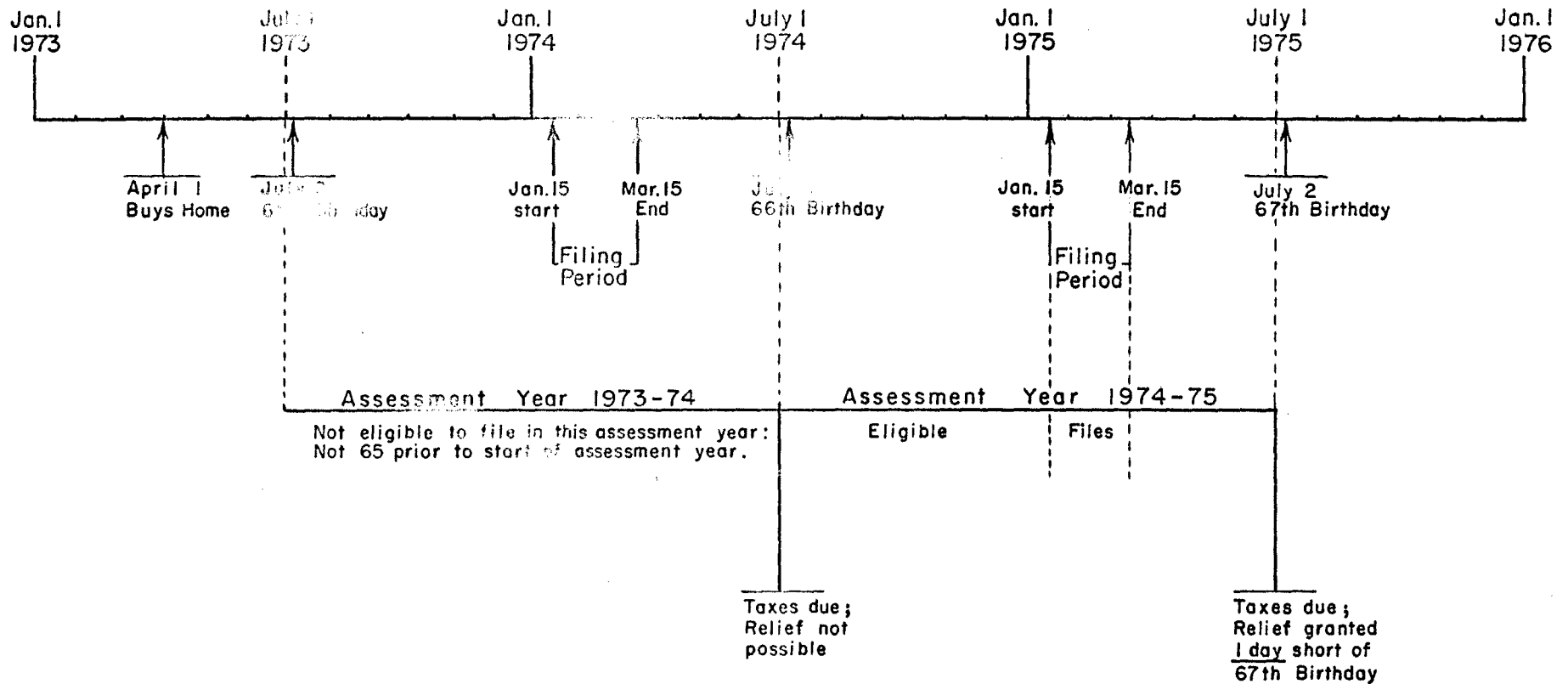
NOTES:

	<u>SB 31</u>	<u>AB 201 and SB 136</u>
Maximum amount available per claimant	\$300.00	\$350.00
Limitation on value of land claimant may own	None. Under this Bill a claimant could own \$1,000,000 worth of land and still claim tax or "rent" credit.	\$30,000 assessed value or \$85,000 full cash value. A person having real property worth in excess of \$85,000 would not be eligible. Purpose of Bill is to aid the needy <u>property taxpayer</u> .
Additional relief available	None	Any county or Carson City could, by ordinance, determine to participate by further lowering property tax by credit, refund or rebate.
Administration	Nevada Tax Commission County Assessor County Auditor County ex-officio tax receiver	Nevada Tax Commission
Age Requirement	65 - If birthday is on July 2nd, would not be eligible until the day before 67th birthday.	62 at time claim is filed.
Maximum allowable income	\$5,000.00. This includes income of all residents of the household, i.e., children, parents, other relatives, friends, etc.	\$5,000.00. Income of claimant and spouse only.
Who is eligible	Homeowners, mobile homeowners, renters. Renters DO NOT pay property taxes - landlords pay property taxes.	Homeowners and mobile homeowners. Since this Bill is designed to provide property tax relief, not welfare or financial relief, only <u>property taxpayers</u> are included.
Source of funds	State General Fund	State General Fund

	<u>SB 31</u>	<u>AB 201 and SB 136</u>
Amount of Relief	Tax reduced by a given percentage based upon income. Example: Income of \$3,000 results in credit of 7% of tax not to exceed \$300.00.	Claimant receives refund from state of taxes paid in excess of 7% of income not to exceed \$350.00. Example: Income \$3,000; taxes \$350.00; refund \$90.00.
Cost	\$501,000 homeowners \$264,700 mobile homeowners \$230,600 aid to renters ? Administration costs incurred by county assessor, county auditor, ex-officio tax receiver 60,000 Administration at state level <u>\$1,056,300</u> plus	\$653,000 - property tax refund 60,000 - Administration <u>\$713,000</u>



# SB 31 FILING SCHEDULE IMPACT



AGENDA FOR COMMITTEE ON TAXATION

THURSDAY

Date MARCH 1, 1973 Time 8:00 a.m. Room 222

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Counsel requested*</u>
A.B. 30 ✓	SUMMARY—Extends property tax exemption to aged and to all veterans. Fiscal Note: No. (BDR 32-6)	
A.B. 69	SUMMARY—Increases amount of tax exemption granted to widows and orphans. Fiscal Note: No. (BDR 32-639)	
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. 244 ✓	SUMMARY—Provides increased property tax exemption for severely disabled veterans. Fiscal Note: No. (BDR 32-787)	
A.B. 261 ✓	SUMMARY—Provides tax exempt status for Nevada Artists' Association. Fiscal Note: No. (BDR 32-818)	
A.B. 311 ✓	SUMMARY—Extends veterans' tax exemptions to all veterans. Fiscal Note: No. (BDR 32-880)	
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. 101	SUMMARY—Exempts casual importers from liquor licensing requirement. Fiscal Note: No. (BDR 32-349)	
A.B. 105	SUMMARY—Limits tax exemption on cigarettes exported from Nevada. Fiscal Note: No. (BDR 32-348)	
A.B. 201 ✓	SUMMARY—Provides property tax assistance for senior citizens. Fiscal Note: Yes. (BDR 32-942)	
A.B. 358	SUMMARY—Provides an annual vehicle license and tax reduction to persons over certain age and within certain income limit. Fiscal Note: No. (BDR 43-889)	

\*Please do not ask for counsel unless necessary.