

TAXATION COMMITTEE MINUTES
MEETING OF
APRIL 17, 1973

Tuesday 12:30 p.m.
Assembly Lounge

MEMBERS PRESENT: MESSRS. MAY BREMNER FRY
SMALLEY CRADDOCK HUFF
MCNEEL BROADBENT

MEMBERS ABSENT: MESSRS. DEMERS

GUESTS PRESENT: MESSRS. MELVIN THOM, TRIBAL CHAIRMAN WALKER RIVER
INDIAN RESERVATION
RAYMOND YOWELL, INTER-TRIBAL COUNCIL EXECU-
TIVE BOARD CHAIRMAN
STEPHEN KING, SELF
WARREN EMM, INVESTIGATOR FOR THE INTER-
TRIBAL COUNCIL
JACK SHEEHAN, TAX COMMISSION
ASSEMBLYMAN VIRGIL GETTO

The meeting was called to order by the Chairman.

SB 364 Discussion

SUMMARY - Revises statutes governing distribution and taxation of cigarettes.

This meeting was called as a special meeting of the Assembly Taxation Committee under the Mason's Manual Section 627, page 443 to discuss SB 364. This bill had received a previous amendment and action, but it was decided to hear more testimony pro and con on this measure and try to reach a decision.

Mr. Melvin Thom spoke in opposition to the bill. He stated that the purpose of this bill is to put the "smoke shop" at Schurz, Nevada, out of business. He felt the proposed amendment to the bill stating that it would not infringe upon the Indian tribe is ridiculous. He presented a new amendment to the bill which is attached at #1. The amendment is as much compromise that can be had. He also felt that a constitutionality question could arise, but they would rather not get involved in this because of the great cost involved. However, the lost revenue that the Tax Commission has cited is no justification for the harassment by local police officials that will occur if this measure is passed. He added that the Indian people have always had this right, though it may be a surprise to others, but were not aware of its operation. He asked the committee to not pass the measure.

Mr. Raymond Yowell, Executive Board Chairman for the Inter-Tribal Council, stated that this organization was in complete support of Mr. Thom and also wished for the committee to not pass the measure.

Mr. Warren Emm, investigator for the Inter-Tribal Council, made comment to Mr. Sheehan's remark that this was not an Indian bill and stated that the previous amendment and bill would simply give conviscating power to the Tax Commission and would leave the Indians in the same position as before. He feels that the issue is that State should

not interfere or infringe on Indian activities on the reservation.

Mr. Sheehan, Tax Commission, stated that he felt this bill was not and anti-Indian bill, and until the Indian people put the words in the bill there was no reference to Indians. He feels that if the bill is not passed there will be an increase of importation of cigarettes. The State has no jurisdiction on the Indian reservations but he does not feel that the rights should be statewide. Smoke shops may be opened on the Carson or Reno Colony and these cigarettes may be shipped to all parts of the state. He feels that Indians should have the rights when they are on the reservations but if contraband cigarettes are found anywhere off the reservations than the Tax Commission should have the right of confiscation. He stated that there are many people who are watching the decision and there may be many new operations opening along the same lines which would mean more lost revenue to the State.

Mr. Steve King, spoke in opposition to the measure. He is the owner of the cigarette shop in Schurz, Nevada. He pointed out to the committee that the State has jurisdiction on the Reno and Carson colonies and there could be no opening of similar operations on these colonies. Mr. Sheehan commented that that question was still being decided by the Attorney General's office.

Mr. Bremner and Mr. Fry felt that the language of the proposed amendment was too broad. Mr. Fry felt that people who enter the reservation must comply with their laws and therefore Indian people should comply with laws outside the reservation. He also felt that the cigarettes might be warehoused and shipped to all kinds of destinations and for many different purposes.

Mr. McNeel felt that the tax revenue lost was not great and that if this measure was passed it could be, if needed, be reconsidered in two years if more money were to be involved if, in fact, such operations did increase. If the measure passes, he stated that it would give the policing agencies the power to stop, confiscate cigarettes, and impose a misdemeanor on people who possess these cigarettes. The amendment would be an improvement. Mr. Craddock suggested that the word "from" be eliminated from the proposed amendment to make it acceptable to the committee.

Dr. Broadbent made a motion to "WITHDRAW ALL AMENDMENTS AND CONSIDER SB 364 AS IT WAS IN ORIGINAL FORM".

Mr. Fry seconded the motion.

Both Dr. Broadbent and Mr. Fry withdrew these actions.

Dr. Broadbent made a motion to "RETAIN THE ASSEMBLY AMENDMENT #5322, AND NOT APPROVE THE PROPOSED AMENDMENT BROUGHT UP AT THIS MEETING."
This motion failed for lack of a second.

Mr. McNeel made a motion to "INDEFINITELY POSTPONE SB 364".
This motion died for lack of a second.

1. Mr. Bremner made a motion to "DO PASS 364 AS THE THIRD REPRINT AS AMENDE
Mr. Fry seconded the motion.
2. Mr. McNeel made a motion to " AMEND MR. BREMNER'S MOTION TO IN-
CLUDE THE AMENDMENT PROPOSED BY THE INDIANS AT THIS MEETING TODAY
AND DO PASS".
 Mr. Huff seconded the motion.
3. Mr. Craddock made a motion to "AMEND MR. MCNEELS MOTION TO OMIT
THE WORD "FROM" FROM THE PROPOSED AMENDMENT."
 Mr. Huff seconded the motion.
 Voting results were as follows:

3. <u>Voting Yea</u>	<u>Voting Nay</u>	
Fry, McNeel	May, Smalley, Broadbent	
Huff Craddock	Bremner	

On the motion to adopt the Indian amendment including "to, from and upon," the voting results were as follows:

2. <u>Voting Yea</u>	<u>Voting Nay</u>	
McNeel, Huff	May, Smalley, Broadbent,	
	Bremner, Craddock, Fry	

On the motion to adopt the "third reprint as amended", voting results were as follows:

1. <u>Voting Yea</u>	<u>Voting Nay</u>	<u>Not Voting</u>
May, Bremner, Fry	Craddock, Huff,	Smalley
Broadbent	McNeel	

Mr. Bremner made a motion to "DO PASS SB 364 THIRD REPRINT".
Mr. Fry seconded the motion.
 Discussion:

Mr. Getto stated that he and Joe Dini were in support of SB 364 third reprint, and it was very important to Churchill and Lyon counties, the counties that are adjacent to the Walker River Indian Reservation. He feels that the amount of revenue lost will grow and this bill should stop this right now. The small retailers and their wholesalers are loosing business.

Mr. Huff stated that when this bill first came out, Mr. Sheehan stated that it was not directed at Indians, but he can not see anybody else it could or is aimed at.

Mr. McNeel commented that these Indian people have found a way to provide revenue for their tribe in a way that is now not against the law, but the State wants to step in and make their operation illegal. He also commented that if the State had right to the funds then it would have been receiving the funds to begin with. The lost revenue does not amount to a great sum in comparison to the total

amount of State revenue and if it does start to grow the next Session of the Legislature can look into it in two years.

Mr. Craddock stated that he could not understand why there is so much contrast between bills, such as SJR 3 which would provide a grant of \$2,000,000 and such controversy over a bill such as SB 364 that would mean a considerably small amount of lost revenue.

Mr. Huff felt that if the two counties adjacent to the reservation would be so adversely effected than there should be a re-distribution of funds. Mr. Getto, in rebuttal, stated that he did not infer this and that as Mr. McNeel pointed out there is a loop hole in the law and regardless of who the operator of the "smoke shop" is they should not be condoned.

Mr. McNeel stated that the operations is not illegal as is stated now, and it is not a great amount of lost revenue to the State.

Mr. Bremner called for the question; Voting results were as follows:

Voting Yea

May, Smalley
Bremner, Broadbent
Fry

Voting Nay

Craddock, Huff
McNeel

The motion was carried.

Mr. Bremner made a motion to adjourn, seconded by Mr. Fry. The meeting was adjourned at 1:00 p.m.

Respectfully submitted,

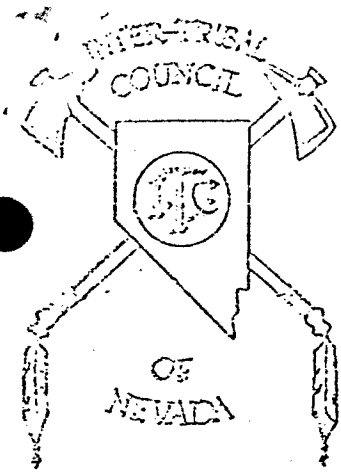
Cindy Benjamin

INTER-TRIBAL COUNCIL OF NEVADA

PHONE (702) 785-3123

93 COLONY ROAD • RENO, NEVADA 89502

April 16, 1973



MEMORANDUM

SUBJECT: SB 364

TO: The Honorable Paul May, Chairman, Committee on Taxation

FROM: Mr. Raymond Yowell, Chairman, ITC Executive Board

We would suggest that the amendment read as follows:

"Sec. 9.5. Nothing in this chapter shall restrict trade or Commerce
 or interfere with
 interfere with the rights of any individual Indian or tribe,
 or infringe upon the sovereignty of any Indian tribe,
 organized under the Indian Reorganization Act (25 U.S.C.
 § 476 et. seq.)."

2, from or
 upon Indian
 country or

Am 268

BILL DRAFTING AND AMENDMENT REQUEST

[Please use separate sheet for each request]

To the Legislative Counsel:

From _____

Date 4/17/73

Please prepare a bill/amendment as follows: SB 364

Amend per attached.
DELETE SECTION 9.5 and insert a new section
9.5 as per attached.

RECEIVED LEGISLATIVE COUNSEL
APR 17 1973

I HEREBY CONSENT TO RELEASE
OF THIS INFORMATION TO ANY
LEGISLATOR BY THE LEGISLATIVE
COUNSEL.

James E. Smalley
REQUESTER

ASSEMBLY

AGENDA FOR COMMITTEE ON TAXATION

Date APRIL 17, 1973 Time 8:00 Room 222

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Counsel requested*</u>
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CANCELLATION OF MEETING SCHEDULED FOR APRIL 17TH

*Please do not ask for counsel unless necessary.

ASSEMBLYAGENDA FOR COMMITTEE ON TAXATIONDate APRIL 17, 1973 Time 8:00 a.m. Room 222Bills or Resolutions
to be consideredSubjectCounsel
requested*

SUMMARY:

SB 364

Revises statutes governing distribution and
taxation of cigarettes.

*Please do not ask for counsel unless necessary.