

TAXATION COMMITTEE MINUTES
MEETING OF
APRIL 3, 1973

Tuesday 7:30 a.m.

MEMBERS PRESENT: MESSRS: MAY BROADBENT
SMALLEY BREMNER
DEMERS HUFF
FRY
MCNEEL

MEMBERS ABSENT: MESSRS: CRADDOCK (excused)

GUESTS PRESENT: MESSRS: JACK SHEEHAN, TAX COMMISSION
BILL BYRNE, ASSESSORS OFFICE OF
CLARK COUNTY
ALTON F. HANF, AUDOBUN SOCIETY
E.L. NEWTON, NEV. TAXPAYERS ASSOC.
STAN WARREN, NEVADA BELL
JIM RATHBUN, TAX COMMISSION
W.A. LIEBEL, TAX COMMISSION
LEON V. POSTOIVHE, TAX COMMISSION
ROWLAND OAKES, ASSOC. GENERAL CON-
TRACTORS.
W. HOWARD GRAY, NEV. MINING ASSOC.
WENDELL HARNISH, SOUTHERN PACIFIC
PAUL GEMMILL, NEV. MINING ASSOC.
PETER ECHEVERRIA, HELMS CONSTRUCTION
ROBBINS E. CAHILL, NEV. RESORT ASSOC.
RUSSELL MCDONALD, WASHOE COUNTY MGR.
ED KOVACS, SELF
T.R. ANHEUS, AUDOBUN SOCIETY

The Chairman called the meeting to order and indicated the Mr. Russell McDonald would testify first in regard to AB 836.

AB 836 Discussion

SUMMARY - Provides that religious societies, corporations owning churches, buildings used for religious worship need not file claims for tax exemptions.

Mr. McDonald, Washoe County Manager, commented that this bill was suggested as a vehicle to bring out certain inconsistencies in the operations in the assessor's office. It proposes that no certificate need be filed to seek the tax exemption. He cited a few examples of religious organizations that were delinquent for very good reasons or that they were not aware that a claim had to be filed. He believed that constitutionally there is no requirement for a religious organization to file such a claim as directed by the county assessors. This bill states that no such claim shall be required to be submitted in writing to the assessor before permitting the exemption.

Mr. McDonald added that he had spoken with the Council of Churches and they endorsed the bill in part. They were concerned with the "fly by night" organizations. The determination would lie with the assessor as to the validity of the organization seeking the exemption. He believes that this measure is a good approach to this problem.

Mr W.B. Byrne, Chief Deputy Assessor of Clark County, spoke in favor of this legislation. He commented that he believed that the statutes of today do not specifically state that the assessors require an affidavit be filed and added that it would not create any problem. In fact, this would make good guidelines for assessors throughout the state.

Mr. McNeel wondered if the county assessors would have any trouble in determining which religious organizations are valide and which are not, but Mr. Byrne stated that they are already required to make these evaluations and it would not change any of their duties.

AB 909 Discussion

SUMMARY - Designates Lahontan Audubon Society as benevolent or charitiabile society entitled to tax exemption.

Mr. F.R. Ankers, President of the Lahontan Audubon Society, spoke in favor of this measure. He gave a brief summary of the Society and that its purpose was to protect endangered species of wildlife. They have more than forty sanctuaries in the country ranging in size of up to 26,000 acres. They also have summer camps and ecology workshops for school teachers and other youth leaders. Through the George Whittell will, the Audubon Society will receive funds to build a nature center in Washoe County. They are presently negotiating for a piece of land for this center and would hope to have this land tax exempt. The Lahontan Audubon Society covers all of the State of Nevada. The Society has no physical properties now that would fall under the tax exemption, and they are seeking the exemption anticipating the construction of the center. Mr. McNeel questioned if there were other Audubon Societies in other states that were tax exempt and was answered in the affirmative. Mr. Ankers added that there was another organization similar titled "Defenders of Wildlife".

Assemblyman Torvinen explained that the Audubon Society had been bequethed approximately one quarter of the Whittell estate. The funds would be given primarily to the National Audubon Society and they plan to buy the property in the name of the National Audubon Society and the Defenders of Wildlife and then lease it for \$1 a year to the Nevada Society.

The bill would have to be amended to include the National Audubon Society. There was discussion on the amendment.

Chairman May appointed Mr. Fry and Dr. Broadbent to work on the amendments for this bill.

Assemblyman Bremner made a motion to "DO PASS AS AMENDED".
Assemblyman Demers seconded the motion.
The motion was carried unanimously.

AB 877 Discussion

SUMMARY - Provides county option tax on sand and gravel operations.

Mr. Peter Echeverria, Helms construction, spoke in opposition to this measure. He stated he felt this bill has a very serious problem constitutional wise. This bill seeks to impose a tax if county commissioners want to improve or maintain the water and sewage systems of a county and impose a complete payment for that operation and maintenance upon the sand and gravel business. He feels that this bill is singling out one particular operation to foot the expenses of maintaining the water and sewage systems. He also explained that the county assessor is then charged with sections 4 through 12 of the administration of the bill. He feels that it would make a cost accountant out of the county assessor. This bill would also require a tax imposition, and he feels that it contains many problems and very close investigation should be given to it.

Mr. Bill Byrne spoke in opposition to the bill also, and concurred with Mr. Echeverria's testimony.

Mr. Roland Oakes, Associated General Contractors, spoke in opposition to the bill. He explained that this would be very burdensome for a small contractor who uses gravel and felt that it would be unfair to the small contractor in the small county.

Mr. Grant Bastian, State Highway Department, spoke in opposition to AB 877. Mr. Bastian stated that he is not in opposition because he feels that the state operations might be taxed, but because a contractor working on one of the state operations who would be taxed would have to pass the extra expense onto to the State and thus to the citizens.

Assemblyman Broadbent made a motion to "INDEFINITELY POSTPONE".
Assemblyman Huff seconded the motion.
Assemblyman Smalley questioned if action should be taken in the presence of witnesses.

The motion and second were withdrawn.

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AB 642 Discussion

SUMMARY - Clarifies taxation of rentals and royalties on mines.

Mr. Jack Sheehan, Tax Commission, spoke in favor of this measure. Chairman May indicated that at request a proposed amendment was drawn and asked Mr. Sheehan to consider the amendment while explaining this bill. The amendment would insert "lease" and "lease option". Mr. Sheehan indicated he had no quarrel with these insertions.

He explained that this bill would require the recipients of royalties to file a return with the Nevada Tax Commission. When the mine was not in operation the royalties that are received are not taxable. This bill would change this situation so the royalties that are received whether the mine is operating or not will be taxable. It also excludes the \$1,200 exemption. He stated that he did not know who put the brackets in on lines 44 through 49, but he had no objection to their remaining.

Mr. Carl Soderblom, Southern Pacific, spoke in favor of the bill. He explained that under this bill they would be required to fill out a form with information that they do not have available to them. The Southern Pacific presently leases quite a few parcels of land in the state for mining purposes and the leasee is required to pay all of the taxes.

Mr. Sheehan requested that this bill be held for a more thorough look at the amendment.

Mr. Paul Gemmill, Executive Secretary of the Nevada Mining Association, stated that as far as mine operators were concerned he hadn't heard any direct opposition to the measure. He added that Mr. Frank Dacon investigated the constitutionality of this measure and he thought that perhaps it might become discriminatory. Chairman May requested that Mr. Gemmill confer with the committee to investigate this bill.

AB 727 Discussion

SUMMARY - Permits county assessor to subpoena property owner's books and records in order to ascertain valuation of personal property.

Mr. Bill Byrne spoke in favor of this bill. He told the committee that this bill is not to provide a snooping device for the assessors but to provide a means by which an assessor can check on the valuations of personal property when he has probable cause to believe that the amount declared is incorrect. He felt that it would create more equalization in taxation. The Chairman had a questions regarding the language of the bill, i.e. probable cause, and Mr. Fry indicated that this was well defined and would create no problem. Mr. Byrne further explained that they could develop probable cause by simply comparing the inventories declared by similar companies. This is the procedure followed now in making arbitrary assessments, but this bill would allow them to make more factual assessments. Mr. Homer Rodriguez indicated that the statewide assessors supported this measure.

AB 337 Discussion

SUMMARY - Permits counties to place receipts from net proceeds of mines tax in special fund.

Chairman May explained to the committee that this bill had previous testimony but there had been some questions as to its language. He further explained that the Tax Commission had proposed an amendment to this bill as follows:

Deleting lines 3 through 6 which is the entire bill and inserting, beginning with the 1973-74 fiscal year and during each subsequent fiscal year school districts shall place collections of the tax on net proceeds of mines with exception of net service receipts in a special fund. Such money shall be considered part of the local support receipts for the subsequent fiscal year and shall be budgeted and appropriated accordingly.

Mr. Howard and Mr. Prince, the two sponsors of this bill, agree that it is desirable to have this amendment.

Mr. Lein, Tax Commission, clarified this measure to the committee. This bill was a correlary with AB 315 which was amended to skip one year and put the actual net proceeds received by each district into the local support computation for subsequent years. AB 337 as it reads now is unnecessary because all local governments have the ability to establish such funds at the present time. The intent of this type of legislation is to create a special fund for this one particular tax to correlate with the school distributive fund.

Chairman May indicated that the companion bill, AB 315, that was given a Do Pass and sent to Ways and Means will receive favorable acceptance from that committee and that if this bill in its new language is passed then it will also receive favorable acceptance.

AB 801 Discussion

SUMMARY - Provides for the use of state funds to enable local programs for the aging to obtain federal matching grants.

Mr. John McSweeney representing the Division of Aging Services spoke in favor of this bill. He explained that this was simply an addition to the existing law that would allow them to match funding for local area programs. As it stands now, the funding is divided by 75% federal support and 25% non-federal support. He explained that if the money is not available to generate the federal funds then they can give the money to the program, if they feel it qualifies.

It was felt that this bill might well have gone to Government Affairs instead of Taxation.

Mr. Demers questioned if the fund was presently available to handle this and he was answered in the affirmative. Mr. McSweeney explained that they had a fund of \$50,000 for the next bienium, and he feels it would be safer to have it in the law that this can be done. It would be a good provision.

AB 201 Discussion SB 31

SUMMARY - Provides property tax assistance to senior citizens.

The subcommittee present it report to the full committee. Mr. Demers explained that AB 201 as amended before was not acceptable to Ways and Means. Therefore, the subcommittee made three major changes to SB 31, Senator Brown's bill. (1) Eliminated rentors, (2) Placed a ceiling on the bienium of 1.5 million dollars, giving the Tax Commission the authority to prorate that money if that be the need, (3) On page 14 section 34 and automatic repealer of June 30, 1975. It was felt that this automatic termination would force the next session of the Legislature to take another look at the senior citizens tax relief program.

The committee wished to have time to look over the amendment and hopefully take action Thursday.

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AB 30 discussion

SUMMARY - Extends property tax exemption to aged and to all veterans.

Mr. McNeel explained his proposed amendments to the committee. He stated that the previous measure included all veterans in the state whether they were residents or not and had a total cost of \$2,452,000. This measure was cut down to include veterans who were residents of the state for 10 years and that they may be allowed to apply this tax exemption only to their license plates. The approximate cost of this program would be \$100,000 annually from the state general fund. This measure would work like other tax exemptions for veterans but only used for license plates.

Assemblyman Demers made a motion to "RECIND THE PREVIOUS ACTION TAKEN TO INDEFINITELY POSTPONE AB 30".

Assemblyman McNeel seconded the motion.
 The motion was carried unanimously.

Assemblyman Demers made a motion to "AMEND, DO PASS, AND REFER TO WAYS AND MEANS AB 30."

Assemblyman McNeel seconded the motion.
 The motion was carried unanimously.

Mr. McNeel took this opportunity to thank the committee for their reconsideration of this measure.

AB 931 Discussion

SUMMARY - Provides for submission at next general election of question proposing amendment to exclude equity value offered as trade-in on another motor vehicle from definition in sales and use taxes and local school support tax.

Mr. Demers explained that in the State of Nevada presently when a person buys a \$4,000 car, drives it for three years, and trades it in on another \$4,000 car, the original car would be worth \$1,000 which is deducted on the trade-in, so the person would pay \$3,000 for the car but would be paying taxes on a \$4,000 car. He feels that this is double taxation. He also feels that it may be a benefit to the industry if and when air pollution devices are required on cars, this measure would ~~off set the cost of these devices. The consumer would not be~~ gaining anything, but he would not be forced to pay more.

Mr. Ed Kovacs presented copies of some figures that he had equated to show the committee how this measure would work.
(copy is attachment #1)

Mr. Jack Sheehan had a few comments on what to be cautious about this bill. He pointed out that it might be considered tampering with one of the basic underlying concepts of the sales tax as it is imposed in Nevada. The taxable incident of the sales tax in Nevada is the sale of tangible personal property. The legal incidence of that tax is on the retailer. The State looks to the retailer for that tax. Not with standing the fact that he may not even collect it from the purchaser for some reason. In this bill, the legal incidence of that tax would be changed around to the purchaser, and the economic burden of the sales tax is upon the purchaser but the legal incidence of the tax is on the retailer. By going this fashion, and saying that the person who trades in the tax need not pay the tax on the value of the traded-in vehicle, the legal incidence of the tax may be changed from the retailer to the purchaser.

Dr. Broadbent commented that this may also effect different retailing commodities.

Chairman May pointed out that this measure was directed to only motor vehicles. Mr. Demers added that Mr. Fry believed that commercial vehicles should be eliminated. It was decided to reschedule this measure for Thursday, April 5, 1973.

AB 353 Discussion

SUMMARY - Makes certain changes in composition of Nevada tax commission.

Chairman May indicated that the committee would like to have more testimony on this measure and they were awaiting on a bill from the Senate regarding the \$50,000 tax study to see what is contemplated.

Mr. Jack Hunter stated that he hoped that the committee would consider this bill. He commented that in the tax base of the State that the people who are paying 86% of the taxes are no receiving adequate representation.

Mr. Brinkerhoff of Lovelock, a rancher and farmer, had a question on AB 353 on line 26 which states that three shall represent the public at large. These people could be non-taxpayers and he believes that the non-taxpayer should be allowed on the Commission.

Mr. Louis Bergevin, member of the Tax Commission, spoke in opposition to this measure. He stated that the 86% of the taxpayers that Mr. Hunter had mentioned were represented on the Commission. He added that the representatives of special interests are there because of their expertise which is required by the central assessments of the Commission. Mr. McNeel questioned if the expertise required by the Commission could be obtained from an outside source should the change occur. Mr. Bergevin thought that it would be easier to have the expertise right on the commission.

AB 725 Discussion

SUMMARY - Extends provisions requiring taxation of tax-exempt property used for private purposes.

Mr. Bill Byrne suggested that the brackets that appear in the bill on be deleted by amendment. Page 1 line 4 and 5. Also, he suggested that the word "the" following the bracket be changed to "or".

The purpose of the bill is to correct the idea that some organizations are using the nonprofit concept to avoid taxation. The insertion of the new language would make it consistent with the rest of the property tax statute. The change would also be made on page 2, line 15, but the bracketed word "where" would still remain deleted.

Mr. Clark Guild, representative of the City of Los Angeles Department of Water and Power, spoke in opposition to this measure. He stated that this matter is the subject of litigation at present. He feels that this bill is an attempt to obviate the matter which is the subject of litigation and suggested that this legislation not be adopted while it is a matter of litigation.

Chairman May suggested that this bill be held for Thursday's meeting.

Assemblyman Huff made a motion to "DO PASS AB 836"
Assemblyman Smalley seconded the motion.
The motion was carried unanimously.

Ab 909 was placed in a subcommittee, but was given a "DO PASS AS AMENDED".

Assemblyman Fry made a motion to "INDEFINITELY POSTPONE AB 877".
Assemblyman Huff seconded the motion.
The motion carried unanimously.

Assemblyman Demers made a motion to "DO PASS AB 727".
Assemblyman Smalley seconded the motion.
Voting results were as follows:

Voting Yea

May
Smalley
Demers
Fry
Bremner
Broadbent
Huff

Voting Nay

McNeel

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Assemblyman Demers made a motion to "DO PASS AB 337 AS AMENDED".
Assemblyman Bremner seconded the motion.
The motion was carried unanimously.

Assemblyman McNeel made a motion to "REFER AB 801 TO GOVERNMENT AFFAIRS".
Assemblyman Fry seconded the motion.
The motion was carried unanimously.

AB 30 received a motion to "Amend, Do Pass, and Re-refer to Ways and Means" that carried unanimously.

AB 201, 931, 725, and 353 will be scheduled for Thursday.

There being no further business before the committee, the meeting was adjourned at 9:28 a.m.

Respectfully submitted,

Cindy Benjamin

AMENDED SB 31 - First Revision

SECTION 1. Chapter 361 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to [38] 35, inclusive, of this act.

SECTION 2. [Sections 3 to 38, inclusive,] This act shall be known and may be cited as the Senior Citizens' Property Tax Assistance Act.

SECTION 3. 1. The legislature finds that:

(a) Senior citizens of this state live, as a rule, on limited retirement incomes which remain fixed while property taxes and other costs constantly rise.

(b) The erosion of senior citizens' income in terms of true value threatens to destroy the ability of many to retain ownership of the homes in which they had planned to spend their later years.

(c) Senior citizens are often forced to divert an excessive portion of their incomes into the property taxes on their homes, thus leaving insufficient funds for other things essential to their well-being.

[(d) Many senior citizens who rent their homes also pay an excessive portion of their income into property taxes through the media of rent payments.]

[(e) Fifteen percent of the rent senior citizens pay for the occupancy of their homes approximates their contribution toward residential property taxes.]

2. The legislature therefore declares that:

(a) It is the public policy of this state to provide assistance to its senior citizens who are carrying an excessive residential property tax burden in relation to income.

[(b) The purpose of this act is to establish a system of property tax assistance under which county authorities grant tax allowances or rebates to eligible senior citizens and the state underwrites the cost of the assistance to preclude any reduction in local revenues.]

SECTION 4. The purpose of sections 2 to 35, inclusive, of this act is to

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provide relief to certain persons who own their homes, through a system of property tax refunds and appropriations from the senior citizens' property tax assistance fund and to provide the several counties with the option to participate in providing such relief.

[SECTION 4.] SECTION 5. For purposes of this act, the terms listed in sections [5 to 15] 6 to 14, inclusive, of this act have the meanings ascribed to them in such sections.

[SECTION 5.] SECTION 6. "Assessment year" means the period used in this state for the recurrent assessment and taxation of property. The period runs from July 1 of one year to and including June 30 of the following year.

[SECTION 6.] SECTION 7. "Claim" means an application for senior citizens' property tax assistance made pursuant to this act, and a "claimant" is one who files such an application.

[SECTION 7.] SECTION 8. "Commission" means the Nevada tax commission.

[SECTION 8. "Home" means residential living quarters located in Nevada. The quarters may consist of a single dwelling unit, or a unit which is an integral part of a larger complex such as a multidwelling or a multipurpose building, together with the land upon which the unit is built and any surrounding land, not to exceed 1 acre, as well as outbuildings and facilities reasonably necessary for use of the unit as residential living quarters. The term "home" includes a mobile home.]

SECTION 9. "Home" means a dwelling and so much of the land surrounding it, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home occupied by a claimant. A home shall also include premises occupied by reason of ownership in a cooperative housing corporation or in a condominium as well as mobile homes together with land surrounding it not to exceed one acre if owned by the claimant upon which the mobile home is situated. Home shall also include premises occupied by reason of the claimant's ownership

of a dwelling located on land owned by a nonprofit incorporated association of which the claimant is a member if the claimant is required to pay a pro rata share of the property taxes levied against the association's land. Home also includes that home, mobile home or dwelling of which the claimant is in possession under a contract of sale, deed of trust, life estate, joint tenancy or tenancy in common.

[SECTION 9. "Household" means the association of persons who live in the same home, sharing its furnishings, facilities, accommodations and expenses. The term does not include lessees, tenants or roomers and boarders on contract.]

SECTION 10. "Household" means a claimant and spouse.

[SECTION 10.] SECTION 11. "Household income" means the income received by a claimant plus the income received by claimant's spouse. [any other person while a member of the claimant's household during all or any part of a calendar year.

The "household income" of a claimant whose home is placed upon the secured tax roll is the amount of income his household receives during the calendar year beginning January 1 next preceding the assessment year for which assistance is claimed and ending December 31 within that assessment year.

The "household income" of a claimant whose home is placed upon the unsecured tax roll is the amount of income his household receives during the calendar year ending December 31 next preceding the assessment year for which he claims assistance.]

[SECTION 11.] SECTION 12. "Income" means adjusted gross income, as defined in the U.S. Internal Revenue Code, plus the following items: tax-free interest; the untaxed portion of pensions or annuities; railroad retirement benefits; veterans' pensions and compensation; all payments received under the Federal Social Security Act, except Medicare; state and federal old-age assistance; public welfare payments, including shelter allowances; unemployment insurance benefits; all "loss of time" and disability insurance payments;

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disability payments under workmen's compensation laws; untaxed alimony; support payments; allowances received by dependents of servicemen; the amount of recognized capital gains excluded from adjusted gross income; life insurance proceeds; bequests and inheritances; cash gifts over \$300 not between household members and such other kinds of cash flow into a household as the commission specifies by regulation.

[SECTION 12. "Property tax accrued" means the ad valorem property tax liability of a claimant in any assessment year respecting his home, or allocable to his home if it is a unit of a larger complex or part of a larger parcel covered by a single parcel number or property description. The term does not include penalties, interest or special assessments, fees or charges.]

SECTION 13. "Property taxes accrued" means property taxes (exclusive of special assessments, delinquent taxes, interest) levied on a claimant's home in this state which were due and payable on the first Monday of July, immediately preceding the date of filing of a claim. If a home is owned by two or more persons or entities as joint tenants or tenants in common and one or more persons or entities are not a member of claimant's household property taxes accrued is that part of the property taxes levied on the home which reflects the ownership percentage of the claimant and his household. For purposes of this paragraph property taxes are levied when the tax roll is delivered to the county treasurer for collection.

[SECTION 13. "Rent" means the payment a claimant has made under a bona fide tenancy or leasing agreement solely for the right to occupy his home during any assessment year. The term does not include any amount paid for utilities, fuel or furnishings, nor does the term include payment for food, nursing services or institutional care.]

[SECTION 14. "Rent deemed to constitute accrued property tax" is 15 percent of the total rent claimant has paid in cash or its equivalent.]

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[SECTION 15. "Senior citizen" means any person who is a resident of this state and will attain the age of 65 years on or prior to the first day of the assessment year for which he submits a claim.]

SECTION 14. "Claimant" means a person who files a claim under this act and who, at the time of filing his claim, is 62 years of age or over and is domiciled in this state. When two individuals of a household are able to meet the qualifications for a claimant, they may determine between them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the secretary of the Nevada tax commission and his decision shall be final. In no event should there be more than one claim filed for any home.

[SECTION 16. 1. A senior citizen whose home is placed upon the secured tax roll, who owns and occupies the home from the first day of an assessment year until the day he files his claim in that year and whose household income is not over \$5,000 is entitled to an allowance against the property tax accrued during that year against his home to the extent determined by discounting such tax by the percentage shown opposite his household income range on the schedule below:

INCOME RANGE		PERCENT TAX
If the Amount of Applicant's Household Income Is Over	But Not Over	Percent of Claimant's Property Tax Accrued Allowable as Assistance Is
\$0	\$500	90
500	1,000	80
1,000	1,500	70
1,500	2,000	60
2,000	2,500	50
2,500	3,000	42
3,000	3,500	34
3,500	4,000	26
4,000	4,500	18
4,500	5,000	10

[2. A senior citizen whose home is placed upon the unsecured tax roll, who

owns and occupies the home from January 1 until the day he files his claim in the same year and whose household income is not over \$5,000 is entitled to an allowance against the personal property tax which accrues against his home in the next following assessment year to the extent determined by discounting such tax in accordance with the schedule in subsection 1.]

SECTION 15. Subject to the limitations contained in sections 2 to 35, inclusive, of this act, a claimant is entitled to a refund from the state in an amount equal to the amount by which the accrued property taxes upon his home exceed 7 percent of his household income. In no event shall the refund from the state exceed the amount of the accrued property tax or \$350, whichever is the lesser.

[SECTION 17. A senior citizen who rents and occupies his home for an entire assessment year, who remains in the same home for at least 6 months of that year and whose household income is not over \$5,000 is entitled to the same percentage discount, but only against that portion of his rent which is rent deemed to constitute accrued property tax, as is provided for a homeowner by section 16 of this act.]

[SECTION 18. For any assessment year, the amount of assistance granted under this act shall not exceed the claimant's residential property tax liability or the amount of \$300, whichever is the lesser.]

[SECTION 19. 1. A claim may be filed with the assessor of the county in which the claimant's home is located.]

[2. The claim shall be made under oath or affirmation and filed in such form and content, and accompanied by such proof, as the commission may prescribe pursuant to this act.]

[3. The county assessor shall furnish the appropriate form or forms to each claimant.]

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SECTION 16. No claim with respect to property taxes accrued shall be paid unless the claim is actually filed with the Nevada tax commission on or before the first Monday of September following the calendar year for which household income is reported.

SECTION 17. In the case of illness, absence from the state or other disability or if in his judgment good cause exists, the secretary of the Nevada tax commission may extend, for a period not to exceed six months, the time for filing a claim.

SECTION 18. No claim shall be accepted by the Nevada tax commission if the claimant owes delinquent property taxes on the property which is claimed as a home and which became delinquent while the claimant owned such home and which became delinquent while the claimant owned such home.

SECTION 19. No claim shall be accepted by the Nevada tax commission if the claimant or the claimant's spouse owns real property in the State of Nevada, other than that claimed as a home, having an assessed value in excess of \$30,000.

SECTION 20. No claim shall be honored if the claimant and the claimant's spouse have received income as herein defined in excess of \$5,000 during the immediately preceding calendar year.

[SECTION 20. 1. A claim of a homeowner whose home is placed upon the secured tax roll may be filed between January 15 and March 15, inclusive, of each assessment year as to which he seeks assistance.]

[2. A claim of a homeowner whose home is placed upon the unsecured tax roll may be filed between January 15 and March 15, inclusive, next preceding each assessment year as to which he seeks assistance.]

[3. A claim of a home renter may be filed between July 1 and August 15, inclusive, next following the assessment year during which he occupied and rented his home.]

[SECTION 21. The county assessor shall examine each homeowner's claim, granting or denying it, and if granted, shall determine the percentage discount to which the claimant is entitled.]

[SECTION 22. By not later than May 1 of the assessment year, the county assessor shall furnish the auditor of his county with a statement showing the property description or parcel number, name and address of claimant, and the percentage discount for each claim granted for the assessment year under subsection 1 of section 16 of this act to a claimant whose home is placed upon the secured tax roll.]

[SECTION 23. 1. After the county auditor extends the secured tax roll, he shall adjust the roll to show the percentage discounts, the dollar allowances and the amounts of tax, if any, remaining due as a result of homeowners' claims granted under subsection 1 of section 16 of this act.]

[2. By not later than June 1 of the assessment year, the county auditor shall deliver the extended tax roll, so adjusted, to the ex officio tax receiver of the county and shall also send the commission a statement itemizing the adjustments.]

[SECTION 24. 1. The ex officio tax receiver of the county shall make such corresponding adjustments to the individual property tax bills, prepared from the secured tax rolls, as are necessary to notify the homeowners of the allowances granted them under subsection 1 of section 16 of this act.]

[2. After June 1, but not later than June 15, of each assessment year, the ex officio tax receiver shall send a demand to the commission for reimbursement of his county in the aggregate amount of the such homeowners' allowances granted for that year.]

[SECTION 25. 1. After granting the claim of a homeowner whose home is placed upon the unsecured roll, the county assessor shall determine the amount of assistance to be allowed the claimant under subsection 2 of

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section 16 of this act and shall credit the claimant's individual property tax account accordingly.]

[2. The county assessor shall send the commission a statement itemizing the allowances furnished to each such claimant for each assessment year and shall demand reimbursement of the county in the aggregate amount of the allowances.]

[SECTION 26. Upon receiving a home renter's claim, the county assessor shall forward it to the commission.]

[SECTION 27.] SECTION 21. 1. Funds to pay for assistance granted to senior citizens under this act shall be provided by legislative appropriation from the general fund in the state treasury. The moneys so appropriated shall be deposited in an account in the general fund to be known as the senior citizens' property tax assistance account.

SECTION 22. 1. Funds to carry out the provisions of this act shall be provided by legislative appropriation from the general fund in the state treasury. The moneys so appropriated shall be deposited in the senior citizens' property tax assistance fund. For the 1973-75 biennium, the total amount to be so appropriated shall be \$2,250,000. ^{#1,5}

2. All refunds shall be made by warrants drawn by the state controller upon the senior citizens' property tax assistance fund.

3. Any unexpended funds remaining in the senior citizens' property tax assistance fund after all claims have been paid shall remain in such fund and shall not revert to the general fund.

4. Refunds shall be mailed to the claimant on or before the first Monday in November following receipt by the commission of the claim. If the secretary of the commission authorizes a late filing of a claim, the refund shall be mailed not later than thirty days after receipt of such claim by the commission.

5. The secretary of the commission shall obtain from the state controller a statement of the balance in the senior citizens property tax assistance fund on September 1 of each year. The secretary shall provide for full refunds of all just claims under the provisions of Section 15, provided that the total amount of such claims does not exceed the September 1 fund balance. The secretary shall proportionately reduce each claim when the total amount of all claims exceeds the September 1 fund balance.

[2. Funds required for the administration of this act shall be provided by legislative appropriation from the general fund and deposited in an account to be known as the property tax assistance administrative account. From this account the sum of \$2 shall be allowed to each county assessor for each homeowner's claim filed and \$2 to the commission for each home renter's claim forwarded to it.]

[SECTION 28. 1. Upon verification and audit of each statement from a county concerning homeowners' claims granted for an assessment year, the commission shall authorize reimbursement of the county by the state.]

[2. The reimbursement shall be paid out of the funds appropriated to the senior citizens' property tax assistance account, in the same manner as other moneys in the state treasury are disbursed.]

[3. The reimbursement due on a statement submitted under subsection 2 of section 23 of this act shall be authorized by the commission not later than July 31 next following the assessment year for which the allowances were granted. Warrants for such reimbursement shall be issued to the ex officio tax receiver of the county not later than August 15 of each such year.]

[4. The reimbursement due on a statement submitted under subsection 2 of section 25 of this act shall be authorized promptly by the commission. Warrants for such reimbursement shall be issued to the county assessor.]

[SECTION 29. Upon verification and audit of each home renter's claim for an assessment year, and not later than November 15 next following that year, the commission shall authorize the claim to be paid by the state from the funds appropriated to the senior citizens' property tax assistance account, in the same manner as other moneys in the state treasury are disbursed. Warrants for the amounts determined to be due on the home renters' claims shall be issued directly to the individual claimants.]

[SECTION 30.] SECTION 23. Only one member of each household may file a claim for an assessment year. If more than one member is eligible to claim, any one of the eligible members may file the claim with the written consent of the others. If such consent is not obtainable, the claim may be filed only if criteria regulating such a circumstance have been prescribed by the commission.

SECTION 24. Any county or Carson City may adopt an ordinance which provides for rebates, refunds or allowances of credit against property taxes accrued which are in excess of the refunds paid by the state under sections 2 to 35, inclusive, of this act.

SECTION 25. Every claimant shall supply to the secretary of the Nevada tax commission in support of his claim information as to his name and address, property taxes accrued, the members of his household, his household income, the size and nature of the property claimed, as his home; a statement that the property taxes accrued and used for purposes of section 2 to 35, inclusive, of this act have been or will be paid by him and that there are no delinquent property taxes on the home; and whatever other information the Nevada tax commission deems necessary for the proper administration of sections 2 to 35, inclusive, of this act.

SECTION 26. The secretary of the Nevada tax commission may audit any claim filed under the provisions of section 2 to 35, inclusive, of this act.

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If, as a result of such audit, he finds that the amount of the claim has been incorrectly determined, he shall redetermine the claim and notify the claimant of the redetermination and his reasons for it. The redetermination shall be the final administrative action on the claim.

SECTION 27. A claim shall be disallowed if the secretary of the Nevada tax commission finds that the claimant received title to his home primarily for the purpose of obtaining benefits under the provisions of sections 2 to 35, inclusive, of this act. If such a claimant has received a refund and if he does not repay it together with a 10 percent penalty to the state, the refund amount and penalty shall be assessed against the property claimed as his home.

SECTION 28. The secretary of the Nevada tax commission may deny in total any claim which he finds to be excessive or which was filed with fraudulent intent. If such a claim has been paid and is afterward denied, the amount of the claim together with a 10 percent penalty shall be repaid by the claimant to the Nevada tax commission. If the amount of such refund and penalty is not repaid, the same shall be assessed against the property claimed by the claimant as a home. The claimant in such case and any person who assisted in the preparation or filing of such claim, or who, with fraudulent intent, supplied information upon which such excessive claim was prepared, are guilty of a misdemeanor.

SECTION 29. Any person aggrieved by the denial in whole or in part of relief claimed under sections 2 to 35, inclusive, of this act or by any other final action of the secretary of the Nevada tax commission, is entitled to judicial review thereof. Proceedings for such review must be instituted within 30 days after the claimant has received notice of such final action.

[SECTION 31. When a claimant is one of the concurrent owners, or coowners, of his home, the amount of the property tax accrued which may be used to calculate his allowance is the part of such tax proportionate to his interest as an owner plus the interest of any other concurrent owner, or coowner, who is a member of claimant's household.]

[SECTION 32.] SECTION 30. A claimant may receive assistance under this act even though such claimant also receives a property tax exemption as a widow, blind person or veteran.

[SECTION 33. No right to assistance under this act survives the death of the claimant except where his claim has been submitted prior to death.]

[SECTION 34.] SECTION 31. 1. The commission is responsible for the overall administration of this act.

2. The commission may:

- (a) Specify by regulation any ["other kinds of cash flow into a household"] other kind of income for the purpose of section [11] 12 of this act.
- (b) Prescribe the content and form of claims.
- (c) Designate the kind of proof to be required for substantiation of claims.
- (d) Establish criteria for determining when a claim may be filed by one eligible person without the consent of all others eligible in the same household for the same assessment year.
- (e) Prescribe that a claimant's ownership of his home must be shown of record.
- (f) Provide by regulation that a vendee in possession of his home under an installment sale contract and responsible for paying the property taxes on the home is eligible to claim assistance as a homeowner.
- (g) Limit the computation of benefits to the nearest dollar and limit issuance of warrants to \$5 or over.

(h) Verify and audit any claims, statements or other records made pursuant to this act.

(i) Adopt and promulgate regulations to safeguard the confidentiality of information supplied by claimants.

(j) Provide by regulation for a limited extension of time to file a claim in cases of hardship.

(k) Adopt and promulgate such other regulations as may be required to effectuate the purposes of this act.

[SECTION 35. 1. Any claimant aggrieved by a county assessor's decision which denies assistance claimed under this act may have a review of the denial before the commission if within 30 days after the claimant receives notice of the denial he submits a written petition for review to the commission.]

[2] SECTION 32. All functions of the commission under this act are subject to the Nevada Administrative Procedure Act (chapter 233B of NRS).

[SECTION 36.] SECTION 33. No person may publish, disclose or use any personal or confidential information contained in a claim except for purposes connected with the administration of this act.

[SECTION 37. Any grant of assistance under an improper claim may be revoked by the county assessor or commission within 2 years after the filing of the claim. When a grant is revoked, the claimant shall make restitution to the state for any assistance he has received under the improper claim, and the state shall take all proper action to collect the amount of the assistance as a debt.]

[SECTION 38. Any person who in order to secure for himself or another the assistance provided in this act willfully makes a materially false statement is guilty of a gross misdemeanor.]

SECTION 34. This act shall automatically be repealed without further action by the legislature at midnight on June 30, 1975.

SECTION 35. This act shall become effective upon passage and approval.

ADDITIONS FOR AGENDA DATED APRIL 3, 1973
ASSEMBLY

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AGENDA FOR COMMITTEE ON TAXATION

Date APRIL 3, 1973 Time 8:00 a.m. Room 222

Bills or Resolutions
to be considered

Subject

Counsel
requested*

AB 909 *Me 9* Designates Lahontan Audubon Society as benevolent or charitable society entitled to tax exemption.

AJR 37 Memorializes Congress to repeal federal taxes on certain forms of wagering.

AB 931 *Hold for Thurs* Provides for submission at next general election of question proposing amendment to exclude adequate value in motor vehicle offer as trade-in on actual motor vehicle from definition in sales and use taxes and local school support tax.

ASSEMBLY

AGENDA FOR COMMITTEE ON TAXATION

Date APRIL 3, 1973 Time 8:00 a.m. Room 222

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Counsel requested*</u>
	SUMMARY:	
AJR 32	Directs Legislative Commission to study reorganization of state government.	
AJR 34	Directs Legislative Commission to study public defender system as it relates to municipal and justices' courts.	
AJR 35	Memorializes Congress to enact federal legislation restricting states from withholding income tax of nonresidents.	
AB 201	Provides property tax assistance for senior citizens.	
AB 801	Provides for the use of state funds to enable local programs for the aging to obtain federal matching grants.	
AB 836	Provides that religious societies, corporations owning churches, buildings, used for religious worship need not file claims for tax exemptions.	
AB 877	Provides county option tax on sand and gravel operations.	
SB 31	Provides property tax assistance for senior citizens.	
AB 30	Extends property tax exemption to aged and to all veterans. <u>"MOTION TO RECONSIDER AND POSSIBLY AMEND WILL BE IN ORDER"</u> .	

*Please do not ask for counsel unless necessary.

ASSEMBLYAGENDA FOR COMMITTEE ON TAXATIONDate APRIL 3, 1973 Time 8:00 a.m. Room 222Bills or Resolutions
to be consideredSubjectCounsel
requested*

SUMMARY:

AB 337	Permits counties to place receipts from net proceeds of mines tax in special fund.	
AB 642 <i>Hold</i>	Clarifies taxation of rentals and royalties on mines.	
AB 725	Extends provisions requiring taxation of tax-exempt property used for private purposes.	
AB 727	Permits county assessor to subpoena property owner's books and records in order to ascertain valuation of personal property.	
AJR 27	Proposes to amend the Nevada Constitution to restrict the power of the Legislature to tax property in excess of 35 percent of its current market value or appraisal value.	
AB 353	Makes certain changes in composition of Nevada tax commission. <u>"FOR TESTIMONY ONLY"</u>	

*Please do not ask for counsel unless necessary.

- AB 201 SUMMARY—Provides property tax assistance for senior citizens.
Fiscal Note: Yes. (BDR 32-942)
- AB 337 SUMMARY—Permits counties to place receipts from net proceeds of mines tax
in special fund. Fiscal Note: No. (BDR 31-1000)
- For testimony only* AB 353 SUMMARY—Makes certain changes in composition of Nevada tax
commission. Fiscal Note: No. (BDR 32-734)
- ~~NO~~ AB 642 SUMMARY—Clarifies taxation of rentals and royalties on mines.
Fiscal Note: No. (BDR 32-1278)
- ~~AB 698~~ SUMMARY—Repeals provisions permitting taxation of tax-exempt property
used for profit. Fiscal Note: No. (BDR 32-1697)
- ~~AB 713~~ SUMMARY—Provides for submission at next general election of question propos-
ing availability of a lesser penalty for failure to pay sales and use tax on time.
Fiscal Note: No. (BDR 32-1255)
- AB 725 SUMMARY—Extends provisions requiring taxation of tax-exempt property
used for private purposes. Fiscal Note: No. (BDR 32-1692)
- AB 727 SUMMARY—Permits county assessor to subpoena property owner's books and rec-
ords in order to ascertain valuation of personal property. Fiscal Note: No.
(BDR 32-634)
- AJR 27 SUMMARY—Proposes to amend the Nevada constitution to restrict the power of
the legislature to tax property in excess of 35 percent of its current market
value or appraisal value. (BDR C-1520)
- ~~AJR 11~~ SUMMARY—Proposes constitutional amendment prohibiting personal income
tax. (BDR C-589)
- ~~AJR 20~~ SUMMARY—Memorializes Congress to return estate taxes
to states. (BDR 1848)
- SJR 9 *held* SUMMARY—Proposes to amend Nevada constitution to allow imposition of estate
tax not to exceed credit allowable under federal law. (BDR C-1052)
- SJR 15 SUMMARY—Proposes constitutional amendment to permit assessment of owner-
occupied dwellings and land at lower rate. Fiscal Note: No. (BDR C-1148)
- SB 31 SUMMARY—Provides property tax assistance for senior citizens.
Fiscal Note: No. (BDR 32-135)
- SB 304 SUMMARY—Provides tax exempt status for joint municipal organizations.
Fiscal Note: No. (BDR 21-684)
- AB 836 SUMMARY—Provides that religious societies, corporations owning churches,
buildings used for religious worship need not file claims for tax exemptions.
Fiscal Note: No. (BDR 32-2063)
- AB 801 SUMMARY—Provides for the use of state funds to enable local programs for the
aging to obtain federal matching grants. Fiscal Note: No. (BDR 38-1527)