

MINUTES

Assembly

WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE - 57th SESSION

March 22, 1973

Meeting of the Ways & Means Committee and the Taxation Committee called to order by Chairman Mello at 7:05 AM in the Ways and Means Committee Room.

PRESENT: Chairman Mello	Chairman May
Vice-Chairman Schofield	Vice-Chairman Smalley
Mr. Dreyer	Mr. Bremner
Mr. Capurro	Mr. Demers
Mr. Howard	Mr. Craddock
Mr. Smith	Mr. Broadbent
Mr. Prince	Mr. Fry
Mr. Hafen	

ALSO PRESENT: John Dolan, Randy Webb and Ron Sparks.

Present from Tax Commission: John Sheehan and Jim Rathbun.

Motion to accept the Minutes of the meeting of March 20, 1973, made by Mr. Dreyer. Second by Mr. Smith. MOTION PASSED.

Mr. Sheehan lead off the discussion regarding the amendments that had been made to A.B. 201. Have made amendments to (1) make the Bill what they consider compatible with the underlying philosophy of S.B. 31; and (2) to be able to determine with some degree of accuracy the fiscal impact of this bill.

They do not have enough reliable information to determine the number of potential claimants. Obtained the greatest amount of information from the census bureau.

The original bill had a financial impact of \$713,000, which was for property owners only. These amendments include renters. Renters are also included in S.B. 31. \$1.15 million allocated, if it exceeds more than \$1.15 each claim would be reduced accordingly.

Have also increased the age of eligibility from 62 to 65 years of age. Also eliminated from those otherwise eligible those people residing in Federally subsidized housing. This is because the Federal government classes tax relief as extra income and therefore they are allowed to raise the rent if the person's income increases.

\$2.25 million appropriation for two years. Have also asked for administration costs for this bill at the State level of \$60,000, which would be four employees. In the peak season these employees would be utilized in the processing of claims. In the slack season they would perform audits on the claims.

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The word "homestead" has also been changed to "home" as suggested by the Ways & Means Committee when the original hearing on this bill was held.

15% of rent paid is assumed to be taxes. This was adopted from S.B. 31 and the figures for this 15% was obtained from the Legislative Counsel Bureau.

Mr. Prince pointed out that this tax relief would also be available to people who are on Welfare.

Mr. Rathbun stated that there is a sort of "circuit-breaker" in the Bill which says that the amount of the refund cannot exceed the amount of taxes paid.

Mr. May stated that his Committee was quite familiar with the tax relief measures and the proposed amendments.

Mr. Robinson distributed to the Committees a proposed amendment for the property tax relief for the elderly which would not eat away at the tax base. Mr. Robinson feels that the current proposed legislation would open the door for further and further tax relief.

In essence, Mr. Robinson's proposal is a postponement of taxes. The cost of the program would be the design and printing of the forms necessary for people to apply for the tax abatement. The remainder of the program would be handled in the County Tax Assessor's office. There would be no foreclosure or penalty on the postponed taxes. The taxes would become due and payable upon the sale of the property or upon the death of the claimant.

Mr. Schofield questioned whether this would also take care of the person that is paying rent. Mr. Robinson stated that no consideration would be given whatever because that person would not own the property.

Mr. Hafen agreed with Mr. Robinson on the fact that we are leaving the door open for other people to apply session after session for tax relief.

Mr. Robinson stated that there are a great number of states that freeze the taxes on the homes of the elderly, so that they do not have to sell their homes because of the increases in the taxes.

The qualifications for eligibility are the same as are contained in A.B. 201 and S.B. 31.

Dr. Broadbent stated that he wondered how much success would be had in the collecting of the postponed taxes upon death. And whether or not the survivors would come forth and pay the back taxes.

Chairman Mello pointed out that the taxes might be more than the house is worth and the State would have to go into the real estate business of selling homes and hoping to obtain some of the back taxes.

The question was raised as to who would lose the money on this, the County or the State. In A.B. 201 or S.B. 31 the State General Fund would stand the loss. Considerable discussion followed regarding some type of revolving fund set up by the State for the use of the Counties until a return can be seen on the postponed taxes.

Chairman Mello stated, "that this bill has been in Taxation, in this Committee and back to Taxation. We don't have the time to go into many, many amendments and that is why it is back in Taxation."

"I think all of us agree that the Senior Citizen should have some type of tax relief. I am afraid that if we keep going the way we are I don't know how these two committees can have a meeting of the minds on exactly what kind of tax relief the Senior Citizen should have. And, if we can't have a meeting of the minds on this and we can't keep meeting because we are both too busy and particularly this Committee, I am afraid that if we get on the floor it will die. It still has the Senate to go through, too. My suggestion is this, the Governor in his State-of-the-State said that the Senior Citizen should have some type of relief, I campaigned on that and I think most people here did, but for the reasons I have stated, I don't think we can come up with something, so, I would like to have a subcommittee of Ways & Means, a subcommittee of Taxation to meet with the Governor and come up with a proposal that we can all live with, put on the floor and pass it and then we will go to work and get it through the Senate." (It was agreeable to both Committees.) "So, that is what we will do because I don't want to see this die and I am afraid that if we keep going the way we are that it will. So, we should come out of this session with something for the Senior Citizen."

Meeting adjourned at 8:05.