

SENATE TAXATION COMMITTEE  
MARCH 13, 1973

Room 231

3:10 p.m.

The Senate Taxation Committee was called to order by Chairman B. Mahlon Brown, with the following members and guests present:

PRESENT:            Senator B. Mahlon Brown            Senator Eugene Echols  
                      Senator Archie Pozzi                Senator Mel Close  
                      Senator Thomas Wilson            Senator Carl Dodge

G U E S T S

Robert Warren, Nevada Municipal Association  
John J. Sheehan, Nevada Tax Commission

Items under consideration were as follows:

SENATE BILL 304:    Provides tax exempt status for joint municipal organizations.

This bill has been discussed by the Committee previously and, at that time, a definition of "joint municipal organizations" was requested.

Mr. Bob Warren of the Nevada Municipal Association, submitted an excerpt from NRS, Chapter 272, entitled: "Joint Municipal Organizations" which he received from the Legislative Counsel. He was informed by the Counsel that this should suffice for a definition inasmuch as they were not able to provide one without considerable research.

After brief discussion, a motion was introduced by Senator Close, seconded by Senator Pozzi that this bill be returned to the Senate floor with a 'do pass' recommendation. Motion was carried unanimously.

SENATE BILL 399:    Permits transfer of certain moneys apportioned under county-city relief tax law.

Senator Dodge spoke in behalf of the bill, explaining that when the County-City Relief Tax Law was passed, it provided that in counties having more than one incorporated city, moneys shall be apportioned among the cities in proportion to their respective populations; where there was only one incorporated city within the county, the revenue would be split between the county and the city in proportion to the respective populations of the city and the unincorporated area of the county.

This measure, "City-county Relief Tax Law" would provide that the moneys collected would be remitted monthly by the state treasurer to each city and each county treasurer in the amounts apportioned to them.

The theory of this legislation was, insofar as possible, to channel the excise tax into the cities and leave the counties with the broad base of property tax rate. This bill does not effect the large counties, only the special situations where the county has one incorporated city.

Mr. Warren, testifying on the bill, informed the committee that this would effect seven counties and is badly needed by the cities involved.

There being no further questions, Senator Dodge introduced a motion to recommend 'do pass' on Senate Bill 399 and return to the Senate floor; motion seconded by Senator Echols and carried unanimously.

SENATE BILL 364: Revises statutes governing distribution and taxation of cigarettes.

Mr. Jack Sheehan spoke in favor of this measure, giving a brief resume of the need for this legislation. He explained that we are experiencing a growing problem with cigarettes being brought into the state from Oregon and being sold on indian reservations without benefit of the tax revenue stamp. This is being done in several other states as well as Nevada, however, Oregon is the only state that can sell unstamped cigarettes

The 'contraband' cigarettes are being sold on indian reservations at a reduced price to both wholesale and retail merchants and has not been limited to residents of the reservations. Loss of revenue to the state from this practice is estimated at up to \$60,000.00; the tax received on cigarettes is .10¢ a pack and \$1.00 per carton. His Department is trying to eliminate the source of unstamped cigarettes.

He informed the committee members what action has been taken by his commission thus far in attempting to combat the problem, all of which have failed. He explained that letters have been written to all cigarette wholesalers asking for their recommendations and this proposed bill is the result of their thinking. Additionally, he went to the Shurz reservation accompanied by the County Sheriff, in an attempt to confiscate the contraband cigarettes but was forcefully restrained.

A conference is scheduled next week in Las Vegas for the National Tobacco Industry and, at that time, a special session will be held on this subject and what the other states are doing about it. Mr. Sheehan will be attending that conference and suggested we hold action on this bill until his return.

The main concern on Mr. Sheehan's part is that this practice might expand to include major items such as mobile homes, automobiles, etc. If this were limited to business enterprises among the indians, there would be no problem.

This measure was tabled until the meeting after Mr. Sheehan returns from the conference.

TAX STUDY: Senator Dodge initiated a discussion on the proposed tax study, asking whether there was anything further this committee might do.

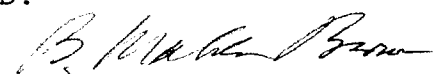
Mr. Sheehan advised the committee that a bill has been proposed in the Assembly (AB501) however, in his opinion, it does not accomplish what was intended. He would like some definition as to the scope of the study, items to be considered and a definition as to priorities.

Considerable discussion followed with all members in agreement that a definite format should be established and followed; including items of agricultural assessments, utilities, railroad, mining, make up of the Commission and whatever other areas we delineate. As proposed in previous discussions, a committee should be established to conduct the study, composed of members of both university campuses, members of the legislature, etc.

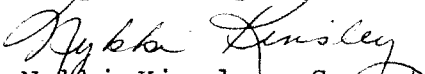
Senator Brown indicated he would contact the Governor regarding his views on this subject.

There being no further business, the meeting was adjourned.

APPROVED:

  
Senator B. Mahlon Brown, Chairman

Respectfully submitted,

  
Nykki Kinsley, Secretary

## CHAPTER 272

### JOINT MUNICIPAL ORGANIZATIONS

- 272.010 Power of cities and towns to join joint municipal organization.**  
**272.020 Powers of joint municipal organization.**  
**272.030 Appropriation of money authorized; expenses of delegates.**

**272.010 Power of cities and towns to join joint municipal organization.** It shall be lawful for the governing body of any city or town in this state, whether organized under the general laws or a special or home rule charter, to join with the governing body of any other city or town, or cities or towns, in the formation of an organization of municipalities for the purpose of securing concerted action among such municipalities in behalf of such measures as the organization shall determine to be in the common interest of the municipalities.

[1:18:1951]

**272.020 Powers of joint municipal organization.** The joint municipal organization, when formed, shall have the power:

1. To meet at such times and places as it may determine for discussion of such measures as affect the welfare of the municipal members of the organization.

2. To maintain an office, and to put in charge thereof a secretary or other officer or agents as the organization may deem to be necessary.

3. To circulate any literature or information among the municipal officers of this state as it may from time to time determine to be wise.

4. Generally to take such action as it may deem wise in support of such measures as it may deem to be in the interest of the member municipalities of the organization.

[2:18:1951]

**272.030 Appropriation of money authorized; expenses of delegates.**

1. Any city or town which shall join or which shall help form such an organization, as is authorized by NRS 272.010, may appropriate through its governing body out of its general fund money to pay the annual dues in the joint municipal organization and the expenses of such delegates as the governing body may designate to attend meetings of any such organization.

2. If the governing body of the particular city or town has so appropriated money as hereinabove provided for, then delegates shall receive the per diem expense allowance and travel expenses as fixed by law for state offices, departments, boards, agencies and institutions.

[3:18:1951]

**The next page is 8163**

NEVADA MUNICIPAL ASSOCIATION  
POST OFFICE BOX 643  
CARSON CITY, NEVADA 89701

SB 399 - FISCAL IMPACT

Example: Yerington, Lyon County

Total $\frac{1}{2}$ ¢ Sales Tax to County	\$130,000
Total $\frac{1}{2}$ ¢ Sales Tax to City	<u>29,000</u>
County would lose	\$101,000
16¢ on A.V. Tax base <sup>x</sup> of \$63,815,000 assessed valuation of county	<u>102,104</u>
Net gain to county	<u>\$ 1,104</u>
City would gain	\$101,000
City would lose 16¢ on A.V. Tax base of \$4,123,000 assessed valuation of city	<u>6,600</u>
Net gain to city	<u>\$ 94,400</u>

Name

representing

March 12, 1973,

1. Warren NMA  
Shelton NTC

SENATE TAXATION COMMITTEE

AGENDA - MARCH 13, 1973

P.M. ADJOURNMENT

ROOM 231

SENATE BILL 304

Provides tax exempt status for joint  
municipal organizations

(Introducer Federal, State & Local Govt)

SENATE BILL 364

Revises statutes governing distribution  
and taxation of cigarettes

(Committee on Taxation)

SENATE BILL 399

Permits transfer of certain moneys appor-  
tioned under County-City Relief Tax Law

(Introducer: Dodge)

SENATE JOINT RESOLUTION 18 Proposes constitutional amendment  
prohibiting personal income tax.

(Introducer: Swobe)