

ASSEMBLY AGRICULTURE COMMITTEE (Special Hearing)

MARCH 1, 1975

MEMBERS PRESENT: Chairman Hickey
 Mr. Price
 Mr. Getto
 Mr. Howard
 Mr. May
 Mr. Roy Young

MEMBERS ABSENT: Mr. Jeffrey
 Mr. Coulter
 Mr. Robinson

GUESTS: Norman Glaser, Rancher, Halleck, Nevada
 David G. Abel, Executive Secretary, N.C.A., Elko, Nevada
 Bob Wright, 1st Vice-Pres., Nevada Cattlemen's Assn., Wells, Nv.
 Mel Steninger, Elko Daily Free Press, Elko, Nevada
 Lee Breitenstein, Rancher, Lamoille, Nevada
 Conrad Breitenstein, Rancher, Lamoille, Nevada
 Vernon Dalton, Rancher, Wells, Nevada
 Jess Sustacha, Rancher, Lamoille, Nevada
 Merilyn Sustacha, Rancher, Lamoille, Nevada
 Al Steninger, Western Range Service, Elko, Nevada
 S. D. Peters, Nevada Dept. of Agriculture, Elko, Nevada
 Roy Shurtz, Rancher, Eureka County
 Irving Hackett, Coop. Extension Service, 569 Court St., Elko
 Pauline G. Beitia, Rancher, Charleston, Nevada
 Fred G. Beitia, Rancher, Charleston, Nevada
 Paul E. Neff, Rancher-President of Elko County Farm Bureau,
 Ruby Valley, Nevada
 Jack Walther, Rancher, Lamoille, Nevada
 Elias Goicoechea, Rancher, North Fork, Nevada
 Deloyd Satterthwaite, Rancher, Tuscarora, Nevada
 John Marvel, President, Nev. Cattlemen's Assn., Battle Mtn., Nev.
 John Moschetti, Assessor, Elko County, Nevada
 Warren L. Monroe, Senator, Elko, Nevada
 Robert N. Crookham, UNR Coop. Ext. Serv., Elko, Nevada
 Jess Goicoechea, Rancher, Elko, Nevada

The meeting was called to order by Chairman Hickey at 2:30 p.m., at the Stockman's Hotel, in Elko, Nevada. Chairman Hickey announced that the purpose of the meeting was to discuss various bills which have been introduced and are now before the Agriculture Committee, as well as other bills affecting the farmers and ranchers in Nevada, and particularly to get some input and suggestions from those present.

The first matter discussed was S.B. 167, the Greenbelt Amendment, which 'Provides for separate appraisal, valuation and partial deferred taxation of agricultural and open space real property.' Chairman Hickey stated that a subcommittee had been formed. Assemblyman Howard and Assemblyman Price will be on this subcommittee to study the Greenbelt Amendment.

Mr. John Wright informed the members that he felt Sec. 3. (1), where it defines "Agricultural real property" as meaning land which is devoted exclusively for at least 3 consecutive years immediately preceding the assessment date, and so on, and that this section would cause a real hardship on agricultural areas such as Winnemucca where potatoes are grown. The land goes from a higher use to a lower use. Mr. Wright stated that he was concerned about the definition of agricultural use as stated in the bill. The first part is alright, but in Sec. 4. 1., after the words "venture for profit", the rest should be stricken which reads "which business is the primary occupation and source of income of the owner,". He further stated that he did not feel a person should have to reveal their source of income. The committee members noted that there have already been amendments made on this bill, and this portion has already been stricken out. It was further noted that there is concern over the penalties. Seven years will be used and they feel it is too much to have to pay this many years penalty and also this much interest. In addition, the 10 days should be at least 30 days in which to contact the County Assessor. There should be a more reasonable length of time. On Page 9, Line 44 of the bill regarding how to classify land, it was noted that this has got to be left in the bill in order to classify the land. It was noted that this word (land) has now been stricken, but the people here want to be sure that this is left in.

Mr. Price thanked the people present and stated that he felt it was important to have the dialogue from the people as to specifics in the bill.

Mr. Norman Glaser referred to the Research Background Paper, 1975 No. 3, which had been passed to those present, regarding Agricultural and Open Space Assessment and Tax Recapture Provisions. Mr. Glaser noted on Page 2, that the differential assessment of farm land was used, however, the balance of the states do not require recapture tax. He stated he could get the names of the states which do not have this. 32 states have some kind of tax recapture provisions. One is by contractual method in California, known as the Williamson Act. There are 17 which do have a recapture clause and only about 18 states which have not done this. A lot of states are dealing with this problem in their legislatures this year. Mr. Glaser added that

there had been a great deal of opposition from rural areas because of the 7 year penalty, but this does not apply if the property is sold for the same use, only if it is sold for a higher use such as being sold from farm land to a subdivision. Raggio's S.B. 167 bill was discussed further. Mr. Glaser stated that he did not know if the bill spelled out these items, however, he felt the bill should provide for a shorter period of penalty for tax roll-back. Mr. Glaser said that many people did not understand that there was going to be a penalty attached to this bill. He pointed out that on Page 9 of the bill, they had worked hard to get this item put in and they are upset that it has been taken out. With certain amendments to S.B. 167, they would be happy and could live with it as it would be a substantial bill. However, with the 120 month provision, this is approaching the confiscature level where they are taking some value out of the land. They do not want to lock up this land entirely, but they want to slow up the developer, but would not take the values out of the farm land and still allow the farmer to convert his land at some time in the future.

Mr. Roy Young stated that the California Act gives an option as to whether you can declare all of your land or a portion. Most people keep their land in agriculture and only about 2% apply to place the land in a higher use option. This would be classified as special land. They should be allowed to do this if they pay the taxes as they go, if done within 7 years.

Mr. Glaser stated that it would be better to put it all in if placed on a 7 year plan.

Mr. Moschetti, Elko County Assessor, quoted many facts and figures regarding land valuations. Southern Pacific Railroad is not going to receive a 17% reduction. This means the northern Nevada counties are going to lose about an additional quarter million dollars in taxes. Elko County has about 21% of all the assessed valuation of land in Nevada, and livestock. As of May, 1974 there were 17 states and the Canadian Provinces that have land use provisions. 6.1% of agricultural land in America has been converted to other uses. In 9 states 30%, and in 2 states it was a 50% loss. Elko has lost 6.3% of land to other uses, which is less than 1% per year. Mr. Moschetti stated that S.B. 167 would cause too much paper work by requiring a dual assessment and yearly filing. This law would only legalize what they have been doing. He added that he did not feel this new law would be necessary and would be too costly. Only 84,725.00 additional collected in California. We need more local decision making, no dual assessment and deferral tax figured at the time the land is converted. Mr. Moschetti quoted from a book on Use Value Farm Assessment and Roll-Back Taxes and Land Speculation. He stated that the bill probably would not discourage land speculation and the cost can be passed on to both the buyer and the land developer. The farmer would be the only one penalized and discouraged from selling his property.

Mr. Price stated in regard to dual assessment creating work for the office of Assessor that he felt they were confused on why they would be taxed on the roll-back measure. They would be more satisfied as individuals as opposed to the functional element on what the farmer would save.

Mr. Moschetti stated that he felt a rancher buys many more amenities which he cannot be assessed upon.

Mr. May complemented Mr. Moschetti for all his interest and input on these matters as a County Assessor. Mr. May added that his work and interest has had a great impact on the decision making of many issues before the legislature.

Mr. Roy Young added that "He is a tough Assessor".

Mr. Glaser stated in regard to dual assessment, that he wanted to make it clear that it would make a farmer or rancher's taxes not any lower. It would only help in fringe areas where if they went to a higher use they would be assessed at the same rate as subdivisions or other adjoining land such as shopping centers.

Mr. Moschetti stated that eventually we will need this, but why tell us to do this dual assessment when 99% of taxable land will not be affected? There are means of doing this without adding additional expense for the benefits you are going to receive.

Mr. Howard informed the members and guests present that a question has come up about the roll back penalty, and it appears that there are going to be some problems working it out. Suppose a piece of property is sold for a higher use potential and after a three year period of time it is ended. Would you go back and collect the tax for 7 years even though the property had not been held for that period of time? It was agreed by the members that this problem would have to be researched and worked out. It was also noted that the lien would be placed against the land and not the owner of the property.

Mr. Getto stated that the Legislature has the right to write the law as they see fit, and to cover the needs of the state.

Mr. Moschetti agreed that in many states they have written the law simply to cover only what was needed.

Mr. Marvel added that he felt the Assessor should place the Special Assessment on land when he feels it is needed.

Paul Neff, President of the Elko County Farm Bureau, informed the members that the State Farm Bureau policy which was adopted at the State Convention in Reno during December, 1974, regarding Differential Taxation is as follows:

The Nevada Farm Bureau favors taxation of agriculture lands as provided for by AJR 23. We further recommend that agriculture lands be carefully defined and that participation be on a voluntary basis regulated by local entities. We further recommend that a system of assessing be developed that will inform the owner of his annual tax and his potential tax liability under a use change and that he have the right to appeal either or both assessments before the Board of Equalization. We further recommend that the property owner granted the use change be responsible for any recaptured taxes due.

In regard to S.B. 167, Farm Bureau agrees with most of these items pointed out in the bill. However, they object to Page 3, beginning at Line 22, Section 2., in regard to a viable agricultural unit. This section may be giving too much power to the Tax Commission in establishing the viability of an agricultural unit. On page 3, Line 48, Section 4., providing that a true copy of an instrument evidencing the applicant's interest or authority in the land be filed with the Assessor in order to apply, seems to be placing the burden on the land owner to file the true document, and this may create a hardship in some cases. On Page 4, Line 37, SEC. 15 (a), wherein the Nevada Tax Commission shall define the classifications of agricultural real property for agricultural use, it appears that this would allow the Tax Commission to open the door for too much power to determine which is and which is not agricultural land, if it is placed in the hands of the Tax Commission. On Page 9, under SEC. 29, the 120 months and the 6% interest and 20 percent penalty are also objectionable.

Mr. Marvel informed the members that in regard to the item on Page 4, Line 37, SEC. 15., the Tax Commission already has that power and this has been the procedure for a number of years.

Mr. May added that in regard to providing the Assessor with a true copy of a deed, there are alternatives and options which are available to them, as the applicant may file other acceptable instruments to evidence his interest.

Mr. Moschetti, Elko County Assessor, stated that when they submit this application and have it filed, they must state what they want this land assessed for and it would be a big job to record all these instruments, it would be an enormous job.

Mr. May reminded those present that the purpose of their meeting was just to receive their input in regard to these issues, and that this bill is just a draft.

Mr. Young asked where the bill was that they originally worked on and the proposals.

Mr. Getto stated that Norman Glaser and Ernest Newton have proposed some amendments and have given them to the Bill Drafter. The Agriculture Committee will then come forward with a bill with the amendments.

Mr. Glaser stated that they sometimes find themselves in the position of getting a bill through if they can't agree with the Senate, however, the ranchers feel they could wait another two years on this matter if it can't be resolved this year.

Chairman Hickey pointed out that now they are operating illegally, therefore, they must take action this year.

Mr. Glaser disagreed and added that he didn't feel that was the case as concerned their area at this time.

Mr. Moschetti, the Elko County Assessor, questioned the members about the effective date of such a bill if it becomes law this year.

Mr. May stated that it would go into effect June 30, 1976, and the date would be clarified.

Mr. Moschetti added that if the bill went into effect sooner, the Assessors could not live with it.

Mr. Glaser and Mr. May discussed the question of the three year tax roll-back when the property had not been held that long and agreed that they would have to get a legal opinion on this problem.

Mr. Moschetti stated that he felt we should be phasing into this program of converting the property under the assessment and did not feel we could go back any further, but legally he did not know how we could go back further on assessing the property for a period longer than it had been owned for that particular use.

Mr. Howard stated that he believed when final year it should state that it should be prorated in time and not go back seven years from the date the act is originally enacted.

Mr. Marvel stated an Attorney discussed this with them before and he felt they could not go back.

There being no further comments or questions in regard to the Greenbelt Amendment or S.B. 167, Chairman Hickey introduced Assemblyman Price, who discussed his Alien Bill and explained his intent in introducing this piece of legislation.

Mr. Price stated that he introduced A.B. 42, which bill prohibits employment of aliens who are not entitled under federal law to work in the United States. Mr. Price informed those present that in the Reno and Las Vegas areas there is a big increase in the alien problem in the past 2 years. In the years when the economy is good and the job market is more stable, there isn't too much problem, but when the economy and employment situation tightens up, it affects the employment market and comes to the attention of the news media and Immigration Department. The Immigration Department states there are about 10,000 illegal aliens in Nevada. Mr. Price assured the people in attendance that when he introduced the bill, he did not realize the adverse affect it would have on the agricultural areas of Nevada, and further pointed out that 80% of these aliens are working in the urban areas. Also, during January and February funds have been cut off or reduced to the Department. Mr. Price read a lengthy list of illegal aliens and where they were employed in the State of Nevada. It was further pointed out that the problem is getting worse as it is very easy to get false identification cards, drivers licenses and social security cards. Legislation has been introduced now to try to curb this from happening in the future. The City of Las Vegas and County have adopted similar ordinances, and it may be necessary for the Legislature to pass a law to allow the cities and counties to act at their option. However, this does not solve the problem as there is no exclusion for agricultural help. In some areas it will only work through selective enforcement if the county option is passed. Mr. Price stated that he does not feel this would be a satisfactory answer to the problem. Another problem in the southern Nevada area is that the Nevada Test Site has from 3,000 to 5,000 people working in this site and in related areas. There are many aliens in the construction field, such as sheet-rockers, carpenters and laborers. Mr. Price introduced the bill and it was brought to his attention the adverse affect it would have on agriculture, and he pointed out that his interest was solely to cure a problem in the urban areas. Mr. Price recommended that no further hearings be held on the bill at this time and added that the bill is sitting in committee. Mr. Price advised the people to take a look at their problem and see what they needed and what could be done. He stated that he felt people are now safe and he is not going to do anything to harm the agricultural area with this bill until such time as something can be worked out in regard to this alien problem. Mr. Price brought up the question of whether or not a county and city ordinance would be effective unless the State took action to authorize this. At the present time the Legislative Counsel Bureau has been doing a study to clarify this.

not

Deloyd Satterthwaite stated that he felt it should/be left to the employer to be responsible when illegal aliens are hired, but to the Federal Government or the Immigration Bureau.

Mr. Price stated that we would not have any illegal aliens here unless they knew that they had work and could be hired. On the state level, the Federal Government isn't doing its job and you cannot go out and pick up people if they are employed illegally. You would need another state agency. It could be stopped if employers asked a person if he had proper identification papers. Mr. Price pointed out that the law he introduced exempts employers from liability if they asked for identification and if it was false. In agriculture an employer does not always bother to ask. In Las Vegas the employers should and must ask for identification and fill out all papers before a person can be employed. Mr. Price stated that he felt if the employer was the most concerned about the problem, it should be left to the responsibility of the employer.

Mr. Satterthwaite stated that in agriculture the work force is not available.

Mr. Price stated that he has now been informed that this is the case and recognizes this.

A question was asked of Mr. Price as to how would you get the responsibility off the back of the employer.

Mr. Price answered that by placing an amendment in the bill to exclude this and having the proper language in the bill to make this clear. Some language has been suggested, but at this time is isn't acceptable.

Mr. Lloyd Sorenson asked Mr. Price how he intended to handle the problem of illegal aliens.

Mr. Price stated that the only thing his bill is attempting to do is to dry up the attraction of jobs for aliens. The problem of handling illegal aliens is a job for the Federal Government to handle.

Mr. Sorensen further asked that if the burden was placed on the employer to save expense to the county or state, wouldn't you feel this would be unreasonable for the employer?

Mr. Price stated that he did not feel the employer would be placed under any additional expense and feels it is fair as they certainly should be aware if they are hiring illegal aliens and it should not be too difficult to check the papers, or the taxpayers would have to pay for this additional expense otherwise.

Mr. Sorenson stated that he felt if a bill is introduced, the language should be clear in excluding agriculture and do the job he intends it to do in restricting illegal aliens from employment in the urban areas.

Bob Price stated that in the area he represents and the people who elected him are not aware of the problems of agriculture outside of their own area. He was, therefore, responsible mainly to this area and these people, but understands the problem also in the agricultural areas.

Mr. Jess Sustacha inquired about the Federal Government allowing bonds to be posted on illegal aliens for employment.

Mr. Price informed him that the Federal Government allows this, and possibly it was at Anderson Dairy, where they had about 30 illegal aliens working there. Apparently these employees were bonded and after a short period of time, 25 of them left.

Mr. Walther stated that he feels it is discriminatory. For one thing, on ranches they do not ask a lot of questions when they hire someone. If they are responsible for knowing if they are illegal aliens or not, they feel they have to ask too many questions and that is one thing they do not want to do.

Mr. Price agreed that this was a legitimate social problem.

Mr. Satterthwaite stated that the Federal Government has gone over AJR 8 in regard to the immigration problem, as well as another senate bill. They have done their duty to handle this on a Federal basis, therefore, didn't Mr. Price feel he had gone far enough on doing his job.

Mr. Price answered that he did not feel he had gone far enough at this time and would continue to work on the alien problem. Mr. Price added that he did not feel the Federal government are going to act on this problem and feels the state has a responsibility to take care of this problem.

Mr. Young stated that he showed Mr. Glaser a box of false I.D. Drivers Licenses and social security cards which are a problem when hiring an illegal alien.

Mr. Getto stated that he and Mr. Howard were opposed to A.B. 42, as it does not provide a solution to the problem, and although Mr. Price is sincere in taking care of his problem, but the bill does not say how we can amend this bill and still be legal. He questions the advice given by the Counsel Bureau as they are just attorneys and so are our courts. He feels Section 3 would be dynamite and should not leave the responsibility to employers in agriculture.

Chairman Hickey brought up the question regarding A.B. 202, Vertebrate Pest Control, and asked if the rodent problem was serious in Elko County.

Mr. Howard stated that the rodent problem was quite serious to agriculture and added that the rodent problem is going to be bad this year because of the restrictions placed on the use of pesticides. The Federal people who see the use of strychnine become quite concerned if the pesticide kills anything other than what it is intended for. Mr. Harry Galloway of the Department of Agriculture, is setting up a department to use 10-80 pesticide for the control of rodents in Nevada. As soon as 10-80 is registered in the State of Nevada, we will be allowed to use 10-80 and cooperate with the Bureau of Land Management on control on their property. A.B. 202 would be effective in July, 1975. The committee is going to take action upon passage and approval so that the Department of Agriculture can take action upon this problem. They are not certain, however, how soon they can take action, but as soon as the act is passed to give them authority, they will act. Mr. Howard stated that he hoped they could get started this June, and asked how many present have this problem this year. (there was a large showing of hands) Mr. Howard asked them to contact Mr. Galloway to let him know their needs in regard to this pest situation.

Mr. Marvel asked Mr. Howard if he had checked any of the California statutes regarding the use of 10-80 pesticide.

Mr. Howard replied that he had and our Act should do the same thing.

At this time, Mr. May discussed a bill he has introduced by request, A.B. 330, which removes property tax exemption on certain federal lands used for grazing. Mr. May stated that a possessory right is presently exempt under state statute under the Taylor Grazing Act, and there have been problems created by environmentalists and other special interest groups. Mr. May added that he did not feel at this time that the bill would get out of committee, but feels the problem should be discussed. Mr. May pointed out the recent article which appeared in the Winnemucca Sun newspaper regarding the BLM and the Taylor Grazing Act. Mr. May stated that tenure or rights should be established by those who now enjoy the use of these rights. Mr. May stated that a hearing will be scheduled on this and they will be advised of the time.

Mr. Marvel stated that two assemblymen had originally introduced a bill to get an exclusion on grazing rights. At this time the federal government only recognizes grazing as a privilege, and grazing is not a right at this time on public lands.

Mr. Neff stated that California now taxes possessory rights and added that he thinks it should be established as a right and not just a privilege.

Mr. Sorenson asked how do you figure the State could give them any more rights than the federal government now gives them?

Mr. Neff stated that the case tried was only on a County level and not on a state or federal level.

Mr. Sorenson stated that he felt this issue should be brought to the attention of the Governors at the Governors' Western States Conference to be held in Montana during the first of April, in order to get their concurrence.

Mr. Glaser stated that the grazing privileges could be used to raise revenue.

Mr. Young added that if there was some way to establish tenure, he wouldn't mind paying a small additional amount.

Mr. Sorenson stated that the federal government recognizes this right on estate taxes and this would create problems.

Mr. May concluded by stating that his bill was introduced just to investigate the tenure issue.

There being no further business or discussion to come before this committee, the meeting was adjourned by Chairman Hickey.

Respectfully submitted,

Marilyn Getto

1975 Nevada Farm Bureau Federation Policy

STATE:

The Nevada State Fair

The Nevada State Fair, Incorporated, has the opportunity to serve the State of Nevada as an educational exhibit representing the productivity of Nevada's agriculture, mining and other industry. We urge the Nevada State Fair, Inc., to encourage educational exhibits and activities that represent the industries in Nevada Counties or more properly name the Fair to reflect the interest it represents. (1974)

Predator Control

For the continued existence of wild game and the livestock industry in the State of Nevada and the Western States, there needs to be an active predatory animal control program carried forward. Predatory animals are causing extensive losses in these areas. Instances of rabies are becoming more frequent. (1972)

Predatory Birds

Nevada alfalfa seed growers are being confronted with continually increasing losses of leafcutter bee pollinators by heavy infestation of birds, particularly at the bee domiciles. Because these bees are necessary for the production of seed and because these bees represent an expenditure of some \$60.00 to \$150.00 per acre, we request that the State Department of Agriculture, College of Agriculture, and State Fish & Game Commission cooperate in a study to find acceptable methods of controlling or preventing the destruction of these leafcutter bees by predatory birds. (1973)

Farm and Ranch Labor

The present labor procurement programs are unwieldy and unworkable. They are not helping to solve the problems of qualified labor shortages. Not only on a seasonable basis is qualified labor not available, but because the programs are not locally oriented, time and money and effort are wasted in the procurement programs. (1975)

Extension Service

We of Nevada Farm Bureau Federation wish to publicly thank the Cooperative Extension Service personnel and the communications service of the College of Agriculture for their cooperation and untiring efforts on behalf of the agricultural people in Nevada through the Counties and State Farm Bureau. (1972)

Workmen's Compensation

Nevada Farm Bureau supports the retention by the states of authority to determine eligibility, benefits, and other provisions of state workmen's compensation laws. We recommend coverage of farm workers by occupational insurance. We believe that workmen's compensation insurance in agriculture should not be the exclusive privilege of the Nevada Industrial Commission. Other carriers offering equal coverage should be acceptable. (1974)

Coyote Control Program

We request a more effective coyote control program which is needed immediately. We request that research be devoted to the development of new, more effective predatory animal control procedures or devices. (1973)

Nevada Farm Labor Act

We recommend that the Nevada State Farm Bureau explore the propriety of sponsoring a Nevada Farm Labor Act. (1973)

Probate Laws

We recommend that the Nevada Farm Bureau study the present probate laws of the State of Nevada and favor a program that would revise these laws to cut cost and time of probating a will. (1973)

Excess Animal Control

All laws concerning the preservation and protection of animal life which is primarily in the nature of pests, rodents, predators, or domestic animals loose (dogs, horses, burros, cattle, etc.) shall have incorporated in them provisions for reasonable control of their numbers and protection for the life and property of individuals. (1973)

Conflict of Interest

The Nevada Farm Bureau supports legislation that would define and prohibit conflicts of interest by governing officials. (1974)

Livestock And Meat Board

Beef promotion contributions by Nevada Ranchers to the National Livestock and Meat Board have reached a level entitling the State to a seat on the National Board. It is therefore recommended that: The Nevada Beef Promotion Statute be amended to provide for appointment of a Director to the National Livestock and Meat Board by the State Board of Agriculture and payment of modest expenses relative to attendance at regular board meetings. (1975)

N.I.C.

We make the recommendation that the individual employer be able to obtain N.I.C. coverage.

Repeal Of State Law Detrimental To Improving Rural Health

We favor the repeal of the Basic Science requirement for doctors as recommended by the Governor's Rural Health Committee.

Public Land Development

Development of public lands, through seedings, fencing, and water developments, is vitally essential at an accelerated pace in order to produce more meat and fiber for the use of the people. (1975)

Checkerboard Lands

Railroad land grants more than a century ago have resulted in a checkerboard land ownership pattern in Nevada and effective management of these lands is hampered and made difficult for both the Federal Government and the private landowner by the existence of such a pattern. Section 8 exchanges of the Taylor Grazing Act provides a means whereby these lands can be blocked up for better management and we recommend that the Bureau of Land Management and Forest Service Land actively encourage and give a high priority to the processing of these exchanges within Nevada. (1975)

Unclaimed Horses And Burros

The Nevada Farm Bureau believes that any unclaimed and free roaming horses and burros are the property of the State in which they are found, and we suggest that the State of Nevada obtain, through purchase, a specific limited area within the State to be designated as a home for unclaimed horses and burros. After all privately owned horses and burros have been gathered from the ranges, the remaining horses and burros should be gathered and the number desired for retention be removed to the above mentioned property. The remainder to be disposed of by whatever means thought advisable, i.e.—sale, gift, etc.

This action would allow a number of horses to be kept and managed properly and would free the remainder of Nevada's rangelands to be used for food, fiber and wildlife production, as well as other beneficial uses, under good range management practices.

We support other Western States in their efforts to implement practical programs for controlling the free roaming horses and burros within their borders. (1975)

Right To Work

We support Nevada's "Right to Work" law and we oppose any attempt to subvert it by Federal or State legislation. (1975)

Equal Rights

We oppose the ratification of the Equal Rights Amendment by the Nevada State Legislature. (1975)

Freedom Of The Press

We believe in freedom of the press and that factual information should not be suppressed. However, we have seen sensational rumors and unproven opinions presented in a manner that many people accept them as facts. All of the news media should police itself to see that this does not happen. (1975)

TAXATION:

Exclusion Of Livestock From Ad Valorem Tax Base

We request legislation to exclude all salable livestock from the ad valorem tax base as livestock is already taxed under capitalization of base property and is the only agricultural product presently being taxed. (1974)

Appraisal Of Agricultural Property

We urge passage of legislation requiring the State Board of Equalization and the County Assessors to appraise agricultural property which has a gross annual income of \$2,500 or more for the value of its agricultural production regardless of classification, and that the owner's use shall be considered the best use of the property. (1974)

State Inheritance Tax

We are opposed to a State Inheritance Tax. (1975)

Gasoline Tax Monies

The present formula for distribution of the State gasoline tax monies is to the benefit of all concerned. We stand opposed to any change in the method or formula for distribution of these tax monies to the counties. (1975)

Agricultural Inventory

We are opposed to any tax on agriculture inventory. We ask the Nevada Farm Bureau Federation and American Farm Bureau Federation to make more facts available for future reference. (1973)

Tax On Agricultural Supplies

We urge the removal of sales tax from agricultural chemicals, particularly insecticides and herbicides, as these items are as necessary for the production of agricultural commodities as other tax free items. (1974)

Tax On Trailers

Nevada Farm Bureau recommends that trailers used as homes be taxed on a more equitable basis with regular homes. (1973)

Food Tax

We recommend that no changes be made in sales tax laws effecting retail food. (1975)

Differential Taxation

The Nevada Farm Bureau favors taxation of agriculture lands as provided for by AJR 23. We further recommend that agriculture lands be carefully defined and that participation be on a voluntary basis regulated by local entities. We further recommend that a system of assessing be developed that will inform the owner of his annual tax and his potential tax liability under a use change and that he have the right to appeal either or both assessments before the Board of Equalization. We further recommend that the property owner granted the use change be responsible for any recaptured taxes due. (1975)

Estate Taxes

The Nevada Farm Bureau opposes any state estate tax. We further recommend that studies be done for ways that the State may share in the Federal Estate taxes without increasing the total tax burden. (1975)

157

County Assessors

The Nevada Farm Bureau recognizes the need for equitable and competent property assessments. We recommend that County Assessors need not be professional appraisers, but newly elected assessors should be provided the necessary background training (by the Nevada Tax Commission) to enable them to competently carry out the functions of their office. (1975)

Tax Commission

The Nevada Farm Bureau favors a qualified lay commission membership, rather than paid professionals, constitute the membership of the Nevada Tax Commission. We recognize limits that workloads place on volunteers and lay people; we therefore recommend the duties of the Board of Equalization be separated from the Nevada Tax Commission, and further, that membership on both bodies have bona fide agricultural representatives, and that all members of the Board be representative of taxed interest rather than groups that are supported by tax revenues. (1975)

Gas Taxes

The Nevada Farm Bureau recommends the taxes on gasoline, diesel, and other fuels used in agriculture production, processing, and marketing not be increased. (1975)

Conservation Taxation

The Nevada Farm Bureau recognizes the need for sound, conservation policy and further recognizes that many agricultural conservation practices benefit public as well as the individual conservationist interests. We therefore recommend that conservation practices be encouraged by not incorporating their value into the assessed value of land nor that they be taxed as depreciable property.

Most concrete-lined ditches and structures are built with participating Federal funds and are a valuable conservation measure. To encourage their further use, they should not be subject to assessment as capital improvements. (1975)

TRANSPORTATION:

Auto Insurance—No-Fault

Nevada Farm Bureau Federation endorses the concept of "no-fault" auto insurance to cover economic loss, including the loss of wages, and respectfully requests the Governor of Nevada, the State Department of Commerce, the Legislature, and the insurance industry, to join forces in bringing about a more humane and equitable compensatory system at less premium cost. (1973)

Freight Rates

Freight rates within the State of Nevada are currently above competitive rates in adjoining States. We oppose any rate increase for livestock hauling by the Public Service Commission. (1973)

Livestock Hauling Costs

We recommend that livestock remain an exempt commodity and not come under regulation of the Interstate Commerce Commission with power to set rates. (1973)

P.S.C. Restrictions

Since agriculture is everchanging and unique in that its products are perishable and its harvests are concentrated in short periods of time, making it difficult to find adequate transportation during these harvest periods, the Nevada Farm Bureau should research the possibility of eliminating the P.S.C. restrictions placed on interstate hauling of agricultural products. (1973)

WELFARE:**Working Requirement**

We believe that all welfare recipients who are able to work should be required to work as a prerequisite to obtaining welfare. (1972)

Program Control

We firmly believe that welfare should be controlled on a County and State level and not federalized. (1972)

EDUCATION:**Teaching Requirements**

Nevada Farm Bureau Federation believes that professional teaching requirements and evaluation procedures in other States should be investigated in order to adopt an effective method of evaluating teachers and eliminating those who are ineffective. (1974)

Sex Education

Nevada Farm Bureau Federation opposes the legislation requiring mandatory participation of school children in sex education classes. The primary responsibility for sex education is in the home and should remain there. We believe hygiene, physical education, and family relations programs cover sex adequately to assist with the home teaching. Further sex education should be directed toward teaching parents how to teach their children these facts of life. (1973)

Control Of Schools

Nevada Farm Bureau Federation believes in keeping the control of our schools at a local level. In order to keep a voice in our children's education we wish to maintain our present County School Boards and reject any legislation to formulate our State into larger school districts. (1975)

Nutrition Education

The Nevada Farm Bureau realizes the importance of Nutrition Education in grades Kindergarten through twelfth, and encourages parents and educators in seeing that a required program is included in every school's curriculum. (1973)

Teacher Evaluation

One of the most important factors in the future of our country is the quality of education that our young people receive. We believe that good teachers should be rewarded and unsuitable ones should be weeded out of our school system. Nevada Farm Bureau should work with other interested groups in developing and enacting a practical evaluation system, and eliminate tenure. (1975)

Agricultural Education

Agriculture producers strive to increase efficiency which enables the populous to have sufficient food and fiber. Modern technology to accomplish this must be understood by non-farm people. We ask that the state's educational system increase efforts to inform the people of agriculture's necessity to have available and to use pesticides, fertilizers, and feed additives for improved agriculture production. (1974)

Veterinary School

We recommend that every means be studied to find adequate veterinary schooling for Nevada students.

Two possibilities should be studied:

1. A contract agreement with other schools.
2. The possibility of a Nevada veterinarian school. (1975)

DAIRY:**Dairy Commission**

The Nevada Farm Bureau Federation believes that the Nevada State Dairy Commission performs necessary functions for milk producers and should be supported and continued. (1973)

Dairy Specialist

Nevada Farm Bureau Federation recommends the University of Nevada employ a full time Extension Specialist with adequate funding. (1973)

Dairy Assessment

We recommend that all milk be assessed at least two cents per hundred weight for dairy promotion and research. (1973)

LIVESTOCK:**Appointments Of Inspectors**

In order to continue the cooperation between the State Department of Agriculture and the farmers and ranchers of a county or area, the desires of the local people involved should be considered before any Brand Inspector appointments are made. (1973)

Investigators

Nevada Farm Bureau Federation supports the principle that livestock theft enforcement should be financed by general fund monies and requests that funds be made available to the Department of Agriculture for employment of a livestock theft investigator. (1972)

Drafts

Nevada Farm Bureau Federation requests changes be brought about to the effect that any draft used for payment of livestock must be a type that is payable on sight. (1972)

Marketing Information

Livestock marketing information is needed by the industry. Livestock producers should carry out marketing information meetings in areas where desired for the purpose of improving marketing and sales conditions. (1975)

Public Auction Sales

Because of the paramount importance of livestock raising to the economy of the State of Nevada, and the essential function performed by public auction sales in the livestock industry, it is declared to be an essential part of the public policy of this State to regulate such sales in order to avoid fraud upon consignors or purchasers, and misappropriation of the proceeds of livestock sold. In order to comply with the interest of the foregoing, it is necessary to thoroughly investigate an applicant for Public Livestock Auction License whether he be an individual applicant, or officer, or director of a corporation, and said investigation should be made into the background and character of the individual, or corporate officers, and such investigation is time consuming. We believe that in no instance shall Livestock Auction License be issued for a period of ten (10) working days after date of receipt of application by the Department and in any event, the application shall be approved or denied within thirty (30) days from date of receipt of said application. (1973)

Feed Labeling

To more adequately purchase manufactured livestock feeds on a guaranteed content basis, we ask that a feed labeling law applying to Nevada processed feeds be put into effect. (1973)

Drifting Livestock

In areas where BLM and Forest Service lands join in a common boundary without designation by fence, range users, primarily livestock permittees, are subject to trespassing suits as livestock move from one area to the other. The range user is often subjected to certain amounts of coercion because of unauthorized movement of livestock from one area to the other. We suggest that the agencies involved and the range users arrive at an arrangement whereby this movement of livestock can become compatible to the available forage. This might necessitate a change in regulations. If so, this is desirable. The permittee must be allowed to use the forage for which he is permitted, and must not be fined for innocent trespass due to drift. (1975)

Bonding Of Buyers

Sales and shipments of livestock and of other farm products have become larger and more valuable. We recommend that bonding requirements of all buyers be increased enough to give better protection to our farmers. (1973)

Livestock Disease Detection Laboratory

We request that the Nevada State Department of Agriculture establish a livestock disease detection laboratory in Elko County. (1974)

Experimental Ranch

We strongly support the original concept of trading the Gund Ranch for a typical livestock operation in Elko County. (1975)

Environmental Impact Statements

We ask that the Secretary of Interior and-or the State BLM Director require that all Environmental Impact or Evaluation Study Teams have at least one representative from the livestock industry. (1975)

Highway Fencing

We request that the State of Nevada and the Federal Government proceed to fence the remaining unfenced highways in order to protect human lives, livestock and wildlife. (1975)

Appointment Of Inspectors

We urge appointment of more qualified deputy inspectors in outlining areas under the direction of one salaried Chief Inspector per district. We feel this could cut travel costs and that deputy inspectors be paid only when inspecting livestock and not during slow seasons. (1975)

Brand Inspection Department Salaries And Expenses

We oppose administrative salaries and expenses within the State Department of Agriculture being paid from Brand Inspection fees, when many of these costs are not derived from the Brand Inspection Department. We request the State Legislature transfer those persons to an administrative division, so their salaries and expenses may be taken from the general fund, thus relieving the livestock industry of full burden of expenditures and the possible increase of inspection fees. (1975)

POLLUTION:**Regulations And Control**

We ask that law enforcement agencies strictly enforce the laws on refuse discarded on public and private lands, including ditches and canals. (1975)

Chemicals

Modern agriculture cannot provide adequate quantities of high quality food and fibers without the continued safe use of agricultural chemicals. We oppose a complete ban on the use of agricultural chemicals and recommend that continued use be determined on a product-by-product and use-by-use basis. We also recognize that there might be problems in the use of agricultural chemicals as they relate to our environment; however, we strongly urge that their importance to food production and human nutrition is given proper recognition and consideration. (1975)

Pesticide Containers

Nevada Farm Bureau Federation recommends that definite responsibility for the pesticide and pesticide container disposal plan be accepted by the County Commissioners of the County. (1972)

Agricultural Consideration

Nevada Farm Bureau Federation urges that any pollution regulations in Nevada consider the special problems of agriculture. Our conditions are different from those in urban

areas. Rubbish and garbage pickups are usually not available and the visual pollution from such accumulations would be much worse than any temporary smoke in our wide open spaces. Reasonable regulations should consider these problems and come up with fair and practical rules with which we can live. Pollution control regulations should be for a specific problem in a specific area, not County or Statewide. (1972)

E.P.A.**159**

We recommend that the Federal E.P.A. allow the State E.P.A. to set their own standards and businesses having met these standards be free from Federal pressure. We commend the Kennecott Copper Company for having met the State Clear Air Standards and feel that the continued pressure by the Federal government upon this corporation will cause serious adverse economic problems to the eastern side of Nevada. (1975)

WEEDS AND PESTS:**Noxious Weeds**

The control of noxious weeds in Nevada is vital to the State Seed Certification program, alfalfa hay production, and other field crops. There is the need for a State agency to have a coordinating responsibility in a noxious weed control program as well as a need for a coordinated program for the control of noxious weeds on public lands. (1975)

Pest Infestations

Nevada Farm Bureau Federation requests that the Legislature make emergency and contingency funds available to the Nevada Department of Agriculture to enable the Department to protect operating farm units from pest infestation on adjacent and public lands. (1972)

Vertebrate Pest Control

Nevada does not have a program regulatory and-or service to protect the agriculture interests from loss due to vertebrate pests. There is need for state agency direct involvement rather than through the Federal Fish and Wildlife Service of the U.S. Department of Interior. Therefore, the Nevada Farm Bureau recommends passing the proposed legislation to establish in the Department of Agriculture authority for, and capability of, performing a service and regulatory program on vertebrate pests. (1975)

FISH AND GAME:**Game Birds**

Nearly all hunting of certain upland game birds, such as pheasant and quail, is done on private lands in the agricultural valleys of Nevada. The farmers and landowners should have a voice in determining whether hunting season shall be opened or the time seasons shall be set. The turning loose of hordes of hunters upon a farming community against that community's will is unjust. (1975)

Hunting Licenses

We urge that the present State regulations regarding non-resident hunting licenses be kept as part of our State function and responsibility. (1975)

Predatory Lions

We ask that when reports come to the Fish and Game Department of livestock being killed by mountain lions, that they act immediately to notify the official lion hunters, so that these killer lions can be disposed of. (1973)

Fish And Game Liability

We ask that legislation be passed to permit that the Fish and Game Department can be sued for damages resulting from their negligence. (1973)

Predatory Lions

Due to the fact that predatory lions have increased significantly and are killing excessive numbers of sheep and

wild game, we request that these animals be hunted and disposed of on a continual basis rather than only when killing is discovered. (1975)

Deer Herd

We would like to go on record as being opposed to hunting female deer in the State of Nevada. Until such a time that the herd reestablish. (1975)

WATER:

River Channel Control

We recommend that control of the River Channel be withdrawn from the State Fish and Game Commission and thus be administered by the State Division of Water Resources. (1975)

Environmental Controls

The Environmental Protection Agency has set some noble goals to control water pollutants completely by 1983. We want to have clean water. However, we believe it is a mistake to set a single standard for all water in the United States. We believe that the Constitution precludes the Federal Government from interfering in what has historically been a function of the State; that is the control over and disposition of water within its boundaries. We believe in the concept of local government solving local problems. In the case of the Humboldt River, which rises and falls within the boundaries of the State of Nevada, we believe the State of Nevada has complete justification over pollution control. In cases where waters rise and fall within a county, we believe the county government should have total jurisdiction over pollution control on those waters.

Nevada agriculture cannot and should not assume the responsibility of monitoring irrigation water in a program that is discriminatory in its application, and self-serving and contrary to the best interests of Nevada, its people, and its sources. (1975)

Humboldt River Project

We oppose construction of the flood control project for the Humboldt River and tributaries as presently proposed by the U.S. Army Corps of Engineers. This opposition results from the following facts:

1. The project, as presently proposed, would fail to protect the historically decreed water rights of the water users on the river.

2. The operation of the project reservoirs would directly and adversely affect agricultural interests in Elko, Eureka, Lander, Humboldt, and Pershing Counties.

3. Economic evaluation of the project using modern criteria shows that the estimated costs far exceed the projected benefits and that an expenditure of funds for construction of the Humboldt River Project would be inflationary at a time when inflation is the most serious threat to our American economy and way of life.

4. There is no ecological justification for the project.

5. Federal funding for the project would invite Federal interference in Nevada water administration. (1975)

Newlands Project

The Newlands Project supports a multiple-use of water, namely irrigation, shallow wells, recreation and wildlife habitat. Reduction in the supply of water to the Newlands Project would seriously jeopardize the agricultural use, domestic water supplies, and the recreational areas, and therefore the economy of Western Nevada. Every effort must be made by the American Farm Bureau Federation, the Nevada Farm Bureau Federation, and other agricultural entities and interests to affirm the allocation of water to the Newlands Project at 466,000 acre feet. (1975)

Flood Water Control

Since the Bureau of Land Management prevents the individual from doing any type of construction upon federal lands,

and since floods, created by summer storms, coming from drainage on federal lands down on to privately owned property cause erosion and destruction of said property, we recommend the BLM construct, or allow to be constructed, where feasible, diversions that will protect private property from the ravages of flood water. (1975)

160

WITHIN FARM BUREAU:

Public Relations

In order to improve public relations and the farming image, Nevada Farm Bureau Federation feels it necessary to promote publicity in research and production of television and radio promotion of agriculture and Farm Bureau. (1972)

Speakers Bureau

We believe a qualified Farm Bureau Speaker's Bureau should be organized by the State Board and made available to Counties. (1972)

Zoning And Planning

Nevada Farm Bureau recommends a study be made before a subdivision is approved in order to ascertain the impact on school, waste disposal, fire protection, police protection and sewers. Before a subdivision can be approved, the State Engineer should certify that there is enough water available for the entire subdivision. The subdivider should be required to put in all streets and sewers at no cost to the taxpayer. (1973)

Telephone And Power Services

Nevada Farm Bureau urges all power and telephone companies to bring services to the outlying areas within their franchise. (1973)

Land Use

Nevada Farm Bureau favors Land Use Planning and Zoning on local levels. (1973)

Rural Electric Territorial Protection

We believe the consumer-owned electric utilities should be permitted to continue to serve the areas which they have developed, and we favor legislation at the state level to protect the territorial rights of rural electric cooperatives. (1973)

N.I.C. Study Committee

The Nevada Farm Bureau should appoint a committee to represent all segments of agricultural employers to make a study of all aspects of the Nevada Industrial Commission as it applies to agriculture. (1974)

Farm Bureau Marketing System

We recommend that the Nevada Farm Bureau Federation continue investigation of the feasibility of establishing a Farm Bureau Livestock Marketing System in the State of Nevada. (1974)

Farm Suppliers

The prices of many farm supplies such as baling wire, anti-freeze, etc., have been artificially inflated by some unscrupulous dealers who took advantage of shortages. We urge the Farm Bureau Service Company to expand its program to help us get these supplies at fair prices. (1975)

Atomic Waste

We recommend that a study be made regarding the atomic waste dumping in Nevada. (1975)

1975 NATIONAL POLICY RECOMMENDATIONS

BLM Lands To State Ownership

The Federal Government owns nearly 86 per cent of the land and land resources within the State of Nevada, and other Public Land States are, in effect, owned in part by the people of

the eastern, midwest and southern states through ownership by the Federal Government and whoever owns and controls the land and the land resources, in effect, control the people that land area.

Members of the Nevada Farm Bureau Federation believe that the Federal Government maintain in perpetual Federal ownership the National Parks, National Monuments, National Forests, Military Reservations; and other lands needed for general national purposes, and that the Federal Government, prior to this great Country's 200th birthday of its independence, give the State of Nevada and the other Public Land States of the West their independence by transferring ownership of all lands under the present management of the Bureau of Land Management to the respective States. (1975)

Advisory Boards

We feel that it is absolutely essential that the BLM and Forest Service advisory boards be retained as at presently constituted, with the present number of livestock industry representatives serving on these boards. (1975)

Constitutional Amendment

We go on record supporting that section of the United States Constitution that sets down the qualifications of a President and oppose any proposed changes. (1975)

Federal Use Tax On Trucks-Truck Tractors And Buses

We recommend that agriculture trucks that are owned by the producer of the products or commodity and are used only to transport these products or commodities be exempt from the Federal Use Tax on trucks. (1975)

Secretary Of Agriculture

Farm Bureau supports the retention of Secretary Butz, Secretary of Agriculture. (1975)

Air And Water Pollution

Many air and water anti-pollution requirements are drafted for crowded urban conditions, and are not applicable to Nevada Farms and Ranchers. If we are to continue to produce much-needed food, these restrictions should be modified to fit our type of agriculture. (1975)

Economy

We request immediate attention from all legislators, State and National, to develop a unified approach to stabilizing the economy. (1975)

Emergency And Disaster Food Program

Farm Bureau believes that the United States should, where possible, aid countries in the world whose people face starvation, without immediate food supplies being made available to them.

We further believe that our government officials who administer these programs should select first for use in these programs, those food products which are found to be in an over supply situation in this country. An example of which, at this time, would be processed beef.

Extreme care should be taken to see that the food sent is delivered to the people for whom it is intended. (1975)

Agricultural Return Flow Permits

1. Return flow irrigation water has been classified by the Environmental Protection Act of 1972, PL 92-500, as a "point source" of pollution, to be controlled by a permit system.

2. Return flow irrigation water can not usually be identified separately from ground and seepage water.

3. By nature (and often by law) such flows cannot be prevented from returning to natural streams and water courses.

4. Only harassment and expense will result from the application of a Permit System to return flows.

We believe that irrigation return flow water be classified as Non Point Source Discharge, subject to study and improvement of quality, but not requiring a permit to flow downhill, and the Environmental Protection Act be amended to so provide. (1975)

Topics for Taxpayers

161

16.



By ERNEST L. NEWTON,
SECRETARY

NOTHING COMES FROM NOTHING; NOTHING EVER WILL!

Oscar Hammerstein wrote for "Sound of Music": "Nothing comes from nothing; nothing ever will." But employee consultants to the Public Employee Retirement Board don't believe it. They have proposed that government employers of teachers and other public employees pay all of the retirement costs (now shared 50-50 between employers and employees) and that such an arrangement "Would effect a saving to both the employees and the taxpayers." It would be a good trick if it could be done; but of course it can't. Milton Friedman's axiom is still valid; "There is no such thing as a free lunch."

For years the actuaries have warned that substantial increases in payments to the Employees Retirement Fund are essential in view of the government's continuing programs to enhance the benefits of programs promised to retired employees. For years that warning was ignored, or partially ignored, and now it is imperative that there be a 10 per cent increase in the rate of payments made into the fund. A partial solution will be an increase from 14 per cent of payroll to 15 per cent of payroll in the next fiscal year and an additional increase, to 16 per cent of payroll in 1976-77. And even that will probably not provide funding for the unfunded liability concurrently growing. But it is a start.

However, the kicker comes when employees announce a plan to urge the legislature to provide for 100 per cent of the financing to come from the employer. Obviously, such a decision would add an immediate 7 per cent or (in the following year) eight per cent to the payroll of government employees. Unless, of course, employees would agree to a concurrent pay reduction in equal amount.

An employer-paid retirement program would, of course, reduce the current federal income tax liability for employees, too, and would defer that liability to later years when (presumably) employees would have a lower tax bracket and double exemptions.

The proposal has much to recommend it, from the employee standpoint. But the assertion that it would be a good deal for the taxpayers is made either in bad faith or in consummate ignorance of the facts of economic life. Whenever payments are made by government to anyone, or to any fund, it is basic that the money has to come from payments by taxpayers. There is no other source of money for government.

Nothing comes from nothing; nothing ever will.

FOREIGN INSPECTION

Foreign meat inspection covers those countries whose meat inspection systems have standards at least equal to those of the United States. Approval of a foreign country's meat inspection system is based on an evaluation of the particular country's laws and regulations governing its inspection program on an on-site survey of the system in operation. There are 45 such countries.

There are 21 veterinarians assigned to conduct plant reviews in foreign countries; 100 domestic field inspectors engaged in the inspection of meat at the point of entry; and more than 3,400 inspectors employed by foreign governments in these plants which export to the United States. 2.1 billion pounds of meat were passed for entry into the United States in calendar year 1973 as opposed to 1.8 billion in calendar year 1972. Seven countries accounted for 80 per cent of the 2.1 billion pounds of meat exported and 84 per cent of the 1,077 plants certified for export. The 1,077 eligible plants show an increase of 25 over calendar year 1972.

These plants received 3,317 in duplicate plant visits, a net increase of 475 from the preceding year.

Statement of
JOHN W. MOSCHETTI
Elko County Assessor

at Elko, Nevada
March 1, 1975
on S B 167 (Green Belt)

I am happy to appear here today and have some figures to quote you. Many people ignore figures but to me they are a forceful tool.

Figures I recently used on the railroad hearings before the State Board of Equalization helped us. I learned this week that the board ruled in our favor and the Southern Pacific R R will not receive a 17% reduction in taxes this year. This means an estimated 1/4 million dollars in additional taxes that the railroad will pay to northern Nevada counties this year.

As assessor of Elko County which contains 21% of the agricultural land in Nevada and 39% of the assessed valuation of livestock, I am concerned about S B 167.

As of May, 1974 there were 34 states and 7 Canadian provinces that have some type of use value farmland assessments. From 1950 to 1972 the national average shows 6.1% loss of agricultural land to other uses.

| | |
|--------------|------------------------------|
| In 17 states | there was more than 20% loss |
| 9 states | more than 30% loss |
| 4 states | more than 40% loss |
| 2 states | more than 50% loss |

In Elko County in the past decade when most of our loss has occurred, we show 6.3% loss of our agricultural land to other uses; less than 1% per year. Even this number could be reduced since in the past 7 years I have changed many assessments from agricultural to special which I felt were not bona fide agricultural.

S.B. 167 causes too much paper work for the other 99% of the land by requiring annual filings and dual assessments.

When I supported AJR 23 I felt Nevada had been using use-value farmland assessments for years and this legislation would legalize what we were doing and all that would be affected would be the urban fringe. To tell me that I must dual assess 2½ million acres of agricultural land annually is not necessary and would be more costly than benefits ever received. Did you know that deferred taxes collected in California with its higher tax rates than ours only amounted to \$84,725 in 1972-73?

What I think we need is more local decision making; a one time application automatically renewable, no dual assessments and the deferred tax computed at the time of conversion on the acreage converted.

I would like to quote a couple paragraphs from a recent study on use-value farmland assessments compiled by the Research and Technical Services Department of International Association of Assessing Officers. These paragraphs coincide very closely with an editorial prepared by our local editor just prior to the November election on AJR 23.

"The Rollback Tax and Land Speculation.

"It is not clear whether or not the rollback tax discourages land speculation. Probably it does not. The speculator can maintain his profit margin by two means: (1) paying the farmer less for his land, and (2) passing part of the cost on to the developer or home buyer. Because of the elasticities of the demand and supply curves involved, both of these measures are likely to be quite operative. In short, the farmer or original holder of the land and the homeowner or ultimate user are the only parties likely to be adversely affected. In fact, any hope for the prevention of a land use change depends, as we have seen, upon the participating farmer being so penalized in the form of a lower sales price that he is discouraged from selling. Only in this regard, can the rollback tax be considered an encouragement, and then not a guarantee, for maintaining land in agricultural or open space use.

"The Rollback Tax in Perspective.

"The fact that the rollback tax is generally a rather ineffective land use control measure does not mean, of course, that it is an altogether useless or undesirable provision. Certainly it has some marginal effect upon land use. More importantly, however, it provides society with a means of recapturing tax concessions which were made without securing the intended social benefit."

NEVADA LEGISLATIVE COUNSEL BUREAU
OFFICE OF RESEARCH BACKGROUND PAPER

1975 No. 3

AGRICULTURAL AND OPEN SPACE ASSESSMENT
AND TAX RECAPTURE PROVISIONS

I

With the passage of Question No. 3 on the November 5, 1974, ballot, the voters of Nevada opened the way for differential assessment of agricultural and open space land. The interpretation of "just valuation" as required by the constitution has reflected fair market value. As urban areas grow, adjacent land increases in market value although its value as farm land remains the same. Owners must either absorb higher tax bills or convert the land to a higher value use. The result has been the loss of open space and green areas around towns and cities because owners could not afford to maintain non-urban uses.

The constitutional provision is not self-executing. It says only that ". . . the legislature may constitute agricultural and open space real property . . . as a separate class for taxation purposes." The legislature must establish a plan for the assessment of farm and open space land, and it must provide for a method of tax recapture if such land is converted to a higher value use.

II

There are currently 17 states that provide for differential assessment of farm land and various other types of open space land. All have some sort of recapture provisions. Pursuant to the November election, those 17 states were queried concerning their assessment procedures and recapture provisions. Of the 17, 14 responded. The laws of those 14 states are summarized concerning the method of differential assessment and the manner of tax recapture. Not all of them are relevant to Nevada because our constitutional amendment limits the possible approaches.

The amendment first establishes a minimum recapture period of 7 years. It also provides for ". . . retroactive assessment" which seems to rule out penalty provisions. Whether or not

interest would be allowable is not clear. With these limitations in mind, the following summaries can serve as options and alternatives for Nevada's approach to implementing a greenbelt law.

III

1. Connecticut--Farm land, forest land and open space, each as defined, are eligible for assessment based on use. Recapture is by a conveyance tax which is based on a 10-year dedication period. If the land is sold at any point within 10 years after the land is first classified so as to qualify for special use assessment, the penalty is a percentage based on the year. If sold in the first year, the tax is 10 percent of the normal assessment of the land, in the second year, 9 percent, et cetera, to 1 percent in the 10th year. After that, there is no conveyance tax. A conversion of land from the special use is treated the same as conveyance.
2. Hawaii--Landowners may apply to dedicate their land as agricultural. Upon approval, the owner dedicates his land for either 10 or 20 years. This device eliminates the necessity to file for an agricultural assessment each year. Dedication for 20 years results in 50 percent of the tax based on agricultural assessment. Recapture is based on the difference between taxes paid and taxes that would have been paid plus 10 percent interest per annum for up to 10 years.
3. Illinois--Land in parcels of 40 acres or more used for agricultural purposes may be assessed according to its value only for that purpose. Recapture is based upon the difference between the taxes actually paid and those that could have been paid under normal assessment for the last 3 years at 5 percent per annum.
4. Kentucky--Agricultural land is a parcel of 10 acres or greater returning at least \$1,000 yearly gross income. Horticultural land is a parcel of 5 acres or greater returning at least \$1,000 yearly gross income. Recapture is based upon the difference between taxes paid and taxes that would have been paid under normal assessment for the current tax year and not more than the 2 preceding years. No interest is charged if paid within 30 days.

5. Maine--Open space land which includes wildlife management and sanctuary areas, scenic areas, recreational areas and farmland is assessed according to current use rather than highest and best use. When farmland is converted, the difference between the regular tax and the agricultural use tax is payable for every year of such special assessment up to 10 years at 8 percent interest per annum. The same applies for other open space lands except that the recapture period is up to 15 years.
6. Maryland--Land actively devoted to agriculture is assessed on the basis of such use. The recapture provision is based on doubling the difference between the taxes paid for the past 3 years and the taxes that would have been paid under normal assessment.
7. Minnesota--Land in parcels of 10 acres or more used exclusively for agricultural purposes is assessed according to its value as agricultural land, not its highest and best use. Each year, the highest and best use is recorded too. The land must produce at least one-third of the total family income of the owner to qualify also. The tax recapture is based on the difference between the tax paid and the tax that would have been paid under normal assessment for the past 3 years. No interest is provided. A similar provision exists for other open space land.
8. Montana--Land actively devoted to agriculture is assessed at a special rate based on the value of the land for that purpose. Recapture of taxes upon conversion of land is based on a formula in which the agricultural assessment for up to 4 years is subtracted from the full and fair market value assessment for the same period and the difference multiplied by the average aggregate millage over the period. That figure is called a roll-back tax.
9. New Hampshire--Open space land which included farm land, flood plain land, forest land, wetland, wild land or recreational land, is assessed at a special rate without regard to higher possible uses. When such land is converted, a land use change tax is levied which is 10 percent of the highest use valuation in the year of the conversion. In other words, if a parcel is valued at \$2,000 under an open space classification but \$10,000 under highest use, then a \$1,000 tax would be levied upon conversion.

10. New York--The assessment each year lists two figures, one for agriculture and one for highest and best. When land is converted, the difference between taxes paid on the agricultural assessment and the taxes that would have been paid if assessed otherwise for the past 5 years becomes payable on the next tax bill.
11. North Carolina--Agricultural, horticultural and forest lands are eligible for special tax assessment based upon use. Corporations are not eligible. From the first tax year of special assessment, the difference between taxes paid and what would have been paid under normal assessment constitutes a lien on the property. In other states, the lien is not effective until conversion. In North Carolina, the lien is perfected when the land is sold or the use changes. The recapture is for a period of up to 5 years in the amount of the lien plus interest.
12. Oregon--Agricultural land is assessed according to the value of the land as used for agriculture, not for any other possible use of a higher valuation. Agricultural land is of two types: 1) that within a designated agricultural zone, and 2) that which is not in such a zone but which is used for agricultural purposes. Conversion of land in an agricultural zone results in a penalty of up to 10 times the difference between agricultural and nonagricultural assessment during the last tax year. If an agricultural assessment has been in effect for less than 10 years, the penalty is reduced accordingly.

Conversion of land outside an agricultural zone results in payment of the difference in assessments for up to 10 years plus 6 percent interest per annum on such differential. The tax penalty for conversion of this category is less than that for converting land in an agricultural zone because of a greater public interest in preventing conversion in the zoned areas.

13. Texas--Agricultural land is defined in the constitution and a special assessment provided. Owners must apply annually for such an assessment. The recapture provision is payment of the difference between the agricultural value tax and the normal value tax for the past 3 years. No interest is provided.

14. Virginia--Agricultural, horticultural, forest and open space land as defined is eligible for special assessments known as "use assessments." A change in use resulting in loss of the special assessment causes a roll-back tax which is the difference between taxes paid and taxes that would have been paid under normal assessment for the current tax year and up to 5 previous years with 6 percent interest per annum.

The actual laws of the states listed are on file in the Office of Research and copies will be provided to legislators upon request.

APG/1-6-75