

MINUTES**Assembly**

TAXATION COMMITTEE

FEBRUARY 18, 1975

9:30

Members Present: Chairman May  
 Mr. Bennett  
 Mr. Christensen  
 Mr. Demers  
 Mr. Harmon  
 Mr. Mann  
 Mr. Murphy  
 Mr. Young

Members Excused: Mrs. Ford

Guests Present: M. K. Blomdal, Nevada Tax Commission  
 Jim Lien, Nevada Tax Commission  
 John J. Sheehan, Nevada Tax Commission  
 M. Douglas Miller, Mining Advisory Board  
 David B. Litton  
 W. W. Richards, Dept. of Motor Vehicles  
 Wilson Makabe, Veteran's Administration  
 Michael L. Medema, LCB, Audit Division  
 W. E. Adams, City of Las Vegas  
 Assemblyman Joe Dini, ~~Chairman~~

The meeting was called to order by Mr. May at 9:34. He explained that this meeting was to discuss the report of the subcommittee appointed at the last meeting to look into amendments for A. B. 198. Also being considered at this meeting were A. B. 53, A. B. 55, A. B. 235, S. B. 35, and S. B. 65.

ASSEMBLY BILL 198

Chairman May then turned the chair over to Mr. Christensen, chairman of the appointed subcommittee. Mr. Christensen explained to the committee that his subcommittee came to an agreement with both proponents and opponents of A. B. 198. The agreement was to add the word "production" to line 5 after the word "the" and before "proceeds", and to include section 4 of A. B. 62 as section 2 of A. B. 198. Assemblyman Joe Dini then asked the committee if the wording of line 6 after the word "mining", if not deleted, would cause conflict. The committee agreed. Another amendment added to the discussion was to delete the end segment of the bill after the word "basis" in line 14. The committee also agreed to this.

ASSEMBLY BILL 53

Chairman May then turned the discussion to A. B. 53. Mr. William Makabe testified in favor of the bill. He said that under the present law only about thirty veterans in Nevada are eligible for benefits. He said it is actually

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a law made on an individual basis because it helps so few people. He also added that unremarried widows should have some benefits as they do in California.

Mr. Mann then asked Mr. Makabe how many of the 30 veterans mentioned previously were Viet Nam veterans. He was told approximately seven.

Mr. David Litton then testified in behalf of A. B. 53.

Mr. Gene Milligan of the Nevada Association of Realtors, expressed to the committee that his association was in favor of passage of A. B. 53.

ASSEMBLY BILL 55

Chairman May then told the committee members that the introducer of A. B. 55, Mr. Harmon, had asked that the committee hold the bill for future data.

ASSEMBLY BILL 235

Chairman May then said that the introducer of A. B. 235, Mr. Glover, had asked that the committee indefinitely postpone A. B. 235.

Mr. Michael Medema of the Legislative Counsel Bureau, Audit Division, then testified that A. B. 235 was the result of an audit recommendation. Chairman May then asked Mr. Medema to furnish the committee with a copy of the audit recommendation. (Attachment 1).

SENATE BILL 35

Mr. Jack Sheehan of the Nevada Tax Commission testified on S. B. 35. He explained that this was just to change the title of chapter 377 of NRS to conform with the other chapters on this subject.

SENATE BILL 65

Mr. Winston Richards, of the Department of Motor Vehicles, testified in favor of S. B. 65.

There being no further testimony, the chairman excused the witnesses.

COMMITTEE ACTION

After discussion, the following action was taken:

Assembly Bill 198: Mr. Mann motioned for a Do Pass as Amended, motion seconded by Mr. Demers. The amendments were to include those discussed at the subcommittee meeting and also this committee meeting. Motion passed unanimously.

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Chairman May asked Mr. Young to speak regarding this bill on the floor of the Assembly.

Assembly Bill 53: Mr. Bennett motioned for a Do Pass, seconded by Mr. Murphy, passed unanimously. Mr. Mann was asked to speak on the floor regarding this bill.

Assembly Bill 55: Mr. Harmon motioned to hold this bill in committee, motion seconded by Mr. Murphy, unanimously passed.

Assembly Bill 235: Mr. Harmon motioned to hold this bill in committee, motion seconded by Mr. Bennett, unanimously passed.

Senate Bill 35: Mr. Mann motioned for a Do Pass, motion seconded by Mr. Murphy, passed unanimously. Mr. Bennett was assigned to speak in behalf of this bill on the floor of the Assembly.

Senate Bill 65: Mr. Demers motioned for a Do Pass, seconded by Mr. Harmon, passed unanimously. Mr. Christensen was asked to speak on the floor of the Assembly.

Chairman May then told the committee that he asked Mr. Demers to head a subcommittee to look into the possible tax problems with regards to an effort to consolidate Clark County. He asked that Mrs. Ford, Mr. Harmon, Mr. Bennett, and Mr. Mann join Mr. Demers on that subcommittee.

There being no further business, the meeting was adjourned at 10:27.

Respectfully submitted,

*Kim Morgan*

Kim Morgan, Assembly Attache

## AGENDA FOR COMMITTEE ON TAXATION

Date Feb. 18, 1975 Time 9:30 Room 316

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Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

- | Bills or Resolutions<br>to be considered | Subject   | Counsel<br>requested* |
|--|---|-----------------------|
| A. B. 53 ✓                               | Extends property tax exemptions to severely disabled veterans regardless of point of entry to the military.   |                       |
| A. B. 55 ✓                               | Extends veterans' tax exemption to additional veterans.   |                       |
| A. B. 235 ✓                              | Requires state board of examiners to make payments in lieu of taxes, and to extent of appropriations, to county where state-owned property exceeds fixed ratio. |                       |
| S. B. 35 ✓                               | Technical amendment correcting wording of short title of NRS chapter 377.   |                       |
| S. B. 65 ✓                               | Changes date for certain special fuel dealers and users to file return and pay taxes.   |                       |

AB 198

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
CARSON CITY, NEVADA 89701



LEGISLATIVE COMMISSION  
LAWRENCE E. JACOBSEN, Assemblyman, Chairman  
INTERIM FINANCE COMMITTEE  
FLOYD R. LAMB, Senator, Chairman 108

ARTHUR J. PALMER, Director

(Attachment 1)

PERRY P. BURNETT, Legislative Counsel  
EARL T. OLIVER, Legislative Auditor  
ARTHUR J. PALMER, Research Director

February 19, 1975

The Honorable Paul W. May  
Assemblyman  
Chairman, Committee on Taxation  
Legislative Building, Room 316  
Carson City, Nevada 89701

Dear Mr. May:

Assembly Bill 235 is currently before your committee. On Tuesday, February 18, 1975, we appeared to give testimony in support of this measure. At that time you requested that we provide you with a copy of our audit report of the State Board of Examiners for the fiscal year ended June 30, 1972, containing this recommendation.

The section of our audit report, approved by the Legislative Commission on August 1, 1973, pertaining to Assembly Bill 235 read as follows:

State Property Taxes

Chapter 548, Statutes of Nevada, 1969, amended NRS 361,055 adding the following provisions:

"4. All real estate owned by the State of Nevada located in each county shall be listed in a separate tax list and assessment roll book of that county at its full cash value. If the total value of such real estate owned by the state in a county is greater than 17 percent of the total value of all other real estate listed in the county's tax list and assessment roll books, that portion of the value of the real estate owned by the state which is in excess of such 17 percent may be taxed by the county as other property is taxed."

Carson City has been the only "county" to levy taxes against the state pursuant to NRS 361.055.

The Legislature has provided the Board with appropriations to settle the tax claims with the counties. The following schedule summarizes the amount paid since the obligation was authorized.

	Fiscal Year Ended June 30,			
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Amount Appropriated	\$100,000	\$100,000	\$220,195	\$200,806
Amount Paid	<u>100,000</u>	<u>100,000</u>	<u>220,195</u>	<u>--</u>
Balance	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$200,806</u> (1)

(1) Not paid as of 3/31/73

The tax liability as determined by Carson City has been in excess of the amounts appropriated. Carson City has adjusted the amount due to conform with the amount available.

RECOMMENDATION

We recommend that the Board request that NRS 361.055(4) be amended to limit the state's aggregate liability to the amount appropriated for such purposes.

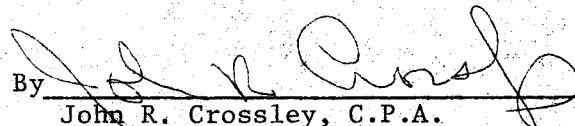
In addition, we wish to bring the following points to your attention:

- (1) The Ex officio clerk of the Board informed us on June 28, 1973, that the Board did not take exception to our recommendation concerning limiting the tax total. (copy attached)
- (2) However, when we initiated follow up procedures for the purpose of having legislation introduced, the Ex officio clerk of the Board informed us on October 18, 1975, that the Board disagreed with our recommendation. (copy attached)
- (3) As a result of point 2, the Administration has had AB 67 introduced to support the position taken on October 18, 1975. This bill, along with AB 43 and the Budget item on page 642 of the Governor's Budget is currently pending the Ways and Means Committee.
- (4) The purpose of our recommendation is to avoid a tax liability in excess of the amount approved by the Legislature. Because there is not a limit placed on the total tax liability, the State has had to:
  - A. For fiscal year ended June 30, 1974, grant \$107,674 from the Interim Finance Committee's Emergency Fund in addition to the \$105,331 appropriated by the 1973 Legislature.
  - B. AB 43 requesting a supplemental appropriation of \$35,395 for The fiscal year ended June 30, 1975, in addition to the \$122,117 appropriated by the 1973 Legislature.

Should you require further information or assistance regarding AB 235,  
please contact us.

Sincerely yours,

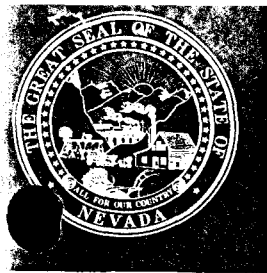
EARL T. OLIVER, C.P.A.  
LEGISLATIVE AUDITOR

By   
John R. Crossley, C.P.A.  
Chief Deputy Legislative Auditor

ETO:JRC:dc

Attachments (2)

AD 8



STATE OF NEVADA  
DEPARTMENT OF ADMINISTRATION  
CARSON CITY, NEVADA 89701

MIKE O'CALLAGHAN  
Governor

HOWARD E. BARRETT  
Director

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October 18, 1974

Mr. John Crossley  
Legislative Counsel Bureau  
Carson City, Nevada

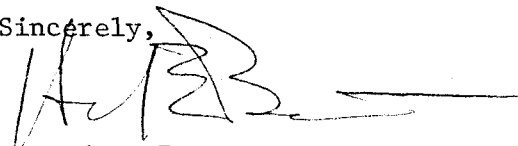
Dear John:

I have reviewed your October 10th letter in which you reiterate the three legislative recommendations that you made in the audit report on the Board of Examiners for the fiscal year ending June, 1972.

On behalf of the Board of Examiners, I will request legislation for items one and two.

I cannot recommend the Board of Examiners request legislation for item three. If the Legislature wishes to change the amount of money that the State pays "in-lieu of taxes" to Carson City, then I believe the formula should be changed, or if the formula is to be ignored by placing a limit, then the formula might as well be ignored and an appropriation be made directly to Carson City each year. At this point, we would intend to recommend to the Legislature that the formula stay the same, that a lump sum appropriation be made to the Board of Examiners to satisfy the formula with a provision that if the amount calculated according to the formula is beyond the appropriation, that the Board of Examiners may pay the additional amount out of the Statutory Contingency Fund.

Sincerely,

  
Howard E. Barrett  
Director of Administration

HEB/md





STATE OF NEVADA  
DEPARTMENT OF ADMINISTRATION  
CARSON CITY, NEVADA 89701

MIKE O'CALLAGHAN  
Governor

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BUDGET DIVISION PERSONNEL DIVISION PURCHASING DIVISION DATA PROCESSING DIVISION BUILDINGS & GROUNDS DIVISION

June 28, 1973

Mr. Earl Oliver  
Legislative Counsel Bureau  
Carson City, Nevada 89701

Dear Earl:

As you know, I received your report on the Board of Examiners' audit yesterday and the Governor and I met with you and your staff concerning the report. The only area in your report that I feel needs clarification is the recommendation on Page 13.22 concerning reversions. When new accounts are established, the account inventory sheet indicates to the Controller when the account is to revert. That procedure was followed with the account for the special election. In reviewing accounts after September 1st, we found that the account had not yet been reverted and again on February 17, 1972, we sent a letter to the Controller asking that the account be reverted. The Board of Examiners can only call the Controller's attention to reversion dates and cannot actually make the reversion since that is an accounting function.

Thank you for the opportunity for commenting on the audit.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Barrett".

Howard E. Barrett, Director  
Department of Administration

HEB/km