

MINUTES

ASSEMBLY TAXATION
 MARCH 13, 1975
 9:30

Members Present: Chairman May
 Mr. Mann
 Mr. Christensen
 Mr. Demers
 Mr. Murphy
 Mrs. Ford
 Mr. Young

Members Excused: Mr. Harmon
 Mr. Bennett

Guests Present: Dr. Glen Atkinson, Assessment and Tax Equity
 Committee Chairman
 Pearl M. Lee Layman
 Marion Dwyer
 Bill Dwyer, United Taxpayers, Washoe County
 Richard Bunker, County of Clark
 Bob Broadbent, County Commissioners Association
 Jim Lien, Nevada Tax Commission
 John Moschetti, Elko County Assessor
 Micki Blomdal, Nevada Tax Commission
 Vernon Dalton, Nevada Rural Electric Assn.
 Homer Rodriguez, Carson City Assessor
 James Bawben
 Paul Gemmill, Nev. Mining Association, Inc.
 Robert Warren, Nevada League of Cities
 Jim Anderson, Nevada Tax Commission

The meeting was called to order at 9:37 by Chairman May. He explained that this meeting was to continue discussion on A. B. 317.

ASSEMBLY BILL 317

Dr. Glen Atkinson, Chairman of the Governor's Assessment and Tax Equity Study Committee, was the first speaker. He told the committee the following:
 This committee was appointed by the Governor to study the structure of the Tax Commission, our suggestion was to go from a nine member board to a seven member board. We were to look at the State Board of Equalization, our suggestion was to split the State Board of Equalization duties away from the nine member Tax Commission, and create a separate three person State Board of Equalization. We suggested that instead of having specific qualifications for the members of the Tax Commission, we have general qualifications.

Our suggestion for the county boards of equalization was to change the membership.

We thought that it would be better to have the assessors and their staff attend school to become better qualified and that before reelection, assessors must become certified as competent by the Tax Commission.

As far as the ratio study, the equity committee decided that it is the only way to ensure intercounty equality. The committee also wanted to have the standard deviation figure reported to the staff of the Tax Commission to ensure intracounty equality.

Dr. Atkinson then told the committee that his only correction to the bill (as chairman of the equity committee) was that on line 40 page 19 the equity committee had agreed to have the acceptable standard deviation figure at 10% instead of the 5% as is presently written in the bill.

Mr. Paul Gimmel of the Nevada Mining Association spoke next. He told the committee that after reading the review of A. B. 317 in the Nevada Taxpayer's Association newsletter, he got the impression that the county would lose their ability to take into consideration whether a mine was in operation while assessing the machinery and equipment for tax purposes. He said that presently the county assessor can take this into consideration and that many small mines are going to be going bankrupt because of paying taxes on equipment that is only worth salvage value because the mine is presently not in operation because of an ore strike or something like that. He was referring to Page 33 lines 11-15.

Mr. John Moschetti, Elko County Assessor, answered Mr. Gimmel's question by saying that the present assessment practice of taking into consideration "economic obsolescence" is a method taught to assessors by the state tax commission in their training. He said that he thought what the tax equity committee was trying to do was arrive at some kind of tax equity on mines and that presently there are variances between counties. He said that the state even now takes into consideration whether there is economic obsolescence. He added that the county assessor would still have the right to complain to the boards of equalization if he felt that there was something wrong with the assessment in his county. He ended his answer to Mr. Gimmel's question by saying that he felt that the state tax commission would do a much better job of attaining equity in mine taxation than the county assessors could do.

Mr. Moschetti then continued with his planned testimony for the day. He told the committee that the Assessors Association felt that membership of the county board of equalization should not be changed. (Page 20 section 64 of bill) He felt that in the small counties it would be hard to find persons with those

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qualifications. With regards to the state board of equalization, the assessors felt that three members were not enough and that maybe they should add two more members to make a total of five members on the board.

Mr. Young asked Mr. Moschetti if the assessors had some specific qualifications for the extra two members. He said he did not.

Mr. Demers suggested that it consist of two realtors from the South and two realtors from the North and one CPA.

Mr. Lien of the Tax Commission said that at the present time there is not enough work for a full time board, he said that the decision for a lay board or a professional board could be debated.

Mr. Bob Warren of the Nevada League of Cities suggested that there be a standard program for economic obsolescence so as to make equity among counties.

Mr. Jim Anderson of the Division of Assessment Standards of the Tax Commission said that the allowance had to vary from property to property and from situation to situation.

Mr. Young asked what prompted the equity committee to decide on two realtors and one CPA.

Dr. Atkinson told him that the state board of equalization's job was to interpret appraisal procedures so they must be people with knowledge in that field.

Mr. Jim Lien of the Tax Commission gave some specific suggestions for amendment of the bill. He suggested that on page 11 line 12 the words "with appraisal responsibilities" be added after the word "deputy". He said that this would clear up the problems that the assessors have with this section. He also said that line 47 of page 11 should have January 1 instead of July 1. He suggested that a subsection 3 be added to section 48 of the bill which relates to the mandatory education of assessors and their staff. He said that he would submit it to the committee at the next meeting.

Mr. Ernest Newton of the Nevada Taxpayer's Association brought to the committee's attention the fact that on page 11 line 42 the term credit hours needed clarifying because the common use of that term was to mean almost a full year of full time college study. (If used as in the bill "24 credit hours")

Mr. Homer Rodriguez, Carson City Assessor, then told the committee that if they impose the education requirement on the assessors that it would be the only restriction on the qualifications of an elected official and that there is not a provision for a salary increase to go along with the education requirement. (Page 11 section 48)

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March 13, 1975
Page Four

Mr. Bob Broadbent of the County Commissioners Association told the committee that his association did not want a change in the membership of the county board of equalization and that they would be happy with the amendment proposed by Senator Dodge regarding the membership of the Tax Commission. He also added that when you have an education requirement on an employee of the state or counties there should be a monetary appropriation to go along with the employee's reasonable request for a salary reclassification after he has completed the education required. (Page 11 section 48)

The committee received a letter from Mr. Carl Soderblom that contained his feelings regarding A. B. 317. The letter is contained in these minutes as Attachment 1.

Mr. May obtained permission from the committee to introduce a bill regarding a 1/2 increase in the City County relief. The request for this bill came from Mr. Bob Warren, his letter is Attachment 2. The committee was all in favor except Mr. Demers.

There being no further business, the committee stood adjourned at 10:47.

Respectfully submitted,



Kim Morgan
Committee secretary

NEVADA RAILROAD ASSOCIATION

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CARL A. SODERBLOM, Representing
Southern Pacific Company
Western Pacific Railroad Company
One East First Street, Room 803
Reno, Nevada 89501
Telephone 329-2492

March 12, 1975

File: 1975 Legislature
A.B. 317

Assemblyman Paul E. May
Chairman, Assembly Committee on Taxation
Legislative Building
Carson City, Nevada 89701

Dear Paul:

This has reference to my recent conversation with you relative to A.B. 317 which would establish a Department of Taxation and make several changes in the revenue code concerning taxation of property.

I feel very strongly that there should be uniformity and equalization of assessments in the State within counties, also among the various counties. Therefore, I feel that an amendment to A.B. 317 is necessary if we are to accomplish this objective. I am proposing that the words "department may" on Page 4, line 49 should be changed to "department shall."

On page 24, section 29, line 24 provides that meeting of the State Board of Equalization shall be public and any person is entitled to appear. In my considered judgement in order to eliminate unnecessary work for the Board brought about by some disgruntled individual, the word "person" should be changed to "taxpayer."

Other than the two changes I have recommended, I feel that your committee has done a good job in drafting a good bill. Changes made to Chapters 250 and 361 of the N.R.S. contained in sections 44 through 57 are very much needed if we are ever to attain equalization within the state, and I sincerely hope that we are successful in retaining the qualifications of assessors as well as a parcelling system for the various counties as contained in these sections.

Sincerely yours,



CARL A. SODERBLOM

Attachment 2

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Nevada League of Cities

ROBERT E. WARREN
Executive Director

March 3, 1975

Honorable Paul May
Nevada State Assembly
Carson City, Nevada 89701

RE: Committee Introduction of Legislation to Permit One-half Cent Increase in City-County Relief Tax

Dear Assemblyman May:

Per our recent conversation, the Nevada League of Cities respectfully requests introduction by the Taxation Committee of legislation to permit a half-cent increase in the City-County Relief (sales) Tax. We prefer that the bill be permissive; this will require individual city councils to take action to receive the monies, thus making the locally elected officials responsible for any increase in the tax.

As you are aware, many Nevada cities are faced with the combination of lessening revenues and sharply escalating costs. Some indicate they will have to cut back on services or personnel - or both by the end of '75-'76 fiscal year. I am obtaining budgets and narrative descriptions of the fiscal problems expected by the cities.

Senator Gene Echols has indicated he will yield to your Taxation Committee for an introduction of this bill.

Your assistance is warmly appreciated.

Sincerely,

Robert E. Warren
Executive Director

*Paul: Sorry about confusion
I thought this letter*

*REW/ls had gone out to you
earlier.*

Need your request for bill draft.

YERINGT

WINNEMUCCA

WELLS

SPARKS

RENO

NORTH LAS VEGAS

LOVELOCK

LAS VEGAS

BOLDER CITY

CALIENTE

CARLIN

CARSON CITY

ELKO

ELY

FALLON

GABBS

HENDERSON

FROM THE DESK OF..... BOB WARREN

MENT TODAY and WESTERN CITY MAGAZINE

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ROBERT E. WARREN
Executive Director

Assemblyman May:

Paul - I should have noted in my letter re request for bill on increase of sales tax that it will be necessary for you (per taxation cmt) to request a bill draft.

We have not done this. Didn't want bill to come out before I obtained budgets of cities. Thanks

Bob

NEVADA LEAGUE OF CITIES - 882-2121

3, 1975

one-half Cent

respectfully
ion to permit
We prefer
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combination of
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Robert E. Warren
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GABBS
HENDERSON