

MINUTES

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ASSEMBLY TAXATION
March 25, 1975
9:40 a.m.

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

Members Excused: Mr. Young
Mr. Bennett

Guests Present: Woody Riggan - Douglas County Recorder's Office;
Matt Bernard - " " Clerk;
Jim Lien - Nevada State Tax Commission

The meeting was called to order at 9:40 a.m.

SENATE BILL 238: eliminating the need of indicating the time of receipt on county recorder's alphabetical index:

Mr. Woody Riggan spoke in favor of this bill stating that persons searching records do not depend on the recorder's alphabetical index but go directly to the documentation of the documents

ASSEMBLY BILL 358: increasing penalties for property tax delinquencies:

Mr. Matt Bernard, Douglas County Clerk, spoke in favor of the increased penalty schedule proposed by this bill for delinquent property tax payers. He stated that Douglas County has over 3,000 delinquent taxpayers with a total population of less than 10,000. He was unable to provide the committee with the total amount of these delinquencies because he had not had time to prepare a total. However, he stated that four of the delinquent taxpayers totalled \$88,000; that the biggest violators were land developers; that the existing penalties are too low because property owners can use this tax money due the county for two years before the property is sold by the county to their advantage because of high interest rates, etc. He stated that Douglas County was in a "real bind" and guessed that at least \$150,000 was delinquent. He also mentioned that the present penalties were established in 1959.

Mr. Murphy questioned hardships placed on diligent taxpayers who simply forgot to pay their taxes and Mr. Bernard suggested that

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the penalty scale could be similar to the income tax schedule, i.e., if a taxpayer owes \$200 his penalty would be 2%; from a delinquency of \$200 to \$500 the penalty would be increased; from \$40,000 the penalty would go up to 12%.

Mr. Mann stated that there is "no advantage to not paying taxes if this bill is passed". He asked if it was really the little buy who is a problem. Mr. Bernard suggested that a second statement could be sent out by the county in February just as a reminder. Mr. Mann pointed out that from Mr. Bernard's figures 4 large land owners owe the county 55% of the total delinquencies. Mr. Bernard confirmed this.

Mrs. Ford asked Mr. Bernard if there were problems of tax delinquencies with taxes held in impound funds. Mr. Bernard stated that there were some problems, but not too many and that even in cases where taxes are paid from impound funds, the property owners is still responsible for the penalties.

Mr. Christensen stated his reluctance to penalties of 10% and asked if there isn't some way to avoid this defrauding of the counties. Mr. Bernard stated that the Legislature is the only means to alleviate this problem.

Mr. Mann stated that there is no way the Legislature can pass a bill which only effects certain groups. "If there is a violation of a law, make it so that there is no benefit to the delinquent taxpayer," he stated. Mr. Murphy asked if this legislation was the only alternative the county has. Mr. Bernard stated that it is. Mr. Jim Lien of the Nevada State Tax Commission reiterated Mr. Bernard's statement that many delinquent taxpayers delay payment until the two years and 90 days has expired before the county can foreclose on property.

Mr. Bernard discussed one taxpayer, Sierra Charter, who paid back taxes to the county on property, obtained permission to build, haven't paid any further taxes, "and won't".

Mrs. Ford stated that she felt this problem was not unique to Douglas County; that the situation in Clark County is also very bad and that many out-of-state property owners are delinquent taxpayers. Mr. Mann mentioned that under the "Green Belt" bill, it was discovered that there are also many delinquent taxpayers; that penalties are not high enough.

Mr. Lawrence Jacobsen, sponsor of the bill, stated that many Douglas County budgets are severely affected by these delinquencies and have had to make interim loans from the State to maintain their budgets. He also stated that he felt the schedule outdated; that the penalties are much cheaper than borrowing money from the bank. He felt that this increase was needed by every county in the State but that nothing

has been done about it.

Mr. Murphy questioned Mr. Lien about any recourse a delinquent taxpayer has. Mr. Lien stated that NRS 361.410 allows for appeal under certain conditions such as bills being lost in the mail, deaths in family under which conditions the Tax Commission will review the case and possibly waive the penalty. He stated that this has only been done twice in the past two years; that delinquent lists in all counties are growing. Mrs. Ford asked Mr. Lien if he consequently felt this was a good bill. Mr. Lien stated that he had always felt the penalties were out-dated which this bill would satisfy but that the counties should be consulted as to the bill becoming effective July, 1975 as it may be too soon for the counties to alter their billings some of which are on computers. Mr. Bernard stated that this would not affect Douglas County. However, Mr. Demers felt that Clark County could easily make the adjustment and hopefully receive delinquent taxes in advance of the next billing.

Discussion was held as to the total amount of penalties since they are compounded.

ASSEMBLY BILL 346: clarifying statutory language relating to taxation and transfers of unregistered vehicles, etc.

Mr. Lien stated that this bill is partly in response to a situation where the Department of Motor Vehicles will be collecting a privilege tax rather than personal property tax on travel trailers. He explained the suggested changes on page 1 of the bill which merely describe vehicles normally paying a privilege tax rather than personal property tax. He also suggested that on page 2, lines 38 to 42, add "chassis mount pick up shell, camper, and travel trailer." Stickers are usually applied to these types vehicles in Clark County. This amendment would require all county assessors to sell these stickers which would make it uniform throughout the State. If any of these vehicles did not display the sticker, the Department of Motor Vehicles and other enforcement officials could stop these vehicles on the road. Mr. May asked Mr. Lien to please submit his suggested amendments in writing.

On page 4, line 44, "every vehicle", Mr. Lien stated that the Tax Commission would be agreeable to the old language since many of the vehicles described in the old language are not now paying this fee. He also felt that the new material on page 5 should be deleted because it would be very difficult for the DMV to enforce, but that if it is necessary to save the balance of the bill to leave it in.

Mr. Murphy asked Mr. Lien if Motor homes and mobile homes are included in the bill. Mr. Lien stated that they were but

if they do not pay a privilege tax, they are subject to personal property taxes. If the owner drives on the highways, he must pay a privilege tax and register the vehicle; if he does not drive on the highways he pays a personal property tax.

COMMITTEE ACTION:

ASSEMBLY BILL 346 - Mr. Murphy moved to re-schedule the bill for further hearings; the motion was seconded by Mr. Mann and unanimously passed.

ASSEMBLY BILL 358 - Mr. Mann moved for a DO PASS; Mrs. Ford seconded the motion. The motion was unanimously passed.

SENATE BILL 238 - Mr. Mann moved for a DO PASS; Mrs. Ford seconded the motion. The motion was unanimously passed.

Mrs. Ford requested that Mr. Bernard submit to the committee a breakdown of delinquencies and resume to be used on the Assembly floor when the bill (AB 358) is spoken for.

Chairman May requested Mr. Mann to speak on AB 358 with Mrs. Ford as an alternate. He requested that Mr. Christensen speak on SB 238.

Mr. Murphy spoke of SJR 8 and advised the committee that Mr. Bob Gwinn had informed him that many truckers who live in Nevada are being taxed in their income from California because they work there and hopes that this measure is not passed until California refrains from this practice.

COMMITTEE ACTION: Mr. Mann moved for a committee introduction of a bill proposed by Mr. Murphy. Mr. Christensen seconded the motion. The motion was unanimously passed by the committee.

Chairman May called for a three minute recess.

COMMITTEE ACTION: Mr. Mann moved to indefinite postpone AB 181, an act authorizing state payment of the privilege tax and registration fee on certain vehicles belonging to national guardsmen. Mrs. Ford seconded the motion. Mr. Murphy spoke in opposition to the motion stating that he was a member of the National Guard, that the Governor was in favor of the bill and that the committee should discuss their objections with the Governor and advise him of their pending action. Mr. Demers asked if this motion fails, does the bill fail. Mr. May stated it would be indefinitely postponed for a lack of majority voting for the motion. Mrs. Ford stated that there must be a majority to take any action at all. Mr. Demers felt that if the motion to Indefinitely postpone fails, the bill is in effect killed, according to Mason's Manual. Mr.

May agreed with Mr. Demers but Mrs. Ford stated that the committee's rules supercede Mason's Manual.

Mr. Murphy moved to adjourn the meeting. Mr. Christensen seconded the motion. Voting in the affirmative were Mr. May, Mr. Demers, and Mr. Christensen. Voting "no" were Mrs. Ford and Mr. Mann. The committee adjourned at 10:30 a.m.

Respectfully submitted,

Kim Morgan

KIM MORGAN, Secretary

AGENDA FOR COMMITTEE ON TAXATION

Date March 25, 1975 Time 9:30 Room 316

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Bills or Resolutions to be considered	Subject	Counsel requested*
A. B. 346	regarding tax sticker for slide in campers and applies specified fee to certain vehicles.	
A. B. 358	Increases penalty for property tax delinquencies.	
S. B. 238	Eliminates need of indicating time of receipt of federal tax lien on county recorder's alphabetical index.	

SJR 8

AB 181