

ASSEMBLY TAXATION
April 29, 1975
9:30

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

Chairman May called the meeting to order at 9:25 and told the committee that the first order of business was to decide whether or not to concur in the Senate amendments on the inventory exemption resolutions. Mr. Demers moved that the committee do concur and Mr. Young seconded, motion approved unanimously.

ASSEMBLY BILL 702

It was the decision of the committee to wait and hear testimony on this measure until the next meeting when it would be discussing other bills about special tax exemptions.

ASSEMBLY BILL 685

Mr. Demers told the committee that in order to get a boat licensed the only thing you have to do is to show proof of payment of sales tax. This bill would require that the Fish and Game department be shown proof of payment of personal property tax on the boat before the registration is given to the owner. He said that in Clark County alone that much money is spent and much time is spent by the field investigators of the assessors office while they jump over fences trying to find the boats to make the owners pay their taxes.

Mr. Fred Wright and Mr. Glen Griffith of the Fish and Game Divison from Reno gave a statement in opposition to the bill. ATTACHMENT 1

Mr. Demers asked the gentlemen if they had discussed this bill with their commissioners. They told them that they had done so and that the commissioners had posed their objections also.

Mr. Demers then told the men that he also had conversations with the commissioners and they had told him that they had no objections.

Mr. Demers then told the men that he did not feel that it would put the Fish and Game department out of their way to have to ask for the proof of payment of the property tax since they already had to see that the sales tax had been paid.

Mr. Bennett wa

ASSEMBLY TAXATION
 April 29, 1975
 Page Two

Mr. Bennett asked if a lien could be put on the boat if the person did not pay his taxes. Mr. Demers told him that a lien could be made but that if the assessor could not touch the boat he could not tax it and that is why the field investigators had to climb over fences.

Assemblyman Lawrence Jacobsen then testified in favor of the bill. He said that Douglas county is only collecting taxes on about 50% of the boats in the county and that assessor would like to have this bill passed so that the tax can be collected on all boats.

SENATE BILL 516

Mr. Bud Hicks from the Attorney Generals office assigned to the Gaming Control Board testified in favor of this bill. He said that this was a compromise bill and that it is fair to both sides. He explained that the bill made provision for interest to be paid or collected on underpayments or overpayments of gaming fees and casino taxes and that it asked for an extension of the limitation of three years for audits to be made of gaming establishments. He said that three years was just not enough time.

Mr. Les Kofoed from the Gaming Industry Association said he was in favor of the bill if it was amended to add another section which read

NRS 463.387 is hereby amended to read as follows:

463.387. State gaming license fees erroneously collected may be refunded, upon approval of the Commission. Any claim for refund of state gaming license fees or taxes paid in excess of the amount required to be reported and paid must be filed with the Nevada Gaming Commission within five years of the date of assessment. The provisions of NRS 353.115 shall not be applicable to such claims.

COMMITTEE ACTION

A. B. 685- Subcommittee was appointed by Mr. May consisting of Mr. Demers as chairman with Mr. Christensen and Mr. Young.

A. B. 702- rescheduled

S. B. 516- Mr. Mann moved to Amend and DO PASS, seconded by Mrs. Ford, passed unanimously.

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

Respectfully submitted,

Kim Morgan

Kim Morgan, Secretary

HEARING

COMMITTEE ON TAXATION

316

Date April 29, 1975 Time 9:30 Room 316

Bill or Resolution
to be consideredSubject

A. B. 702	Provides property tax exemption on home improvements.
A. B. 685	Requires proof of satisfaction of personal property tax obligation as condition to registration and numbering of watercraft.
S. B. 516	Provides for the collection of underpayments and the refund of overpayments of certain gaming license fees and casino entertainment taxes together with interest thereon.

Relative To
Department of Fish and Game's Position on A.B. 685

April 29, 1975

NRS 488.025 declares it is the policy of this state to promote safety for persons and property in and connected with the use, operation and equipment of vessels and to promote uniformity of laws relating thereto. We consider our operation under NRS 488 to be primarily one of implementing a boating safety program which is supported by income from the annual registration of motorboats. In addition, to protect the boat owner's interest in his investment the titling portion of the act was added by amendment. The income generated here also supports the program plus administration of the titling and registration system, both of which are computerized.

Further NRS 488.065 says in part that "every motorboat on the waters of this state shall be numbered and titled"....except that "any person who purchased or otherwise owns a motorboat prior to January 1, 1972 shall not be required to title such motorboat until he transfers any portion of ownership to another person."

This means that the annual registering by calendar year of a boat need not occur until the owner plans to use the boat on the waters of the state. If he does not use it he might not register his boat during any given year and we do accept voluntary titling of motorboats even if no change in status has occurred.

Upon any sale, lease or other transfer of a motorboat by a dealer NRS 488.1803 requires the department to be notified by the end of the next business day. In this type of transaction the boat owner is given a 60-day temporary operating permit pending receipt of the actual title and certificate of number, from the department. Prior to the close of this

Page 2

transaction under AB 685, proof of payment of personal property tax would have to be obtained and possibly that payment of property taxes could not be completed within the required time frame. Also, the new boat owner could not be permitted to receive his temporary operating permit until the taxes were paid.

The department is presently supplying each County Assessor with a listing of boat transactions that occurred during the month in conformance with NRS 488.075.

We have assisted several counties by fulfilling special requests such as an alpha and/or numeric listing of all boats on the master file for their county as of the request date or a duplicate tape for use by the county requesting. If the counties have a problem with personal property taxes on boats and motors they have not explored alternative methods with the department.

The passage of A.B. 685 would cause considerable public inconvenience as invariably they will overlook the requirement of supplying the department with proof of prior payment of property taxes. Of the 17,492 certificates of number issued since January (calendar year registration) an estimated 25% are walk-ins. Of these, 5% obtained current years decals from a license agent and not directly from a department office. The remaining 75% have been processed by mail. Still outstanding are some 5,000 certificates of number in which the boat owner has not yet elected to make current. Any certificate of number not accompanied by proof of property tax payment would have to be mailed back to the sender. The additional handling costs because of A.B. 685 would fall on the department plus bearing the brunt of public resentment. These costs will detract from the boating safety program.

The ultimate in public frustration will occur when they appear at a private business which acts as a license agent on behalf of the department or they appear at a department office between 4:00 and 5:00 p.m. on a Friday before a weekend boating trip and they have to be referred to the County Assessor first.

The Department of Motor Vehicles has had considerable experience with this type of public frustration in handling camp trailers and campers. They are now looking for legislative changes to correct that problem.

This department recommends that A.B. 685 not be enacted. If any change is made, after it has been determined that the counties do in fact have a problem they can't handle themselves, then amendments to NRS 488 could be necessary. Possibly, a motorboat privilege tax section similar to NRS 371 should be considered for incorporating in our computer processing. This department stands ready to work with the Association of County Assessors to evaluate alternatives prior to the 1977 Legislature.



Nevada Legislature

ASSEMBLY

April 28, 1975

The members of the Assembly Taxation committee who have signed their name below give permission to have BDR 58-1963 introduced in the committee's name.

May- ✓

Mann

Bennett ✓

Christensen

Demers

Harmon

Murphy ✓

Ford ✓

Young ✓