MINUTES

ASSEMBLY TAXATION
May 1, 1975
9:30

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

Speaking Guests: Brian Pardo, North American Solar Inc.
Brad Stone, Intern
Assemblyman Bob Price
Russ McDonald, Washoe County
Bob Weld, Homebuilders Association
Assemblyman Bob Benkovich
Walt Martini, Chamber of Commerce, Las Vegas
John Kimbrell
Jim Lien, Nevada Tax Commission
John Ciardella, Department of Motor Vehicles
Ernest Newton, Nevada Taxpayer's Association

The meeting was called to order by Chairman May at 9:28.

ASSEMBLY BILL 706

Mr. Brad Stone and Mr. Brian Pardo gave the committee three handouts, ATTACHMENTS 1, 2, and 3. They explained that this bill asks for a tax exemption on property tax for people who have some sort of solar heating or cooling units. A. B. 706 was modeled after an Arizona law. They felt that for conserving energy resources, people should not be penalized.

Assemblyman Bob Price told the committee that there are a number of states that are trying to encourage the use of solar energy. He told the committee that under this bill a person who has a solar energy unit installed would make application to the assessor who would note the possession of such a unit but would not assess additional property tax to the original installer. If the house was sold, the next owner would pay property tax on the unit.

Mr. Mann asked Mr. Price if he would mind a little clarification of the language by the committee. He was told that he would not.

Chairman May appointed a subcommittee to further look in to the measure. Mr. Mann as chairman and Mrs. Ford and Mr. Murphy as members.

ASSEMBLY BILL 736

Mr. Russ McDonald, Washoe County Manager, explained the purpose of this bill as follows. Major utility companies pay counties for the use of their streets etc. This franchise fee is supposed to go for maintaining the streets in case of repaving etc. Historically, this money was put into the county school fund. Mr. McDonald said that he didn't understand why this was started but he is now asking that the franchise fees be put in the counties general funds instead of go to the school district. He said that he would not mind if the school district kept the franchise fee if they would like to start paving the roads. He said that the fees amounted to $25,000 a year in Washoe County.

ASSEMBLY BILLS 624, 702, and 705

Chairman May explained that since the subject matter was so similar in these measures that the committee would hear testimony on all three at once.

Mr. Bob Weld, Executive Director of the Southern Nevada Homebuilder's Association told the committee that they supported the concept of all three measures and if they had to choose one it would be A. B. 702.

Assemblyman Benkovich spoke in favor of A. B. 624. He said that this bill would give help to those people who need a tax break and not just anyone. He suggested that line 3 page 1 be amended to begin as follows : After July 1, 1975 ...
so as to not make the measure retroactive.

Mr. Walt Martini, Chamber of Commerce of Las Vegas, spoke in favor of A. B. 624 because he felt that any help given to the aged people would be worthwhile.

Mr. John Kimbrell stated that he supported A. B. 624 . He told the committee that the fiscal impact would be negligible.

Mr. Jim Lien from the Nevada Tax Commission gave the committee some suggestions. He said that in A. B. 624 the $5,000 figure be changed to $1,000 so as to make it more usable.

ASSEMBLY BILL 551

Mr. John Ciardella, Department of Motor Vehicles, gave the committee an amendment that he felt might make the bill a little more workable. ATTACHMENT 4. He stated that the fiscal impact would be approximately $2,289 per year.

Mr. Ernest Newton of the Nevada Taxpayers Association, spoke on the basic concept of tax exemptions. He said that the major cost of any household is the cost of government. He said that it cost more that food, shelter, and clothing combined. He added that it all had to come out of the taxpayer's pocket in the end. He said that the Nevada Taxpayers Association bitterly opposed any kind of tax exemption for a special group because the constitution says that all taxation should be equal and fair. The homeowner in Nevada gets the best tax climate in the United States. He concluded by saying that it is nice to be able to give tax exemptions but that the consumer is ultimately paying the prices.

COMMITTEE ACTION

Assembly Bill 702- Mr. Young moved to Indefinitely Postpone, seconded by Mrs. Ford, unanimous except for Mr. Demers who voted no.

Assembly Bill 706- A subcommittee was appointed of Mann, Ford and Murphy.

Assembly Bill 705- Mr. Bennett moved a Do Pass, seconded by Mr. Christensen, passed 5-4 with May, Mann, Ford, Young voting no.

Assembly Bill 551- Mr. Mann moved to Indefinitely Postpone, seconded by Mr. Young, Passed unanimously.

Assembly Bill 624- Mr. Murphy moved an Amend and Do Pass, amendments being adding After July 1, 1975 to line three and changing the $5,000 figure to $1,000, Seconded by Mr. Mann, Passed unanimously.

Mr. May added to the record that Mr. Harvey Gross had added his support to SJR 5.

Senate Joint Resolution 5 - Mr. Murphy moved that the committee move the measure on to the floor of the Assemlby without recommendation. Seconded by Mr. Mann. The vote was 5-4 in favor of the motion with Mr. May, Mr. Bennett, Mr. Harmon and Mr. Young voting against the motion.

Assembly Joint Resolution 3- Mrs. Ford moved to Indefinitely Postpone, Seconded by Mr. Mann, Passed unanimously.

There being no further business, the meeting was adjourned at 10:31.

Respectfully submitted,

Kim Morgan

Kim Morgan, Secretary

POSTED on April 28
3:00

ASSEMBLY

HEARING

COMMITTEE ON TAXATION 324

Date May 1 Time 9:30 Room 316

Bill or Resolution to be considered	Subject
NOTICE - THIS AGENDA SUPERCEDES THE PREVIOUSLY POSTED ONE FOR THE SAME DATE	
none. SJR 5	Proposes to amend Nevada Constitution to allow imposition of estate tax not to exceed credit allowable under federal law
Held AJR 40	Proposes constitutional amendment prohibiting personal income tax
amend + D.P. AB 624	Provides property tax exemption on home improvements for certain elderly persons.
I.P. AB 551	Exempts disabled veterans from motor vehicle registration and license plate fees and from privilege tax.
DP AB 705	Provides property tax exemption for certain disabled persons
sub AB 706	Provides property tax exemption for solar energy heating or cooling systems.
I.P. AB 702	Provides property tax exemption on home improvements.

AB 736

Revolution: Brian Pardo, president of North American Solar, Inc., shows off his model solar heated home at the corner of Pembroke and Parkway Streets in Hidden Valley. A public showing will be held today at noon.

Reno Man Puts Sun to Work

Icarus should have known better than to fly so close to the sun. It is pretty powerful, you know.

The mythological figure defied the sun, then fell to his death when his wings melted in the heat.

Brian Pardo, 32, of Reno, has a much wiser attitude toward the sun. Instead of challenging it, he is going to use it.

Pardo, president of North American Solar, Inc., has been designing a solar heating system that can be adapted to a house. He has recently completed a demonstration model in Hidden Valley.

Capturing the energy from the sun is no problem, he said.

"But transferring this energy from one medium to another is a trick."

The energy from the sun is trapped by a system of glass and aluminum panels. The energy, in the form of heat, is then transferred to hydraulic fluid that flows to an underground reservoir of water.

The hot fluid runs through pipes in the system, heating the water to 200 degrees.

The water in turn heats the home and serves as a hot water system.

Pardo says the initial cost of a solar heating system is high, but over a long period it is economical.

He estimates the cost for a system to be $5 per square foot of heated area. This would amount to roughly an $8,000 investment for a standard size house.

However, the operational cost is only $2 a month, Pardo said.

The solar units can be financed over a 30-year period, so monthly installments would be similar to utilities payments, he said. Pardo said he is perfecting a solar-generated electrical system which would cost $4,500 more.

The only potential problem with the system is if there is no sunlight for an extended period, said Pardo. Considering Nevada's amount of sunlight, though, Pardo feels this would be a remote possibility.

In December is there is absolutely no sunlight for six days, there would not be enough stored energy for the system to function.

"And at no time in the last 35 years has this happened," he said.

In the months from March to October, the system has enough reserves to get through two sunless weeks because of the warmer weather.

The solar energy system would then take at least two days of sunshine to be restored.

As a precaution, back-up power systems are required for houses with solar energy systems, Pardo said.

His demonstration model, located at the corner of Pembroke and Parkway streets, will be unveiled to the public today at noon.

However, the secret of the solar energy system is already out.

"I have had 2,300 inquiries in the last two months," Pardo said. "All by word of mouth.

"I have never been involved in anything which has evoked such interest. I think this brings out the American pioneering spirit in Americans."

This weekend will also mark the beginning of North American Solar's retailing campaign, which Pardo hopes will be on a national level eventually.

The solar energy units can be adapted to any household with virtually no alterations made to the existing plumbing and wiring system of the house, Pardo said.

already in commercial use in Florida and in several countries overseas. Experimental houses have been equipped with solar heating systems and preliminary development of cooling systems has begun.

For space heating, the solar collector is typically a black metal surface that readily absorbs sunlight and is covered with one to three panes of glass to reduce the heat loss. The glass transmits incoming sunlight, but absorbs the longer wavelength radiation emitted by the hot metal, so that a "greenhouse" effect is created and the effectiveness of the collector is increased. The heat is held by water or air that circulates through the collector during the day, and part of it is stored for release at night or in bad weather. Hot water, hot rock, and chemical (change of phase) storage systems have been experimentally tested.

For air conditioning, refrigeration systems that depend on absorption of the coolant fluid appear to offer the best choice. Experimental cooling units are being developed by several university and industrial research groups. In prototype systems such as that developed by Erich Farber at the University of Florida, heat from the sun is used to drive ammonia from an ammonia-water solution, and the ammonia is collected and condensed. When cooling is needed, the liquid ammonia is allowed to evaporate and expand as in a conventional cooling system, and the spent vapor is reabsorbed in water.

For absorption refrigerating systems to work smoothly, temperatures around 120°C or higher are needed, and thus solar collectors that are more efficient than those for heating purposes alone will be required. One possibility may be surface coatings of the type developed in recent years for space applications, which emit very little of the solar radiation they absorb and which consequently attain higher temperatures than uncoated metal collectors. If such coatings can be produced on a large scale, their use might help to reduce the cost of solar heating and cooling, since collectors are the most expensive item of a solar energy system. Combined cooling and heating systems, which have not yet been built, are also expected to improve the economic prospects for both because of the joint use of the collector.

Substantial technical problems remain to be solved in the design of cooling systems, in the manufacture of surface coatings for collectors, and in combining solar heating and cooling systems. In most regions of the country backup systems based on conventional fuels will be needed for extended periods of bad weather. Nonetheless, one estimate indicates that if systems were commercially available now, solar heating would be cheaper than electric heating in nearly all of the United States and would be competitive with gas and oil heating when these fuels double in cost (Fig. 20). Proponents believe that solar heating and cooling systems could ultimately supply as much as half of the nearly 20 percent of total U.S. energy consumption that is now used for residential and commercial space conditioning and could reduce the peak use of electricity in summer.

Despite its advantages, acceptance of solar power may be slow unless what are essentially social problems can also be solved. As Jerry Weingart of the California Institute of Technology put it, "developing the technology is not enough," because the fragmented building industry is traditionally slow to adopt new techniques. Solar heating systems, despite their lower fuel costs, will entail higher initial costs, thus discouraging consumer acceptance. Some observers have suggested that governmental encouragement in the form of tax incentives or energy performance construction codes should be part of a national energy policy. The slow rate of replacement of housing, in any case, guarantees that several decades will pass before a new heating system could have a significant impact on total

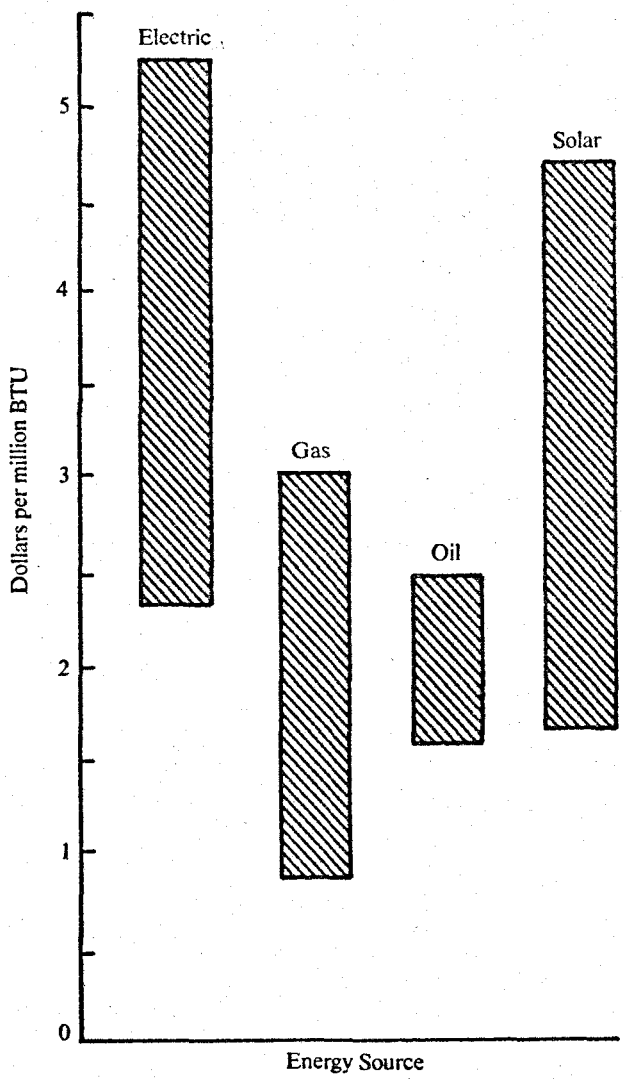


FIGURE 20. Costs of space heating with different energy sources.
[*Source: From* Solar Energy as a National Resource, *Department of Mechanical Engineering, University of Maryland, 1973.*]

energy use. Given the growing shortage of fossil fuels, however, it seems clearly advantageous to move in that direction.

Generating electricity with heat from solar energy is a more difficult challenge, and there are conflicting ideas about the best approach to the problem. Some engineers believe that small generating units located where the electricity is to be consumed are the ideal way to utilize a resource that is inherently diffuse and well distributed. This group favors the use of power turbines that would operate at temperatures considerably lower than those common in nuclear or fossil-fuel power plants, despite the low thermal efficiency, between 10 and 15 percent, that these units would have. Others have proposed large centralized solar-thermal facilities. The two concepts differ philosophically and technically.

Small vapor turbines that use heat from solar collectors to generate electricity

AUXILIARY HOME HEATING FROM THE SUN.

The ISC solar furnace is designed to furnish a percentage of average home heating requirements. Percentages will vary depending on amount of winter sunshine, cloud cover, outside air temperature, degree day rating of the home and the energy consciousness of the householder.

Only a few days each winter reach the design temperature level. To build a solar furnace to handle either these temperature extremes or unusually long periods of cloudiness would increase its size and cost many times—beyond economic levels. That's why the ISC unit was designed as an *auxiliary* heating system, not a replacement to your present furnace.

HOW MUCH HEAT CAN A SOLAR FURNACE SUPPLY?

The answer depends on the size of the house to be heated, its geographical location and the quality of insulation it has. One convenient method of pulling these variables together and assigning a quantitative value to them is to use "Degree Day" house sizing.

DEGREE DAYS... What are they?

Degree Days is a unit of measurement. It has been used for many years by heating engineers as a method of estimating home fuel consumption. Computing the Degree Days for houses is an extremely useful way to determine the size of solar furnace most effective for a specific home in a specific area.

The base for the Degree Day is 65°F, assuming that no heat input is required to keep a house at 70°F inside when the outside temperature is 65°F.

"One Degree Day" would be a 24 hour period where the *average* temperature outside is 64°F (one degree less than the base of 65°F).

HERE'S HOW TO FIGURE DEGREE DAY HOUSE SIZING.

Calculating heat losses at a given design temperature will yield a BTU/hr. requirement. Multiplying this hourly requirement by 24 hours gives the daily BTU's needed at the design temperature. Then, dividing the daily requirement by the number of Degree Days at the design temperature gives the Degree Day size of the house.

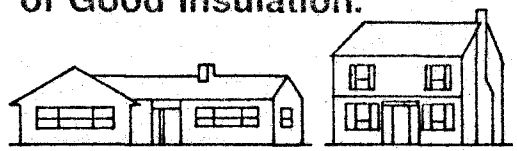
EXAMPLE: A four-bedroom ranch house requires 35,000 BTU/hr. at –10°F or 840,000 BTU/day.

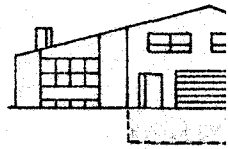
–10°F is equivalent to 75 Degree Days so the house is an 11,200 Degree Day House.

[(35,000 BTU/hr.) (24 hrs./day) ÷ 75 DD = 11,200 DD House]

ATTACHMENT 3

"Degree Day" Ratings And The Importance of Good Insulation.





RANCH-STYLE
4,000 sq. ft.
main floor—2,000 sq. ft.
basement—2,000 sq. ft.

TWO-STORY
3,000 sq. ft.
main floor—1,000 sq. ft.
basement—1,000 sq. ft.
second floor—1,000 sq. ft.

TRI-LEVEL
2,000 sq. ft.
Note: half th
level is 4 ft.
ground.

DEGREE-DAY HOUSE RATING

	Ranch-Style	Two-Story	Tri-Level
Poor Insulation	15,000 D.D.	15,000 D.D.	14,500 D.D
Fair Insulation	11,500 D.D.	11,500 D.D.	11,000 D.D
Good Insulation	7,500 D.D.	7,500 D.D.	7,000 D.D

INSULATING FOR SOLAR HEATING

Insulation makes a tremendous difference in Degree Day House Siz For example, a 2000 sq. ft. ranch-style home with 4 in. sidewall insulation, 6 in. ceiling insulation and storm windows may be a 10,(DD House in a given location. The same house with half the insula and single pane windows would be a 20,000 DD House!

It makes good economic sense to add insulation wherever practica such as in the attic and crawl space, as well as storm windows and doors.

Such an addition may reduce the Degree Day House Size by as mu as 5000 Degree Days. In Denver, going from 15,000 to 10,000 DD w improve probable efficiency of the ISC solar furnace from 48 to 72

Compare These Examples To Your House:
INSULATION QUALITY

	Poor Insulation	Fair Insulation	Good Insulatio
Ceiling	4.0 In.	6.0 In.	14.0 In.
Sidewalls	2.0 In.	3.6 In.	4.1 In.
Windows	Single Pane	Single Pane	Double Pane
Doors	1.5 In. Wood	1.5 In. Wood	1.5 In. Wood Metal Storm D

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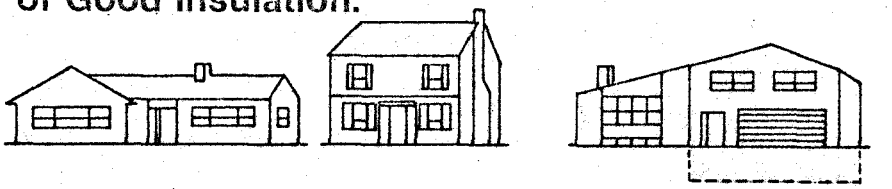

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Note: half the lower level is 4 ft. underground.

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Insulation makes a tremendous difference in Degree Day House Size. For example, a 2000 sq. ft. ranch-style home with 4 in. sidewall insulation, 6 in. ceiling insulation and storm windows may be a 10,000 DD House in a given location. The same house with half the insulation and single pane windows would be a 20,000 DD House!

It makes good economic sense to add insulation wherever practical, such as in the attic and crawl space, as well as storm windows and doors.

Such an addition may reduce the Degree Day House Size by as much as 5000 Degree Days. In Denver, going from 15,000 to 10,000 DD would improve probable efficiency of the ISC solar furnace from 48 to 72%.

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Sidewalls	2.0 In.	3.6 In.	4.1 In.
Windows	Single Pane	Single Pane	Double Pane
Doors	1.5 In. Wood	1.5 In. Wood	1.5 In. Wood With Metal Storm Doors.

Estimated Percentage of Home Heating Requirements

delivered by the ISC-designed solar furnace for selected cities based on statistical data obtained from the Climatic Atlas of the United States. Prepared by Department of Commerce, Environmental Science Services Administration.

NOTE: Sunshine is the fuel for the solar furnace. The percentages below are based upon an average of sun conditions during a number of past winters. Obviously, an especially severe, cloudy winter would reduce these percentages proportionately.

	5,000 Degree Day House			7,500 Degree Day House			10,000 Degree Day House			12,500 Degree Day House			15,000 Degree Day House		
	Sq. Ft. of Unit			Sq. Ft. of Unit			Sq. Ft. of Unit			Sq. Ft. of Unit			Sq. Ft. of Unit		
	96	128	160	96	128	160	96	128	160	96	128	160	96	128	160
KENTUCKY															
Louisville	90	90	90	63	84	90	48	64	80	38	51	63	31	41	51
LOUISIANA															
New Orleans	90	90	90	90	90	90	90	90	90	90	90	90	90	90	90
Shreveport	90	90	90	90	90	90	90	90	90	84	90	90	70	90	90
MASSACHUSETTS															
Boston	77	90	90	51	68	85	39	52	65	31	41	51	26	35	43
MICHIGAN															
Alpena*	40	53	66	26	35	43	20	27	33	16	21	27	13	17	22
Detroit*	60	80	90	40	53	66	30	40	50	23	31	38	20	27	33
Grand Rapids*	50	67	83	33	44	55	25	33	42	20	27	33	17	23	28
Marquette*	38	51	63	25	33	42	19	25	32	15	20	25	13	17	22
Sault St. Marie*	36	48	60	23	31	38	18	24	30	14	19	23	12	16	20
MINNESOTA															
Duluth*	41	55	68	27	36	45	21	28	35	16	21	27	14	19	23
Minneapolis*	49	65	81	32	43	53	24	32	40	20	27	33	16	21	27
MISSISSIPPI															
Vicksburg	90	90	90	90	90	90	90	90	90	90	90	90	81	90	90
MISSOURI															
Kansas City	90	90	90	68	90	90	51	68	85	41	55	68	34	45	56
St. Louis*	90	90	90	62	82	90	47	63	78	38	51	63	32	43	53
Springfield	90	90	90	70	90	90	52	69	86	41	55	68	35	47	58
MONTANA															
Havre*	52	69	86	34	45	56	26	35	43	21	28	35	17	23	28
Helena*	54	72	90	36	48	60	27	36	45	22	30	37	18	24	30
Kalispell*	43	57	71	29	39	48	22	30	37	17	23	28	14	19	23
NEBRASKA															
Lincoln	85	90	90	56	74	90	42	56	70	34	45	56	28	37	46
North Platte	75	90	90	51	68	85	39	52	65	31	41	51	26	35	43
NEVADA															
Ely*	74	90	90	49	65	81	37	49	61	30	40	50	24	32	40
Las Vegas	90	90	90	90	90	90	90	90	90	90	90	90	83	90	90
Reno	90	90	90	62	82	90	47	63	78	38	51	63	31	41	51
Winnemucca	81	90	90	54	72	90	40	53	66	33	44	55	27	36	45
NEW HAMPSHIRE															
Concord	54	72	90	36	48	60	27	36	45	22	30	37	18	24	30
NEW JERSEY															
Atlantic City	90	90	90	63	84	90	48	64	80	38	51	63	31	41	51
NEW MEXICO															
Albuquerque	90	90	90	90	90	90	71	90	90	57	76	90	48	64	80
Roswell	90	90	90	90	90	90	80	90	90	64	85	90	54	72	90
NEW YORK															
Albany*	58	77	90	38	51	63	29	39	48	23	31	38	19	25	32
Binghamton*	43	57	71	29	39	48	22	30	37	17	23	28	14	19	23
Buffalo*	52	69	86	34	45	56	26	35	43	21	28	35	17	23	28
New York City*	90	90	90	63	84	90	48	64	80	38	51	63	31	41	51
Syracuse*	54	72	90	34	45	56	25	33	42	20	27	33	17	23	28
NORTH CAROLINA															
Asheville	90	90	90	77	90	90	58	77	90	47	63	78	39	52	65
Raleigh	90	90	90	90	90	90	72	90	90	59	78	90	49	65	81
NORTH DAKOTA															
Bismark*	49	65	81	33	44	55	24	32	40	20	27	33	16	21	27
Devils Lake*	45	60	75	30	40	50	23	31	38	18	24	30	15	20	25
Fargo*	45	60	75	30	40	50	23	31	38	18	24	30	15	20	25
Williston*	54	72	90	34	45	56	25	33	42	20	27	33	17	23	28

ATTACHMENT 4

Amendments to AB-551

Presently, veterans are entitled to receive $1000.00 tax exemption on personal property tax or privilege tax; however, they do pay registration fees. This bill if passed would allow the disabled veteran this additional benefit.

Subsection 4 should be amended to reflect that the Veteran's Administration shall furnish proof that the applicant has a service-connected disability and is entitled to receive the benefits of this section.

The Department may set aside certain coding of license plates to distinguish these plates from regular issued license plates.

The Department shall provide all necessary forms and applications.