

MINUTES

ASSEMBLY TAXATION
May 6, 1975
8:00

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

Members Absent: Mr. Bennett
Mr. Harmon

Guests Present: See Attached list

The meeting was called to order at 8:23.

ASSEMBLY BILL 685

Mr. Glen Griffith and Mr. Fred Wright from the Department of Fish and Game submitted some amendments which they felt would make the bill more palatable. ATTACHMENT 1

ASSEMBLY BILL 739

Assemblyman Robert Heaney explained that the purpose of this bill was to extend the time for redeeming property held for delinquent taxes to time of sale and not public notice. It allows the balance of the money collected by the state on the sale by returned to the owner of the house, whereas presently the county would just keep it. It also provides that any person may claim the money from the balance for the sale for three years. He added that Washoe County makes \$100,000 per year approximately on unrepaid balances. Mr. Heaney submitted that when a house's mortgage is foreclosed, the owner gets back the balance. He asked that the committee decide to let the taxpayer have the same treatment.

Mr. Rusty Nash, Deputy District Attorney, Washoe County DA's office, explained that he also felt the redemption period should be lengthened.

Mr. Bill McNeal, Washoe County Legal Aid Society, felt that this measure was the only way to make the law fair.

Mr. Jim Lien of the Nevada Tax Commission suggested that NRS 361.610 would have to be amended also to make the change complete.

ASSEMBLY BILL 706

Mr. Mann as head of the subcommittee appointed to study this measure

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reported to the committee that the bill drafters felt it was unconstitutional.

ASSEMBLY BILL 736

Mr. George Brighton, Washoe County School District, spoke against the measure. He said that the money collected and given to the school districts may look small but in some counties it added up to about three or four teachers a year.

Mr. Mann asked if there would still be a problem if the measure went into effect in a couple of years. Mr. Brighton said that that would make them have to find a revenue source to make up the loss. He added that it would be a terrible hardship on the school districts.

Mr. Jim Lien of the Tax Commission told the committee that 12 out of the 17 counties received this fee. He said that it added up to about \$200,000 per year statewide. He said that if the money is removed, the money will have to be replaced somehow.

Mr. Ed Greer, Clark County School District, told the committee that it would create a hardship on the school districts.

SENATE JOINT RESOLUTION 15

Senator Carl Dodge spoke in favor of the measure. He explained the issue to the committee and told them that the Indian smoke shops were taking business and revenue away from the local shop owners who had to pay the tax. He said that these smoke shops were not just selling to Indians but to anyone who wanted to buy their cigarettes for \$2.85 a carton approximately. He said that the town merchants wanted a fair chance to have the business. He suggested that this might lead to opening of all different types of shops on Indian reservations and because sales tax doesn't have to be paid, the merchandise could be sold for less. He said that this measure does not take any action, it only asks Congress to clarify their intent with the preferential tax treatment for Indians.

Mr. Joe Midmore representing the Tobacco Tax Council added that he too felt it unfair that the Indians had a better chance at the consumer market than the regular business man. He reminded that it mandated no action just a clarification of intent by the federal government.

Mr. Joe Braswell spoke in opposition to the bill. He stated that this was the negative way to solve the problem. He said don't try to suppress Indian business on Indian land. He stated that most Indian reservations in Nevada were established before the Congress passed their act and that Indian Law takes precedence over other laws that were enacted afterwards.

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Mr. Romaine Smokey Jr. submitted written testimony. ATTACHMENT 2. Mr. Demers kept bringing up the point that there was a lot of money being lost to the federal government and to the Indians because of the preferential treatment the owners of the smokeships were getting.

Mr. Smokey kept telling him that what ever happens on Indian land is Indian business and that the decisions of the Indian tribe are not debateable. The issue here is the sovereign rights of the Indian tribes.

Mr. Elwood Smith told the committee that this was a business arrangement with the individual owners of the smoke shops and that the people in surrounding towns were approached with the idea of opening a smoke shop and none of the local owners wanted to take advantage of the opportunity.

Mr. Walter Voores from the Walker River Indian Reservation told the committee that the Pauite Indians in Mineral county pay more than a million dollars in taxes a year to Mineral county and to the state of Nevada. They get nothing in return. Even the school is federally supported.

Mr. Ed Johnson suggested that a two year study on this issue be considered to make everyone aware of the facts.

ASSEMBLY BILL 702

Assemblyman Jim Schofield told the committee that this bill would take care of everyone who wanted to improve their homes. He said that the fiscal note says that there will be no adverse effects.

Mr. Murphy told him that the committee was worried that the bill left the end open. He felt that we should give a tax break to those who need it and not just everyone.

Mrs. Ford told Assemblyman Schofield that there were also questions about the constitutionality of the issue.

COMMITTEE ACTION

Assembly Bill 739- Mr. Mann motioned a DO PASS, seconded by Mr. Demers, passed unanimously.

Assembly Bill 685- Mr. Christensen motioned a DO PASS as amended, seconded by Mr. Demers, passed unanimously.

Assembly Bill 706- Mr. Young motioned to Indefinitely Postpone, seconded by Mr. Mann, passed unanimously.

Assembly Bill 736- Mr. Young motioned to Indefinitely postpone,

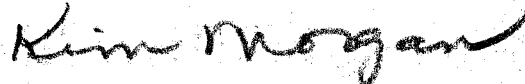
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seconded by Mr. Demers, passed unanimously.

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Kim Morgan". The signature is written in dark ink and is positioned above the typed name.

Kim Morgan, Secretary

ASSEMBLY
HEARING

POSTED 5/2
11:00am
336

COMMITTEE ON.....TAXATION.....

Date May 6 Time 8:00 Room 316

Bill or Resolution
to be considered

Subject

THIS AGENDA SUPERCEDES THE PREVIOUS AGENDA FOR
THIS DATE AND TIME.

- SJR 15 Memorializes Congress to remedy tax inequities involved in certain transactions in Indian reservations.
- AB 736 Requires grantees of public utility franchises from local governments to make annual payments based on net profits to county general fund rather than to county school district.
- AB 13 Returns portion of casino entertainment tax to county of origin.
- AB 685 Requires proof of satisfaction of personal property tax obligation as condition to registration and numbering of watercraft.
- AB 739 Extends time for redeeming property held for delinquent taxes and changes disposition of moneys from its sale

AB 706

AB 702

NOTE TIME CHANGE

Guests

W. G. Parnus

Clay K. Griffith

Blomdal

Tom Pitt

Fred Wright

Robert Heaney

Rusty Nash

Bob McNeal

Joe Midmore

ROMAINE SMOKEY JR.

May 6

Dept. of Fish + Game

Dept. Fish + Game

Nash. Tax Comm.

Nash. Tax Comm.

Dept. of Fish and Game

Tobacco Tax Council

CHAIRMAN, PRESSLERVILLE COMMUNITY COUNCIL



**Nevada
Department
Of Fish
And Game**

GLEN K. GRIFFITH
DIRECTOR



MIKE O'CALLAGHAN
GOVERNOR

1100 VALLEY ROAD • P.O. BOX 10678 • RENO, NEVADA 89510 • TELEPHONE (702) ~~784-6214~~
784-6214

May 1, 1975

The Honorable Paul W. May
Assemblyman, State of Nevada
Nevada State Legislature
Carson City, Nevada 89701

Dear Assemblyman May:

Following your hearing, April 29th, concerning A.B. 685 this Department has had an opportunity to evaluate alternatives and has been in contact with employees of the Department of Motor Vehicles and has met with Mr. Peckham, Washoe County Assessor, and Mr. Mongolo, Mr. Peckham's deputy.

We have developed an alternative to A.B. 685 that this Department can work under and in conjunction with the various county assessors. Our thrust was to look for a way to handle the exceptions, namely, those boat owners who are delinquent in paying the personal property taxes, rather than affect 100% of the boat owners.

A.B. 685 as presently written is a complex two-step procedure that is a burden to all of the boat owners and a burden and an additional cost to the Department. The intent of our alternative (copy attached) is that if a county assessor elected to notify us by a certain date, of those boat owners who are delinquent, we will set aside those Certificates of Number (annual renewal) and hold them until proof of payment of personal property tax is presented. The most workable method would be for the Department to forward those certificates to the appropriate county to be released by that county office as the boat owner appears to pay his taxes. For example, Washoe County had as of December, 1974, 5,667 boats active on our file during that calendar year. By their estimate, they are holding and working with approximately 200 delinquent notices on boats. Some of these are delinquent three years; some, two years; and the majority are delinquent one year.

Assemblyman Paul May
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Under our proposal, if Washoe County provides us with the boat number, we will add to our computer program a status code that will cause the appropriate certificates to be dropped out, set aside and delivered to the proper desk in the Assessor's Office. This Department would then notify the boat owner as to the status of this certificate and how to proceed with that calendar year's registration. Namely, they would contact the county assessor, pay their tax and pick up the certificate of number. The assessor would do nothing with the certificate of number other than hold it pending pick up by the boat owner.


Further, we are proposing an amendment to that section dealing with dealer's report of sale, lease or transfer that would cause the attachment of proof of payment of personal property tax before this office received the application and produced the title and certificate of number.

The Washoe County Assessor's Office has reviewed the wording as shown on the attached and has indicated that they support this. They have also indicated that they would appear before your committee upon notification to speak about this on their own behalf, which we greatly appreciate.

We also discussed the fact that this alternative can be considered an interim step pending exploration with the Association of County Assessors of the pros and cons in seeking legislation to establish a motorboat privilege tax section similar to that presently used on motor vehicles and being established on travel trailers. Mr. Peckhan and Mr. Mongolo support this alternative.

We will be pleased to review the workings of the attached proposal, if we may.

Sincerely,


Glen K. Griffith
Director

FEW:dr
attachments
c.c. Washoe County Assessor

Paul, I spoke to Glen Griffith. His recommendation is very well taken and we concur in it. Its passage in the Fish & Game Commission would be most beneficial.
Bill Byrne

A. B. 685

 ASSEMBLY BILL NO. 685—ASSEMBLYMEN
 JACOBSEN AND DEMERS

APRIL 21, 1975

Referred to Committee on Taxation

SUMMARY—Requires proof of satisfaction of personal property tax obligation as condition to registration and numbering of watercraft. Fiscal Note: No. (BDR 43-1796)

EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to regulation of watercraft; requiring proof of satisfaction of personal property tax obligation as a condition to registration and numbering of watercraft.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. NRS 488.075 is hereby amended to read as follows:

1
2 488.075 1. The owner of each motorboat requiring numbering by this state
3 shall file an application for number and for a certificate of ownership with
4 the department on forms approved by it accompanied by proof of pay-
ment of Nevada sales or use tax as evidenced by proof of sale by a
Nevada dealer or by a certificate of use tax paid issued by the Nevada
tax commission, or by proof of exemption from such taxes as provided
in NRS 372.320, and by such evidence of ownership as the department
may require. The department shall not issue a number, a certificate of
number or a certificate of ownership until such evidence is presented to it.

The department shall not issue a certificate of number to the owner of a motorboat if the appropriate county assessor has notified the department that the owner is delinquent in the payment of personal property taxes as required by chapter 361 of NRS. If the county assessor elects to notify the department of the delinquency, the notice shall be forwarded in the manner prescribed to the department by December 1 of each year.

The department shall notify the boat owner that the property taxes are delinquent and may forward the certificate of number to the county assessor for release on payment of the taxes, or the department may hold the certificate pending proof of payment of such taxes.

2. The application shall be signed by the owner of the motorboat and shall be accompanied by a fee of \$3 for the certificate of number and a fee of \$3 for the certificate of ownership. All fees received by the department under the provisions of this chapter shall be deposited in the fish and game fund and shall be expended only for the administration and enforcement of the provisions of this chapter. Upon receipt of the application in approved form, the department shall:

(a) Enter the same upon the records of its office and issue to the applicant a certificate of number stating the number awarded to the motorboat, a certificate of ownership stating the same information and the name and address of the registered owner and the legal owner.

(b) Immediately give written notice to the county assessor of the county wherein such motorboat is situated, which notice shall contain the name and address of the owner and identifying information concerning such motorboat.

3. The owner shall paint on or attach to each side of the bow of the motorboat the identification number in such manner as may be prescribed by rules and regulations of the department in order that it may be clearly visible. The number shall be maintained in legible condition. If an agency of the United States Government has in force an overall system of identification numbering for motorboats within the United States, the regulations of the department as to size, color and type of number shall be in conformity therewith.

4. The certificate of number shall be pocket size and shall be available at all times for inspection on the motorboat for which issued, whenever such motorboat is in operation.

5. The department shall provide by regulation for the issuance of numbers to manufacturers and dealers which may be used interchangeably upon motorboats operated by such manufacturers and dealers in connection with the demonstration, sale or exchange of such motorboats. The fee for each such number shall be \$3.

Section 2. NRS 488,1803 is hereby amended to read as follows:

488.1803 Dealer's report of sale, lease or other transfer; transfers between dealers. Any dealer upon transferring by sale, lease or otherwise any motorboat, whether new or used, required to be numbered under this chapter, shall upon obtaining proof of payment of personal property taxes as required by Chapter 361 of NRS, [not later than the end of the next business day,] give written notice of the transfer to the department upon an appropriate form provided by it[,]. Said notice accompanied by a movable personal property tax receipt shall be given within three (3) days of the sale, but a dealer need not give the notice when selling or transferring a new unnumbered motorboat to another dealer.

WASHOE TRIBE OF NEVADA AND CALIFORNIA

P. O. BOX 284
STEWART, NEVADA 89437
(702) 883-1446

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May 5, 1975

Assembly Taxation Committee
Legislative Building
Carson City, Nevada 89701

Attention: Assemblyman Paul W. May, Chairman
Re: S.J.R. 15

Recently, I recieved a copy of a memo in which John J. Sheehan, Executive Secretary of the Nevada Tax Commission, states his motivation in regards to S.J.R. 15. That motivation being "to protect the integrity of the revenue producing statutes and to assure that all appropriate taxes are being paid. Secondly, to protect other retailers doing business from unfair economic competition."

As Chairman of the Dresslerville Community Council, I am well aware of the responsibilities of an administrator and as such, John Sheehan's motivation is well understood. However, within this responsibility to administer is the responsibility to understand the boundaries and limits of one's administrative authority.

In relation to the integrity of the revenue producing statutes, these statutes only apply where the laws and authority of Nevada apply. Where the laws and authority of Nevada do not apply, the authority and integrity of the revenue producing statutes also do not apply. As an example, the taxation authority of Nevada does not apply in California nor does it apply on a military reserve. Nor does it apply on an Indian Reservation which is under a separate jurisdiction. Secondly, if the Nevada Tax Commission desires to protect other retailers and eliminate this so called "unfair economic competition" the correct and proper procedure would be to request the Nevada Legislature (through appropriate legislation) to reduce or eliminate the Nevada State sales and cigarette tax within the jurisdictional authority of the state of Nevada. By following this appropriate procedure, these retailers could compete with the businesses which exist within a different sovereign jurisdiction; that being the sovereign jurisdiction of the respective Indian Governments.

Hopefully, you will have a better understanding if you carefully consider the following.

Each government of the world possesses inherent sovereign rights as valid governments of the world. These sovereign rights consist of "external sovereign rights" and "internal sovereign rights." External sovereign rights are those rights of governments to establish political relations with other governments of the world. Examples would be treaties and alliances. Internal sovereign rights are those rights of governments to govern within the jurisdictional boundaries of that government. Within this right of governing exists the right to regulate and control all business activities within the jurisdiction of that government. The integrity and authority of this right only exists within the jurisdictional boundaries of that government.

As an example, the license and taxation authority (the basic means of regulating ³⁴⁸ and controlling business activities) of California does not apply in Nevada because Nevada is a separate government which is not within the jurisdictional authority of California. Likewise, the license and taxation authority of Nevada does not apply to the Indian Governments which exist within Nevada because the Indian Governments are separate governments which also possess their own licensing and taxation authority and these governments are not within the jurisdictional authority of Nevada. (and vice versa)

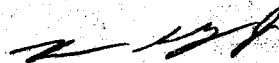
It is important to realize and understand that the Indian Governments of North America were in existence before the U.S. Government. The validity of these Indian Governments were recognized by the British, the U.S. and other nations of the world as exemplified by the establishment of diplomatic relations between these nations through treaties and other legislation of these governments. However, after the U.S. became more powerful than the Indian Governments, the external sovereign rights of the Indian Governments were diminished somewhat when the U.S. notified the world, (through the U.S. Supreme Court case, Cherokee Nation vs Georgia) "that any attempt by a foreign nation to form a political connection with the Indian Governments within the U.S. would be considered by the U.S. to be an invasion of the U.S. and an act of war." However, even though the Indian Governments no longer exercise their inherent sovereign right to deal politically with other nations, as in the past, the Indian Governments still possess and maintain their inherent sovereign rights to govern ourselves within the jurisdictional boundaries of our governments.

The policy of the U.S. Congress has been and will continue to be the trust responsibility of protecting the Inherent Internal Sovereignty of Indian Governments.

In relation to S.J.R. 15, we believe this to be an unknowing serious attempt to infringe upon the Indian Governments' inherent internal sovereign rights of self government and as such, must and should be opposed not only by Indian Governments but by all people of reason, morality and justice. Therefore, I wish to have this letter entered into the permanent records of S.J.R. 15 and the Dresslerville Community Council desires to go on record as opposing S.J.R. 15.

Because of the possible grave consequences to Indian Governments, we respectfully request that you defer any action on this resolution until you have had considerable deliberations over a considerable length of time in order to insure that your decision is based upon a thorough knowledge and understanding of the consequences of this resolution.

Respectfully,



Romaine Smokey Jr.
Chairman,
Dresslerville Community Council

P.S. IT IS IRRELEVANT HOW MUCH TAX REVENUE THE STATE OF NEVADA IS LOSING, WHEN THIS TAX REVENUE EXISTS UNDER A SEPARATE TAXATION AUTHORITY, THAT BEING THE TAXATION AUTHORITY & JURISDICTION OF THE INDIAN GOVERNMENTS.

copies: Assembly Taxation Committee