

JOINT MEETING

SENATE AND ASSEMBLY TAXATION COMMITTEE

MINUTES OF MEETING

The joint meeting of the Senate and Assembly Taxation Committees was called to order at 3:00 p.m., 1-28-75.

Senate Members Present:

Chairman Mahlon Brown  
Senator Close  
Senator Echols  
Senator Herr  
Senator Hilbrecht  
Senator Raggio  
Senator Wilson

Assembly Members Present:

Chairman Paul May  
Assemblyman Demers  
Assemblyman Roy Young

Others Present:

Dr. Atkinson  
Senator Close  
Senator Gibson  
Brad Stone, Reno  
Joe Seiters, Reno  
Gerald A. Lopey, Legislative Counsel Bureau  
Michaela Blomdale, Tax Commission  
Jim Ratbun, Tax Commission  
Tina Nappi, Reno  
Assemblyman Jean Ford  
Mr. Cahill, Nevada Tax Commission  
John J. Sheehan, Tax Commission  
James Lien, Nevada Tax Commission  
Dick Morgan, State Education Department

Dr. Atkinson gave some background on the proposed bills\* which were presented to the committee members (bills are marked as Exhibit A and attached hereto), by stating that the Governor appointed a committee, upon recommendation of the last Session of the Legislature. The committee members were: Senators Brown and Dodge, Dan Demers, Paul May, Hal Smith, Dick Morgan and Norman Brown. This committee was instructed to study the assessment of public utilities, the assessment of mines, the assessment of agricultural land and a ratio land study. The committee has been meeting since the last Session, and have now made their recommendations. They are trying to get the bills drafted that would implement these recommendations.

\* A.B. 317

The statutes which were discussed during this meeting are listed below (for copy of complete statute, see Exhibit A):

360.010: Dr. Atkinson read each of the 5 items contained in this statute. Senator Raggio feels that item 5 should state "shall appoint" rather than "should attempt to appoint".

Dick Morgan feels that the Assembly should take responsibility for introducing the 361 statutes, and the Senate should take responsibility for introducing the 360 statutes.

Senator Dodge stated that he is not satisfied with the wording that has to do with the requirements of the members of the Tax Commission; 360.010 being too general. Senator Dodge suggested that it be a requirement that at least one person in each area have at least 10 years experience in that field.

360.030: Senator Brown moved that "two" on line 1 be changed to "four"; seconded by Assemblyman Demers; motion carried; Senator Dodge voted "No".

360.120: Dr. Atkinson read the statute; no comments or discussion held.

New Statute: This statute was read and brief discussion was held

360.150: Assemblyman Demers asked if the executive director would have to go before the Tax Commission for approval. Mr. Sheehan replied that the executive director would have better knowledge regarding what departments to set up within the agency.

360.175: Senator Dodge moved that the longer of these two statutes (see attached) be adopted; seconded by Assemblyman Demers; unanimously carried.

360.280: Assemblyman Demers stated that in the committee they had agreed that they would recommend that the Tax Commission aid the county assessors in the small counties.

360.305: No discussion held.

New Statutes (3): Brief discussion was held on these three new statutes, Appriaser Training, Temporary Certificate and Appraiser's Certificate.

361.190: It was agreed that the following underscored wording be added: "...Counties may hire permanent mapping personnel or contract with private firms or with the Department of Taxation.."

Joint Senate and Assembly Meeting  
Taxation Committee  
Page Three

361.215: Senator Dodge asked if we need to set a time frame on this -- should possibly set the date at 1979 or 1980.

361.227: Mr. Sheehan advised the members that he put in the State Board of Equalization and took out the Tax Commission. Following suggestion by Senator Dodge, it was agreed that it be left as it was.

361.320: Senator Dodge commented that we should specify mines, mills and other improvements and should relate it to that operation as an integrated operation.

New Statute: Senator Herr commented on the feasibility of finding anyone in the real estate field that can appraise both the northern and southern parts of Nevada. It was agreed that this be considered for change, so as to state two persons, one from Southern Nevada and one from Northern Nevada.

361.380: Dr. Atkinson stated that this changes the county board to 3 or 5 members, depending on the size of the county.


Dick Morgan moved that this committee assign the Assembly Taxation Committee to take the responsibility for bill drafting those matters relating to NRS 360 and the Senate Taxation Committee take the responsibility for introduction relating to NRS 361; seconded by Assemblyman Demers; unanimously carried.

Meeting adjourned at 4:45 p.m.

Respectfully submitted,

  
Sharon W. Maher, Secretary

APPROVED:

  
Chairman

360.010

1. There is hereby created a department to be designated and known as the department of taxation.
2. The department of taxation shall consist of seven commissioners appointed by the governor.
3. The governor shall designate the commissioner to serve as chairman of the department.
4. The governor shall be an ex officio, nonvoting member of the commission. He shall receive no compensation for his services as such ex officio member.
5. In making his selection of commissioners the governor should attempt to appoint individuals who are versed in and knowledgeable about the economy of the State of Nevada, and the sources of tax revenues.

360.030

1. Not more than [~~three~~] two of the [~~nine~~] seven commissioners shall be appointed from any one county in this state, and not more than [~~five~~] four members of the Nevada tax commission shall be of the same political party.

2. Appointments to the commission, except those to fill unexpired terms, shall be for terms as follows:

- (a) Two commissioners for 4 years.
- (b) Two commissioners for 3 years.
- (c) Two commissioners for 2 years.
- (d) [~~Three~~] One commissioner for 1 year.

Thereafter, all commissioners shall be appointed for terms of 4 years.

3. Appointments to fill vacancies on the commission shall be for the unexpired term of the commissioner to be replaced, and shall be made by the governor.

4. Any commissioner may be removed by the governor if, in his opinion, such commissioner is guilty of malfeasance in office or neglect of duty.

360.120

1. The governor shall appoint the executive director of the department of taxation. The executive director shall be in charge of the office of the department of taxation.

2. For his services, the executive director of the department of taxation shall receive an annual salary in an amount determined pursuant to the provisions of NRS 284.182.

NEW STATUTE

1. Notwithstanding any statute to the contrary the Nevada Tax Commission shall have power to review all decisions made by the Executive Director of the department of taxation and shall have the power to reverse, affirm or modify said decisions, save and except, when such decision is appealable to the Board of tax appeals and equalization.

2. The tax commission may adopt rules and regulations governing the procedure to be used to review the decisions of the executive director of the department of taxation.

360.150 There is hereby created within the department of taxation a division to be known as the ad valorem division and a division to be known as the excise division.

The executive director of the department of taxation may establish and organize other divisions or subdivisions, thereof, within the department of taxation as in the executive directors judgment and discretion are necessary.

A deputy director shall be in charge of each such division.



360.175

1. The Nevada tax commission through the division of assessment standards shall at least every [five] two years conduct a county wide ratio study to determine with reasonable certainty:

(a) The ratio of the assessed value of each type or class of property for which the county assessor has the responsibility of assessing in each county and Carson City to the assessed value of comparable property in the remaining counties and Carson City.

(b) The ratio of assessed value of each type or class of property for which the county assessor has the responsibility of assessing in each county and Carson City to the full cash value of such type or class of property within that county.

2. The formulae and standard procedures so developed by the tax commission shall become the mandatory formulae and procedures to be used by the county assessor of each county and Carson City.

[3. The formulae and standard procedures used by the tax commission shall take into account the fact that county assessors are required to assess all property within their respective counties at least once every 5 years.]

(a) The formulae and standard procedure used by the tax commission shall include a true random sampling of property and sales and shall include the use of the mean, median, standard deviation and any other statistical criteria that will indicate an accurate ratio of full cash value to assessed value and an accurate measure of assessment equality.

3. The ratio study will be conducted on nine (9) counties one year and seven (7) counties and Carson City the next year with the same combination of counties being tested on alternate years.

360.175

1. The [Nevada tax commission] department of taxation through the [division of assessment standards] ad valorem division shall at least every 5 years conduct a ratio study to determine with reasonable certainty:

(a) The ratio of the assessed value of each type or class of property in each county and Carson City to the assessed value of comparable property in the remaining counties and Carson City.

(b) The ratio of assessed value of each type or class of property in each county and Carson City to the full cash value of such type or class of property within that county.

2. The formulae and standard procedures so developed by the [tax commission] department of taxation shall become the mandatory formulae and procedures to be used by the county assessor of each county and Carson City.

3. The formulae and standard procedures used by the [tax commission] department of taxation shall take into account the fact that county assessors are required to assess all property within their respective counties at least once every 5 years.

360.280

- 1. No change.
- (a) No change.
- (b) No change.
- (c) No change.

(d) Maintain adequate maps to accurately describe and illustrate all parcels of land pursuant to NRS 361.190 to 361.220 inclusive.

- 2. No change.

360.305 The county assessor shall also make a map or plat of the various blocks within any incorporated city or town, and shall mark thereon the various subdivisions, as they are assessed. [In each subdivision he shall mark the names of persons to whom it is assessed.] The individual parcels in a subdivision shall be further identified by a parcel number, following a parcelling system as prescribed by NRS 361.190.

[2.]

## NEW STATUTE

Appraiser Training. In order to retain a valid appraiser's certificate every holder shall be exposed to at least 24 hours of training conducted or approved by the department of taxation in each one-year period commencing July 1, 1976.

Any excess in training time over the 24 hour minimum accumulated in any one year shall be carried over as credit for future training requirements with a limit of three years in which the carryover time may be credited, and any training time accumulated between July 1, 1975 and June 30, 1976 shall be carried over as credit for the training required in the one-year period commencing July 1, 1976.

Failure to receive such training shall constitute grounds for revocation of an appraiser's certificate.

## NEW STATUTE

Temporary Certificate The department of taxation may issue a temporary certificate to a person who is newly employed by the state, any county, city and county or appraisal commission in order to afford the person the opportunity to apply for and take an examination the successful passage of which would qualify the person for a certificate. A temporary certificate shall not be issued to exceed one year's duration and shall be issued only to a person who has or who is found by the department to possess qualifications by reason of education and experience so that he may be reasonably expected to be competent to perform the work of an appraiser. A temporary certificate shall not be renewed.

## NEW STATUTE

## Appraiser's Certificate

(a) No person shall perform the duties or exercise the authority of an appraiser for property tax purposes as an employee of the state, any county or city and county, or city, either general law or chartered, unless he is the holder of a valid appraiser's certificate issued by the department of taxation.

(b) The department of taxation shall administer the examination of applicants for such certificates. No certificate shall be issued to any person who has not attained a passing grade in such examination.

(c) Any person performing the duties of appraiser in county or city and county government at the time this section becomes effective shall be certified by examination on or before July 1, 1978 by the department of taxation.

361.190

1. For tax purposes, land in this state shall be legally described pursuant to NRS 361.190 to 361.220, inclusive.

2. Commencing in the assessment year 1979-1980, for property tax purposes and for reasons of standardization, all land in the state shall be described by a parcelling system prescribed by the department of taxation.

(a) In preparation for the establishment of such standardized parcelling system, parcelled maps prepared by the department of taxation for use by the county assessors shall be continually updated by the county assessors so as to reflect transfers, conveyances, acquisitions, or any other transaction or event that may change the boundaries of any parcel. Maps will be reviewed by the department of taxation annually to insure proper updating has taken place. Counties may hire permanent mapping personnel or contract with private firms who will maintain maps according to the department of taxation parcelling system.



. 361.215

1. [Where any county or county officer possess a complete, accurate map of any] All counties shall possess a complete, accurate map or set of maps of all land in the county, and the county assessor of such county must number [or letter] the parcels in a manner approved by the [board of county commissioners.] department of taxation. The county assessor [may] must renumber [or reletter] the parcels or prepare new map pages for any portion of such map to show combinations or divisions of parcels in a manner approved by the [board of county commissioners of such county, so long as an inspection of such] department of taxation, and any such map will readily disclose precisely what land is covered by any particular parcel number [or letter] in the current or in any prior fiscal year. The map or copy shall at all times be publicly displayed in the office of the county assessor.

2. No change.

361.227

1. No change.

(a) No change.

(b) No change.

(1) No change.

(2) The price at which the property was sold to the present owner [;] [and] if the sale was consummated within a reasonable length of time prior to the determination of market value.

[3.]

361.227

1. In determining the full cash value of real property, the county assessor, county board of equalization and the state board of equalization, the Nevada tax commission and the department of taxation shall compute such full cash value by using each of the following factors for which information is available:

- (a) No change.
- (b) No change.
  - (1) No change.
  - (2) No change.
  - (3) No change.
- (c) No change.

The criteria of applicability for each factor shall be prescribed by regulation of the [Nevada tax commission] state board of equalization.

- 2. No change.
- 3. No change.

## 361.320

1. At the regular session of the Nevada tax commission commencing on the 1st Monday in October of each year, the Nevada tax commission shall establish the valuation for assessment purposes of any property of an interstate and intercounty nature, which shall in any event include the property of all interstate or intercounty railroad, sleeping car, private car, street railway, traction, telegraph, water, telephone, air transport, electric light and power companies, together with their franchises, and the property and franchises of all railway express companies operating on any common or contract carrier in this state, and all mines and all improvements used in connection with or which is incidental to a mining operation. Such valuation shall not include the value of vehicles as defined in NRS 371.020.

2. No change.
3. No change.
  - (a) No change.
  - (b) No change.
  - (c) No change.
4. No change.
  - (a) No change.
  - (b) No change.
  - (c) No change.
5. No change.
6. No change.
7. No change.
8. No change.
9. No change.

New Statute

There is hereby created a state board of equalization.

The state board of equalization shall consist of three members to be appointed by the governor.

One member of the board shall be a certified public accountant. One member of the board shall be knowledgeable about and versed in real estate values. One member shall be appointed from the public at large.

Not more than two of the members of the state board of equalization shall be of the same political affiliation.

One of the members shall be appointed for a term of four years.

One of the members shall be appointed for a term of three years.

One of the members shall be appointed for a term of two years.

At the expiration of the aforementioned terms each successive term shall be for a period of four years.

361.380

1. Except as otherwise provided in subsection 3, annually, the state board of equalization shall convene on the 1st Monday in February in Carson City, Nevada, and shall hold such number of meetings as may be necessary to care for the business of equalization presented to it. All protests to the state board of equalization shall be made on or before the 4th Monday of February. [and the state board of equalization shall conclude the business of equalization on or before the 4th day of March in each year.] The state board of equalization shall attempt to conclude the business of equalization on or before the 4th day of March. If a majority of the members of the state board of equalization determines that additional time is necessary to achieve equalization then additional meeting of the state board of equalization may be held at any time and place in the state prior to May 1 of each year. If such additional meetings are held the matters which will more significantly effect the tax revenues of governmental entities shall be disposed of first.

- 2. No change.
- 3. No change.