

SENATE TAXATION COMMITTEE

FEBRUARY 24, 1975

The regular meeting of the Senate Taxation Committee was held on Monday, February 24, 1975, in Room 231. Senator Brown called the meeting to order at 3:00 pm.

COMMITTEE MEMBERS PRESENT: Senator Mahlon Brown, Chairman
 Senator Echols
 Senator Close
 Senator Hilbrecht
 Senator Raggio
 Senator Wilson

SENATE BILL 194: Reduces inventory requirement for wholesale cigarette dealers.

Introduced by Senator Close, this measure was upon the request of a businessman in southern Nevada who wanted to carry 'exotic' cigarettes. The bill would reduce the required cigarette inventory from \$10,000 to \$2,000. During the discussion, it was pointed out that there is no provision for inventory requirements on other types of merchandise and the need for this type of legislation was questioned.

There was some concern as to what would happen to those businesses that are presently in operation and would be 'grandfathered' in under the higher inventory requirement.

In conclusion, a motion was introduced by Senator Close to amend the bill to reduce the required inventory to \$1,000 and delete lines 8 and 9, and recommend 'do pass', as amended. Motion seconded by Senator Hilbrecht and carried unanimously.

ASSEMBLY BILL 63: Requires county assessor to notify taxpayer of assessed valuation of his property following appraisal or reappraisal.

Chairman Brown asked for comments from those present on this measure. Testifying were Messrs. James Lien and John Sheehan with the Nevada Tax Commission, Mr. Don Peckham, Washoe County Assessor.

The members were advised that some counties send notification on appraisals or reappraisals, but not all counties follow this practice. This bill would make notification mandatory.

It was brought out that there might be a problem in some cases where the reappraisal might be questioned on validity if the property owner did not receive notification.

At the conclusion of the discussion, a motion was introduced by Senator Raggio to amend the bill adding language to new subsection 5 to read: "Failure by tax payer to receive such notice shall not invalidate the appraisal or reappraisal".

Motion seconded by Senator Close and carried unanimously. Senator Raggio then moved that AB#63 be forwarded to the Senate floor with a recommendation of "do pass", as amended.

ASSEMBLY BILL 61: Clarifies statutory language relating to use of property assessment factors.

Testifying on the measure were Messrs. John Sheehan and Don Peckham.

There was considerable discussion on Section 1, subsection 1 relative to the procedure to be used in determining the cash value of real property. It was felt that the applicable factors used should be given weight, rather than judged on the 'applicability' of each factor.

A motion was introduced by Senator Close to amend the bill by inserting at the end of Section 1, subsection 1, the following: ". . . available and shall give such weight to each applicable factor as, in their judgment is proper.", and deleting from Section 1, subparagraph (c), the last sentence: "The criteria of applicability for each factor shall be prescribed by relation of the Nevada tax commission." Mr. Sheehan indicated he would have no objection to removing this sentence. The motion was to amend and recommend 'do pass', as amended; seconded by Senator Hilbrecht and carried unanimously.

SENATE BILL 167: Provides for separate appraisal, valuation and partial deferred taxation of agricultural and open space real property.

The bill, introduced by Senator Raggio, is an act relating to property taxation; providing for separate appraisals and valuation of agricultural and open space real property for assessment purposes; and providing for partial deferred taxation with tax recapture for not more than ten years preceeding certain changes from agricultural or open space.

The purpose of the act is to encourage the preservation of agricultural and open space real property in order to:

- a. Conserve and enhance natural or scenic resources;
- b. Protect air or streams or water supplies;
- c. Promote conservation of soils, wetlands, beaches or marshes;
- d. Enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries;
- e. Enhance recreation opportunities;
- f. Preserve sites designated as historic pursuant to law; or
- g. Promote orderly urban or suburban development.

Testifying during the discussion were Messrs. John Sheehan, James Lien and Gene Milligan. Several pieces of information were distributed containing data on property taxation as it relates to agricultural and other open space land.

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During the discussion, Senator Raggio objected to the use of a contract approach with the property owner; according to the provisions contained within the amendment, if the property owner diverts his land to any other use within the ten year period, he must pay a penalty. He doesn't feel a contract is necessary. Senator Wilson expressed concern that a property owner might receive the benefit of the deferred tax assessment for a number of years, and then sell to anyone that would meet his asking price. This would not necessarily 'encourage the preservation of agricultural and open space land', but would be a tax break for the large property owner.

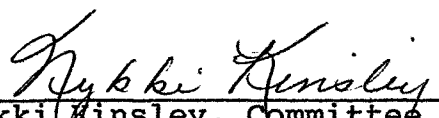
It was generally agreed that this measure presents a complex problem. This may require a series of enabling measures to accomplish the kind of things that really constitute the spirit of the amendment.

Senator Brown asked that Mr. Sheehan provide a list of all lands that are presently covered under the agricultural and/or open space land category; this will be available for the next meeting and will identify particular parts of Washoe with special property along the lake, or any property they can visualize as potential agricultural or open space use.

Senator Brown advised the committee that this bill will be on the next agenda for further discussion and a hearing will be set subsequent to that.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Nykki Kinsley, Committee Secretary

APPROVED:


B. Mahlon Brown, Chairman

AGENDA FOR COMMITTEE ON.....TAXATION.....

Date.....FEBRUARY 24, 1975.....Time.....pm Adj. Room.....231.....

Bills or Resolutions to be considered	Subject	Counsel requested*
SB 194	Reduces inventory requirement for wholesale cigarette dealers.	
AB 61	Clarifies statutory language relating to use of property assessment factors.	
AB 63	Requires county assessor to notify taxpayer of assessed valuation of his property following appraisal or reappraisal.	
SB 167	Provides for separate appraisal, valuation and partial deferred taxation of agricultural and open space real property.	

*Please do not ask for counsel unless necessary.



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<u>Name</u>	<u>Agency representing</u>
Jue Mellegan	New Assn. of Retailers
Joe Midmore	Tobacco Tax Council
Walter Mangano	Wash. Co. Assessor
John Peckham	WASH CO. ASSESSOR
John Sheehan	Tax Commissioner
Jim Hill	Tax Commissioner