

SENATE TAXATION COMMITTEE  
March 18, 1975

124

The regular meeting of the Senate Taxation Committee was held on Tuesday, March 18, 1975 in Room 213. Senator Brown called the meeting to order at 2:30 p.m.

COMMITTEE MEMBERS PRESENT: Senator Brown  
Senator Close  
Senator Hilbrecht  
Senator Raggio

S.B. 311 - Expands class of recipients under Senior Citizens' Property Tax Assistance Act.

Senator Brown opened the meeting with brief introductory remarks which were directed to the idea that most people in attendance of this meeting were in sponsorship of S.B. 311, and that he believed that most of the Senators were in accord. Senator Brown further commented that this bill would provide that everyone over the age of 62, with incomes under \$10,000, would receive a tax rebate on residential property tax, or if the person is a renter, they would receive a direct rebate based upon a percentage of rent payment comparable to owners' tax. Senator Brown advised that in determining the number of people that would be involved in this program, Mr. Eugene F. Walkama, Auditor for the Legislative Counsel Bureau, was called upon (See Exhibit A for input received from Mr. Walkama). Of the states that do have this type of program, it has been noted that approximately 50 percent of the people that are eligible do, in fact, qualify. In the State of Nevada, approximately 13,000 people will seek these benefits.

Mr. George Hawes, President of Chapter 723 of the American Association of Retired Persons, spoke in favor of the bill and provided the committee with a copy of his testimony (See Exhibit B for Mr. Hawes' testimony). Mr. Hawes further stated that Lou Paley, AFL-CIO, has also endorsed this bill.

Mr. Orvis Reil, Legislative Chairman for Carson City AARP, requested clarification on the phrase "household income". Senator Brown advised that this would mean all income that a person has; since only one person makes application, the household income of a son, daughter, etc. does not apply.

Mr. George Archer, Past President of Carson City AARP, advised that he would like to give his tax history since moving to Nevada eight years ago. Mr. Archer's first tax bill was \$184; his present tax bill was \$238 per year. Mr. Archer also stated that his taxes have increased \$40 in the last two years, an amount which is increasing much faster than his pension. Senator Brown advised that they are aware of this problem throughout the State and that is the primary reason for this legislation.

Senate Taxation Committee  
Minutes of Meeting  
March 18, 1975  
Page Two

Mr. James D. Salo, Deputy Attorney General, referred to page 3, line 19 which states: "the state shall take all proper action to collect the amount of the assistance as a debt." Mr. Salo further stated that the Attorney General's office feels that throughout the Tax Act, the burden of collecting taxes and the burden of possibly suing for property taxes is at the local level with the District Attorney. From this language, however, they feel that it is possible to interpret it to mean that the Attorney General's office would be obligated to file any legal actions which would require traveling around the state to file actions in any of the 17 counties. A simple change by deleting state and substituting tax receiver would make it clear that it is a local obligation to collect taxes as it rightfully should be. In turn, the existing provisions in Chapter 361 would make it clear that any legal action would be initiated by the District Attorney.

Following questioning from Senator Raggio, Mr. Salo stated that the County Assessor has the initial responsibility to determine who is entitled to refunds. He directs the refunds be made, and then an application is made to the State to reimburse the county for this money. At that time an audit is made by the Tax Commission to make determinations with respect to excessive payments - this means that the State would not be reimbursing the county for that excessive payment. The State must compensate the counties for any credits. If the initial tax bill to a particular taxpayer went out and said that rather than \$500 it would be \$300, and the Tax Commission determines that this is an inappropriate judgment by the Assessor, they would be obligated to send out revised billings indicating the full amount of taxes that were due and presumably pick it up on the next quarterly payments. If the taxpayer did not pay it, it would become a lien on the property and the District Attorney would have the obligation to collect these taxes. Under the present law, we have retroactive reimbursement by the State to the taxpayer if he qualifies under the present act. Under this new act, it is determined in advance at the time the billings are first send out, and the initial billing the taxpayer gets would be adjusted downward to reflect any credit he is entitled to. Mr. Salo advised that he concurs with Senator Brown, in that if the State should have to take legal action against a county, it should be under the office of the Attorney General; also, if it should become necessary to go after the taxpayer legally, this burden should be at the local level.

Mr. Sheehan of the Tax Commission calls attention to areas of concern to him. If the total amount of the demands by the county exceed the appropriation, what are they to do. Mr. Sheehan understands that they do have some type of interim

Senate Taxation Committee  
Minutes of Meeting  
March 18, 1975  
Page Three

Finance Committee avenue that can be sought, but has concern if the county is going to administer this. Mr. Sheehan is also concerned with the fact that before the State would want to issue a reimbursement check to any county, it would be encumbered upon the Tax Commission to conduct some type of audit of the procedures used by the various county assessors when they calculated and processed the claims so that they could make sure that the county used accurate procedures to assure that the claims were properly computed. Mr. Sheehan further commented that last year out of the estimated 1,100 claims they received, they audited approximately 550; of the 550 claims audited, 475 were changed. Mr. Sheehan suggested that some language be built into the bill which would indicate that if, in the discretion of the Commission, it is determined that a series of audits must be conducted in the county to be sure that refunds were accurately determined, they should be authorized to expend no more than \$20,000 of the funds in that Senior Citizens Property Tax Assistance account for the purpose of hiring additional employees to conduct these audits. Senator Brown advised that he would rather go to the Interim Finance Committee. Mr. Sheehan referred to the figures contained in Exhibit A, and advised that some of these are small refunds (some in the amount of \$35) - the committee might give some thought to a minimum refund.

Senator Hilbrecht commented on the audit figure of \$20,000 and feels that this should go to people who need it. Mr. Sheehan stated that without the \$20,000 they would not be able to conduct the audit for the purpose of an error factor. Senator Hilbrecht stated that rather than penalizing the fund for these errors, the counties should pay the error bill.

Mrs. Mickela Blomdal, Auditor, State Tax Commission discussed some of the reasons for error in applications for Senior Citizen Property Tax Assistance. She said that when it had been possible for her to personally assist the applicant, errors were held to a minimum but in cases where elderly people filled out the form themselves, numbers of applications had failed to contain all information required. Mrs. Blomdal felt that this program would impose a tremendous extra workload on the respective Assessor's Offices at tax time which would be a contributing factor in application error. She was in accord with Mr. Sheehan's statements concerning the requested audit figure of \$20,000.

Senator Brown advised that he felt it most important to get the program going rather than argue about the mechanisms to handle the details involved.

Mr. John Kimball of the AARP came forward to endorse the remarks of Mr. Reil and Mr. Hawes and urged the Committee to consider a "do pass".

Senate Taxation Committee  
Minutes of Meeting  
March 18, 1975  
Page Four

Following testimony from Homer Roderiquez, Carson City Assessor, Senator Raggio stated that he wishes to review the bill further before action is taken.

Chairman Brown did not call for a vote since a quorum of Committee was not present.

S.B. 264 - Modifies requirement to report value of transferred real property and increases penalty for false declarations.

Mr. C. W. "Corky" Lingenfelter states that he would testify to two areas of this bill. Mr. Lingenfelter represents the Nevada Land and Title Association. He is against modification of S.B. 264 because in reviewing the history of this bill when originally brought in, the bill was recommended to the people and the Legislature as an easy money bill. It was a dollar to 10,000 on the new money brought into the sales transaction. His second objection is to the idea of putting the gross on the affidavit which he feels is an invasion of privacy. He said that the Assessor and tax people already, at the present time, go the original record - the Deed and notes - and immediately send out how much was paid down, what the liens were, etc. and they also have staff to act in appraisal of property. He continues to speak against because he states he can see cost increases as well as invasion of privacy when they become involved in more affidavits that have to be passed around, and that when this money was originally picked up it was done in an easy manner. He does not believe that anyone can testify that Nevada is losing money on this. As a matter of fact, in his County, he has seen stamps bought for Deeds which were in excess of new money. He feels that the Assessors and Tax Commission have been trying to come in with an idea which would have someone else do their own work for them.

Senator Hilbrecht asks Mr. Lingenfelter if he is saying that this bill was originally a revenue measure and if it would now turn to an invasion of privacy, or as a means of picking up personal information.

James Lean states that the County Assessor's do not now have subpoena power and it was thought that this provision would alleviate this problem.

Senator Brown interjects that at this meeting there is not a quorum to do anything about this other than to hear discussion.

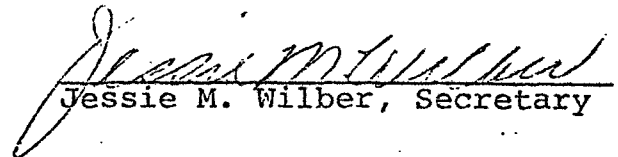
Gene Milligan of the Nevada Association of Realtors states that he wishes to endorse the remarks of Mr. Lingenfelter on behalf of the Nevada Title Association. Mr. Milligan adds further remarks to the effect that this Legislation as originally pro-

posed was for the means of increasing revenue and it appears now to be turning into an appraisal tool. He refers to Federal regulations which protect the right of privacy of a home owner.

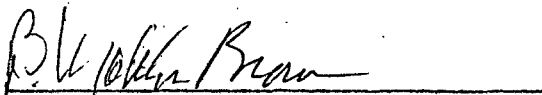
Chairman Brown advised that continuation of consideration of taxation proposals would take place Monday, March 24, 1975, at which time a meeting would be held following Session adjournment.

Meeting adjourned at 4:20 p.m.

Respectfully submitted,

  
Jessie M. Wilber, Secretary

APPROVED:



B. Mahlon Brown, Chairman

STATE OF NEVADA  
 LEGISLATIVE COUNSEL BUREAU  
 SENIOR CITIZENS PROPERTY TAX RELIEF PROGRAM  
ESTIMATED ANNUAL PROGRAM COST BASED UPON 50% PARTICIPATION  
FOR THE 1975-77 BIENNIUM  
FEBRUARY 1975

INCOME LEVEL	ESTIMATED PROPERTY TAX PAID	PERCENT OF REBATE	AMOUNT OF REBATE	ESTIMATED ELIGIBLE SENIOR CITIZENS				AVERAGE REBATE
				CONVENTIONAL HOMEOWNER	MOBILE HOMEOWNER	RENTERS	TOTAL	
0 - \$ 999	\$ 51,311	90%	\$ 46,179	217	417	680	1,314	\$ 35
1,000 - 1,999	\$ 424,735	80%	\$ 339,788	952	962	1,666	3,580	\$ 95
2,000 - 2,999	\$ 517,758	65%	\$ 336,543	1,118	696	686	2,500	\$ 135
3,000 - 3,999	\$ 317,851	55%	\$ 174,818	632	474	648	1,754	\$ 100
4,000 - 4,999	\$ 287,837	45%	\$ 129,527	565	285	338	1,188	\$ 109
5,000 - 5,999	\$ 205,265	40%	\$ 82,106	418	260	308	986	\$ 83
6,000 - 6,999	\$ 184,309	30%	\$ 55,293	323	187	225	735	\$ 75
7,000 -10,000	\$ 373,046	10%	\$ 37,305	452	255	236	943	\$ 40
<b>Total</b>			<u>\$1,201,559</u>	<u>4,677</u>	<u>3,536</u>	<u>4,787</u>	<u>13,000</u>	
	(1)			(2)	(2)	(2)	(2)	

1) Estimated annual property tax paid age 65 and over X 1.32 (age 62 factor) X 50% assumed participation factor.

2) Estimated Homeowner, Mobile Homeowner and Renters age 62 and over X 50% participation factor.

The folks I have talked to think that if any money is left 130  
over, it should remain in the tax relief fund.

I believe we shall have to have a flexible system of tax relief for the next two years.

I agree with Governor O'Callaghan's idea - Use all the money allocated. The only check rein should be the amount of money allotted to the Fund by the Senate Finance Committee and the Assembly Ways and Means Committee. After all the applications are in, and <sup>if</sup> the amounts rebatable calculated ~~xxx~~ exceed \$1,200,000 the rebatable amounts <sup>for the fiscal year</sup> should be reduced. If underestimated, the amounts should be increased. If there should be money left <sup>over</sup> ~~in~~ ~~the system~~ it should be kept in the Special Tax Fund <sup>and commingled</sup> ~~not returned~~ <sup>with the money in</sup> the General Fund.

Next we must find some sound tax base other than a bi-ennial raid on the General Fund for Senior Citizens' Property Tax Assistance.

Oh, and Mr. Chairman and members of the Committee as you all know I am an assistant to Mr. Lou Paley. lobbyist for the AFL-CIO. ~~during~~ Mr. Paley, who had to attend another committee meeting which is considering Labor - Management legislation, wanted me to advise you <sup>or rather</sup> (let you know) that the A.F.L. - C.I.O. and organized labor is behind your endeavors of tax relief for Nevada Senior Citizens who have carried the tax burden for these many years.

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Lafayette 2

## SENIOR CITIZENS' PROPERTY TAX ASSISTANCE ACT

131

~~MYXENEX~~ Senator Brown and members of the Senate Taxation Committee, I am G. Holbrook Hawes, George Hawes president of Chapter 723 of the American Association of Retired Persons, treasurer of the Golden Age Club, a member of the Nevada Retired Teachers' Association, a member of both National Associations, The National Council of Senior Citizens, Inc. Washington, D. C., the Recreational Center Senior Citizens, the Carson Civic's Club, several Mobile Home Associations, and 12 other groups.

Senator Brown for four years you have labored hard and diligently and many years prior have thought how to create a valuable system of tax rebate that would benefit the Senior Citizens of the State of Nevada.

Our Governor Mike O'Callaghan has given his whole hearted support to this <sup>7/1/2/67</sup> assistance for the Aged.

Senate Bill No. 311. The Senior Citizens' Property Assistance Act. One question. Should we start at 62 or 65? Should the Senior Citizens 65 or older get more? Or should we start at 62 and get less tax relief?

Should renters and mobile home owners get 20% rather than 15% as a reasonable tax rebate?

Some question the formula. I say it is workable. We are pioneers in a new field. Let us try it <sup>your new formula for the</sup> ~~first~~ <sup>next two years</sup>.

Senior Citizens can now take their problems of tax relief to their local Tax Assessor. That is a big step forward. <sup>keep it.</sup>

Senior Citizens can now earn up to \$10,000. That is a big step forward.

The sliding scale is a big step forward.

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STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
CARSON CITY, NEVADA 89701



LEGISLATIVE COMMISSION  
LAWRENCE E. JACOBSEN, Assemblyman, Chairman  
INTERIM FINANCE COMMITTEE 132  
FLOYD R. LAMB, Senator, Chairman

ARTHUR J. PALMER, Director

PERRY P. BURNETT, Legislative Counsel  
EARL T. OLIVER, Legislative Auditor  
ARTHUR J. PALMER, Research Director

February 27, 1975

The Honorable B. Manlon Brown  
Senator  
c/o Nevada Legislature

Dear Senator Brown:

Attached is the estimated annual program cost for the 1975-77 biennium, assuming a 50% participation.

The estimated number of eligible people was increased to 13,000 with an estimated program cost of 1.3 million dollars.

As I mentioned to you earlier, the cash balance remaining in the Senior Citizens Property Tax Assistance Fund can not be spent or carried forward without Legislative action. It is my understanding that legislation has been requested.

As a result of last minute amendments to Senate Bill 31 last session, the above "Fund" was established without statutory authority, nor was the fund accounting concept adopted. The present law must be amended to establish an account within the General Fund.

Respectfully Submitted,

EARL T. OLIVER, C.P.A.  
LEGISLATIVE AUDITOR

By Eugene F. Walkama  
Eugene F. Walkama  
Deputy Legislative Auditor

ETO:EFW:dc

Attachment

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU  
SENIOR CITIZENS PROPERTY TAX RELIEF PROGRAM  
ESTIMATED ANNUAL PROGRAM COST  
FOR THE 1975-77 BIENNIUM  
FEBRUARY 1975

<u>Income Level</u>	<u>Estimated Property Tax Paid</u>	<u>Percent of Rebate</u>	<u>Amount of Rebate</u>	<u>Estimated Number of Eligibles</u>	<u>Average Rebate</u>
\$ 0 - \$ 999	\$ 51,311	95%	\$ 48,745	1314	\$ 37
1000 - 1999	\$ 424,735	85%	\$ 361,025	3580	\$ 100
2000 - 2999	\$ 517,758	70%	\$ 362,430	2500	\$ 145
3000 - 3999	\$ 317,851	60%	\$ 190,710	1754	\$ 109
4000 - 4999	\$ 287,837	50%	\$ 143,918	1188	\$ 121
5000 - 5999	\$ 205,265	40%	\$ 82,106	986	\$ 83
6000 - 6999	\$ 184,309	30%	\$ 55,293	735	\$ 75
7000 - 9999	\$ 373,046	15%	\$ 55,956	943	\$ 60
Total			<u>\$1,300,183</u>	<u>13,000</u>	
	(1)			(2)	

- (1) Estimated property tax paid age 65 and over X 1.32 (age 62 factor) X 50% participation factor.
- (2) Homeowner, Mobile Homeowner and Renter age 62 and over X 50% participation factor. Result computed as ratio to 13,000 estimated eligible people by income level.

STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU  
SENIOR CITIZENS PROPERTY TAX RELIEF PROGRAM  
ESTIMATED ANNUAL PROGRAM COST BASED UPON 50% PARTICIPATION  
FOR THE 1975-77 BIENNIUM  
FEBRUARY 1975

INCOME LEVEL	ESTIMATED PROPERTY TAX PAID	PERCENT OF REBATE	AMOUNT OF REBATE	ESTIMATED ELIGIBLE SENIOR CITIZENS				AVERAGE REBATE
				CONVENTIONAL HOMEOWNER	MOBILE HOMEOWNER	RENTERS	TOTAL	
0 - \$ 999	\$ 51,311	90%	\$ 46,179	217	417	680	1,314	\$ 35
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Total			<u>\$1,201,559</u>	<u>4,677</u>	<u>3,536</u>	<u>4,787</u>	<u>13,000</u>	
		(1)		(2)	(2)	(2)	(2)	

- 1) Estimated annual property tax paid age 65 and over X 1.32 (age 62 factor) X 50% assumed participation factor.
- 2) Estimated Homeowner, Mobile Homeowner and Renters age 62 and over X 50% participation factor.

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(REPRINTED WITH ADOPTED AMENDMENTS)  
FIRST REPRINT

S. B. 31

SENATE BILL NO. 31—SENATORS BROWN, GIBSON,  
DODGE, POZZI, SWOBE, FOLEY AND CLOSE

JANUARY 16, 1973

Referred to Committee on Taxation

SUMMARY—Provides property tax assistance for senior citizens.  
Fiscal Note: No. (BDR 32-135)



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

AN ACT providing property tax assistance to senior citizens at the expense of the state; providing a penalty; and providing other matters properly relating thereto.

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

- 1 SECTION 1. Chapter 361 of NRS is hereby amended by adding
- 2 thereto the provisions set forth as sections 2 to 38, inclusive, of this act.
- 3 SEC. 2. *Sections 3 to 38, inclusive, shall be known and may be cited*
- 4 *as the Senior Citizens' Property Tax Assistance Act.*
- 5 SEC. 3. 1. *The legislature finds that:*
- 6 (a) *Senior citizens of this state live, as a rule, on limited retirement*
- 7 *incomes which remain fixed while property taxes and other costs con-*
- 8 *stantly rise.*
- 9 (b) *The erosion of senior citizens' income in terms of true value threat-*
- 10 *ens to destroy the ability of many to retain ownership of the homes in*
- 11 *which they had planned to spend their later years.*
- 12 (c) *Senior citizens are often forced to divert an excessive portion of*
- 13 *their incomes into the property taxes on their homes, thus leaving insuffi-*
- 14 *cient funds for other things essential to their well-being.*
- 15 (d) *Many senior citizens who rent their homes also pay an excessive*
- 16 *portion of their income into property taxes through the media of rent*
- 17 *payments.*
- 18 (e) *Fifteen percent of the rent senior citizens pay for the occupancy of*
- 19 *their homes approximates their contribution toward residential property*
- 20 *taxes.*
- 21 2. *The legislature therefore declares that:*
- 22 (a) *It is the public policy of this state to provide assistance to its senior*
- 23 *citizens who are carrying an excessive residential property tax burden in*
- 24 *relation to income.*

In no event shall the sum of all reimbursements to the counties and the refunds to home renters exceed the amount of the balance in the Senior Citizens' Property Tax Assistance account. If the sum of all reimbursements to the counties and the refunds to home renters does exceed the balance in such fund then the Secretary of the Commission shall proportionately reduce each reimbursement and refund so that the total of all reimbursements and refunds does not exceed the balance of such account.

Before any reimbursement is made to any county the Commission shall assure itself that the county assessor accurately processed the claims presented to him and accurately calculated the amount of the discount allowed. If after examination of the claims the Commission has reason to believe that such claims were not accurately processed or the amount of discounts were not properly calculated the reimbursement shall not be made until such time that the Commission conducts an audit of as many of the claims as it determines is reasonable to determine the proper and correct amount of such reimbursement.

If the Commission determines that audits of claims is needed for the purpose of determining if the county assessor accurately processed claims and calculated discounts, and if the existing personnel of the Commission is not capable of auditing a sufficient number of the claims then the Commission may expend not more than \$20,000.00 of the funds in the Senior Citizens' Property Tax Assistance account for the purpose of hiring qualified individuals to assist in conducting such audit.

Add to Section 14 - . . . . or the amount of the excessive discount or refund may be added to subsequent property taxes on the home of the claimaint. Such

*amount shall not be considered when determining subsequent discounts or refunds.*

Taylors

March 18, 1975

Name	Address	Telephone
George Hawes - P.O. Address - <u>Spec</u> AARP		882-1126
Ruth A. Lincoln 1001 Minnesota St AARP		
Mary E. Brocher 1005 So. Main		
Martin A. Zparren 3326 Smith Dr. Reno		825-6411
Ruth A. Zparren 3326 Smith Dr. Reno		825-6411
Paul A. Doyle C.C., NEV - A.A.R.P.		
Ingie Doyle C.C. " " "		
Thelma Rosenlof C.C. " " "		
Alfred R. Rosenlof C.C. " " "		
Beatrice M. Cathy 1812 Mountain St. C.C.		882-2756
Carl Cathy " " " " "		
Mary Reil N.R.T.A. 424 E. Long St. C.C. 882-675 A.A.R.P.		
( ORVIS E. Reil - Chairman Legislative Committee - Carson Chapter AARP		
Carmey Kosytha Carson City A.A.R.P.		
John R. Kimball Queen City, Nev		
George M. Archer AARP		882-2688
Mildred Archer AARP		882-2688
Nellie Lundy NRTA/AARP Joint Legislative - Council 882-0460		
Gene Mulligan Nevada Assoc. of Realtors		882-2771
C.W. Peggan - County Recorder Douglas County Recorder		
Ray L. Sutton Mineral Co. Recorder		
C.W. Angelillo N.H.T.A.		