

SENATE TAXATION COMMITTEE
March 24, 1975

The regular meeting of the Senate Taxation Committee was held on Monday, March 24, 1975, in Room 231. Senator Brown called the meeting to order at 2:40 p.m.

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

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

Chairman Brown asked Dr. Atkinson to review some of the ideas from the Atkinson Report which pertain to the suggested modification and amendments to NRS 275. Dr. Atkinson said that the Assessment and Taxation Committee looked at the ratio study which is one of the major tools for study in the State of Nevada. It came to that Committee's attention that County Assessors do not have the proper tools in that they do not have subpoena power and the real estate tax provisions do not provide a full disclosure of the value of the property for tax purposes. Dr. Atkinson read a portion of the suggested modification of SB-264. Dr. Atkinson continued by saying that at the present time the State Tax Commission has subpoena power but the County Assessors' do not. He said his Committee recommended that the Assessors' be given subpoena power, and that these recommendations were modeled after the Inter-governmental Ratio Study which was an "Act to give equality of assessment in the State of Nevada".

Senator Close voiced concern that this would now add expensive paper work to record some 100,000 documents because of the necessity of adding another piece of paper or addendum to these transactions.

Dr. Atkinson replied that the intent was to give the full value of property.

Senator Close asked if it was not correct that the Assessors' values are always lower than the market value.

Dr. Atkinson said the State Tax Commission follows assessment into the Counties and tells the Assessor of that County that his values are low. He said that is one of the problems now, that the Assessor does not have full subpoena power.

Senator Close said that it is his understanding that if the people report honestly, then the County Assessors' have access to that information.

Chairman Brown suggested that since Mr. Donald E. Peckham, the Washoe County Assessor was present, that the Committee ask Mr. Peckham to speak to this. Mr. Peckham replied that they try to get the information and that he could not say whether or not that information is exactly accurate since the money transferred is not necessarily the full price as recorded on the document stamps.

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Senator Raggio asked if would be feasible to add a line to the present tax stamp.

Mr. C. W. "Corky" Lingenfelter reviewed the testimony he had made at the meeting of March 18, 1975, in which he spoke against appending an affidavit to deeds at time of recording as proposed by the language of SB-264. Mr. Lingenfelter's remarks concerned the danger of "invasion of privacy" of parties to sales as well as the fact that the County Assessors already have access to this information and that he feels they presently have capable people in the Assessors' offices to handle appraisal duties without this full disclosure of people's business.

Senator Herr questioned the inclusion of "gross misdemeanor" under Section 4, NRS 375.110, line 37 of SB-264. The Senator said, since she is a Realtor she would like to point out that it is possible to get a difference of appraisal.

Senator Wilson asked for clarification of the discussion as he had joined the meeting late.

Chairman Brown reviewed the foregoing testimony.

Dr. Atkinson said the issue is the right for equalization of property assessment versus the right of disclosure which poses a dilemma.

Senator Echols asked why the lien figures were needed. It was explained that this provision is in the present law.

Following discussion, Chairman Brown said that the affidavit is going to be eliminated from the language and that Mr. Sheehan of the State Tax Commission will bring in an amendment. Mr. Sheehan asks for sufficient time to rewrite the amendment.

AB-283 - Requires report of tax dollar loss from exemption granted to certain properties used for air or water pollution control.

Chairman Brown calls Mr. James Lien, Assistant Secretary of the Nevada Tax Commission. Mr. Lien explained that the purpose of this bill is to list those properties which are exempt because they are being used for air and water pollution control. He said it is not an administrative problem but more a major piece of legislation for showing a major dollar loss in tax revenue.

Senator Close asked if this information would be going through the list of exemptions.

Senator Brown said this would not indicate that we are going to lose \$17,000.00. and Mr. Lien replied that he wonders for whom this is going to be helpful. Senator Brown asked who wanted this rationale and asked Mr. Sheehan to speak to this.

Mr. Sheehan stated Mr. Paul May says he was told in Clark County that Nevada Power bill pollution control devices are causing a revenue exemption loss. However, Mr. Sheehan says he is not sure why this was proposed. He suggests the Committee go back to Paul May of the Assembly.

Senator Brown asked for comments by Mr. Peckham outlined the difficulty of looking at buildings for appraisal purposes if the building has a pollution device on it.

Chairman Brown questioned Mr. Lean concerning \$17,000.00 involved and Senator Echols asked what, in tax loss these figures are.

Mr. Lien replied if it was considered that \$436,000.00 is now exempt, this would have engendered \$17,000.00. If this amount was not exempt it would generate \$17,000.00 in tax revenue.

Senator Echols asked Chairman Brown to get the reasoning behind this bill from the Assembly.

AB-298 - Provides for the distribution of a portion of the county-city relief tax collected from the sale of a mobile home to the county of its location if different from the county of sale.

Mr. Lien states this bill would place the sales tax in the county where the home would be placed.

Senator Hilbrecht questioned whether or not the bill reads the way Mr. Lien has explained as to purpose.

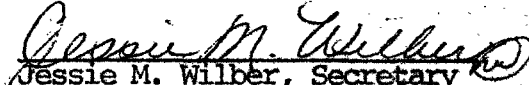
Senator Close asks if 1/2 of 1% sales tax is going to be more expensive and that it appears to be defeating to which Mr. Lien replied that this is one of the few things that is not an administrative burden. He reads in part from the study concerning mobile homes. . .the 1/2 cent levied. . .to help support services generated in that county when that home is moved there.

Senator Hilbrecht added that he feels it should be clearly stated in the Statute and Senator Raggio said he sees the same difficulty as Senator Hilbrecht.


The meeting concluded by the Committee requesting rewording of the amendments to SB-264. A request from Senator Raggio to hold SB-236 for further hearing and a motion to postpone SJR-15* moved by Senator Close, Seconded by Senator Echols and carried.

Meeting adjourned 5:10 p.m.

Respectfully submitted


Jessie M. Wilber, Secretary

APPROVED:


B. Mahlon Brown, Chairman

* of the 57th Session.

SENATE

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

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MONDAY Date MARCH 24, 1975 Time pm adj. Room 213

Bills or Resolutions
to be considered

Subject

Counsel
requested*

- SJR 15 *57th Floor* Proposes constitutional amendment to permit assessment of owner-occupied dwellings and land at lower rates.
- SB 236 Provides for equal distribution of real property transfer tax between state and counties.
- SB 264 Modifies requirement to report value of transferred real property and increases penalty for false declarations.
- AB 283 Requires report of tax dollar loss from exemption granted to certain properties used for air or water pollution control.
- AB 298 Provides for the distribution of a portion of the county-city relief tax collected from the sale of a mobile home to the county of its location if different from the county of sale.

*add
SJR 15 58th Floor*



1973-74

NEW FORMULA

County	Actual Receipts				NEW FORMULA			
	County Share	School Dist. Share	Cities Share	Total	County & Sub Dists. Share	School District	Cities Share	Total
Carson City	198,398.22	202,244.40		400,642.62	251,643.63	148,998.99		400,642.62
Churchill	98,873.25	65,917.24	8,470.73	173,261.22	97,494.09	65,007.61	10,759.52	173,261.22
Clark	\$2,639,481.13	\$1,595,439.93	\$654,605.21	\$4,889,526.27	2,551,354.81	\$1,633,590.73	704,580.73	\$4,889,526.27
Douglas	144,267.65	102,672.96		246,940.61	131,965.06	114,975.55		246,940.61
Elko	145,461.02	125,952.95	43,232.41	314,646.38	150,023.40	131,396.33	33,226.65	314,646.38
Esmeralda	15,566.82	7,712.41		23,279.23	15,236.26	8,042.97		23,279.23
Eureka	20,146.83	12,574.99		32,721.82	18,847.77	13,874.05		32,721.82
Humboldt	87,477.90	56,818.33	15,305.84	159,602.07	91,659.46	57,488.67	10,453.94	159,602.07
Lander	38,930.61	23,288.65		62,219.26	37,088.90	25,130.36		62,219.26
Lincoln	28,284.18	22,055.62	1,749.31	52,089.11	28,471.91	21,627.40	1,989.80	52,089.11
Lyon	74,272.61	57,132.78	11,426.56	142,831.95	76,429.37	62,260.45	4,142.13	142,831.95
Mineral	59,947.02	34,969.08		94,916.10	64,941.60	29,974.50		94,916.10
Nye	72,584.20	38,240.36	683.19	111,507.75	73,394.40	36,808.71	1,304.64	111,507.75
Pershing	34,041.18	28,689.04	8,159.39	70,889.61	33,438.62	32,779.36	4,671.63	70,889.61
Storey	10,498.98	6,586.40		17,085.38	10,405.00	6,680.38		17,085.38
Washoe	1,066,068.10	723,245.35	422,446.07	2,211,759.52	1,134,632.64	713,955.97	363,170.91	2,211,759.52
White Pine	92,486.99	63,379.13	19,003.59	174,869.71	94,709.44	70,017.83	10,142.44	174,869.71
Total	4,826,786.69	3,166,919.62	1,185,082.30	9,178,788.61	\$4,861,736.36	3,172,609.86	1,144,442.39	9,178,788.61
Grand Total	\$10,178,788.61							