

SENATE TAXATION COMMITTEE
APRIL 1, 1975

PRESENT: Senators Mahlon Brown, Mel Close, Thomas Wilson,
Wm. Raggio, Gene Echols and Norm Hilbrecht

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

Mr. Paul May, Assemblyman, testified that two years ago, the legislation was passed which exempted from real and personal taxation, those devices required by the government to provide or assist in clean air or water. The bill passed with little or no opposition.

During the last two years, he has become increasingly aware of the amount of dollars that we are exempting from some of the largest property owners in the various parts of the state, including NevadaPower, Kennecott Copper Corporation, etc. He is of the opinion that we should have some indication as to how much tax monies are involved. This measure would require that a report be prepared by the Nevada Tax Commission each fiscal year. This will show the assessed value of properties within each county which are exempt from taxation under the present statute and the loss in tax revenues to the state and to each local taxing entity from the exemption.

Mr. Lien, Tax Commission, explained they estimate this loss to be \$436,000 at the present time with more property exemptions to be included in the next tax roll. He indicated this report would not present any particular problems for the Tax Commission and would involve only one additional figure.

There was no action taken on the bill.

ASSEMBLY BILL 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. May, Assemblyman, testified that this bill is the result of an interim subcommittee that looked at mobile home sales over the last two years. From that study, five recommendations were submitted and this measure is one of two that are being considered.

This proposes that a portion of the sales tax be returned to the county of origin of the sale for mobile homes.

Mr. Lien suggested an amendment on page 2, line 7, reading: "Those tax receipts set forth in subsection 3b as being subject to transfer to another county shall be distributed within the county of origin unless the second county has enacted the county/city relief tax." Mr. May had no objection to that amendment.

Senator Dodge raised a question on the bill. He pointed out to the committee the fact that any type of merchandise may be bought

in one county by a resident of another county and the portion of the local state school support tax is apportioned out. No school suffers by virtue of less taxes from residents purchasing in other areas.

Mr. Lien pointed out they had taken a quick survey among mobile home dealers and found we are talking about 25 to 100 units per dealer, or transferring out of some counties \$61,000 to \$70,000 per year.

There was no action taken on this bill.

SENATE JOINT RESOLUTION #15: Memorializes Congress to remedy tax inequities involved in certain transactions on Indian reservations.

Senator Dodge, introducer of the Resolution, spoke in behalf of this measure explaining that he had introduced it at the request of merchants in Yerrington and Fallon. Two years ago, legislation was proposed which attempted to stop the practice of selling cigarettes on Indian reservations to non-residents of the reservation. The United States District Court in Reno in May of last year, ruled that that piece of legislation was in violation of the Indian Traders Act. The SJR #15 indicates that the loss of tax revenue in the past two years at Schurz to be \$275,000 from cigarettes.

There is a considerable loss of revenue to the state, but more important, in his opinion, this practice constitutes unfair trade competition to merchants in adjacent areas. These merchants are responsible for payment of taxes, business licenses etc. The unstamped cigarettes are offered to the general public, on the reservation, at a lower price than the merchants can buy them wholesale. There is no way they can compete with that price structure.

In recent months, a similar situation has developed in the Fallon area. Senator Dodge is of the opinion this is not what was meant in the intent of the Indian Traders Act and would strongly recommend approval of the resolution.

It was brought out that there had been several court cases throughout the country on the constitutionality of this type of measure and that there is one case currently pending before the United States Supreme Court.

Mr. Lien, from the Nevada Tax Commission, stated that the statewide tax loss from this practice was \$14,200 during the month of January and \$12,960 during the month of February. He added they have obtained information from one distributor from Oregon showing an average business of from \$12,000 to \$14,000 per month and this will be expanding with another outlet in the Fallon area.

Senator Brown asked if there had been any incidents of this practice expanding into other types of merchandise other than cigarette and was answered in the negative. This, however, does not preclude

this from happening if they are successful with their case before the Supreme Court.

Considerable testimony was heard on the measure, including:

Mr. Romaine Smokey, Jr., who read into the record two letters received relative to this subject in opposition to the measure.* These letters are made a permanent part of the record. Also testifying were Messrs. Benson Gibson, Ed Johnson, Joe Braswell and Warren Emm. All speakers were opposed to SJR #15 and wished to go on record as such.

Senator Brown thanked those in attendance.

There was no action taken on the Resolution.

SENATE BILL 392: Limits withholding of certain assets of delinquent taxpayers to amount amply sufficient to satisfy State's claim for sales and related taxes.

Senator James I. Gibson and Mr. James Lien were present and testified on the bill. There was considerable discussion on the merits of the measure.

No action was taken by the committee.

SENATE BILL 264: Modifies requirement to report value of transferred real property and increases penalty for false declaration.

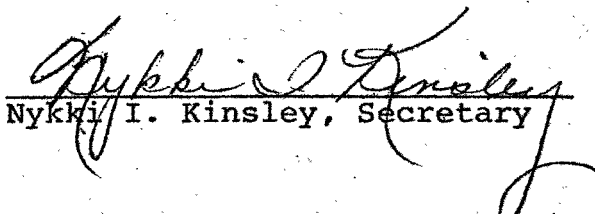
Amendments had been proposed to this bill and were discussed by the committee. At the conclusion of the discussion, a motion was introduced by Senator Raggio, seconded by Senator Echols to postpone action indefinitely.

Motion carried, with Senator Brown voting "nay".

There being no further business, the meeting was adjourned.

Respectfully submitted,

APPROVED:


Nykki I. Kinsley, Secretary


B. Mahlon Brown, Chairman

* See attached.

5:00 pm

Tavation

April 1, 1975

Norman L. Allen

Joe Braswell #3 Speaker

Frank A. Gonzalez

~~Lincoln~~

Linda R. Brown Jr.

N.J.

Ny Blondal

N.J.

Cindy Jay Jones

Warren E. #5 (WARREN Emm)

Emer Miller

Vernon H. Dixon

Kee Dale Sr.

Annalee Payne

Doreen Jr. Mike

Walter Voorhes

Arlin Mayhew

James W. Mayhew

William R. Butcher

Minona L. Holmes

Benson Gibson - # 1

Ed Johnson - # 2

Secretary

SENATE

AGENDA FOR COMMITTEE ON TAXATION

Date Tues. April 1 Time 5 p.m. Room 231

Bills or Resolutions to be considered	Subject	Counsel requested*
+ A. B. No. 283	Requires report of tax dollar loss from exemption granted to certain properties used for air or water pollution control.	
+ A. B. No. 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.	
✓ S. B. No. 392	Limits withholding of certain assets of delinquent taxpayers to amount amply sufficient to satisfy State's claim for sales and related taxes.	
✓ S.J.R. No. 15	Memorializes Congress to remedy tax inequities involved in certain transactions on Indian reservation.	

✓ S.B. 264 postponed

*Romaine Smoky Jr. } SJR 15
Robert Frank }*

*S.B. 392 - Senator Gibson & Tim Hien - No. Tax Comm.
S.B. 264 - Amendments gone over.*

*Please do not ask for counsel unless necessary.

WASHOE TRIBE OF NEVADA AND CALIFORNIA

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

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April 1, 1975

Mahlon Brown
Chairman
Senate Taxation Committee
Capitol Complex
Carson City, Nevada 89701

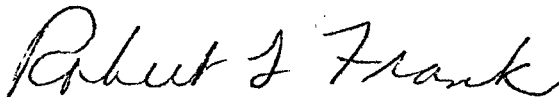
Dear Senator Brown:

The Washoe Tribe of Nevada and California opposes the adoption of S.J.R. 15 by your committee and the Nevada Legislature.

The Washoe Tribe is an Indian Tribe organized under the 1934 Indian Reorganization Act. The Tribe occupies two reservations in Nevada and one in California. The two Nevada reservations are in Carson and Douglas Counties. The membership of the tribe consists of both on and off reservation residents. The Nevada population of the Tribe is approximately 1500.

S.J.R. 15 is a serious intrusion into the recognized sovereignty of an Indian Tribe. This sovereignty includes the power of a Tribe to regulate all affairs which take place within the boundaries of the reservation. S.J.R. 15 is an attempt to allow regulation of transactions by a fellow sovereign. The intent behind the statutes referred to in S.J.R. 15 is to allow the tribal governing body to regulate all business on the reservation.

Sincerely,



Robert L. Frank
Chairman

RLF:gl

WASHOE TRIBE OF NEVADA AND CALIFORNIA

P. O. BOX 284
STEWART, NEVADA 89437
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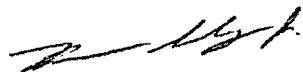
Mahlon Brown
Chairman
Senate Taxation Committee
Capitol Complex
Carson City, Nevada 89701

Dear Senator Brown:

The Dresslerville Community Council, a member of the Washoe Tribe of Nevada and California, desires to go on record as opposing adoption of S.J.R. 15 by your committee and the Nevada Legislature.

We oppose this Resolution, S.J.R. 15, because we view this Resolution as a serious attempt to infringe upon the inherent sovereign rights of Indian Governments to regulate and control all activities which occur within the exterior boundaries of the Indian Reservations.

Sincerely,



Romaine Smokey, Jr.
Chairman
Dresslerville Community Council

RSJ:gl

* Next page is # 175.