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SENATE TAXATION COMMITTEE
MINUTES OF MEETING
APRIL 28, 1975

The meeting was called to order at 3:10 p.m.

Senator B. Mahlon Brown was in the Chair.

PRESENT: Senator B. Mahlon Brown, Chairman
 Senator William Raggio
 Senator Thomas C. Wilson
 Senator Helen Herr
 Senator Mel D. Close

AB 317: ESTABLISHES DEPARTMENT OF TAXATION AND MODIFIES COMPOSITION AND FUNCTIONS OF NEVADA TAX COMMISSION AND STATE AND COUNTY BOARDS OF EQUALIZATION.

Dr. Glen Atkinson with the University of Nevada, Reno discussed the provisions of this bill with the committee, explaining that it is the result of an Assessment and Tax Equity Committee study. It deals primarily with the property tax for the state and its relationship to the assessors, the ratio study and net proceeds of mines. Each change was taken individually with brief explanation given on each revision:

Page 2 First major change is the change in composition of the Tax Commission. The Assembly felt it was beneficial to have someone on the commission that has some knowledge about the four categories they have included;

Page 3 line 50: the Department of Taxation is hereby created is really not a major change. The Department of Taxation is nothing more than the staff of the Taxation Commission.

Page 4 and 5 says that the Tax Commission is still the Head of the Department. All decisions are still on the Tax Commission; they are trying to retain all powers but will give them no more.

Page 11, Section 44 sets up qualifications for assessors. Many states are going to appointed County Assessors and they are trying to avoid that. Sets up guidelines and qualifications - considerable discussion followed on the amount of classroom study and schooling provided for personnel.

Page 12, line 10, Section 50 gives County Assessor the power to issue subpoenas to require the production before him of documents etc., as they contain inventory data needed for their purposes.

Page 12, line 36 provides for parceling system and mapping.

Page 18 and 19 considerable discussion held on the provisions for ratio study of assessed to market value.

Page 20 & 21 having to do with composition of the Board of Equalization. Must include the terms of office providing for staggered terms with exception of public officials who shall serve until the termination of their term of office.

Page 24, lines 8 & 9 - meeting of the State Board of Equalization may be held some other place other than Carson City. This is to help the residents of the Southern part of the state in appearing before the board.

IT WAS DETERMINED to eliminate the necessity for having public official bonds for the board members inasmuch as they would not be responsible for handling cash or expenditure of monies.

Page 34, Section 2 - discussion held on 'net proceeds' from mines.

Page 35 - Clarification of depreciation regulations for mines.

Page 38 - line 20

Discussion held on penalty provision on Page 37, Section 104 - they are going to the percent penalty assessment for false filing.

Dr. Atkinson explained those are the major revisions in the bill. Those persons testifying in opposition to the bill were:

Mr. Ernest Newton - Nevada Taxpayers Association, stated this bill is an effort to solve a problem that doesn't exist. He would suggest eliminating everything in the bill with the exceptions of Sections: 50, 60, 61, 62, 64, 67 and 74. He explained Sections 60 thru 71 splits out the board of equalization; Section 73 is a bad section, he doesn't see any point in changing from the way the provisions are now. The only thing that would happen is you would be adding a department and changing some syn tax. The first paragraph of Section 71 should be retained and the rest of Section 71 should go. He feels the electorate has the final say as to how to run the Assessors office - if they are not doing their job, they will not be reelected.

He suggested this bill receive a real good look to see if it is worth its cost. He does not understand what the purpose of the ratio study is; suggested it to be an exercise in futility.

He would be happy to see everything in the bill wiped out with the exceptions of Sections 50, 60 and 71.

Bill Byrne, Deputy Assessor for the County of Clark, spoke in opposition to various provisions in the bill. He has prepared a report and this was distributed to the committee members and attached hereto. His main concerns are the qualification and provision for study made available to assessors and their staff members as well as provisions for examinations to be done by the Department of Taxation. He explained the same people that would be taking the tests would also be responsible for their administration and this is not fair. National organizations should be utilized for testing.

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Section 63 on the Ratio Study - there were provisions in the first reprint of the bill that have now been removed and his office would like to see these provisions retained. The ratio study should show the actual value today of property being assessed. He also expressed the necessity for all County Assessors to be using the same formula in assessment work. Should follow the formula established by Mr. Sheehan and his staff.

Mr. Clayton Buntin, State Tax Commission, spoke primarily on the ratio study, explaining the ratio study is not peculiar to the State of Nevada; every state in the country uses it. It is a check and balance on a county-wide basis. We don't care what happened five years ago, what they want to know is what the value is today. The only way it can be viable is to have these statics available to the assessors.

Homer Rodriguez, Carson City Assessor, addressed himself to the provision in Section 44, Page 11 having to do with certification of the assessor. does not recognize those individuals who have gone beyond the certificate issued through the State. Why doesn't Nevada recognize the professional designations? They way this bill is written, individuals holding the professional certifications would still be required to take the tests provided through the State Agency.

Mr. Lien explained the type of instructions they have provided for assessors. He did agree with Mr. Byrne for improvement in the methods by which examinations are given and felt that having a national organization administer the examinations would be more equitable.

Mr. Paul Gemmill, Nevada State Mining Association, testified he has received complaints from small mining companies, who particularly object to the provisions for centralized assessment. He called attention to Page 34, lines 4 thru 8, where there is centralized assessment on all major equipment mills etc. He feels it appears to be singling out mining where you aren't doing the same thing for other types of industry. He suggested he talk about "operating" plants being on the centralized assessment but those that are operating periodically should have some flexibility. In response to Senator Raggio's question on using the "uniform" approach, Mr. Gemmill explained that would be very difficult to assess. He explained the large mining operators see no objections to any part of the bill, however, with the smaller operators they do feel the bill is discriminatory.

Mr. Louis Bergstrom, representing the Nevada Cattlemen's Association, testified they have no quarrel with the bill. I would suggest that we replace the provision for a representative from the finance category with one in mining, as they feel this is more essential on the Tax Commission. He stated he really doesn't believe this is going to solve any problems.

There was no action taken. Suggested changes will be prepared by Mr. Lien and brought to the next meeting to be held April 30, 1975 at Noon.

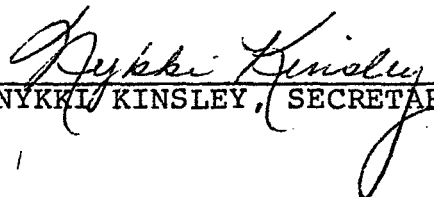
There being no further business, the meeting adjourned.

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RESPECTFULLY SUBMITTED:


NYKKI KINSLEY, SECRETARY

APPROVED BY:


B. MAHLON BROWN, CHAIRMAN