

SENATE TAXATION COMMITTEE
MINUTES OF MEETING
MAY 2, 1975

279

The meeting was called to order at 3:00 pm

Senator B. Mahlon Brown was in the Chair.

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

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

Discussion opened on the ratio study, in particular provisions on
Page 19, lines 28 thru 33.

Senator Raggio explained that what we are trying to find out is exactly where we are at any given time. You can't always be at the 35% of the full cash value. By taking discounts we never find true ratios between counties. Mr. John Sheehan of the Nevada Tax Commission stated he understands the problems of the County Assessors; we have lived for many years without concept of discounting and doesn't know if this is the proper way to go. He suggested the best way to comprise this is to change the word "shall" to "may" on line 29 of Page 19. This suggestion seemed agreeable to the Assessors who were present.

Discussions were held on Section 44, where Assessor would have to pass a test to be eligible for a second term. There was considerable comment on the fact that if an individual is elected and holds office for one term, he must then have certain qualifications in order to run for a second term, whereas there are no such qualifications required for any individual to come in and file for office for a first term. This does create an inequity in many instances. It was agreed that they do want to obtain some degree of expertise, but uncertain just what requirements would be the best way to obtain it.

Testifying during the discussions were the following Assessor's:
Bill Lloyd, Lincoln County; Bernie Merlino, Nye County and Homer Rodriguez, Carson City.

Senator Close asked about clarification of 'credit' hours during classroom study; he would rather the provision be for 100 hours or whatever the requirement. Mr. Lien agreed this would be no problem and will make that change.

Page 23, line 42 set down the time frame on when the board appointments would begin - add "beginning July, 1975".

Page 24, lines 3 thru 6, strike requirements for public officials bond.

PAGE TWO

Page 35, delete on line 18, "plus interest at a rate to be determined by", and insert "in a manner to be recaptured by".

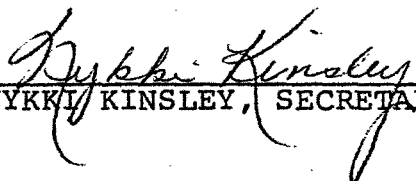
Discussion was held on methods of examining individuals for Assessor's office personnel. It was determined that the best method would be to set up some type of board composed of, perhaps, three members of the tax commission and three members from Assessor's offices. This group would then 'contract' for the services of an outside firm for administration of examines, etc. This language will be drafted into the bill.

General discussion around various provisions of the bill was held.

Senator Herr - Amend and "Do Pass"
Senator Close - 2nd
Motion carried unanimously

There being no further business, the meeting was adjourned.

RESPECTFULLY SUBMITTED:


NYKKI KINSLEY, SECRETARY

APPROVED BY:


E. MAHLON BROWN, CHAIRMAN

Office of the County Assessor

JEAN E. DUTTON
County Assessor

CLARK COUNTY COURT HOUSE
LAS VEGAS, NEVADA 89101

WILLIAM B. BYRNE
Assistant County Assessor

PHONE 386-4011

April 25, 1975

Honorable Senator Mahlon Brown
Chairman, Taxation Committee
State Senate
Legislative Building
Carson City, Nevada

Dear Senator Brown:

I am attaching hereto some comment regarding the various amendments to the state taxation and revenue statutes contained in A. B. 317.

I would be the first to support those amendments in this Bill which afford the newly-created Department of Taxation and/or its Executive Director whatever additional administrative authorities are necessary for a competent administration of the Department, but the promiscuous use of brackets around the words "Nevada tax commission" and the substitution of the word "Department" thereat in areas of policy-making and decision-making, makes the tax commission, in my opinion, nothing more than an appeal body. I doubt that is the reason for its existence.

Examples of delegation of the present policy-making and decision-making authority of the tax commission to the Executive Director of the Department, are prevalent all thru the proposed amendments to the present law.

The italics part of 360.140, page 4, lines 26 thru 30, of the Bill giving the Executive Director further administrative authorities is commendable -- altho I find it difficult to reconcile the deletion of the words "with the approval of the Nevada tax commission" -- BUT on the other hand, the amendment in italics on lines 45 thru 50 and the amendments to 360.200; 360.220; 360.230; 360.240, etc., just to mention a few, are fraught with the danger of creating a monstrous bureaucracy; this danger, in my humble opinion, is not relieved one iota by the mere inclusion of language in the Bill which provides that "as head of the Department" the Tax Commission may hear appeals and review decisions of the Executive Director.

Getting along to Page 11, Sec. 44, of the Bill, please be assured, Mahlon that every Assessor in the State of Nevada is in agreement that the greatest expertise possible in the administration of their Offices is most desirable and needed, but they do not for one moment agree that the accomplishment of this is in Sections 44, 45 and 46, etc., pages 11 and 12, of the Bill. Personally, I could only liken this to the pupil testing the teacher.

We are in accord, to put it briefly as possible, with the requirement of accomplishing appropriate training, credit hours, etc., but are in complete disagreement that the examination and issuance of appraisers certificates be an authority of the newly-created Department of Taxation. The staff of the tax commission do not presently conduct the training programs. Our schools and seminars are conducted by professional representatives of the International Association of Assessing Officers. I doubt that in the entire staff of the present Division of assessment Standards of the State tax commission, nee Department, there is one holding the designation CAE.

Carson City county assessor Homer Rodriguez has attained this designation. I have two men in my staff who have attained CAE designation. You might liken it to CPA in the accounting profession. These are the professionals who should be vested with this responsibility and authority so that those who have appraisal responsibility, not only in the county but in the Department of Taxation, as well, shall be equally and objectively required to be competent. Naturally, if anyone in the staff of the Department accomplishes the professional designation or certification recognized by the I.A.A.O., they would join the examining Board.

I'll be at Carson City on Monday, Mahlon, and hope to have the opportunity to testify before your committee. I hope, too, it isn't imperative that the Taxation Committee take a vote on A. B. 317 until the representatives of the cities and counties and assessors have an opportunity to comment on it. Many of them will be at Carson City on May 1 and May 2. My very best regards,

Sincerely yours,



WILLIAM B. BYRNE
Asst. County Assessor.

P.S. I know I don't have to tell you that these comments are in no way personally motivated. In the not too distant future I will be leaving this office.

Office of the County Assessor

JEAN E. DUTTON
County Assessor

CLARK COUNTY COURT HOUSE
LAS VEGAS, NEVADA 89101
PHONE 386-4011

WILLIAM B. BYRNE
Assistant County Assessor

REGARDING ASSEMBLY BILL 317:

The present Division of Assessment Standards will be abolished.

The Department of Taxation is created. 360.120, page 3, line 50 of the Bill.

Under this Bill all the powers of the law by Chapter 360, which are presently the authority of the Nevada Tax Commission, directly, with respect to requiring governing bodies of local governments to submit their estimated budgets, and policy making decisions etc. etc., are removed from the Tax Commission and given to the Department of Taxation, or, in other words, to the Executive Director. (NRS 360.200 - 360.220) The only relief from this authority to the Department of Taxation is the single reference in the Bill that the Nevada tax commission, as head of the department, may review decisions made by the executive director, and reverse them.

At the present time the law provides that the Tax Commission shall employ a chief clerk and statistician who shall be its secretary and be in charge of the office of the Commission. Under the Bill that is deleted and the Bill provides that the administrative officer of the Department of Taxation will be an executive director, appointed by the Governor.

360.120 at the present time provides that the Secretary of the Commission shall devote his entire time and attention to the business of his office and shall NOT pursue any other business or occupation or hold any other office for profit. Under the Bill this restriction is relieved by adding the words, "during the hours the Department is open for business". (In the reprint changed to read "which detracts from his duties").

360.120 presently provides that the secretary of the Tax Commission may employ clerical and expert assistance as required, with the approval and consent of the Tax Commission. Under the Bill this approval and consent by the Tax Commission is deleted.

Chapter 360, under the Bill, is further amended to provide that the decision of the Executive Director or any other officer of the Department of Taxation, pursuant to 360.130 (hearings, investigations, examination of books, compelling attendance of witnesses, etc. etc.) will be final. However, it does provide for appeal to the Tax Commission from decision of the Executive Director, if taken within 15 days.

360.200. (I suggest that the impact of this amendment to the present law be examined very carefully) 360.200 under the present law provides that the Nevada Tax Commission shall have the power to exercise general supervision and control over the entire revenue of the State. Under the Bill this supervision and control is removed from the Tax Commission and given to the Department of Taxation and - in addition - it is now added in the Bill that this supervision and control by the Department of Taxation shall include "the administration of the provisions of Chapter 397, statutes of Nevada 1955, as amended (NRS Chapter 372).

360.420. The present law, by the Bill, is amended to take away from the Tax Commission and give to the Department of Taxation the authority to relieve any penalty for failure to make timely returns of tax amounts due the State. Until a couple of years ago the penalty for late returns was mandatory. Then the law was changed to give the Tax Commission opportunity to relieve the penalty if for good reason, in its judgment. Now the judgment and authority to relieve the penalty is given to the Department, under the Bill.

360.400. It is provided here that a taxpayer paying taxes to the State (sales and use taxes, etc.) can petition the Tax Commission for an extension of up to 15 days from a final decision by the Department of Taxation of taxes due, but, peculiarly, the Bill gives the Department - not the Tax Commission - the authority to grant or refuse the petition.

361.333. The law presently provides that the State Tax Commission staff (Division of Assessment Standards) each year shall make a ratio study to determine the average ratio of assessed valuation to the full cash value of property in each County and the State, and to determine the adjusted average ratio of assessed valuation to the full cash valuation of property in each County. This is good law and is intended to assure uniformity of assessment procedures and equalization.

The present law then provides that in making this ratio study the Tax Commission staff shall "take into account the interval between the current determination and last assessment of the property by the County Assessor, and make appropriate discount or otherwise adjust the full cash valuation".

Doing this is vitally important to the accomplishment of a factual and accurate result in the ratio study. The State Tax Commission adopted this as a formal procedure and two years ago it was included as an amendment to the statute.

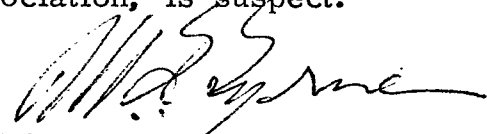
In the first printing of A. B. 317, this language remained in. In the First Reprint it is deleted entirely.

I question that this deletion has been discussed with the State Tax Commission, much less approved by it. We object most strenuously to this action by whomever is responsible for the deletion and recommend that this language be reinstated in the Bill. The inclusion of

REGARDING ASSEMBLY BILL 317:

Page 3

this provision in the present statute was the result of discussion between the Tax Commission and the Nevada Association of Assessing Officers. It's "quiet" deletion in the reprint, without the knowledge of the Commission and/or the Assessors Association, is suspect.



W.B. BYRNE
ASST. COUNTY ASSESSOR

1 2. *The Nevada tax commission, as head of the department, may*
2 *review all other decisions made by the executive director and may reverse,*
3 *affirm or modify them.*

4 SEC. 15. NRS 360.180 is hereby amended to read as follows:
5 360.180 The [Nevada tax commission may require the division of
6 assessment standards to:] *department may:*

7 1. Assist the county assessors in appraising property within their
8 respective counties which the ratio study shows to be assessed at more or
9 less than 35 percent of its full cash value.

10 2. Consult with and assist county assessors to develop and maintain
11 standard assessment procedures to be applied and used in all of the
12 counties of the state, to the end that assessments of property by county
13 assessors shall be equal in each of the several counties of this state.

14 3. Visit a selective cross-section of assessable properties within the
15 various counties in cooperation with the county assessor and examine
16 these properties and compare them with the tax roll and assist the various
17 county assessors in correcting any inequalities found to exist with factors
18 of equal value and actual assessed value considered, and place upon the
19 rolls any property found to be omitted from the tax roll.

20 4. Carry on a continuing study, the object of which is the equaliza-
21 tion of property values between counties.

22 5. Carry on a program of in-service training for county assessors of
23 the several counties of the state, and [once during] each year hold classes
24 of instruction in assessing procedure for the purpose of bringing each
25 county assessor and his authorized personnel the newest methods, pro-
26 cedures and practices in assessing property. Expenses of attending such
27 classes shall be a proper and allowable charge by the board of county
28 commissioners in each county.

29 6. Continually supervise assessment procedures which are carried on
30 in the several counties of the State of Nevada and advise county assessors
31 in the application of such procedures. The [Nevada tax commission]
32 *department* shall make a complete written report to each session of the
33 legislature, which shall include all reports of its activities and findings and
34 all recommendations which it has made to the several county assessors,
35 and the extent to which such recommendations have been followed.

36 7. Carry on a continuing program to maintain and study the assess-
37 ment of public utilities and all other property assessed by the [Nevada
38 tax commission] *department* to the end that such assessment shall be
39 equalized with the property assessable by county assessors.

40 8. Conduct appraisals at the request of and in conjunction with any
41 county assessor when such assessor considers such assistance necessary.

42 ~~9. One-half of the cost of such appraisal shall be paid by the county.~~
43 *In lieu of a cash payment, the county may provide labor, material or serv-*
44 *ices having a value equal to one-half of the appraisal cost.*

45 SEC. 16. NRS 360.195 is hereby amended to read as follows:

46 360.195 Where any tax is collected by the [Nevada tax commission]
47 *department of taxation* for apportionment in whole or in part to any
48 political subdivision where the basis of such apportionment is the popula-
49 tion of such political subdivision as determined by the last preceding

1 Sec 54. NRS 361.340 is hereby amended to read as follows:

2 361.340 1. The board of equalization of each county shall consist of:

- 3 (a) [The board of county commissioners.
- 4 (b) One member of the board of trustees of the county school district
- 5 to be selected by the board of trustees.
- 6 (c) One member of a city council or like officer of each incorporated
- 7 city in the county to be appointed by the city council of such city. If there
- 8 be no incorporated city within the county, the board of county commis-
- 9 sioners shall appoint a taxpayer, residing within an unincorporated city,
- 10 town or village in the county, who is not a member of the board of county
- 11 commissioners.

12 The clerk of the board of county commissioners shall be the clerk of the
13 county board of equalization.

14 2. In Carson City the board of equalization shall consist of:

- 15 (a) The board of supervisors.
- 16 (b) One member of the board of trustees of the city school district to
- 17 be selected by the board of trustees.
- 18 (c) One taxpayer residing in the city who is not a member of the board
- 19 of supervisors,
- 20 and shall be considered as a county board of equalization. The city clerk
- 21 shall be the clerk of the board of equalization.] *Five members, only two*
- 22 *of which may be elected public officers, in counties having a population*
- 23 *of 10,000 or more; and*
- 24 *(b) Three members, only one of which may be an elected public officer,*
- 25 *in counties having a population of less than 10,000,*
- 26 *as determined by the last preceding national census of the Bureau of the*
- 27 *Census of the United States Department of Commerce.*

28 2. *The chairman of the board of county commissioners shall nomi-*
29 *nate persons to serve on the county board of equalization who are versed*
30 *in real estate appraisal, accounting or finance or who are elected public*
31 *officers. Such nominees shall be appointed upon a majority vote of the*
32 *board of county commissioners. The chairman of such board shall desig-*
33 *nate one of the appointees to serve as chairman of the county board of*
34 *equalization.*

over

3. appointments shall be for a term of 4 years, but the term of any elected public officer appointed shall expire upon the expiration of his elected term.

4. The first appointments to the county board of equalization shall be for terms beginning Oct. 1, 1975 as follows:

(a) For boards consisting of five members:

(1) Two members for 4 years.

(2) Two members for 3 years.

(3) One member for 2 years.

(b) For boards consisting of three members:

(1) One member for 4 years.

(2) One member for 3 years.

(3) One member for 2 years.

Hereafter all members shall be appointed for terms of 4 years except when appointed to fill unexpired terms.

5. Appointments to fill vacancies on the county board of equalization shall be for the unexpired term of the member being replaced and shall be made pursuant to subsection 2.

(Continuation of p. 21)

~~6.~~

~~35 3: The county clerk shall be the clerk of the county board of equalization.~~

~~7.~~

~~37 4: Any member of the county board of equalization may be removed by the board of county commissioners if, in its opinion, such member is guilty of malfeasance in office or neglect of duty.~~

~~8.~~

~~40 5: The members of the county board of equalization are entitled to receive per diem allowance and travel expenses as provided by law.~~

~~9.~~

~~42 [3.] 6. A majority of the members of the county board of equalization shall be sufficient to constitute a quorum, and a majority of the board shall determine the action of the board.~~

~~10.~~

~~44 [4.] 7: The county board of equalization of each county shall meet during the month of January of each year, and shall hold such number of meetings during that month as may be necessary to care for the business of equalization presented to it, and in any event shall meet at least once each week during the time provided by this section. The county~~

1 board of equalization shall conclude the business of equalization on or
2 before the 25th day of January of each year. The [Nevada tax commis-
3 sion] *state board of equalization* shall have power to establish procedures
4 for the county boards, including setting the period for hearing appeals
5 and for setting aside time to allow the county board to review and make
6 final determinations. The district attorney or his deputy shall be present
7 at all meetings of *the county [boards] board of equalization* to explain
8 [legal provisions and the authority of the county boards.] *the law and*
9 *the board's authority.*

10 [5.] 8. The county assessor [or the assessor of Carson City] shall
11 attend all meetings of the county board of equalization. [, without addi-
12 tional compensation.]

13 SEC. 65. NRS 361.355 is hereby amended to read as follows:

14 361.355 1. Any person, firm, company, association or corporation,
15 claiming overvaluation or excessive valuation of its property in the state,
16 whether assessed by the Nevada tax commission or by the county assessor
17 or assessors, by reason of undervaluation for taxation purposes of the
18 property of any other person, firm, company, association or corporation
19 within any county of the state or by reason of any such property not being
20 so assessed, shall appear before the county board of equalization of the
21 county or counties wherein such undervalued or nonassessed property
22 may be and make complaint concerning the same and submit proof
23 thereon. [In any event, the] *The* complaint and proof shall show the
24 name of the owner or owners, the location, the description, and the full
25 cash value of the property claimed to be undervalued or nonassessed.

26 2. The county board of equalization forthwith shall examine such
27 proof and all data and evidence submitted by the complainant, together
28 with any evidence submitted thereon by the county assessor or any other
29 person. If [it shall be determined by] the county board of equalization
30 *determines* that the complainant has just cause for making such complaint
31 it shall immediately make such increase in valuation of the property com-
32 plained of as shall conform to its full cash value, or cause such property
33 to be placed on the assessment roll at its full cash value, as the case may
34 be, and make proper equalization thereof.

35 3. Except as provided in subsection 4, any such person, firm, com-
36 pany, association or corporation [claiming overvaluation or excessive
37 valuation of its property, for the reason or reasons as provided in this
38 section,] failing to make a complaint [thereof] and submit proof
39 [thereon] to the county board of equalization of each county wherein it
40 is claimed property is undervalued or nonassessed [,] *as provided in this*
41 *section*, shall not thereafter be permitted to make complaint of or offer
42 proof concerning such undervalued or nonassessed property to the state
43 board of equalization.

44 4. If the fact that there is such undervalued or nonassessed property
45 in any county has become known to the complainant after the final
46 adjournment of the county board of equalization of that county for that
47 year, the complainant may make its complaint *by the 4th Monday of*
48 *February to the state board of equalization* and submit its proof as pro-
49 vided in this section at [the February] a session of the state board of
50 equalization, upon complainant proving to the satisfaction of the state

1 board of equalization it had no knowledge of such undervalued or non-
2 assessed property prior to the final adjournment of the county board of
3 equalization. The state board of equalization shall proceed in the matter
4 in like manner as provided in this section for a county board of equaliza-
5 tion in such case, and cause its order thereon to be certified to the
6 county auditor with direction therein to change the assessment roll
7 accordingly.

8 SEC. 66. NRS 361.360 is hereby amended to read as follows:

9 361.360 1. Any taxpayer being aggrieved at the action of the county
10 board of equalization in equalizing, or failing to equalize, the value of
11 his property, or property of others, or a county assessor, may appeal to
12 the state board of equalization [at its February session,] *by the 4th Mon-*
13 *day of February* and present to the state board of equalization the matters
14 complained of [.] *at one of its sessions.*

15 2. All such appeals shall be presented upon the same facts and evi-
16 dence as were submitted to the county board of equalization in the first
17 instance, unless there shall be discovered new evidence pertaining to the
18 matter which could not, by due diligence, have been discovered prior to
19 the final adjournment of the county board of equalization.

20 SEC. 67. NRS 361.375 is hereby amended to read as follows:

21 361.375 1. [The state board of equalization shall be composed of
22 the members of the Nevada tax commission.

23 2. The chairman of the Nevada tax commission shall be the chair-
24 man of the board, and the secretary of the Nevada tax commission shall
25 be the secretary of the board.

26 3. Each member of the Nevada tax commission (except the governor
27 as an ex officio member) shall have a vote upon the board, and in all
28 cases a majority vote of the entire membership of the board shall govern.
29 Five members shall constitute a quorum for the transaction of business.]
30 *The state board of equalization shall consist of five members appointed*
31 *by the governor. The governor shall designate one of the members to serve*
32 *as chairman of the board.*

33 2. *The board members shall respectively possess the following quali-*
34 *fications:*

35 (a) *One shall be a certified public accountant or a registered public*
36 *accountant.*

37 (b) *One shall be a property appraiser with a professional designation.*

38 (c) *One shall be versed in the valuation of centrally assessed properties.*

39 (d) *Two shall be versed in business generally.*

40 3. *Only three of the members may be of the same political party and*
41 *no more than two may be from the same county.*

42 4. *The first appointments to the board shall be for terms as follows:*

43 (a) *Two members for 4 years.*

44 (b) *One member for 3 years.*

45 (c) *One member for 2 years.*

46 (d) *One member for 1 year.*

47 *Thereafter, all members shall be appointed for terms of 4 years, except*
48 *when appointed to fill unexpired terms. Appointments to fill vacancies*
49 *on the board shall be for the unexpired term of the board member to be*

beginning July 1, 1975

1 replaced, and shall be made by the governor. No member may serve more
2 than two full terms consecutively.

3 ~~5. Before entering upon his duties, each board member shall enter~~
4 ~~into a bond payable to the State of Nevada, to be approved by the state~~
5 ~~board of examiners, in the sum of \$10,000, conditioned for the faithful~~
6 ~~performance of his duties and shall subscribe to the official oath.~~

7 ~~6. Any member of the board may be removed by the governor if, in~~
8 ~~his opinion, such member is guilty of malfeasance in office or neglect of~~
9 ~~duty.~~

10 ~~7. Each board member shall receive as compensation \$40 for each~~
11 ~~day actually employed on the work of the board. The board members~~
12 ~~are entitled to receive the per diem allowance and travel expenses as pro-~~
13 ~~vided by law.~~

14 ~~8. A majority of the members of the board shall be sufficient to con-~~
15 ~~stitute a quorum, and a majority of the board shall determine the action of~~
16 ~~the board. The board may make regulations governing the conduct of its~~
17 ~~business.~~

18 ~~9. The staff requirements of the state board of equalization shall be~~
19 ~~provided by the department and the executive director shall serve as the~~
20 ~~secretary of the board.~~

21 SEC. 68. NRS 361.380 is hereby amended to read as follows:

22 361.380 1. Except as otherwise provided in subsection 3, annually,
23 the state board of equalization shall convene on the 1st Monday in Feb-
24 ruary in Carson City, Nevada, and shall hold such number of meetings as
25 may be necessary to care for the business of equalization presented to it.
26 All protests to the state board of equalization shall be made on or before
27 the 4th Monday of February. [and the state board of equalization shall
28 conclude the business of equalization on or before the 4th day of March
29 in each year.] The state board of equalization shall conclude the business
30 of equalization on cases that in its opinion have a substantial effect on tax
31 revenues on or before March 4. Cases having less than a substantial effect
32 on tax revenues may be heard at additional meetings which may be held at
33 any time and place in the state prior to October 1.

34 2. The publication in the statutes of the foregoing time, place and
35 purpose of each regular session of the state board of equalization shall be
36 deemed notice of such sessions, or if it so elects, the state board of equal-
37 ization may cause published notices of such regular sessions to be made
38 in the press, or may notify parties in interest by letter or otherwise.

39 3. The state board of equalization may designate some place other
40 than Carson City, Nevada, for any of the meetings specified in subsection
41 1. If such other place is so designated, notice thereof shall be given by
42 publication of a notice once a week for 2 consecutive weeks in some
43 newspaper of general circulation in the county in which such meeting or
44 meetings are to be held.

45 SEC. 69. NRS 361.385 is hereby amended to read as follows:

46 361.385 1. [All sessions shall be public and all persons shall have
47 the right to appear in person or by their agents or attorneys and, subject
48 to exceptions and qualifications contained in this chapter, submit evi-
49 dence, both oral and documentary. It shall be lawful, in lieu of personal
50 appearance or appearance by agent or attorney of any claimant before the

5.
6.
7.
8.

- 1 (e) The actual cost of maintenance and repairs of:
2 (1) All mine machinery, equipment, apparatus and facilities.
3 (2) All milling, smelting and reduction works, plants and facilities.
4 (3) All transportation facilities and equipment except such as are
5 under the jurisdiction of the public service commission of Nevada as
6 public utilities.
7 (f) The actual cost of fire insurance on the machinery, equipment,
8 apparatus, works, plants and facilities mentioned in paragraph (e) of
9 this subsection.
10 (g) Depreciation [at the rate of not less than 6 percent nor more than
11 10 percent per annum of the assessed valuation] of the original capital-
12 ized cost of the machinery, equipment, apparatus, works, plants and facil-
13 ities mentioned in paragraph (e) of this subsection. [The percentage of
14 depreciation shall be determined for each mine by the Nevada tax com-
15 mission, and in making such determination the Nevada tax commission
16 shall give due weight to the character of the mine and equipment and its
17 probable life.] ~~The annual depreciation charge shall consist of amortiza-~~
18 ~~tion of the original cost, plus interest at a rate to be determined by~~

*in a manner to be
prescribed by*

19 regulation of the tax commission. The probable life of the property repre-
20 sented by the original cost shall be considered in computing the
21 depreciation charge.

22 (h) All moneys expended for premiums for industrial insurance, and
23 the actual cost of hospital and medical attention and accident benefits and
24 group insurance for all employees.

25 (i) All moneys paid as contributions under the unemployment compen-
26 sation law of the State of Nevada, as contained in chapter 612 of NRS,
27 and all moneys paid as contributions under the Social Security Act of the
28 Federal Government, and all moneys paid to either the State of Nevada or
29 the Federal Government under any amendment to either or both of the
30 statutes mentioned in this paragraph.

31 (j) The actual cost of development work in or about the mine or upon
32 a group of mines when operated as a unit.

33 (k) All moneys paid as royalties by a lessee or sublessee of a mine,
34 or by both, shall constitute a deductible item for such lessee or sub-
35 lessee in determining the net proceeds of such lessee or sublessee or both;
36 but the royalties so deducted by the lessee or sublessee shall constitute
37 part of the gross yield of the mine for the purpose of determining the net
38 proceeds upon which a tax shall be levied against the person, corporation,
39 association or partnership to which the royalty has been paid.

40 3. Every person, corporation or firm acquiring property in the State
41 of Nevada for the purpose of engaging in mining and who incurs any of
42 the expenses mentioned in subsection 2 shall report such expenses and
43 the recipient of any royalty payments to the [Nevada tax commission]
44 department on forms provided by the [commission.] department.

45 4. The several deductions mentioned in subsection 2 shall not include
46 any expenditures for salaries, or any portion thereof, of any person not
47 actually engaged in:

- 48 (a) The working of the mine; [or]
49 (b) The operating of the mill, smelter or reduction works; [or]

1 for sale or consignment, or with intent to sell or consign the same, shall
2 pay to the [Nevada tax commission] *department of taxation* an inspec-
3 tion fee of one-twentieth of a cent per gallon for every gallon of gasoline
4 or lubricating oil so shipped or transported into the state, or that is
5 held for sale within this state; but nothing in this section shall be con-
6 strued to require the payment of an inspection fee on any shipment or
7 consignment of gasoline or lubricating oil when such inspection fee has
8 already been paid.

9 2. On or before the 25th day of each calendar month, every person,
10 or any officer, agent or employee thereof, required to pay the inspection
11 fee mentioned in subsection 1 shall send to the [Nevada tax commission]
12 *department of taxation* a correct report of the gasoline or oil volumes for
13 the preceding month, and such report shall include a list of distributors
14 or retailers distributing or selling the products. Such report shall be
15 accompanied by the fees herein required due the state on such gasoline
16 and lubricating oil.

17 3. Failure to send such report and remittance as specified in sub-
18 sections 1 and 2 shall be a violation of NRS 590.010 to 590.150, inclu-
19 sive, punishable as provided in NRS 590.150.

20 SEC. 327. NRS 590.130 is hereby amended to read as follows:

21 590.130 All inspection fees received by the [Nevada tax commis-
22 sion] *department of taxation* shall be deposited [in the general fund in
23 the state treasury,] *with the state treasurer for credit to the state general*
24 *fund*, and all expenses incurred in carrying out the provisions of NRS
25 590.010 to 590.150, inclusive, shall be paid out of funds provided by
26 direct legislative appropriation.

27 SEC. 328. NRS 360.150, 360.160, 360.170, 360.175, 360.190, 361-
28 813, 365.090, 369.120, 370.050, 374.095, 374.730 and 494.045 are
29 hereby repealed.

30 SEC. 329. Those persons with matters pending before the Nevada tax
31 commission or before its hearing officers or staff shall retain all prior
32 rights and status with the department of taxation.

33 SEC. 330. 1. Sections 48 and 49 of this act shall become effective on
34 July 1, 1976.

35 2. Sections 107, 108 and 111 of this act shall become effective on
36 July 1, 1979.

37 3. Sections 55, 56, 103, 121, 122 and 129 of this act shall become
38 effective at 12:01 a.m. on July 1, 1975.

39 4. All other sections of this act shall become effective on July 1,
40 1975.

360.040

A.B. 317, TAXATION, COMMITTEE ON TAXATION:

IT IS QUITE PROBABLE THAT THE FIRST TAX IMPOSED WAS CONSIDERED TOO MUCH AND LIKE WISE THE LAST TAX IMPOSED WILL BE DECREASED TOO HIGH:

AS OUTLINED ON PAGE 2, SEC. 4, IS NOT INTENDED TO PROVIDE A TRUE REPRESENTATION OF "WE THE PEOPLE," FACTUALLY THE TWO PRIME INDUSTRIES OF THIS PLANET ARE PLACED IN A POSITION OF INFERIORITY IN THAT ON THE SHOULDERS OF MINING, AGRICULTURE RESTS THE WELL BEING OF ALL PEOPLES. THEN ONLY ONE VOTE TO VOICE THE WISHES OF THE VAST MAJORITY OF THE CITIZEN'S OF NEVADA, THE TEN YEAR DEMAND IS INTENDED TO PLACE ON THIS BODY? FULL INFORMATION AND AGILITY TO EVADE THE KNOWN INTENT OF THE LEGISLATURE AND EVADE RATHER THAN OBEY THE DEMANDS OF THE LEGISLATURE. WE ARE SEEING A VAST AMOUNT OF JUST THIS FROM ALL BRANCHES OF EXECUTIVE AT THIS TIME.

PAGE 2, SEC. 5, FOUR OF THE NINE MEMBERS "SHALL" BE APPOINTED FROM ONE COUNTY. HOW CAN THIS BE AN EQUALITY OF OPINION? OR ACTION.

PAGE 3, SEC. 5, GOVERNOR SHALL APPOINT. WHY NOT ELECT AND ONE FROM EACH COUNTY? BE IT REMEMBERED THAT IT IS HIGHLY PROBABLE THAT THE HIGHLY POPULATED COUNTIES WHILE SEEMINGLY PROVIDING THE LARGER INCOME ARE NOT THE REAL HIGH PROVIDERS OF THE SUBSTANCE OF LIVING.

THERE SEEMS NO VALID REASON TO GIVE AN ADDED IMPORTANCE TO THIS COMMISSION BY CHANGING THE NAME, LEAVE AS IS.

PAGE 4, SEC. 12, HERE AGAIN IS A DIRECT ATTEMPT TO EVADE DUE PROCESS OF LAW ALSO IT APPEARS TO BE A TOTAL INVASION OF THE CONSTITUTIONAL AUTHORITY OF THE COUNTY ASSESSOR'S DUTIES AND A DUPLICATION.

PAGE 4, SEC. 1, HERE IS DIRECT ATTEMPT TO REMOVE FROM THE REACH OF 90% OF THE PEOPLE THE OPPORTUNITY OF RESISTING THE DEMANDS OF THIS OUT OF REACH APPOINTED AUTHORITY. MAKE SOME LAWS TO PROTECT US AGAINST OUR GOVERNMENT.

PAGE TWO:

TO CONTINUE THIS PROPOSAL IF ENACTED INTO LAW WILL IMMEDIATELY PLACE MORE CONTROL IN THE TAX COMMISSION, THERE SEEMS NO VALID ARGUMENT TO CHANGE THE NAME.

THIS PROPOSAL WILL REMOVE FARTHER FROM THE PEOPLE IN ONE OF THE MOST VITAL FIELDS OF INDUSTRY, TAXES. WHICH DOES NOT SEEM TO BE NEEDED OR NECESSARY. IT WILL INCREASE THE COST OF STATE GOVERNMENT WITH NO APPARENT BENEFIT TO CITIZENS, BENEFIT TO CITIZENS SHOULD BE THE PRIME ARGUMENT FOR ANY LAW. SHALL WE CONSIDER LEGISLATION WITH THE IDEA OF PROTECTION AGAINST OUR GOVERNMENT THAN AGAINST THE PEOPLE? WHO ARE BECOMING MORE AND MORE DEPRIVED OF PROPER REPRESENTATION IN THE MOST VITAL ISSUES, WOULD YOU BELIEVE IT IS MOST IMPOSSIBLE FOR PLAIN JANE, JOE CITIZEN TO GET INTO COURT. "IT IS" TO GO INTO U.S. DISTRICT COURT WILL COST \$1000.00 FOR THE FIRST DAY. THIS PROPOSAL IS A LARGE MOVEMENT IN THAT DIRECTION.

I HAVE ANOTHER PROPOSAL. THE SEGMENTS AS PROVIDED DO SEEM TO BE FAIR, ONLY REPRESENTED, EXCEPT MINING WHERE THE PROSPECTOR IS REALLY NOT ADEQUATELY REPRESENTED. AS PREVIOUSLY MENTIONED THE LARGER POPULATION IS NOT REPRESENTED ALONG WITH THE RETAIL MERCHANT.

WOULD THIS COMMITTEE GO ALONG WITH THIS SUGGESTION THE SPECIAL MEMBERS AS NOTED AND PLACE EVERY COUNTY ASSOR ON AS A REPRESENTATIVE OF THE PEOPLE. THERE SEEMS TO BE A REAL ARGUMENT FOR THIS BECAUSE IT WOULD GIVE THE PROSPECTOR AND ALL CITIZENS IN THAT COUNTY A VOICE IN THAT HE COULD REACH HIS COUNTY ASSESSOR. THIS CONCEPT SHOULD PROVIDE SOME CLOSER REPRESENTATION FOR THE CITIZENS OF ALL COUNTIES.

HERE AGAIN IS ANOTHER ARGUMENT AGAINST THIS PROPOSAL, THE LARGE AND RAPIDLY GROWING PUBLIC OPINION TO GET CONTROL AND TITLE TO ALL PUBLIC LANDS TO THE STATES, THIS IS NOT CONFINED TO NEVADA, THIS MOVEMENT CONTINUES WILL IT NOT FORCE ANOTHER CONSIDERATION TAX WISE? I BELIEVE IT WILL. "NOW" IN VIEW OF THIS WHY NOT JUST DROP THE THING AND SEE WHAT COMES. LEAVE AS IS FOR NOW CARSON CITY WILL NOT GO TO POT IN TWO YEARS. THANK YOU H.R. CONRAD