

MINUTES

ASSEMBLY COMMITTEE ON TAXATION
FEBRUARY 15, 1977
9:30 a.m.

Members Present: Chairman May
Mr. Schofield
Mr. Dreyer
Mr. Harmon
Mr. Horn
Mr. Jacobsen
Mr. Mann
Mr. Murphy

Members Excused: Mr. Craddock

Guests Present: David W. Baker
Bill Cozart, Nevada Association of Realtors
Tom Kruse, Department of Taxation
Tom Moore, Clark County
Gary Owen, Governor O'Callaghan
Marilyn Paoli, Department of Taxation
Sue Wagner, Assemblyman

Chairman May called the meeting to order at 9:34 a.m.

ASSEMBLY BILL 277

Assemblyman Wagner, primary sponsor of this bill, spoke in favor. She stated that the intent of the bill was to pattern it after the senior citizen's property tax allowance. She stated her concern that the term "renewable resources" might be too broad. She said that this concern might be handled by lines 14 and 15, section 1, when it says that these systems must conform to standards established by the regulations of the department.

Mrs. Wagner stated that Section 2 places a limit on how much rebate will be allowed. No rebate would be allowed if the system was not used. Subsection 4 says that only one owner may file a claim.

She further stated that she had spent a lot of time in the past summer looking into the laws of other states which are similar. Many states had no requirement that the owner show proof that the device or system is operable. This bill provides that if a false statement is made, the person may be guilty of a gross misdemeanor. She stated that she felt this or any legislation on this topic is important because it tends to encourage creativity in the area of energy conservation.

Mr. Jacobsen stated that in this area, he did not think a person could completely heat his house by solar energy. He then asked how an assessor could be sure how much a person should be allowed as an exemption because of one of the devices being considered. Mrs. Wagner stated that she assumed from reading the bill that the county assessor would have to establish some criteria for that.

Mr. Jacobsen asked if there would be an advantage to have a cut-off date for the exemption. Mrs. Wagner answered that her initial reaction would be to not have a cut-off date. If the exemption did not work after five or ten years, the Legislature could repeal it.

Mr. Dreyer asked if the term "renewable resources" was too broad. Mrs. Wagner stated that when requesting the bill to be written, she listed solar energy, geothermal energy, and wind energy. She said that she had conferred with some individuals in this area and their feeling was that the only other item that might be inferred under "renewable resources" would be wood. She said that the Committee might want to use the wording "heating or cooling by a principal energy source."

Mr. Horn suggested that the bill could read "other non-fossil resources excluding wood." Mrs. Wagner said that she had thought about that and that the addition could be made to line 8: ". . . renewable resources excluding wood but including"

ASSEMBLY JOINT RESOLUTION 7

Chairman May explained that Article 10 of the State Constitution was very rigid. He stated that there are exemptions for educational, literary, municipal, scientific, or other charitable properties. This bill seeks to add a phrase which would exempt items relating to the conservation of energy.

Mr. Harmon stated that the basis for this resolution was from the Governor's State of the State message. It came out of the interim subcommittee on the Study of Electric and Gas Utilities. He said that the plan was for ten years of tax relief for solar energy, but that the committee learned that this would be unconstitutional. The decision of the subcommittee was then to amend the Constitution.

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ASSEMBLY JOINT RESOLUTION 9

There was no testimony for or against A.J.R. 9.

ASSEMBLY BILL 292

There was no testimony for or against A.B. 292.

Mr. Mann asked if the Committee could have an opinion from the Legislative Counsel before the vote on A.B. 277 and A.B. 292. Chairman May said that this would be done.

Mr. Jacobsen suggested that consultation be made with the construction industry to see how much it costs to build a solar energy unit.

Chairman May also said that Mr. Hancock from the Public Works Board could give some information and he would be asked to appear before the Committee.

Mr. Jacobsen said that the University of New Mexico has completed a building that is heated by solar energy and perhaps we could get some information from them.

Chairman May asked Committee members to run through the bills before the next meeting and peruse them carefully. He said the Department of Taxation should have some idea of the tax loss by that meeting.

Mr. Mann moved for adjournment; Mr. Jacobsen seconded. The Committee adjourned at 9:57 a.m.

Respectfully submitted,

Carl R. Ruthstrom Jr.

Carl R. Ruthstrom, Jr.
Secretary

INDEX OF MEASURES IN ASSEMBLY COMMITTEE ON TAXATION
February 15, 1977

<u>Bill or Resolution Number</u>	<u>Date Referred To Committee</u>	<u>Introducer's Name</u>	<u>Summary</u>	<u>Date Scheduled Hearing</u>	<u>Committee Action</u>	<u>Assembly Action</u>	<u>Senate Action</u>	<u>Governor's Signature</u>
A.B. 53	1/19/77	Howard	Authorizes deduction of property taxes from taxable mine proceeds.	2/3/77	Ind. Post.			
A.B. 99	1/20/77	Committee on Taxation	Deletes requirement for Multistate Tax Compact advisory committee to hold annual meetings.	1/27/77 2/10/77	Do Pass	Passed 2/14/77		
A.B. 101	1/20/77	Committee on Taxation	Creates Department of Taxation Bond Trust Fund and raises bond limits for motor vehicle fuel dealers.	1/27/77 2/10/77	Amend; Do Pass as Amended			
A.B. 102	1/20/77	Committee on Taxation	Creates intergovernmental trust fund and aviation fuels tax revolving account.	2/3/77 2/4/77	Do Pass; Rerefer to Ways/Mean Do Pass	Passed 2/8/77		
A.B. 103	1/20/77	Committee on Taxation	Requires sales and use tax collections to be deposited to account of State Treasurer.	1/27/77	Do Pass	Passed 1/31/77	Passed 2/8/77	2/11/77
A.B. 104	1/20/77	Committee on Taxation	Changes prescribed boat lights; requires counties to pay Fish and Game Department for boat registration and tax services.	2/8/77	Amend; Do Pass as Amended			
A.B. 161	1/26/77	Committee on Taxation	Clarifies administrative powers of Department of Taxation.	2/10/77	Do Pass	Passed 2/14/77		
A.B. 174	1/27/77	Committee on Taxation	Changes latest dates for county assessors to file tax roll and segregation of roll with State Board of Equalization.	2/10/77	Do Pass	Passed 2/14/77		
A.B. 175	1/27/77	Weise	Provides abatement of taxes on all real property acquired by State.	2/10/77				

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A.B. 277	2/7/77	Wagner	Provides property tax allowance for structures with renewable resource heating or cooling systems.	2/15/77				
A.B. 292	2/9/77	Robinson	Provides tax exemption for certain property used to conserve or produce energy.	2/15/77				
A.J.R. 7	1/18/77	Harmon	Proposes constitutional amendment to permit property tax exemption for conservation of energy.	2/15/77				
A.J.R. 9	1/19/77	Robinson	Proposes constitutional amendment to permit property tax exemption for conservation of energy or production of energy from renewable natural resources.	2/15/77				
A.J.R. 12	1/20/77	Committee on Taxation	Proposes to amend Nevada Constitution by authorizing Legislature to impose tax upon motorboats in lieu of property tax.	1/27/77 2/8/77				
A.J.R. 10/ 58th Session	1/17/77	Committee on Commerce	Proposes constitutional amendment to exempt business inventories from property taxation and allow Legislature to exempt any other personal property.	2/1/77 2/8/77	Do Pass	Passed 2/10/77		
A.J.R. 21/ 58th Session	1/17/77	Committee on Taxation	Proposes constitutional amendment for progressive exemption of business inventories from property taxation and legislative exemption of other personal property.	2/1/77 2/8/77				
A.C.R. 8	1/27/77	May	Directs Legislative Commission to study assessment and taxation of geothermal resources.	2/1/77	Be Adopted; Rerefer to Leg. Func.			

GUEST LIST

<u>NAME</u> (Please print)	<u>REPRESENTING</u>	<u>WISH TO SPEAK</u>	
		Yes	No
GARY OWEN	GOVERNOR O'CALLAGHAN		✓
TOM KRUE	Dept of Tourism	✓	
Marilyn Paoli	Dept. of Taxation		✓
David W Baker			✓
Bill Cozart	New Assoc. & REACTORS		✓
Tom Moore	Clark County		
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ASSEMBLY COMMITTEE ON TAXATION
FIFTY-NINTH SESSION, 1977

MEETING ROLL CALL

MEETING DATE: TUESDAY, FEBRUARY 15, 1977

	PRESENT	ABSENT	LATE	EXCUSED
Chairman May	✓			
Mr. Schofield	✓			
Mr. Craddock		X		✓
Mr. Dreyer	✓			
Mr. Harmon	✓			
Mr. Horn	✓			
Mr. Jacobsen	✓			
Mr. Mann	✓			
Mr. Murphy	✓		✓	