

MINUTES

ASSEMBLY COMMITTEE ON TAXATION  
MARCH 1, 1977  
9:30 a.m.

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

Guests Present: David W. Baker  
Leslie Blossom, Chief, Te-Moak Bands of  
Nevada  
Joe Braswell  
Richard W. Bunker, City of Las Vegas  
Bill Engel, State Highway Department  
Robert F. Fletcher, Northern Nevada Mobile  
Home Owners  
Wilson Gillette, Bureau of Indian Affairs  
J. R. Harding  
Bob Hunter, Bureau of Indian Affairs  
James N. Kosinski, Assemblyman  
Tom Kruse, Department of Taxation  
Bernie Merlino, Nye County Assessor  
Joe Midmore, Tobacco Tax Council  
Ernest Miller, Northern Nevada Mobile Home  
Owners  
Tom Moore, Clark County  
Arthur B. Nelson, Nye County  
Robert Paisano, Bureau of Indian Affairs  
Marilyn Paoli, Department of Taxation  
Donald K. Pope, Inter-Tribal Council of  
Nevada  
Homer Rodriguez, Carson City Assessor  
John J. Sheehan, Department of Taxation  
Bruce L. Smith, Department of Taxation  
Steven Stucker, North Las Vegas  
Robert L. Weise, Assemblyman

Chairman May called the meeting to order at 9:32 a.m.

ASSEMBLY BILL 262

Jim Kosinski, Assemblyman, spoke first as the primary sponsor of this bill. He said that its intent is to right a wrong in the existing law. Presently a real property owner

or a person who owns a mobile home that is on the secured roll can pay taxes quarterly. A mobile home owner who is not on the secured roll must pay the whole tax bill at one time. He said that he believed a mobile home should be treated as in the case of a stick home, as a dwelling. They should be treated equally under the tax laws.

Mr. Kosinski said that in the State possibly 17% to 20% of all homes are mobile homes, and many are occupied by people on fixed incomes. These people on the fixed income must pay this lump sum at one time. He said that his concern is that the mobile home owner is treated different than the owner of the stationary stick home. A.B. 262 would permit at the option of the mobile home owner, payment of taxes in a lump sum or in equal quarterly installments. He said that the Department of Taxation has an amendment to place an amount that if the taxes were below that amount a mobile home owner would not be eligible to choose the option of quarterly payments.

Mr. Jacobsen asked if the reason for the requirement of payment of taxes in one lump sum was because of the ability to easily move a mobile home. Mr. Kosinski said that the last session of the Legislature had passed a law requiring a one-trip permit to move a mobile home. He said this has reduced the number of mobile homes being moved.

Mr. Horn said that there were seven mobile home parks in his district and that he would welcome the relief. He said that he felt this bill was righting a wrong that needs to be taken care of. A mobile home owner is no different than the person who owns a stick house. He congratulated Mr. Kosinski on being the one to introduce the legislation. Mr. Kosinski said that 50% of the homes in his district were mobile homes, and that was a major reason for his part in the introduction of A.B. 262.

Ernest Miller spoke next in favor of the bill. He said that his comments were made through a direct contact with a cross section of mobile home owners. The comments are attached as Exhibit A.

Robert Fletcher spoke next. He related his acquisition of a mobile home and the fact that he did not know they were taxed. After two months, he was told that he owed \$104 in taxes. He said at the time he was unemployed, and could not come up with the \$104 at once. He had to pay a late charge of \$3 a month until the total bill was paid. He said that it is hard to come up with this much money at one time when you have to keep on living. He said passage of A.B. 262 would make it a lot easier on mobile home owners.

Bob Weise, Assemblyman, spoke in opposition to A.B. 262. He said that passage of the bill would be a step backward. He felt that if the mobile home owners should be given the quarterly option, then they should be considered the same as real property not personal property, and should be taxed at the rate real property is taxed. Mr. Weise said that this is a benefit, but mobile home owners already have the benefit of the lower tax rate on personal property. He said that he thought it would be a good idea to amend the bill to take mobile homes from the personal property rolls to the real property rolls. He would be in favor of letting mobile home values appreciate "as they actually will."

Mr. Craddock asked if Mr. Weise had any figures to show that personal property tax has been going down. Mr. Weise said that if you hold personal property for any length of time you can enjoy a depreciation.

Mr. Craddock said that in recent years his tax bill on his mobile home has gone up. He said that the tax rate has not gone up because it is already at the \$5 limit. As far as depreciation, he said that it has not existed.

Chairman May explained that if you have a mobile home which is classified as personal property situated on real property which you own, you may petition the assessor to allow quarterly tax payments.

Mr. Weise stated that the unfairness of keeping mobile homes on the personal property rolls was to the local government entities. He said that the demand of services from the mobile home community was high. He said many children come from these areas and have to go to school. The sheriff in Washoe County has told Mr. Weise that mobile home parks are high burden areas for his department. Mr. Weise said that the tax dollars are not there to support the services required there. He said if a mobile home is fixed for a period of time, it should be put on the real property rolls.

Homer Rodriguez, Carson City Assessor, spoke next. He said that mobile home valuations do depreciate every year. However, he said that a recent change in the life span of mobile homes was a factor in increased mobile home taxes. He said that the Department of Taxation sets the values for the mobile homes.

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Jack Sheehan of the Department of Taxation said that they consult a blue book for mobile home values. They then compare figures with the Department of Motor Vehicles to see what the various mobile homes have sold for. From the market value and blue book value, a mobile home is given its valuation.

Mr. Sheehan pointed out that in Douglas County, an individual with a motor home valued at \$10,000 would only pay \$3.85 in tax. He said that a terrible problem would be created by prorating small amounts. He said that while in some counties, the amounts are large, others are small. He recommended that on Page 1, Line 5, inserting "only if the total tax exceeds" an amount for the Committee to decide.

Bernie Merlino submitted to the Committee information about mobile home tax collections in Nye County attached as Exhibit B.

Tom Moore of Clark County said that Clark County would be in favor of putting a minimum amount on allowing quarterly payments.

Mr. Mann recommended as Committee action restricting the authority of this bill to counties of over 100,000 population and placing the tax minimum at \$100 to qualify for quarterly payments. However no Committee action was made on A.B. 262.

ASSEMBLY BILL 175

J. R. Harding said that this bill had been prepared at his request. He said the bill will give local agencies the same right of the Highway Department to abate taxes when a purchase of land is made. He related to the Committee various problems encountered when a local agency purchases property. He knew that there had been two amendments submitted to the Committee, and he said that the amendment submitted by Russ McDonald would be the best.

Mr. Schofield moved for an Amend and Do Pass as Amended recommendation for A.B. 175; Mr. Mann seconded. Mr. Schofield told Committee members that he had a similar bill coming and that it may handle what this bill is covering. The Committee unanimously approved the motion.

ASSEMBLY JOINT RESOLUTION 12

There was no additional testimony for A.J.R. 12.

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Mr. Dreyer moved for an Amend and Do Pass as Amended recommendation on A.J.R. 12; Mr. Jacobsen seconded. A roll call vote was requested. Roll call on A.J.R. 12:

Yeas - 6.  
Nays - Mann, Schofield - 2.  
Not Voting - Murphy - 1.

ASSEMBLY BILL 100

Chairman May said that the Committee had heard much testimony on this bill at the last meeting, and unless there was any new information, he wanted to proceed with Committee action.

Mr. Sheehan asked if the Committee was aware of the two amendments. On Page 4, Line 17, eliminate the new language that requires \$5 registration fee. That would be the elimination of all of Line 17 and the portion of Line 18 ending with the word licenses. On Page 7, Line 34, add after the word reservation, "or Indian colony."

Mr. Mann moved for an Amend and Do Pass as Amended recommendation; Mr. Schofield seconded. A roll call vote was requested. Roll call on A.B. 100:

Yeas - 8.  
Nays - Craddock - 1.

Chairman May adjourned the meeting at 10:31 a.m.

Respectfully submitted,

*Carl R. Ruthstrom, Jr.*  
Carl R. Ruthstrom, Jr.  
Secretary

STATEMENT BY ERNEST MILLER

Legislative Bldg. A.B. 262

Rm. 316 Tues Mar. 1 1977 9:30 AM.

IN FAVOR OF A.B. 262. QUARTERLY PAYMENT OF PERSONAL PROPERTY TAXES. FOR THE MOBILE HOME OWNERS. I MAKE MY STATEMENTS IN BEHALF OF MOBILE HOME OWNERS THRU THE "NORTHERN NEVADA MOBILE HOME OWNERS ASSN." -

THE PRESENT LAWS THAT GOVERN TAXATION OF AND PAYMENT OF MOBILE HOME TAXES LAGS FAR BEHIND THE TYPE OF SOCIETY THAT NOW PARTICIPATES IN MOBILE HOME LIVING. AFTER MAKING A SURVEY OF A CROSS SECTION OF PEOPLE IN THIS AREA, IT IS GENERALLY FELT THAT THE PRESENT STRUCTURING IS BORDERING, IF NOT DEALING DIRECTLY ON A DISCRIMINATORY BASIS. (FACT:) THE PRESENT LAWS WERE DESIGNED TO PREVENT THE SKIPPING PRACTICES.

EVEN BEFORE THE ENACTMENT OF THE CURRENT LAWS, THE CLASSES OF PEOPLE TURNING TO MOBILE HOME LIVING WAS CHANGING VERY RAPIDLY, AND EVER SO PRONOUNCED AT THE PRESENT TIME IS THE VARIATION OF PEOPLE ENGAGED IN MOBILE HOME LIVING - DR. LAWYERS, POLICE OFFICERS LABORERS, MECHANICS, NURSES, BUSINESS PEOPLE OF ALL WALKS OF LIFE. ALSO ENTERING IN THIS AREA ARE THE ELDERLY AND RETIRED PEOPLE. IT HAS BEEN ESTABLISHED, THAT HAVING TO MAKE THE ONE LUMP PAYMENTS IS IN FACT CREATING A HARD SHIP, COULD THIS AREA BE THE OF PROPOSUREMENT OF BUDGETING PROBLEMS, YET THE <sup>PEOPLE</sup> ARE STABLE.

IT IS THEREFORE RECOMMENDED THAT A UNIFIED EFFORT BE MADE TO CORRECT THE INJUSTICES BEING CREATED BY THE CURRENT LAWS THAT ARE BINDING A LARGE SOURCE OF THE STATE'S INCOME. IT IS FURTHER RECOMMENDED THAT AN OPTION BE PROVIDED MAKING IT POSSIBLE TO PAY THE ASSESSMENTS EITHER OF

3 WAYS - ANNUALY - BI ANNUAL OR QUARTERLY AS  
AFFORDED REAL PROPERTY OWNERS.

IT IS OF FURTHER BELIEF THAT THE  
CLASSIFICATIONS OF ASSESSMENT BE REALIGNED  
TO PERMIT THE INSTITUTION OF THE QUARTERLY  
OPTION. "IN FACT, THE CURRENT STRUCTURING  
IF ANYTHING IS PERMITTING THE REASONING FOR  
SKIPPING. PARTICULARLY IN THE AREA OF

INCLUDE CONTRACTURAL BACK TAX REDEMPTION, (ITS VERY DIFFICULT  
DPTS. TO PAY FOR EXAMPLE 2 YRS BACK IN ONE LUMP  
I.E. LOAD TRANSFER TOTALING \$700.00 FOR A 1974 24' X 60' MOBILE HOME)

(USERS) MIGHT SAY THE  
PENALTIES WOULD  
BE LESSENED.

FOR JUST ABOUT ANY ONE." THE MOBILE HOME OWNERS  
WOULD LIKE TO BE ABLE TO REFLECT BACK TO THE 1977 LEGISLATURE  
AND SAY "OUR LEGISLATORS DID TRULY HELP US."

A "DO PASS" IS STRONGLY URGED.

I THANK THE COMMITTEE, AT THIS TIME  
FOR AFFORDING ME THE OPPORTUNITY TO SPEAK  
IN BEHALF OF THE MOBILE HOME OWNERS.

Questions — —

LETA M. BLEVINS  
DEPUTY - PAHRUMP

BERNIE C. MERLINO

AVIS COX  
DEPUTY

Nye County Assessor

AND

Ex-Officio Motor Vehicle Commissioner

727-5423 - PAHRUMP                      482-6424 - TONOPAH

P. O. Box 271

Tonopah, Nevada, 89049

AB 262 QUARTERLY MOBILE HOME TAX PAYMENTS

AB 262 as it is written would allow anyone owning a Mobile Home as defined in NRS 361.561 to the taxes in quarterly installments. This includes MH on the unsecured roll.

The Nye County Assessor's Office opposes this bill.

If this bill is made Law the Assessor's Office would conceivably have to make four bills per year instead of one for each MH on the unsecured roll. For the 1976-77 Tax Year 1300 Mobile Homes are on the Unsecured Tax Roll in Nye County.

The quarterly system for MH on the unsecured roll could be managed in two ways. I oppose both.

1. A MH decal would be issued upon receiving the first quarter's tax payment. This system would create a problem of policing moving MH. Even if the MH exhibited a decal after the first quarter the Assessor could not be sure if the current quarter's taxes were paid.  
Nye County covers 18,000 square miles and my office has problems policing the unsecured roll with only one payment per year.
2. The other alternative is to issue quarterly decals. This would eliminate some of the policing problems but would require that the entire decal system be changed.

I oppose either of these alternatives because only a small percentage of the MH on the unsecured roll have taxes due in excess of \$196 and because of the additional cost to the County of making four billings per year.



The table below exhibits for the 1976-77 Tax Year for the Unsecured Tax Roll the ranges of taxes due, the number of MH in each range, and the corresponding percentage of MH in each range.

<u>TAXES DUE</u>	<u>NO. OF MH</u>	<u>PERCENT MH</u>
\$100 or less	963	74.1 %
\$101 - \$196	207	15.9 %
\$197 - \$272	100	7.7 %
over \$272	30	2.3 %
 	<hr/>	<hr/>
TOTALS	1300	100.0 %

The table below exhibits a conservative cost to my office to make three additional billings per year for the 1300 MH on the unsecured roll. The labor cost is based on requiring 1950 direct person hours ( excludes fringe costs ) to make the three additional billings.

	<u>Alt.#1</u>	<u>Alt.#2</u>
Direct Labor	\$7940	\$7940
Direct Material	\$2070	\$2540
 	<hr/>	<hr/>
TOTALS	\$10010	\$10480

In addition to these direct costs there would be incurred some indirect costs associated with the year end bookkeeping, auditing, funds transferring and additional work in the Treasurers Office.

Respectfully,

*Bernie C. Merlino*  
Bernie C. Merlino  
Nye County Assessor

INDEX OF MEASURES IN ASSEMBLY COMMITTEE ON TAXATION  
March 1, 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. 100	1/20/77	Committee on Taxation	Places cigarette taxes directly upon ultimate consumer.	2/22/77 3/1/77	Amend; Do Pass as Amended			
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	Passed 2/17/77		
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	Passed 2/21/77		
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		

<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. 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	Passed 2/28/77	
A.B. 175	1/27/77	Weise	Provides abatement of taxes on all real property acquired by State.	2/10/77 3/1/77	Amend; Do Pass as Amended			
A.B. 262	2/2/77	Kosinski	Provides an election to pay property tax levied against certain mobile homes in quarterly installments.	3/1/77				
A.B. 277	2/7/77	Wagner	Provides property tax allowance for structures with renewable resource heating or cooling systems.	2/15/77 2/17/77 2/21/77*				
A.B. 292	2/9/77	Robinson	Provides tax exemption for certain property used to conserve or produce energy.	2/15/77 2/17/77 2/21/77*				
A.J.R. 7	1/18/77	Harmon	Proposes constitutional amendment to permit property tax exemption for conservation of energy.	2/15/77 2/17/77 2/21/77*				
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 2/17/77 2/21/77*	Amend*			

<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.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 3/1/77	Amend; Do Pass as Amended			
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.			

\*In Subcommittee

GUEST LIST

<u>NAME</u> (Please print)	<u>REPRESENTING</u>	<u>WISH TO SPEAK</u>	
		Yes	No
ERNEST MILLER	NORTHERN NEW-MOBILE HOME OWNERS	X	
Robert F. Fletcher	" " " " " "	X	
Bill Engel	State Highway		X
STEVEN STURER	NORTH LAS VEGAS		X
Richard W. Bunker	City of LAS VEGAS		X
David W. Baker			
Joe Braswell	self -		X
Judge Leslie Gosson (CHIEF)	TE-MORAN LANDS of NEVADA	X	
Donald K. Pope	ITC of N	X	
BOB HUNTER	BIA		X
Wilson Gillette	BIA		X
ROBERT PAISANO	BIA		X
J.R. Harding	Self. (AB 175)	X	
Tom Krenal	Dept of Topography		X
Gene L. Sudd	DEPT OF TAXATION		X
Arthur B. Nelson	Nye County		
Bennie Merlino	Nye County Assic		
Homer Rodriguez	Carson City Assessor		
Tom Moore	Clark County		
Marilyn Parli	Dept. of Taxation		
John J. Sheehan	Dept. of Taxation		
Joe Midmore	Tobacco Tax Council		
Robert L. Weise	Assemblyman		
James N. Kosinski	Assemblyman		

ASSEMBLY COMMITTEE ON TAXATION  
 FIFTY-NINTH SESSION, 1977

MEETING ROLL CALL

MEETING DATE: TUESDAY, MARCH 1, 1977

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