

MINUTES

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

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

Guests Present: David W. Baker
Arthur L. Dale
John F. Dolan, Legislative Counsel Bureau
Nellie Laird, AARP/NRTA Joint Legislative
Committee
James C. Lien, Department of Taxation
Ernest Newton, Nevada Taxpayers Association
Marilyn Paoli, Department of Taxation
Orvis E. Reil, NRTA/AARP Nevada Joint State
Legislative Committee
Homer Rodriguez, Carson City Assessor
W. J. Slocum, Douglas County

Vice Chairman Schofield called the meeting to order at
9:36 a.m.

ASSEMBLY BILL 317

Mr. Schofield explained the amendment to this bill that
was proposed by Mr. Demers.

Mr. May said that he had questions concerning the bill.
He asked if an individual would have to make a separate ap-
plication for this money for the specific use of insulation.
Mr. Lien stated that it had been his understanding that the
Committee was to consider a supplemental rebate instead of
the provisions for insulating homes of senior citizens. He
explained that under the rebate system, the senior citizen
would not have to file a second claim.

Mr. Horn asked who is eligible to receive assistance
under the Senior Citizens' Property Tax Assistance Act. Mr.
Lien answered that those eligible are individuals 62 years
of age with an income of less than \$10,000 annually in the
household. The benefit is paid for the individual home and
a maximum of one acre of land.

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Mr. Harmon moved for indefinite postponement of A.B. 317; Mr. Jacobsen seconded. The motion received unanimous approval of the Committee.

ASSEMBLY BILL 395

Mr. Lien said that the anticipated fiscal impact in the next fiscal year would be approximately \$1,642,000. He said that 11,786 individuals would be eligible to receive benefits under the provisions of A.B. 395.

John Dolan said that even with the change 95% of the cost of giving refunds would be for lower income people. He said that only 5% of the cost of refunds would be for the \$12,000 to \$15,000 income range.

Mr. Schofield said that it was the intent of the chair to appoint a subcommittee to further consider the remaining four bills concerning tax relief for senior citizens.

ASSEMBLY BILL 310

There was no additional testimony for the bill, but Mr. Schofield said that this was a part of the subcommittee's package.

ASSEMBLY BILL 304
ASSEMBLY BILL 322

Again, there was no additional testimony, and these bills will be a part of the subcommittee's package. Mr. Schofield appointed the subcommittee which will have as members Mr. Craddock, Chairman; Mr. Horn, and Mr. Dreyer.

Mr. Schofield presented to the Committee B.D.R. 32-1122 and asked for a Committee introduction. Mr. Mann moved that B.D.R. 32-1122 be introduced by the Committee on Taxation; Mr. Harmon seconded. The motion received unanimous approval of the Committee.

ASSEMBLY BILL 262

Mr. Dreyer said that at a previous meeting, there had been a 3-3 tie on this bill. At that time, the chairman had indicated that another vote could be taken when there was a full Committee. Mr. Dreyer indicated that he wanted the vote to be taken.

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Mr. Mann moved for adjournment; Mr. May seconded. The vote on the motion was as follows:

Ayes - 3.

Nays - Craddock, Dreyer, Harmon, Horn, Jacobsen, Murphy -
6.

The motion having failed Mr. Schofield continued the meeting.

Mr. Dreyer moved for a Do Pass recommendation for A.B. 262; Mr. Horn seconded. Mr. Craddock asked to amend the motion to Amend, and Do Pass as Amended. The amendment would allow the quarterly apportionment of the tax bill for those with a tax bill on their mobile homes of over \$100.

Mr. Jacobsen said that he could see justification for the bill, but he still had doubts. He said that if this bill passed, it would be more burden on the assessor's office in trying to determine if taxes had been paid on individual mobile homes.

Mr. Schofield stated that the real problem was the mobility of the units. He said that in Clark County, the 13,920 mobile homes with tax bills under \$100 would be the real problem on the fiscal impact. He said that if the Committee chose the \$400 tax figure previously addressed, there would only be assistance to 73 mobile home owners in Clark County. He felt that this would be a useless piece of legislation if it helped so few people.

Mr. Dreyer said that Clark County's figures had included desks, etc. He said he questioned the statements about the mobility of mobile homes. He said that realistically an individual just does not pick up the home and move. He further stated that the assessor has a computer system where he can readily tell who has paid and who has not paid their taxes.

Mr. Craddock said that he felt the amendment would remove the mobile homes that cause the problem in the first place. He further stated that he believed that the figure supplied by the Clark County assessor's office was as "phony as a three-dollar bill." He stated that there was no way to justify the figure that was supplied. He said that there was nothing brought out concerning the easier collectibility of taxes that can be paid quarterly. Many people who are not able to pay a lump sum will pay nothing at all, where allowing these people to pay in four installments, the money will be collected easier.

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Mr. Craddock also stated that he took the sticker showing payment of taxes out of his window years ago, and there has never been anyone come to his home to question his payment of taxes.

Mr. May said that he was concerned about Clark County's fiscal note, and he asked that the Committee ask the Legislative Counsel Bureau fiscal analyst to prepare a fiscal note concerning the measure. He felt that the Committee should get a realistic look at the impact. Mr. Harmon said that the fiscal analyst should also consider the mobile home owners that pay their property taxes as a part of their regular house payment.

Mr. Mann said that there had been questions concerning himself and another assemblyman, who are both teachers, about their voting on bills that would directly benefit the teaching profession, specifically A.B. 356. He questioned whether or not it would be proper for an assemblyman who lives in a mobile home to vote on this bill. Mr. Craddock said that he felt the legislation would be of the greater benefit to his constituents, and if his interest outweighed that of his constituents, he would consider himself an "egotistical maniac."

Mr. Schofield, following Mr. May's suggestion, proposed that action be delayed until a fiscal report be obtained. Mr. Craddock reminded the chair that a motion was on the floor. Mr. Mann called a point of order, and stated that the rules of the Committee state the call for a vote will be made by the chair. Mr. Schofield called for a one-minute recess.

When Mr. Schofield called the meeting to order again, Mr. Dreyer stated that under the proper channels, he brought the bill up for discussion and made the motion to Amend, and Do Pass as Amended. He said that there had been discussion on the bill and that was where they stood. Mr. Schofield said that the chair recognized that to be a fact.

Mr. Craddock moved for the question.

Roll call on the motion to Amend, and Do Pass as Amended on A.B. 262:

Ayes - 5.

Nays - May, Schofield, Jacobsen, Mann - 4.

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Mr. Schofield requested Committee introduction of a resolution amending Article X of the Constitution concerning the taxation of property owned by individuals 62 years of age or older. The resolution was requested by the Department of Taxation, and the language is attached as Exhibit A.

Mr. Mann moved for a Committee introduction of a resolution amending Article X of the Nevada Constitution according to the provisions of Exhibit A; Mr. Harmon seconded. The motion received unanimous approval of the Committee.

Mr. Mann moved for adjournment; Mr. Dreyer seconded. The motion received unanimous approval of the Committee. The Committee adjourned at 10:16 a.m.

Respectfully submitted,

Carl R. Ruthstrom Jr.

Carl R. Ruthstrom, Jr.
Secretary

- SEC. 1. Uniform rates of assessment and taxation; assessment and taxation of agricultural and open-space real property; proceeds of mines; free port, motor vehicle and other exemptions; no inheritance, estate tax to be levied.
2. Total tax levy for public purposes limited.

Section 1. Uniform rates of assessment and taxation; assessment and taxation of agricultural and open-space real property; proceeds of mines; free port, motor vehicle and other exemptions; no inheritance, estate tax to be levied. The legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, except mines and mining claims, when not patented, the proceeds alone of which shall be assessed and taxed, and when patented, each patented mine shall be assessed at not less than five hundred dollars (\$500), except when one hundred dollars (\$100) in labor has been actually performed on such patented mine during the year, in addition to the tax upon the net proceeds; shares of stock (except shares of stock in banking corporations), bonds, mortgages, notes, bank deposits, book accounts and credits, and securities and choses in action of like character are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt. Notwithstanding the provisions of this section, the legislature may constitute agricultural and open-space real property having a greater value for another use than that for which it is being used, as a separate class for taxation purposes and may provide a separate uniform plan for appraisal and valuation of such property for assessment purposes. If such plan is provided, the legislature shall also provide for retroactive assessment for a period of not less than 7 years when agricultural and open-space real property is converted to a higher use conforming to the use for which other nearby property is used. Personal property which is moving in interstate commerce through or over the territory of the State of Nevada, or which was consigned to a warehouse, public or private, within the State of Nevada from outside the State of Nevada for storage in transit to a final destination outside the State of Nevada, whether specified when transportation begins or afterward, shall be deemed to have acquired no situs in Nevada for purposes of taxation and shall be exempt from taxation. Such property shall

insert attached

NEVADA CONSTITUTION

Art. 11

not be deprived of such exemption because while in the warehouse the property is assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged. The legislature may exempt motor vehicles from the provisions of the tax required by this section, and in lieu thereof, if such exemption is granted, shall provide for a uniform and equal rate of assessment and taxation of motor vehicles, which rate shall not exceed five cents on one dollar of assessed valuation. No inheritance or estate tax shall ever be levied, and there shall also be excepted such property as may be exempted by law for municipal, educational, literary, scientific or other charitable purposes.

[Amended in 1902, 1906, 1942, 1960, 1962 and 1974. The first amendment was proposed and passed by the 1899 legislature; agreed to and passed by the 1901 legislature; and approved and ratified by the people at the 1902 general election. See: Statutes of Nevada 1899, p. 139; Statutes of Nevada 1901, p. 136. The second amendment was proposed and passed by the 1903 legislature; agreed to and passed by the 1905 legislature; and approved and ratified by the people at the 1906 general election. See: Statutes of Nevada 1903, p. 240; Statutes of Nevada 1905, p. 277. The third amendment was proposed and passed by the 1939 legislature; agreed to and passed by the 1941 legislature; and approved and ratified by the people at the 1942 general election. See: Statutes of Nevada 1939, p. 360; Statutes of Nevada 1941, p. 559. The fourth amendment was proposed and passed by the 1957 legislature; agreed to and passed by the 1959 legislature; and approved and ratified by the people at the 1960 general election. See: Statutes of Nevada 1957, p. 805; Statutes of Nevada 1959, p. 939. The fifth amendment was proposed and passed by the 1960 legislature; agreed to and passed by the 1961 legislature; and approved and ratified by the people at the 1962 general election. See: Statutes of Nevada 1960, p. 509; Statutes of Nevada 1961, p. 825. The sixth amendment was proposed and passed by the 1971 legislature; agreed to and passed by the 1973 legislature; and approved and ratified by the people at the 1974 general election. See: Statutes of Nevada 1971, p. 2299; Statutes of Nevada 1973, p. 1938.]

Sec. 2. Total tax levy for public purposes limited. The total tax levy for all public purposes including levies for bonds, within the state, or any subdivision thereof, shall not exceed five cents on one dollar of assessed valuation.

AMEND ARTICLE ¹⁰~~12~~ OF THE NEVADA CONSTITUTION BY INSERTING THE FOLLOWING LANGUAGE:

Further, the Legislature may constitute the real property owned by persons 62 years or older who use that property as their primary place of residence as a separate class for taxation purposes and may provide a separate uniform plan for appraisal and valuation of such property for assessment purposes.

INDEX OF MEASURES IN ASSEMBLY COMMITTEE ON TAXATION
March 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	Passed 3/9/77	
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	Passed 3/10/77		
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	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	Passed 3/15/77	
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		

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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	3/3/77
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	Passed 3/7/77		
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 3/8/77 3/15/77	Motion to Do Pass Failed Amend; Do Pass as Amended			
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* 3/2/77*				
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* 3/2/77*				
A.B. 304	2/14/77	Robinson	Provides alternative system of property tax relief to senior citizens without regard to income and makes other extensive revisions to Senior Citizens' Property Tax Assistance Act.	3/10/77 3/15/77				

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A.B. 310	2/15/77	Coulter	Provides property tax exemption to elderly.	3/10/77 3/15/77				
A.B. 317	2/16/77	Demers	Permits Department of Taxation to provide for insulation of certain senior citizens' homes.	3/10/77 3/15/77	Ind. Post.			
A.B. 322	2/18/77	Coulter	Provides alternative system of property tax relief to senior citizens qualified by income and makes other extensive revisions to Senior Citizens' Property Tax Assistance Act.	3/10/77 3/15/77				
A.B. 348	2/24/77	Committee on Taxation	Provides standard for determining assessed value of improvements under construction and clarifies which standards may be used in assessing agricultural land.	3/8/77	Do Pass	Passed 3/10/77		
A.B. 364	2/25/77	May	Renames and expands duties of certification advisory board in Department of Taxation and alters certification and training requirements for certain appraisers.	3/8/77	Do Pass	Passed 3/10/77		
A.B. 368	2/28/77	Goodman	Proposes to amend Sales and Use Tax Act of 1955 to provide for recoupment of taxes paid on uncollectible accounts.	3/8/77	Ind. Post.			
A.B. 395	3/1/77	Mello	Changes income limitation and allowances of Senior Citizens' Property Tax Assistance Act.	3/10/77 3/15/77				

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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* 3/2/77*				
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* 3/2/77*	Amend*			
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		Passed 3/9/77	
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 from such taxation.	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
David W Baker			
Meli Laird	AARP - NRTA Joint Legislative Committee		x
Marilyn Koli	Department of Migration		
W J Soreen	Douglas County		—
DAVIS E. REI	NRTA/AARP Nevada Joint State Legislative Committee		
Rakim & Dale			L
James C. Lien	Department of Migration		
Homer Rodriguez	Carson City Assessor		
John F. DeLeon Director	Reg. Council Bureau		only answering questions
Ernest Newton	Nev. Tax. Assoc.		

ASSEMBLY COMMITTEE ON TAXATION
FIFTY-NINTH SESSION, 1977

MEETING ROLL CALL

MEETING DATE: TUESDAY, MARCH 15, 1977

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