

MINUTES

ASSEMBLY COMMITTEE ON TAXATION
MARCH 22, 1977
9:30 a.m.

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

Members Absent: Mr. Harmon

Guests Present: Louis W. Bergruin, Nevada Cattlemen's
Association
Fred H. Dressler, Rancher, Carson Valley
David W. Hagen, City of Los Angeles,
Metropolitan Water District
James C. Lien, Department of Taxation
Ernest Newton, Nevada Taxpayers Association
Marilyn Paoli, Department of Taxation
Homer Rodriguez, Carson City Assessor
John J. Sheehan, Department of Taxation
Carl A. Soderblom, Nevada Railroad Associ-
ation

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

ASSEMBLY BILL 347

Chairman May asked the Committee members giving the minority report on this bill if they had such report prepared. The report had not been prepared, and the chairman asked that he receive the report by 9:00 a.m. on March 23, 1977, so that he could turn the bill in.

Mr. Mann reported to the Committee about the Subcommittee on Casino Entertainment Tax. He said that the bills the subcommittee would have considered have not come from the bill drafter. He said that at this point, it would be best for him to talk directly with Senator Bryan, chairman of the Senate Committee on Taxation, then bring the bills back to the full Committee for consideration. He said that there is not enough time to consider them in a subcommittee, and that the bills are very important. He said that the bills that have been requested are very complicated bills.

ASSEMBLY BILL 374

Mr. Lien explained that the bill accomplishes two different things. He said that when an owner requests information on his appraisal, a report must be sent to him by an appraiser. Under this bill, a clerk can send this information from the files with the county assessor. Under Section 4 of the bill, NRS 361.403 is amended to allow a county board, county assessor, or representative of a municipality to file a protest of valuation with the Department of Taxation. At the present time, an employee of one of these entities cannot appear before the State Board of Equalization except as a private citizen.

Mr. Bergruin spoke next. He said that in Section 1, Paragraph 2, he did not think that "estimate" would be the right word. He said that appraisal is the word. He further stated that the time frame involved here was very important.

Chairman May asked Mr. Bergruin if the 30-day time frame presently in the statutes was enough. Mr. Bergruin stated that it is really too long considering the short length of time that the State Board of Equalization comes together to consider appeals. He said that a 15-day time frame was a better deal if a taxpayer has in mind to appear before the State Board of Equalization.

The present law states that an individual can only appear before the Board to protest his own valuation. Mr. Bergruin stated that he felt it was wrong for any person to come in and state that an individual is undervalued unless he has some valid reasons to make such a statement. Mr. Lien said that the present language allows anyone to come in and protest except an individual that would be qualified to do so as a represent of a smaller entity in the State.

Mr. Bergruin stated that while he was a member of the State Board of Equalization, the assessor of Elko County came before the Board and gave an emotional presentation that the taxes for the railroad were not high enough. Mr. Bergruin said that the man had no facts or figures to back him up.

Chairman May asked Mr. Soderblom to pass out a proposed amendment to the bill, attached as Exhibit A. Mr. Soderblom explained that if a person appears before the county assessor to protest a valuation, he has to bring proof. He said that he thought the bill should be amended to require proof when a person appears before the State Board of Equalization.

ASSEMBLY COMMITTEE ON TAXATION
MARCH 22, 1977
PAGE THREE

Chairman May asked Mr. Jacobsen to prepare the amendments to the bill.

Mr. Newton stated that he had serious objections to the new language in Section 4, Paragraph 2. He said that as the law now reads, any person, firm, company, association or corporation can protest the overvaluation of its property. He said that this limits access to the State Board of Equalization to people who complain about their own valuation. He did not feel it was right for the county assessors to "second guess" the Department of Taxation in centrally assessed properties.

There was a misunderstanding of the qualifications of members of the State Board of Equalization, and Mr. Mann asked Mr. Lien to read what the qualifications were.

ASSEMBLY BILL 478

Mr. Lien said that this bill was a result of the concern of some county assessors that some cattle are being brought into the State and shipped out again without taxes being paid for the time the cattle are in Nevada. He said that the only way to check this now is through the brand check by the Department of Agriculture when cattle are removed from the State. He said that the bill will require that when a brand check is made that a copy of that application and form will be forwarded to the county assessor by the Department of Agriculture. It also requires that the person that made the application contact the county assessor that he has had cattle in the State. Section 4 of the bill gets into enforcement.

Mr. Bergruin said that he thought this bill would be a tremendous restraint of trade. It could cause an absolute nightmare of paper work. He said that he felt the requirements of this bill could never be workable. He said that the thing being considered is a perishable product that is highly mobile.

Mr. Lien stated that perhaps the Committee would wish to hear from some of the county assessors that have problems with the mobility of cattle.

Mr. Mann moved to indefinitely postpone A.B. 478; Mr. Jacobsen seconded. Mr. Craddock moved to amend the motion to refer the bill to the Committee on Agriculture without recommendation; Mr. Dreyer seconded. The vote on Mr. Craddock's motion was as follows:

ASSEMBLY COMMITTEE ON TAXATION
MARCH 22, 1977
PAGE FOUR

Ayes - 4.
Nays - Horn, Jacobsen, Mann - 3.
Absent - Harmon, Murphy - 2.

The motion lost having not received a majority vote of the Committee.

The vote on Mr. Mann's motion was unanimous of the members present, except Mr. Murphy who was not present when the vote was taken.

ASSEMBLY BILL 482

Chairman May stated that Clark County had requested re-scheduling of this bill for March 31, to fly in a special witness. No testimony was heard on the bill at the meeting.

ASSEMBLY BILL 463

Chairman May explained that he had a conflict of interest in this bill, and he asked Mr. Schofield to take over the chair. He further stated that he would be recorded as not voting on any action taken on the bill.

Mr. Lien explained that the purpose of the bill is to get actual figures in the transfer of real estate. He said that in the sale of a large hotel-casino, the actual sales figure may be lost in the paper work involved.

Mr. Rodriguez said that this bill was a type of a check by the Department of Taxation on the counties. He said that sometimes when a deed is recorded, his office will not come out with the actual value of the property being transferred. He said that sometimes people do not report the correct amount of the sale; therefore, it does not give the correct picture of the total amount they declare.

Mr. Jacobsen moved to give A.B. 463 a Do Pass recommendation; Mr. Dreyer seconded. The vote on the motion was as follows:

Ayes - 5.
Not Voting - May - 1.
Absent - Harmon, Mann, Murphy - 3.

Chairman May adjourned the meeting at 10:45 a.m.

Respectfully submitted,

Carl R. Ruthstrom, Jr.

Carl R. Ruthstrom, Jr.
Secretary

AB 374

Further amend NRS 361.403 by adding a new paragraph 3 to Sec. 4, page 4, line 13, to read as follows:

- (3. "Any such person making such appearance shall be required to prove his allegations based on generally accepted appraisal practices."

INDEX OF MEASURES IN ASSEMBLY COMMITTEE ON TAXATION
March 22, 1977

Bill or Resolution Number	Date Referred To Committee	Introducer's Name	Summary	Date Scheduled Hearing	Committee Action	Assembly Action	Senate Action	Governor's Signature
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	3/11/77
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	Passed 3/22/77	
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	Passed 3/22/77	
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	3/18/77
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	Passed 3/16/77	

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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. 347	2/24/77	Committee on Taxation	Excludes combustible gases from taxation as a special fuel.	3/17/77 3/22/77	Majority: Do Pass; Minority: Do Not Pass			
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. 363	2/25/77	Vergiels	Provides for imposition of county cigarette tax to finance certain recreational projects.	3/17/77				
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		

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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. 374	3/1/77	May	Makes various changes in law relating to property taxes and to special taxes on livestock.	3/22/77				
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				
A.B. 463	3/15/77	Committee on Taxation	Modifies requirement to report value of transferred real property and increases penalty for false declarations.	3/22/77	Do Pass			
A.B. 478	3/17/77	Committee on Taxation	Makes various changes in law relating to taxes on bees and livestock.	3/22/77	Ind. Post.			
A.B. 482	3/17/77	Demers	Permits taxation of certain interests in tax-exempt property.	3/22/77				
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* 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*			

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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

ASSEMBLY COMMITTEE ON TAXATION
FIFTY-NINTH SESSION, 1977

MEETING ROLL CALL

MEETING DATE: TUESDAY, MARCH 22, 1977

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