

MINUTES

ASSEMBLY COMMITTEE ON TAXATION
MARCH 29, 1977
9:30 a.m.

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

Members Excused: Mr. Jacobsen

Guests Present: John Aramburu, Assemblyman Nancy Gomes
David W. Baker
D. Ray Daines
Joseph E. Dini, Jr., Speaker of the Assembly
David W. Hagen, Union Pacific Railroad
James C. Lien, Department of Taxation
Marilyn Paoli, Department of Taxation
Homer Rodriguez, Carson City Assessor
C. A. Soderblom, Nevada Railroad Association
Steven Stucker, North Las Vegas
Charles Zobell, Review-Journal

Attached as Exhibit B is the Committee's authorization for introduction of B.D.R.'s 32-1332, 32-1123, and 32-1342, on March 24, 1977. The memo refers to a resolution to be introduced concerning senior citizens, and as B.D.R. C-1811, the resolution was introduced the same day.

ASSEMBLY BILL 447

Chairman May said that at the last session a constitutional amendment was approved by the voters to allow deferral of taxes on agricultural lands. The Assembly had requested that a 6% interest charge on deferred taxes be left out of the bill, and the issue went through three conference committees. At the threat of the Senate killing the bill, the Assembly went along with the interest charge. He said that this bill seeks to eliminate this charge.

Chairman May said that he had received communication from Chuck White of the Farm Bureau that he was very interested and highly supportive of this legislation. Chairman May asked that the record reflect this support.

ASSEMBLY BILL 500

David Hagen spoke first in favor of the bill. He said that the circumstance here is that utility property is cen-

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trally assessed in October, the following of which there is a review of the Board of Equalization. The Board of Equalization in its process of equalization may raise or lower the tax or valuation that has been fixed the previous fall. The taxpayer and county assessor are notified of the change. There is no opportunity for a hearing. He said that the State law has no provision at this time for a hearing. Rather, there is a costly and time-consuming procedure for the taxpayer to go to the courts. He said that he thought this amendment to NRS 361.395 would make the entire process more efficient and less time consuming.

Chairman May asked Mr. Lien to speak, and Mr. Lien said that there was staff from the Department of Taxation coming with an amendment to the bill and asked to delay testimony on this bill until the amendment came.

ASSEMBLY BILL 447

Mr. Lien said that it is basically determined that about \$233,000 would be due if the agricultural property was converted. The second year after enactment, this would be about \$470,000. He said that conversion is likely to occur on only 4% of the agricultural property. The impact of this bill is that the State would lose less than \$20,000 in actual interest. He said that it did not appear to have any major impact unless there were a large number of agricultural conversions in one year.

Mr. Mann moved for a Do Pass recommendation on A.B. 447; Mr. Dreyer seconded. The motion received unanimous approval of the members present.

ASSEMBLY BILL 533

There was no testimony on the bill. Several Committee members indicated that Russ McDonald had an interest in the bill, and it was decided to reschedule the bill at a later date. Mr. Mann asked that a fiscal note be prepared on the bill at its next hearing.

ASSEMBLY JOINT RESOLUTION 40

Mr. Murphy said that he would like to speak in favor of the concept of the bill. He said he believed this would allow the eventual provision for the separate categories for the assessment of property for senior citizens.

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Mr. Mann said that it has usually been the procedure to give a constitutional amendment favorable consideration its first time around, then examine it more extensively the second time. He said that he thought it was time to recognize that senior citizens have a need.

Chairman May said that if the resolution passed, it will have broken the tradition of Article X of the State Constitution for equal assessment. He said that once that is broken, there are a lot of differences that could be brought out. He said that the integrity of Article X is binding and restricting, and that this would open the door for a completely separate type of assessment.

Mr. Mann said that any change in Article X is going to take a constitutional amendment. He said that he found it difficult to just sit back due to tradition. He said that to sit back on tradition for justification for not being progressive is a failure to meet the needs of constituents.

Mr. Horn moved for a Do Pass recommendation on A.J.R. 40; Mr. Mann seconded. Vote on the motion was as follows:

Ayes - 4.
Nays - May, Craddock, Dreyer - 3.
Absent - Harmon, Jacobsen - 2.

As the motion failed to receive a majority vote of the Committee, Chairman May announced that the resolution will be rescheduled.

SUBCOMMITTEE REPORT ON A.B. 277, A.B. 292, A.J.R. 7, A.J.R. 9:

Mr. Schofield: "The subcommittee would like to make a report on A.B. 277, A.J.R. 7, A.B. 292, and A.J.R. 9. The subcommittee reports that Mr. Jacobsen and Mr. Craddock will be working together on A.B. 292 and A.J.R. 9 which will be a companion constitutional amendment to reflect on A.B. 292 the commercial area of the energy conservation problem on that bill and the A.J.R. Mr. Horn and Mr. Schofield will be on A.B. 277 and A.J.R. 7 with a report back to the Committee with a recommendation and the amendments on March 31, which is this Thursday."

SUBCOMMITTEE REPORT ON A.B. 304, A.B. 310, A.B. 322, A.B. 395:

Mr. Craddock: "Mr. Chairman, we've all been running to death for the last week and a half and simply have not had an opportunity to sit down and talk about them. I've gone over them in detail myself, and I find there are some of them, in

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the discussion I have had with Mr. Horn and Mr. Dreyer, that are subject to die on the spot. But there are a couple of them I would like to give out."

Chairman May asked for some indication from the subcommittee in the March 31, 1977, meeting.

Chairman May made reference to a newspaper article that referred to a "mystery bill" the Committee had introduced. He noted that the rules of the Committee state that Committee introduction does not imply support of the measure.

Mr. Mann made the following comments for the record: "I think it would be a good time also, Mr. Chairman. I know in the two terms I have served on this Committee, we've introduced a lot of bills that we've later killed. An introduction by Committee, and I think it should be noted for the record, does not mean tantamount approval of that Committee. It's more or less a courtesy because it takes a member or a Committee of the Legislature to introduce a bill. I take umbrage, if you will, about somebody talking about mystery bills. I think it is a courtesy that we gave to someone. I for one, no way in the world am I going to pass a bill that I believe the Governor is going to veto. But I still think those people deserve the opportunity to have that bill introduced."

Chairman May presented B.D.R. 32-1409 to the Committee for Committee introduction. Mr. Mann moved for Committee introduction of the B.D.R.; Mr. Murphy seconded. The vote on the motion was as follows:

Ayes - 3.
Nays - Craddock, Dreyer, Horn - 3.
Absent - Harmon, Jacobsen, Schofield - 3.

As the motion failed, the chairman indicated a further vote would be taken concerning B.D.R. 32-1409.

The Committee was in adjournment at 10:05 a.m.

Chairman May called the meeting to order again at 10:17 a.m.

ASSEMBLY BILL 500

Mr. Lien said that the Department of Taxation is not in disagreement with the bill. He said that they do feel that it should be expanded to cover more than one class, and he passed out copies of a proposed amendment to the bill, attached as Exhibit A.

Mr. Lien further stated that the amendment would open the right of appeal to anybody whose property is to be increased by the Board. They would receive notice and have time to be heard on the matter. He further stated that the amendment reads that a notice will not be necessary if a person has appeared voluntarily before the Board and is aware that an action may be taken.

Mr. Schofield questioned the elimination of the 20-day limitation on notices for hearings. Mr. Lien stated that the Department did not feel that there was a definite time that could be placed there. He said that they felt by using the term "reasonable time" that if it was not reasonable, the court would tell them.

Mr. Lien further proposed adding the words in Section 3 of the amendment on the last line after "to appear," "and be heard on the matter." He further recommended deletion of Section 5 of the amendment.

Mr. Schofield proposed striking "reasonable time" in Section 3 and inserting "ten days." The proposal received the approval of the Committee.

Mr. Schofield moved for an Amend, and Do Pass as Amended recommendation on A.B. 500; Mr. Mann seconded. The motion received unanimous approval of the members present except for Mr. Murphy and Mr. Harmon who were not present when this vote was taken.

ASSEMBLY BILL 374

Mr. Lien discussed the various amendments to the bill.

As the amendments were extensive and confusing to consider without actually being printed in the bill, Mr. Murphy moved to Amend A.B. 374 and rerefer to the Committee on Taxation; Mr. Horn seconded. The motion received unanimous approval of the members present, except Mr. Harmon who was not present when this vote was taken.

Chairman May again presented B.D.R. 32-1409 for a Committee introduction. Mr. Murphy moved for the Committee introduction of the B.D.R.; Mr. Horn seconded. The vote on the motion was as follows:

Ayes - 5.
Nays - Craddock, Dreyer - 2.
Absent - Harmon, Jacobsen - 2.

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Under Rule 6 of the Committee, the chairman declared the motion lost.

The Committee adjourned at 10:33 a.m.

Respectfully submitted,

Carl R. Ruthstrom Jr.

Carl R. Ruthstrom, Jr.
Secretary

EXHIBIT A

SUGGESTED LANGUAGE:

NRS 361.395

During the annual session of the state board of equalization beginning on the 1st Monday in February of each year, the state board of equalization shall:

1. Equalize property valuations in the state, including the valuation of livestock theretofore established by the Nevada tax commission.

2. Review the tax rolls of the various counties as corrected by the county board of equalization thereof and raise or lower, equalizing and establishing the full cash value of the property, for the purpose of the valuations therein established by all the county assessors and county boards of equalization and the Nevada tax commission, of any class or piece of property in whole or in part in any county, including also livestock and those classes of property enumerated in NRS 361.320.

3. *If the state board of equalization finds it necessary to add to the assessed valuation of any property on the assessment roll, it shall direct the secretary to give notice to the persons so interested by registered or certified letter, deposited in the post office, or by personal service, naming the day when it shall act on the matter, and allowing a reasonable time for the interested party to appear.*

4. *A notice shall not be necessary if the person appears voluntarily before the board, and is there personally notified that his property, or some specified part thereof, is, in the opinion of the board, assessed below its full cash value and is not uniformly assessed with other property or has been omitted from the roll.*

5. *A notice of increase in valuation shall not be necessary where the board increases in a certain proportion the assessed valuations of all properties in clearly defined areas, or classes as established by the Nevada tax commission, the Department of Taxation or by statute, upon the rolls in order that the assessed valuations of such properties generally shall be at full cash value and shall be equalized as required by law.*

MEMO

From the desk of...

PAUL W. MAY
Assemblyman, District 19 (Clark)

3/24/77

TO MEMBERS OF TITATION COMMITTEE

	YES	NO
MAY	OK	
SCHOFIELD	OK	
ENADDOCK	OK	
DAYGA	OK	
HARMAN	HGH	
HORN	OK	
MANN	OK	
MURPHY	OK	
JACOBSON	OK	

REQUEST PERMISSION TO INTRODUCE

BDR # 32-1332

32-1123

32-1342

COPIES
ATTACHED

ALSO REQUEST PERMISSION TO REQUEST AND
INTRODUCE A RESOLUTION RE SENATORITZENS
ALLOW FREEZE OF PROPERT TAX AT AGE 65)

ALL BILLS TO BE RE-REFERED TO TITATION

I DO NOT KNOW WHERE THEY CAME FROM

3309 Wright Ave., North Las Vegas, Nevada 89030

Paul W. May

INDEX OF MEASURES IN ASSEMBLY COMMITTEE ON TAXATION
March 29, 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	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	3/24/77
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/Means Do Pass	Passed 2/8/77	Passed 3/22/77	3/25/77
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	3/21/77

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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* 3/29/77				
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* 3/29/77				
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 3/29/77				

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A.B. 310	2/15/77	Coulter	Provides property tax exemption to elderly.	3/10/77 3/15/77 3/29/77				
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 3/29/77				
A.B. 347	2/24/77	Committee on Taxation	Excludes combustible gases from taxation as a special fuel.	3/17/77 3/22/77 3/24/77	Majority: Do Pass; Minority: Do Not Pass Do 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				

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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. 374	3/1/77	May	Makes various changes in law relating to property taxes and to special taxes on livestock.	3/22/77 3/29/77	Amend; Rerefer to Taxation			
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 3/29/77				
A.B. 447	3/11/77	Dini	Eliminates interest charge on certain deferred taxes against agricultural and open-space property.	3/29/77	Do Pass			
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	Passed 3/24/77		
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.			

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A.B. 482	3/17/77	Demers	Permits taxation of certain interests in tax-exempt property.	3/22/77				
A.B. 500	3/22/77	Jacobsen	Requires hearing by State Board of Equalization on value changes for certain utility property.	3/29/77	Amend; Do Pass as Amended			
A.B. 533	3/24/77	Committee on Taxation	Adds Trust for Public Land to charitable corporations; broadens exemption for land held for charitable purposes.	3/29/77				
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* 3/29/77				
A.J.R. 9	1/19/77	Robinson	Proposes constitutional amendment to permit property tax exemption for conservation of energy of production of energy from renewable natural resources.	2/15/77 2/17/77 2/21/77* 3/2/77* 3/29/77				
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 3/1/77	Amend; Do Pass as Amended	Passed 3/9/77		
A.J.R. 40	3/24/77	Committee on Taxation	Proposes to amend Nevada Constitution by allowing a separate tax classification for assessment of residential property of elderly persons.	3/29/77	Motion to Do Pass Failed			

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A.J.R. 10/ 58th Session	1/17/77	Committee on Commerce	Proposes constitutional amendment to exempt business inventories from property taxation and allow Legis- lature 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 busi- ness inventories from property taxation and legislative exemption of other personal property.	2/1/77 2/8/77 3/24/77	Do Pass	Passed 3/28/77		
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 29, 1977

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