

MINUTES

ASSEMBLY COMMITTEE ON TAXATION
APRIL 19, 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: Bryn Armstrong, Las Vegas Sun
David W. Baker
Robert N. Broadbent, Clark County Commission
Harlan Elges, Gaming Control Board
Phil Hannifin, Gaming Control Board
Bud Hicks, Gaming Control Board
Sam Krug, All State Tours
James C. Lien, Department of Taxation
Gary Milliken, Clark County Assessor's Office
Eugene R. Pieretti, Deputy Fiscal Analyst
Homer Rodriguez, Carson City Assessor
James D. Salo, Attorney General - Taxation
W. J. Slocum, Douglas County
Vaughn Smith, Carson City Clerk-Treasurer
Margaret Stewart
J. H. Stratton, Gaming Control Board
Lee Walker, All State Tours
Robert Warren, Nevada League of Cities
Charles Zobell, Review-Journal

Chairman May called the meeting to order at 9:37 a.m.

ASSEMBLY BILL 586

At the request of the chairman, James Salo and Jim Lien explained this bill and the following one. Mr. Salo stated that the bill was raising the amount of a homestead that would be exempt from execution in a bankruptcy from \$25,000 to \$28,000. The second major change in the bill was the expansion of the applications of this statute to certain classes of single persons.

Robert Broadbent said that he had been a bankruptcy trustee and had discussed the bill with Judge George in Las Vegas. He said that the Judge has no objections to the bill but did ask that the Committee consider amending the valuation for which an automobile could be retained by the bankrupt. He said that a person will still have to be able to get to work after a bankruptcy, and that the courts had been

interpreting the language very liberally. He also recommended the deletion of the word "gross" on Page 1, Line 20.

ASSEMBLY BILL 636

Mr. Salo said that this bill, like the last bill, expands the application of the statute to a certain class of single persons. The language in this bill would bring into line any other changes in the statute, such as if A.B. 586 passed.

Mr. Mann moved to give A.B. 636 an Amend, and Do Pass as Amended recommendation; Mr. Jacobsen seconded. Chairman May said that the amendment would be to change the \$25,000 figure on homesteads in the bill to \$28,000 to be in conformity with A.B. 586.

The vote was unanimous in favor of the motion with Mr. Schofield, Mr. Harmon, and Mr. Murphy absent.

Mr. Salo stated that he concurred with the prior statements that bankruptcy courts tend to take a fairly liberal view on the monetary figures in the statutes.

ASSEMBLY BILL 532

Mr. Lien said that Section 1 of the bill conforms the language on subpoenas to that which was adopted last session. He said that the new language in Section 2 changes the concept on how private car line taxes are collected. He said that presently there are 123 car lines that are not taxed because the amount of tax would be so low that it would cost more to administer than would be collected. Through this bill, the collection of these taxes would be centralized, then the Department of Taxation would distribute the taxes to the various counties involved.

Mr. Lien said that Section 4 prohibits the district attorney, the county treasurer, and the county assessor or their deputies or employees from sitting on the county board of equalization. He said that this section also allows the assessor's deputy to appear before the board in place of the assessor.

Mr. Salo stated that the intent of Section 6 is to amend the judicial relief statutes under the property tax to make it clear that the appropriate remedy is in the nature of a judicial review of the record. In Section 13, the statutes had a reference that appeared to indicate that telephone lines and power lines were classed as personal property, and this is being deleted.

Chairman May stated that there could be no Committee action until they had received an official fiscal note.

Gene Pieretti read from the fiscal note submitted by the Department of Taxation on the bill: "Undetermined fiscal savings to the counties. They won't have to bill some 100 car lines. A positive increase in tax dollars of approximately \$2500. Department expense will be absorbed in executive budget."

ASSEMBLY BILL 692

Mr. Jacobsen stated that his feeling had been especially in this session with the granting of tax relief to the users of solar energy and that type of thing that perhaps there was some justification for rewarding that individual who pays his property taxes in the first quarter. He said that this does detract from the total amount of money that could be collected, but in Douglas County, the faster the money comes in, the faster it can be distributed. He said that he thought the cost would balance itself with anticipated savings.

Mr. Jacobsen presented to the Committee figures from across the State on the percentages of delinquent taxes and the actual amounts of delinquent taxes (Exhibit A).

Mr. Jacobsen stated that Oregon provided a 1% discount in taxes if 1/2 of the total tax bill was paid the first quarter, a 2% discount if 3/4 of the taxes were paid the first quarter, and a 3% discount if the full tax bill was paid in the first quarter. He said that this is where he got the 3% figure in the bill.

Vaughn Smith stated that delinquencies had decreased since the passage of legislation that raised the penalties for delinquent taxes. However, he did feel that the bill could benefit Carson City. He said that he would estimate \$10,000 in interest income from taxes being paid in the first quarter and \$6,000 in lost revenue from the 3% discount. He said that this would give the City \$4,000 extra income.

Mr. Lien stated that Oregon reimburses the counties for tax loss from the discount. He estimated \$50,000 a year would be discounted, but the information that was available was very limited.

ASSEMBLY BILL 700

Bud Hicks said that this bill was prepared at the request of the Gaming Control Board. He said that there have not been statutes on the collection and disbursement of gaming revenues by the Board. He said that the provisions in this bill will set forth collection procedures, determination procedures, review of that determination by the Commission, procedures for refund claims, subsequent court review of refund claims, and will actually put in statute form what has been the practice all along solving many problems for the Board and the Commission.

Mr. Mann stated that an additional hearing would be needed because members of the gaming industry had indicated that they would be unable to attend this meeting.

ASSEMBLY BILL 729

Mr. Hicks stated that it is the Gaming Control Board's interpretation that it has always been the Legislature's intention that the casino entertainment tax should be on the amount paid by the customer. Consequently, they believe that the only way they can properly assess what is due is for the ticket to have the price printed thereon. This bill addresses that problem.

Mr. Hicks stated that secondly, there is a problem felt more by the Attorney General with regard to the image being created by casinos whose show tickets have been sold for different prices. People attending the shows have found the discrepancies in what they paid for the tickets resulting in consumer complaints. He said that the Board feels that if the price is printed on the ticket, the consumer is aware of the fair market price.

Mr. Mann requested the assistance of Mr. Hicks on drawing up some amendments. He said that Senator Dodge had indicated that he would like the Jai Alai issue addressed in the bill.

Mr. Hicks submitted to the Committee the bill as had been originally proposed to assist in amending the present language.

Mr. Schofield moved to suspend Assembly Rule 92 that the Committee must give a five-day notice on legislation processed in the Committee; Mr. Harmon seconded. The Committee unanimously approved the motion.

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ASSEMBLY BILL 586

Mr. Mann reported to the Committee that Mr. Broadbent had not been able to contact Judge George concerning recommendations on the bill, and it was felt that action should be taken on the bill. He stated that Mr. Broadbent would recommend striking the word "gross" and that it would be okay to go with the \$2,000 figure on automobiles.

Mr. Mann moved to give A.B. 586 an Amend, and Do Pass as Amended recommendation; Mr. Schofield seconded. The Committee unanimously approved the motion.

Chairman May adjourned the meeting at 11:00 a.m.

Respectfully submitted,

Carl R. Ruthstrom Jr.

Carl R. Ruthstrom, Jr.
Secretary

EXHIBIT AAVERAGE PROPERTY TAX DELINQUENCIES
BY COUNTY

<u>County</u>	<u>Total Delinquent Taxes in 1972-73, 73-74, 74-75</u>	<u>Total Taxes Due in 1972-73, 73-74, 74-75</u>	<u>Delinquencies as an Average Percent of Taxes 1972-73, 73-74, 74-75</u>
Carson City	\$ 267,919	\$ 9,863,229	2.7
Churchill	97,442	5,204,640	1.8
Clark	3,399,828	201,404,830	1.6
Douglas	710,341	9,864,040	7.2
Elko	214,946	11,980,886	1.7
Esmeralda	33,682	980,648	3.4
Eureka	----- Not available -----		
Humboldt	79,741	5,093,978	1.5
Lander	108,041	2,318,052	4.6
Lincoln	56,741	1,518,956	3.7
Lyon	136,091	6,605,290	2.0
Mineral	24,428	2,671,693	.90
Nye	279,232	5,559,129	5.0
Pershing	2,592,167	63,381 ¹	2.4
Storey	23,713	755,823	3.0
Washoe	3,587,214	100,283,751	3.5
White Pine	40,343	4,704,472	.80

¹Estimated

PROPERTY TAX DELINQUENCIES FOR FY 1974-75

<u>COUNTY</u>	<u>RATE %</u>
Carson City	2.67
Churchill County	2.11
Clark County	1.41
Douglas County	5.31
Elko County	3.00
Esmeralda County	3.41
Eureka County	Report not filed
Humboldt County	.94
Lander County	6.20
Lincoln County	2.34
Lyon County	2.63
Merced County	.98
Nye County	4.66
Pershing County	2.26
Storey County	3.87
Washoe County	3.49
White Pine County	1.29

Figures taken from "COUNTY TREASURERS REPORT OF DELINQUENT TAXES TO THE STATE CONTROLLER, STATE OF NEVADA"

GUEST LIST

<u>NAME</u>	<u>REPRESENTING</u>	<u>WISH TO SPEAK</u>	
		Yes	No
(Please print)			
HOMER RODRIGUEZ	CARSON CITY ASSESSOR		
P. Hannifin	Gaming Control	X	
Bud Hicks	GAMING CONTROL BOARD Attorney General	X	
J. A. Hutton	Gaming Control		X
Harlan Elges	Gaming Control Board		
Margaret Stewart	RR#3 Manotick Ont. Can.		
David W. Baker			
Doug Miller	Clark County Assessor		
JAMES D. SALO	ATTORNEY GEN. - TAX	✓	
W. J. Stoum	Douglas County		
Charles Zobell	Review Journal		
Bob Warren	Nevada League of Cities		
James C. Lier			
Lu Hobbie	All State Times	✓	
Sam Truog	All State Times	✓	
Bryn Armstrong	L. V. Sun		
Robert Broadbent			
Vaughn Smith	CC Clerk - Ins		

ASSEMBLY COMMITTEE ON TAXATION
FIFTY-NINTH SESSION, 1977

MEETING ROLL CALL

MEETING DATE: TUESDAY, APRIL 19, 1977

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