

MINUTES

ASSEMBLY COMMITTEE ON TAXATION  
SPECIAL MEETING  
APRIL 7, 1977a  
7:30 a.m.

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

Members Absent: Mr. Craddock

Guests Present: David W. Baker  
Louis W. Bergruin, Nevada Cattlemen's  
Association  
Clark Guild, Jr., Union Pacific  
Barbara Guzman, Developmental Disability  
Council  
Chris Lanphere, Rehabilitation  
James C. Lien, Department of Taxation  
Russ McDonald, Washoe County  
Tom Moore, Clark County  
George R. Mosey  
Marilyn Paoli, Department of Taxation  
Wink Richards, Motor Carrier Division  
Homer Rodriguez, Carson City Assessor  
Carl Soderblom, Nevada Railroad Association  
Steven Stucker, North Las Vegas

Chairman May called the special meeting to order at 7:39  
a.m.

ASSEMBLY BILL 533

Russ McDonald spoke in favor of the bill. He said that Washoe County felt that the Trust for Public Lands should be recognized as a non-profit corporation in the State of Nevada. Presently this organization is a California non-profit corporation which obtains properties that it ultimately conveys to the counties and State. He stated that the second portion of the bill gets into the definition of what property owned by tax-exempt groups may be exempt. He said that ultimately all buildings on lands owned by tax-exempt groups and all land actually occupied will be exempt. He said that occupied is the main word involved.

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Mr. Dreyer asked what the fiscal note would be on the bill? Jim Lien answered that the exemption for the Trust for Public Lands involves a 120-acre parcel at \$450 per year.

Chairman May asked Mr. McDonald what the Trust for Public Lands was. Mr. McDonald said that through a succession of federal grants, this was an organization that has gone out and bought land which was in turn given back to local governments. He mentioned that about 40 acres in Marin County, California, had been purchased and returned to the county in its natural state when it could have been sold for high prices.

Mr. Mann moved for a Do Pass recommendation on A.B. 533; Mr. Schofield seconded. The vote was unanimous in favor of the motion with Mr. Murphy, Mr. Harmon, and Mr. Craddock absent.

ASSEMBLY BILL 575

Mr. McDonald spoke in favor of this bill. He said that some properties which have been turned over to the County because of delinquent taxes or whatever reason have incurred expenses assessed by city governments such as for the mowing of weeds or removal of trash on the property. The county must pay the city, and Mr. McDonald felt that the County has the right to add this amount to the selling price of the property so that the County may be reimbursed for their expense.

Mr. Mann moved for a Do Pass recommendation on A.B. 575; Mr. Jacobsen seconded. The vote was unanimous in favor of the motion with Mr. Murphy, Mr. Harmon, and Mr. Craddock absent.

ASSEMBLY BILL 576

Mr. McDonald stated that this bill would allow unrefunded aviation fuels tax to go back to the airports in each county. He said presently the legislative auditors have placed this money in the county road fund. He said that it is not a big thing, and that Washoe County had not been refunding this to the airports because the law did not require it.

Mr. Schofield moved for a Do Pass recommendation on A.B. 576; Mr. Horn seconded. The vote was unanimous in favor of the motion with Mr. Murphy, Mr. Harmon, and Mr. Craddock absent.

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ASSEMBLY BILL 578

Mr. McDonald stated that this bill relates to the county motor vehicle fuel tax on short-term financing. He said the bill conforms the extension of short-term financing from three to five years.

Mr. Lien said the Department of Taxation is in favor of the bill being passed.

Mr. Schofield moved for a Do Pass recommendation on A.B. 578; Mr. Horn seconded. The vote was unanimous in favor of the motion with Mr. Murphy, Mr. Harmon, and Mr. Craddock absent.

ASSEMBLY BILL 579

Mr. McDonald stated that this bill allows the county commissioners to make adjustments when a charitable organization fails to file an exemption. He said that since 1861 there has been a refund provision for those who are exempt from paying the property tax. However, the law requires charitable organizations to pay the taxes, then apply for a refund.

However, if the charitable organization has paid the tax and applies for a refund after the rolls are closed, the County will only refund the amount that the County received. The bill would allow the County to refund the whole amount and then keep their percentage out of the next apportionment of property taxes.

Mr. Horn asked Mr. McDonald if he would oppose placing a two-thirds majority of the county commission rather than a unanimous vote. Mr. McDonald stated that whatever was the desire of the Committee would be okay to him.

Mr. Mann stated that he did not feel that the unanimous vote was that strict. He said that he felt the commissioners would have a hard time for not giving the money back to a church.

Mr. Lien stated that the Department of Taxation would not be opposed. He did urge passage of the bill, and he said it is a problem throughout the State. He recommended also that the vote be left as a unanimous vote.

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Mr. Dreyer moved for a Do Pass recommendation on A.B. 579; Mr. Jacobsen seconded. The vote on the motion was as follows:

Ayes - 5.  
Nays - Schofield - 1.  
Absent - Craddock, Harmon, Murphy - 3.

Chairman May called a recess at 8:16 a.m.

The meeting was again called to order at 8:23 a.m.

ASSEMBLY BILL 374

Mr. Lien stated that there had been some problems in amending the bill. Mr. Jacobsen said that he had requested the amendments and that they did not come back the way in which they were requested.

Chairman May rescheduled A.B. 374 for Tuesday, April 12, 1977. Attached as Exhibit A are the proposed corrections to the bill.

ASSEMBLY BILL 482

Mr. Lien said that he had placed before the Committee a mark-up of the bill with proposed changes agreed upon by the Department of Taxation and Clark County (Exhibit B). He said that he felt they were saving a lot of problems by striking the superfluous language. He said that the courts will have to look at whether or not the City of Los Angeles actually has possessory interests in Hoover Dam or instead may not only be an agent of the United States government. He said that that could not be resolved in this legislation.

Mr. Schofield asked if this would effect a company that might lease a nuclear plant being used for the production of energy. Mr. Lien answered that the party leasing the project would be exempt if the original party was exempt.

Mr. Mann moved for an Amend, and Do Pass as Amended recommendation on A.B. 482; Mr. Jacobsen seconded. The vote was unanimous in favor of the motion with Mr. Murphy, Mr. Harmon, and Mr. Craddock absent.

ASSEMBLY BILL 500

Chairman May stated that this bill had been acted on in a previous meeting and had been inadvertently scheduled on the agenda for this date.

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SENATE BILL 145

Wink Richards spoke in favor of the bill, and he stated that Bob Guinn was in favor of it. He said the bill was recommended by the Motor Carrier Division and basically, what it attempts to do, is to bring NRS 366 and NRS 706 closer together. He discussed the various changes throughout the bill.

Mr. Horn asked who the State of Nevada had reciprocity with as stated in the bill. Mr. Richards listed 20 states involved in the agreement, all of which were located in the eastern part of the country. He stated that the western states have entered into a Western States Compact Agreement. He said that this is basically an identification survey charge.

Mr. Mann moved for a Do Pass recommendation on S.B. 145; Mr. Dreyer seconded. The vote was unanimous in favor of the motion with Mr. Craddock absent.

SENATE BILL 297

Mr. Lien said that Mr. Rodriguez had asked him to indicate his support and that of the assessors on this bill. He stated that the Department of Taxation was also in favor of the bill.

Chairman May asked what the bill would do. Mr. Lien said that if a person has to remove barriers from his property because of a personal handicap, and the value of the property was thereby increased, the increase would not go on the tax roll. He said that after a survey of 17 county assessors, a fiscal impact could not be determined.

Mr. Mann moved for a Do Pass recommendation on S.B. 297; Mr. Schofield seconded. The vote was unanimous in favor of the motion with Mr. Craddock absent.

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

Mr. Schofield began with A.B. 277. He said that amendments had been drawn so that the bill would only apply to residences. He said that it would also be tightened to state the items that would be exempted from property taxation and not get into a definition clash between renewable natural resources and nonfossil resources.

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Mr. Schofield stated that A.J.R. 7 was a companion piece of legislation to A.B. 277, but that it was not necessary for A.B. 277 to be in force. He said that similar amendments that would apply to A.B. 277 had been drawn for A.J.R. 7.

Mr. Schofield said that the amendments to A.J.R. 9 and A.B. 292 would change renewable natural resources to non-fossil resources. The title of each would be amended to reflect this change. A.B. 292 and A.J.R. 9 would be written to reflect the commercial aspect.

Mr. Schofield said that the recommendation of the subcommittee would be to Amend, and Do Pass as Amended on each of the measures which had been referred to the subcommittee.

Mr. Mann requested the following remarks be included in the minutes: "I think we saw in terms of our inventory tax that the advisability of having an extra bill around to go with that two years from now. You know, it's funny to me that they killed one bill over there, and if we hadn't had A.J.R. 21, we would have been in trouble. I would like the record to show in the minutes, though, for in case some of us do not plan on returning next session, that the passage of A.J.R. 7 and A.J.R. 9 is nothing more than to allow the next session of the Legislature in the wisdom of the Committee to look at those two and decide if they want to continue going on with this."

Mr. Schofield said that it would be the hope of the subcommittee that there would be some organizations or groups that would come into the State to take advantage of a tax rebate through the production of energy from nonfossil resources. He said that if this is brought in, it would generate revenues, generate employment and benefits for the State of Nevada.

Mr. Mann said that since the Committee would have another opportunity to look at the resolutions, he would be in favor of their passage. He said that he felt the subcommittee had done an excellent job.

Chairman May also said that he would like to extend a heartfelt appreciation on behalf of the entire Committee to the members of the subcommittee.

Mr. Horn moved for an Amend, and Do Pass as Amended recommendation on A.B. 277; Mr. Jacobsen seconded. The vote was unanimous in favor of the motion with Mr. Craddock and Mr. Dreyer absent.

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Mr. Schofield moved for an Amend, and Do Pass as Amended recommendation on A.J.R. 7; Mr. Horn seconded. The vote was unanimous in favor of the motion with Mr. Craddock and Mr. Dreyer absent.

Mr. Schofield moved for an Amend, and Do Pass as Amended recommendation on A.B. 292; Mr. Jacobsen seconded. The vote was unanimous in favor of the motion with Mr. Craddock and Mr. Dreyer absent.

Mr. Jacobsen moved for an Amend, and Do Pass as Amended recommendation for A.J.R. 9; Mr. Horn seconded. The vote was unanimous in favor of the motion with Mr. Craddock and Mr. Dreyer absent.

The Committee adjourned the special meeting of the Assembly Committee on Taxation at 9:15 a.m.

Respectfully submitted,



Carl R. Ruthstrom, Jr.  
Secretary

EXHIBIT A

AMENDMENTS TO FIRST REPRINT OF AB 374

Page 2, line 15, remove bracket before the word "may".

Page 2, line 18, remove bracket after the word "nonassessed."

Page 2, lines 18 through line 24, strike all language in italics.

Page 3, add new section to read as follows:

"SECTION 4. NRS 361.315 is hereby amended to read as follows:

1. Any person or representative of any local government entity or the department claiming undervaluation, overvaluation or nonassessment of any property in the state shall submit an appraisal of the property in which the value is determined by using appropriate appraisal standards to the Nevada Tax Commission."



belief, at 35 percent of its full cash value. A copy of such affidavit shall be filed immediately by the assessor with the department. The failure to take or subscribe to such affidavit shall not in any manner affect the validity of any assessment contained in the assessment roll.

2. The county assessor may close his roll as to changes in ownership of property on December 1 of each year or on any other date which may be approved by the board of county commissioners.

[15:344:1953]—(NRS A 1963, 210; 1975, 1657)

#### ASSESSMENTS BY NEVADA TAX COMMISSION

#### **361.315 Meetings of Nevada tax commission to establish valuation for assessment purposes.**

1. Except as otherwise provided in subsection 3, annually, a regular session of the Nevada tax commission shall be held at Carson City, Nevada, beginning on the 1st Monday in October and continuing from day to day until the business of the particular session is completed, at which valuations shall be established by the Nevada tax commission on the several kinds and classes of property mentioned in NRS 361.320.

2. The publication in the statutes of the foregoing time, place and purpose of each regular session of the Nevada tax commission shall be deemed notice of such sessions, or if it so elects the Nevada tax commission may cause published notices of such regular sessions to be made in the press, or may notify parties in interest by letter or otherwise.

3. The Nevada tax commission may designate some place other than Carson City, Nevada, for the regular session specified in subsection 1. If such other place is so designated, notice thereof shall be given by publication of a notice once a week for 2 consecutive weeks in some newspaper of general circulation in the county in which such regular session is to be held.

4. All sessions shall be public and any person is entitled to appear in person or by his agent or attorney. Evidence may be submitted, except as otherwise provided in this chapter. In lieu of an appearance, the person may file with the department a written statement containing his claim and any evidence thereon with respect to the valuation of his property or the property of others.

[Part 4:177:1917; A 1929, 341; 1939, 279; 1953, 576]—(NRS A 1969, 95; 1971, 194; 1975, 1657)

#### **361.320 Nevada tax commission to establish valuations of property of interstate, intercounty nature: Procedure.**

1. At the regular session of the Nevada tax commission commencing on the 1st Monday in October of each year, the Nevada tax commission shall establish the valuation for assessment purposes of any property of an interstate and intercounty nature, which shall in any event include the property of all interstate or intercounty railroad, sleeping car, private

A. B. 482

ASSEMBLY BILL NO. 482—ASSEMBLYMEN DEMERS, MAY, PRICE, ROSS, HARMON, HORN, CRADDOCK, SENA, GOMES, SCHOFIELD, BANNER, BENNETT, HAYES, BREMNER, HICKEY, ROBINSON, JEFFREY, BROOKMAN, CHANEY AND MANN

MARCH 17, 1977

Referred to Committee on Taxation

SUMMARY—Permits taxation of certain interests in tax-exempt property. (BDR 32-1235)

FISCAL NOTE: Local Government Impact: Yes. State or Industrial Insurance Impact: Yes.

EXPLANATION—Matter in *Italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to property tax; providing for taxation of rights to the use and enjoyment of tax-exempt property which are not available to the general public; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

- 1 SECTION 1. NRS 361.157 is hereby amended to read as follows:
- 2 361.157 1. When any real estate which for any reason is exempt
- 3 from taxation, or any right to the use or enjoyment of such real estate, is
- 4 leased, loaned or otherwise made available to [and] or used by a [private
- 5 individual,] *natural person*, association, partnership or corporation [in
- 6 connection with a business conducted for profit, it shall be] *which enjoys*
- 7 *substantial benefits from its rights which are not available to the general*
- 8 *public, it is* subject to taxation in the same amount and to the same extent
- 9 as though the lessee or user were the owner of [such] the real estate.
- 10 ~~2. The lessee or user of exempt real estate is subject to taxation:~~
- 11 ~~(a) Whether or not he is in possession of the real estate.~~
- 12 ~~(b) On the portion of the property available for his use and enjoyment~~
- 13 ~~if he is not the sole user of the real estate or possessor of the right to its~~
- 14 ~~use or enjoyment.~~
- 15 3. This section does not apply to:
- 16 (a) Property located upon or within the limits of a public airport, park,
- 17 market, fairground or upon similar property which is available to the use
- 18 of the general public; [or]
- 19 (b) Federal property for which payments are made in lieu of taxes in

1 amounts equivalent to taxes which might otherwise be lawfully assessed;  
2 For:

3 (c) Property of any state-supported educational institution; or  
4 (d) Property Real estate which is leased or otherwise made available  
5 to and used by a private individual, association, corporation, municipal  
6 corporation, quasi-municipal corporation or a political subdivision under  
7 the provisions of the Taylor Grazing Act or by the United States Forest  
8 Service or the Bureau of Reclamation of the United States Department  
9 of the Interior; or by an agency of the United States solely for grazing  
10 purposes;

11 (e) Property of any Indian or of any Indian tribe, band or community  
12 which is held in trust by the United States or subject to a restriction against  
13 alienation by the United States ;

14 (f) Vending stand locations and facilities operated by blind persons  
15 under the auspices of the bureau of services to the blind of the rehabilita-  
16 tion division of the department of human resources, regardless of whether  
17 such the property is owned by the federal, state or a local govern-  
18 ment ; or

19 ~~(g) Lessees or users who are otherwise exempt from property taxation  
20 under the laws of this state.~~

21 2. Taxes shall be assessed to such lessees or users of exempt  
22 real estate and collected in the same manner as taxes assessed to owners of  
23 real estate, except that such taxes shall taxes due under this section do  
24 not become a lien against the property. When due, such taxes shall con-  
25 stitute a debt due from the lessee or user to the county for which such  
26 the taxes were assessed and if unpaid shall be are recoverable by the  
27 county in the proper court of such the county.

28 SEC. 2. NRS 361.159 is hereby amended to read as follows:

29 361.159 1. Personal When any personal property which is exempt  
30 from taxation, which or a right to the use or enjoyment thereof, is  
31 leased, loaned or otherwise made available to and or used by a private  
32 individual, natural person, association or corporation in connec-  
33 tion with a business conducted for profit is which enjoys substantial  
34 benefits from its rights which are not available to the general public, it is  
35 subject to taxation in the same amount and to the same extent as though  
36 the lessee or user were the owner of such the property, except for per-  
37 sonal property used in vending stands operated by blind persons under the  
38 auspices of the bureau of services to the blind of the rehabilitation division  
39 of the department of human resources. regardless of whether such prop-  
40 erty is owned by the federal, state or a local government.

41 ~~2. The lessee or user of exempt personal property is subject to taxa-  
42 tion:~~

43 ~~(a) Whether or not he is in possession of the personal property.  
44 (b) On the portion of the property available for his use and enjoy-  
45 ment, or the portion of time during which it is available for his use and  
46 enjoyment, if he is not the sole user of the property or possessor of the  
47 right to its use or enjoyment.~~

48 ~~3. Lessees and users who are otherwise exempt from property tax-  
49 ation may not be taxed under this section.~~

50 4. Taxes shall be assessed to such lessees or users of such

1 *exempt* personal property and collected in the same manner as taxes  
2 assessed to owners of personal property, except that [such taxes shall]  
3 *taxes due under this section do* not become a lien against [such] *the*  
4 personal property. When due, such taxes constitute a debt due from the  
5 lessee or user to the county for which [such] *the* taxes were assessed  
6 and if unpaid [shall be] *are* recoverable by the county in the proper  
7 court of [such] *the* county.

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ASSEMBLY COMMITTEE ON TAXATION  
FIFTY-NINTH SESSION, 1977

MEETING ROLL CALL

MEETING DATE: THURSDAY, APRIL 7, 1977 7:30 a.m.

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