

TAXATION COMMITTEE

The meeting was called to order in Room 231 at 2:00 P.M., on Thursday, February 3, 1977.

Senator Richard H. Bryan was in the chair.

PRESENT: Senator Richard H. Bryan
Senator Norman Ty Hilbrecht
Senator Floyd R. Lamb
Senator Carl F. Dodge
Senator Norman D. Glaser
Senator Gary A. Sheerin
James Lien, Department of Taxation
Robert O. Dimmick, Legislative Counsel Bureau, Audit Div.
Nadean Reed, Treasurer's Office
Marilyn Paoli, Taxation

The Committee heard the testimony on the following bill:

A.B. 103 REQUIRES SALES AND USE TAX COLLECTIONS TO BE DEPOSITED TO ACCOUNT OF STATE TREASURER

Senator Bryan opened the meeting requesting witnesses to come forward.

The first witness was Mr. James Lien who stated that A.B. 103 was the result of a Legislative audit conducted on the Department of Taxation. The statute had allowed the Department's Executive Director to establish bank accounts for the deposit of sales and use tax receipts or other tax monies throughout the State. Some time ago the Agency closed those accounts, in agreement with the State Treasurer's Office, and deposited the money directly to the State Treasurer's accounts in order that the money would be available for investment purposes, as soon as it had been collected.

Nadean Reed of the Treasurer's Office then discussed Chapter 353.250 of NRS (State Officers, Departments To Pay Receipts Into State Treasury Monthly; Penalty). State agencies are required to deposit receipts on the Monday following the close of business of a month with the State Treasurer and not to individual accounts, in order to provide revenue for investment purposes. She suggested that the Committee look at the statute saying that they should invest daily and must notify the Treasurer's Office of a deposit of a reasonable amount.

Senate

Ms. Reed informed the Committee that California had to change their law so that agencies will deposit daily and notify the treasurer.

The Committee expressed concern about the safety of any monies being held by an agency, and its timely deposits.

Mr. Dimmick, Legislative Counsel Bureau, Audit Division, stated that in most instances they have found deposits on a weekly basis adequate. If they do not have a large cash build up, they sometimes wait even longer.

The Committee asked what Ms. Reed and Mr. Dimmick recommended. The general recommendation was to deposit on a weekly basis, or with a build up of cash, and a specific dollar amount should be deposited immediately.

Senator Lamb moved that Senator Hilbrecht have A.B. 103 amended to reflect that with respect to deposits for \$10,000.00, deposit must be made daily, and the State Treasurer's Office notified immediately. With monies less than \$10,000.00, that the deposit be made at least weekly and notify the State Treasurer's Office at least once a week.

Seconded by Senator Dodge.

Motion carried unanimously.

BDR

Senator Sherrin said that he had a BDR which provided for abatement of taxes on real property acquired by the State or its political subdivisions. He had been approached by an appraiser in Carson City asking for this legislation. Senator Sherrin advised that the Highway Department can by law condemn land and has the ability to prorate taxes. However, when other political entities condemn land, they do not have the same ability and this creates a problem.

Senator Hilbrecht advised he had just read through the Assembly bills and was under the impression that Assemblyman Glover has already submitted such legislation in the Assembly.


Senator Bryan moved that the Committee support introduction of this BDR contingent upon verification by Senator Hilbrecht of this information. If the bill has been introduced into the Assembly, the Committee would contemplate no further action.

Seconded by Senator Dodge.

Motion carried unanimously.

There being no further business, the meeting was adjourned at 2:30 P.M.

Respectfully submitted,


Acting Secretary

APPROVED BY


RICHARD H. BRYAN, CHAIRMAN

AGENDA FOR COMMITTEE ON..... TAXATION.....

Date..... FEB. 3. 1977..... Time..... 2:00 pm..... Room..... 231.....

Bills or Resolutions
to be considered

Subject

Counsel
requested*

A.B. 103

Requires sales and use tax collections to be
deposited to account of State Treasurer

Nadeen Reed

Exec. Office

AB 103

Robert O. Diamond

Legislative Council Bureau
Audit Division

AB 103

James Lee

Deputy Taxation

AB 103

Marilyn Pasli

Taxation

AB 103

Sen. Slagter's nephew