

SENATE TAXATION COMMITTEE
MEETING OF MARCH 17, 1977

The meeting was called to order at 2:00 p.m. by Chairman Bryan. The following members were present:

Senators Norman Hilbrecht, Gary Sheerin, Carl Dodge and Richard Bryan.

Senators Norman Glaser and Floyd Lamb were excused.

The following items were discussed and action taken:

AB 101 Creates Department of Taxation Bond Trust Fund and raises bond limits for motor vehicle fuel dealers.

John Crossley, Chief Deputy Legislative Officer, stated this bill resulted from an audit of the Department of Taxation. This regards two issues. The creation of a Department of Taxation Bond Trust Fund accounts for the cash the department receives when people deposit cash in lieu of a surety bond. At the present time, there are three funds in the controller's office (Sales Abuse Tax Cash Bond fund, and Unclaimed Sales Abuse Tax Bond fund and Gas Tax Bond fund). In line with AB 67, which has been chaptered, it was felt that all this could be accomplished with one fund. He stressed this is only for the actual cash received.

The second issue concerns the amount of the bond. The audit recommended that the \$10,000 limit be reviewed and considered for increase because it was noticed that many dealers' tax liability exceeded \$10,000. He explained the lower limit of \$1,000 remains the same.

Mr. Hilbrecht asked Mr. Crossley to address the third change on line 7, page 2.

Mr. Crossley explained that in lieu of any bond, a dealer may deposit with the state treasurer. We don't want the money first going to the state treasurer. It should go to the department to be accounted for.

He explained the existing law requires the money to be deposited first to the treasurer but, in practice, it was not being done.

Senator Bryan explained the bill is trying to conform the law to practice.

There was discussion on whether interest can be earned on these bonds. Senator Bryan explained the dealer has the option. If he wants to put up a TCD bond, then he derives interest. If for some reason he puts up the cash, he doesn't get the interest.

Jack Sheehan, Director of the Department of Taxation, stated that the department concurs in the testimony presented by Mr. Crossley.

Senator Hilbrecht moved to 'do pass' this bill; seconded by Senator Dodge and passed 4-0 with Senators Hilbrecht, Dodge, Sheerin and Bryan assenting.

AB 230 Clarifies applicability of chapter 487 of NRS to mobile homes.

No action was taken as clarification is needed.

SB 297 Exempts from assessment improvements to property of handicapped persons which remove architectural barriers.

This bill was discussed March 15, 1977. Senator Dodge moved to 'do pass'; seconded by Senator Hilbrecht and passed 4-0 with Senators Hilbrecht, Dodge, Sheerin and Bryan assenting.

SJR 5 of the 58th Session - Proposes to amend Nevada Constitution to allow imposition of estate tax not to exceed credit allowable under federal law.

This bill was discussed March 1, 1977. Senator Hilbrecht moved to 'do pass'; seconded by Senator Dodge. Senator Sheerin requested that the record reflect that he "was going to support the 'do pass' motion simply to speed up the process of the bill and because I think the bill is important enough to get on to the floor. But I do intend to oppose it on the floor." The motion passed 4-0 with Senators Hilbrecht, Dodge, Sheerin and Bryan assenting.

Senator Bryan reported that he had requested amendments to SB 19 and SB 140 but they had not been completed.

A discussion was followed about the bill drafting efforts.

Senator Hilbrecht expressed alarm because he is fearful some significant issues are not going to reach the floor because of the slow drafting process. He suggested approaching Senate Majority Leader James Gibson.

Senator Dodge agreed, suggesting to approach Senator Gibson about calling a meeting for committee chairmen to assess the situation.

Senator Bryan explained SB 113. It was decided to ask Mr. Jim Lien of the Department of Taxation to give a report based on a 67 per cent participation rate. He will give a copy of the companion measure to each senator so that it can be discussed with SB 113.

SB 241 Lowers threshold for collection of delinquent property taxes by legal action.

Senator Sheerin requested that the bill be re-scheduled so that District Attorney Howard McKibbin could attend.

Senator Hilbrecht stated that he felt the policy was understood sufficiently to vote on it.

Senator Bryan stated that District Attorney Larry Struve was the only person to express opposition to it. He opposed it only insofar as it would affect him. He reads this bill as requiring legal action.

Senator Sheerin said there is ⁴this way to collect taxes and there is also the trustees certificate. We need to clean up the language to show that these two methods are exclusive of each other.

Senator Hilbrecht expressed he didn't feel the law suit is a sensible route when small amounts of money is involved.


These statements were discussed. Senator Bryan asked Senator Sheerin to go to the bill drafter and get an amendment and bring it back to the committee.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Colleen Crum, Secretary

APPROVED:



Senator Richard Bryan
Chairman

STATE OF NEVADA
DEPARTMENT OF TAXATION

ACCOUNTING
 (continued)

The funds and budget accounts of the Department of Taxation are set forth in the following schedule:

<u>Name</u>	<u>N.R.S.</u>	<u>Controller's Account Number</u>
Senior Citizens Property Tax Assistance Fund	361.853	331-1338
Equalization County Matching Fund	360.190	209-2362
Local School Support Tax Fund	374.785	608-4953
City/County Relief Tax Fund	377.050	608-4954
Sales Tax Fund	370.260	101-3020
Liquor Tax Fund	369.170	101-3050
Cigarette Tax Fund	370.260	608-4951
State Airport Fund	494.044	---
Combined Gas Tax Fund	365.150	608-4956
Petroleum Inspection Tax	590.120	101-3080
Department of Taxation	---	101-2361
Sales and Use Tax Cash Bonds	---	615-2240
Unclaimed Sales and Use Tax Bonds	---	648-2240
Gas Tax Cash Bonds	---	810-2240
Real Property Tax	---	101-3070
Net Proceeds of Mines Penalty	---	101-3091

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 101

ASSEMBLY BILL NO. 101—COMMITTEE ON TAXATION

JANUARY 20, 1977

Referred to Committee on Taxation

SUMMARY—Creates department of taxation bond trust fund and raises bond limits for motor vehicle fuel dealers. (BDR 32-249)

FISCAL NOTE: Local Government Impact: No.
State or Industrial Insurance Impact: No.

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

AN ACT relating to revenue and taxation; creating the department of taxation bond trust fund; raising the bond limits for motor vehicle fuel dealers; 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. Chapter 360 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:

3 *All money which the department receives in lieu of a surety bond*
4 *from any dealer, importer or other person to meet a prerequisite for the*
5 *issuance of a license or to comply with a provision of this Title shall be*
6 *deposited with the state treasurer for credit to the department of taxation*
7 *bond trust fund, which is hereby created.*

8 SEC. 2. NRS 365.290 is hereby amended to read as follows:

9 365.290 1. Before granting any license the department shall require
10 the applicant to file with the department a bond duly executed by the
11 applicant as principal and by a corporation qualified under the laws of
12 this state as surety, payable to the State of Nevada, conditioned upon
13 faithful performance of all the requirements of this chapter and upon
14 the punctual payment of all excise taxes, penalties and other obligations
15 of the applicant as a dealer.

16 2. The total amount of the bond or bonds required of any dealer
17 shall be fixed by the department at twice the estimated maximum
18 monthly tax, determined in such manner as the department [shall deem]
19 *deems* proper, and may be increased or reduced accordingly by the
20 department at any time subject to the limitations prescribed in this
21 chapter; but the total amount of the bond or bonds of any dealer [shall]
22 *may never be less than \$1,000 nor more than [\$10,000.] \$20,000.*
23 When cash or a certificate of deposit or investment certificate is used,

Original bill is 2 pages long.
Contact the Research Library for
a copy of the complete bill.

SENATE BILL NO. 297—SENATORS RAGGIO AND FOOTE

MARCH 2, 1977

Referred to Committee on Taxation

SUMMARY—Exempts from assessment improvements to property of handicapped persons which remove architectural barriers. (BDR 32-1096)

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 the exemption from assessment of improvements to property owned by a handicapped person which are made to remove architectural barriers to the movement of the handicapped person; 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. Chapter 361 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:
3 1. *No increase may be made to the assessed valuation of a residence*
4 *owned and occupied by a handicapped person for improvements made*
5 *to the premises for the purpose of removing architectural barriers to the*
6 *movement, safety and comfort of the handicapped person. A person*
7 *who claims the benefit of this section shall file with the county assessor*
8 *an affidavit setting forth the nature of the improvement, its cost and the*
9 *date or dates of making it.*
10 2. *Improvements for the removal of architectural barriers include*
11 *but are not limited to:*
12 (a) *Permanent ramps leading to entrances to the premises and between*
13 *levels of the residence.*
14 (b) *Elevators installed in stairwells for the use of handicapped persons.*
15 (c) *Handrails installed in and about the residence, indoors and outdoors.*
16 (d) *Enlarged bathrooms and kitchens, and any special equipment*
17 *installed in them for the benefit of the handicapped person.*
18 (e) *Other devices installed for the comfort, convenience and safety of a*
19 *handicapped person.*
20 SEC. 2. Each assessor shall, upon receipt of an affidavit meeting the
21 requirements of section 1 of this act, reduce the assessed valuation of a
22 residence owned and occupied by a handicapped person by an amount
23 equal to any increase which was made before July 1, 1977, in the valua-
24 tion on account of an improvement made to the premises for the removal
25 of an architectural barrier.

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