

MEMBERS PRESENT

CHAIRMAN PRICE  
VICE CHAIRMAN CRADDOCK  
ASSEMBLYMAN CHANEY  
ASSEMBLYMAN COULTER  
ASSEMBLYMAN DINI  
ASSEMBLYMAN MANN

ASSEMBLYMAN BERGEVIN  
ASSEMBLYMAN MARVEL  
ASSEMBLYMAN RUSK  
ASSEMBLYMAN TANNER  
ASSEMBLYMAN WEISE

Chairman Price called the meeting to order at noon in the Assembly Lounge for the purpose of discussing the preliminary subcommittee reports of the joint meeting of Senate and Assembly Taxation Committees.

Mr. Bergevin began by stating that the cap as proposed in AB 616 would hurt the local governments less than SB 204. The Tax Department had presented some figures on what the caps would do to all of the improvements districts and it shows that the Senate version would literally destroy some of the improvement districts. He added that he felt that the Assembly should hang "tight" on their cap. After a few years this might not be true but Mr. Bergevin stated that he was not looking for something that will continue for ever, but that he figured it would be changed in another session.

Mr. Mann stated that he felt they should go with the "detrigger" mechanism in Senate version and that he felt that Senator Dodge's idea to set up some criteria was good for coming before Interim Finance for relief. He added that one of the issues that they felt would come up has not and that was the 2/3 vote of the people issue.

On the education cap it was determined that 50¢ was totally contingent on the \$1.36 and if they went with cap on the 80¢ it would lower the \$1.36 to \$1.06.

Mr. Weise pointed out the whole thing there was whether there should be a cap on the whole thing or whether the legislature should have the discretion on the funding of the Distributive School Fund.

Mr. Mann cited the situation whereby the Senate Finance is overspending the Governor's proposed budget.

Mr. Weise stated that unfortunately there is a large amount of tax relief that really isn't going to be recognized and that is the food tax. This could be hard to use against the Question 6 issue in that no one will actually see the relief in terms of showing up on a bill of some type.

Reference was made to Senator Lamb's statement from the previous night that Question 6 would only really provide \$70,000,000 in relief.

Mr. Miles stated that what the Senator was going with was the various

analyses which use the effect of Question 6 assuming that it were to go into effect the next year. The analyses show that if Question 6 were effective next year the cost in round figures would be about \$100,000,000, however there is a clause in Question 6 that says existing debt is not within the 1% limitation. Current ad valorem debt in the state is about \$30,000,000 a year. This is probably where the Senator got the \$70,000,000 figure.

Mr. Mann stated that he felt that if Question 6 were to pass in 1981 it would give a significant amount more than that figure.

Mr. Miles stated that the longer you go under Question 6 the better it looks because these existing debts are being retired.

Mr. Mann stated that he felt another area that should be addressed would be the fact that they are going to have to "watch dog" the spending program. He stated that he felt that they cannot allow the unchecked spending to go on. They must hold that \$35,000,000 in reserve. He cited several situations such as the elementary school counselor program and even the fact that the disabled veterans are pushing for reconsideration of their bill. He stated that everyone had their "pet" bill or project and that this was not the time for them.

Mr. Weise said that he felt that they really should have a bottom line figure and where they were with the original budget. He added that adopting that surplus amount has really tied their hands pretty well.

Mr. Miles stated that it was very difficult to come up with figures as everybody was at a different point in their deliberations on budgets.

It was decided that it would be well for the committee to sit down with Ways and Means and discuss the tax package and the budget as a whole. It was felt by many of the committee members that the tax relief program should be a substantial part of the budget and not have the budget formed and what is left be allowed for tax relief.

Mr. Craddock stated that he felt it was really time that the two committees get into some of the real major differences.

Mr. Mann stated that he felt that he could not move off the across the board relief and wondered what the feelings of the rest of the committee were.

Mr. Bergevin stated that he felt that they have a tax system in Nevada and the Assembly version maintains that tax system totally in its concept.

Mr. Weise stated that the Senate keeps saying that we have to maintain that 40% (according to Mr. Weise it is more like 26%) relief to beat Question 6, however, according to Mr. Weise you get to a point where you alienate enough property owners and they will go

for Question 6. A classic example of this is the "Whack a Tax" which really benefited very few people.

Mr. Weise inquired of Mr. Miles if by going down to \$1.36 and using that as a starting point, if you took the total cost of our bill without the trigger and added the Governor's budget, how much surplus would it leave. Mr. Miles replied that it would leave about a \$30,000,000. Mr. Weise felt that perhaps the committee had to decide the value of the tax relief. If they could definitely identify a dollar figure perhaps both committees would then have something to work on.

Mr. Miles pointed out that they really couldn't have a dollar figure but rather would have to go with a percentage figure. He urged the committee not to confuse fund balance with cash balance as cash balance at any given time would probably be much more than real balance.

Mr. Mann inquired if there were figures on the amounts that the Governor had requested in supplemental budgets. Sherman Simmons was asked to supply this figure for the committee.

Mr. Bergevin stated that if the Senate buys the concept of the pass through to the renters they should buy the whole package.

Mr. Price took a straw vote of the committee on holding faster on their position of across the board tax relief. All those present voted for holding fast.

Mr. Craddock stated that he felt that if one class pays less directly it must compensate by paying more indirectly.

As there was no further discussion to be heard, Chairman Price adjourned the meeting.

Respectfully submitted,

*Sandra Gagnier*  
Sandra Gagnier,  
Assembly Attache