

MEMBERS PRESENT:

CHAIRMAN PRICE	ASSEMBLYMAN BERGEVIN
VICE CHAIRMAN CRADDOCK	ASSEMBLYMAN MARVEL
ASSEMBLYMAN CHANEY	ASSEMBLYMAN RUSK
ASSEMBLYMAN COULTER	ASSEMBLYMAN TANNER
ASSEMBLYMAN DINI	ASSEMBLYMAN WEISE
ASSEMBLYMAN MANN	

MEMBERS ABSENT:

NONE

GUESTS PRESENT:

See attached Guest List

A quorum being present, Chairman Price called the meeting to order. The purpose of the meeting was to hear testimony on SB 122, SB 161, SB 206 and SJR 19.

SB 206

Senator Lamb, sponsor of this bill, spoke in support of the bill. He stated that it was a bill to help the totally disabled and that it did indeed cost a lot of money. The federal government does supplement this cost. The group of the people involved are total disabled and have no way to help themselves, according to the Senator. Under the present act they receive \$189 a month with the understanding that if they get one dollar from any other source that amount drops back. Senate Finance weighed this bill and felt that it was only right to at least raise \$43.25 the first year per recipient and \$46.70 the second. This would bring these people to the same level as the old age people as far as their subsistence. Senator Lamb stated that this was his #1 priority. He urged that if "there was any compassion in this body" that this bill should be considered on its merit and not "play games with it".

John Duarte, Welfare Division, stated that they were asked to prepare a fiscal note to this bill. The total amount of the package for the first year \$5.4 million of which \$1.8 million is federal monies. The second year of the biennium they are looking at a \$6.6 million package of which approximately \$2.3 million is federal monies. Mr. Duarte presented a break down of these figures, which is attached to these minutes as Exhibit A.

Senator Lamb interjected that the big question that has been raised is whether there is enough money for this. He stated that if they put all the money required in SB 204 and paid for this bill and everything else that they have passed in Senate Finance and kept the \$34,000,000 level, there would still be \$2,000,000 in the first year and \$10,000,000 the second year. The money is there, according to Senator Lamb.

In answer to Mr. Craddock's question regarding the \$20,000,000 for retired state employees, Senator Lamb stated that was to take care of the post retirement program and was already done.

Mr. Bergevin inquired whether that would be available money under extreme circumstances. Ron Sparks, Fiscal Analyst, stated that the money was left in charge of and under the authority of the legislature and not the retirement system.

Mr. Price pointed out that from the meeting that the Taxation Committee had with Ways and Means it was indicated by Ways and Means that they would hate to see any more high cost items come out of Taxation. With that in mind, Mr. Price inquired whether there would be any possibility of implementing this at a lower cost. He questioned whether an effective date of January 1, 1980 would help.

Mr. Duarte stated that it would then cost about \$1.8 million for the state portion at that time; however, he cautioned the committee that once a level is set, they will not be able to back off from that level with the federal government.

Senator Lamb added that he would hate to see the bill killed until they really find out where they are "moneywise". He stated that these people should have "priority over me getting tax break, or you, or any able bodied person". He stated that he personally feels that it has #1 priority over anything.

Mr. Price stated that he would look for some guidance from the money committees as to what they could afford on this issue.

Mr. Marvel asked how long the federal government would be committed to this program. Senator Lamb replied that they were committed but that you never know when they might back out. Mr. Duarte interjected that probably the federal government will not back out of this program in as much as they federalized the program for old age assistance and aid to the blind back in 1974 which is the basic program and is still a federal program. What this would do is supplement on top of the federal program.

Marion Judickis, mother of a totally disabled son, spoke in support of the bill. She stated that she has a son that is 29 years old and has the mentality of a 4 year old. She has kept him in the home without the benefit of a husband along with 5 other children for the last 15 years. She added that she has done the work of caring for him at her own expense and this could have cost the taxpayers a lot of money had she placed him in a institution. Mrs. Judickis cited several examples of problems she has had in the past with institutional care. She added that this bill would encourage more group homes where these people could be taken care of in an atmosphere as close to family type living as possible. She urged "humanity for these people" and asked the committee to "put their priorities in the right order".

Jack Middleton, Division of Mental Hygiene & Mental Retardation, spoke in support of the bill. He explained that the supplement to the SSI payment does basically two things for the mentally retarded. It will increase the amount of earnings that they can have from \$189 to \$221 that the elderly now receive. This additional payment enables parents to care for their children and handicapped family members in the home. This little additional money could make the difference as to whether they seek institutional care or home care. This also makes it easier for his division to place individuals from institutions back into the community because it increases the resources available to the client. They are currently placing individuals in developmental or foster homes and the payment is made up of SSI, Title XX, and state funds. If the SSI payment goes up the state funds would go down and there would be some savings realized although they really be just a transfer of expenditure from one budget item to another. Mr. Middleton stated that there was a possibility that the fiscal note may be a little inflated, however not much. The primary thing that is important here, according to Mr. Middleton, is to develop some independence and ability to be more self sufficient for this group of people. The blind in the state receives a much higher supplement than the rest of the handicapped population. He would hope that sometime they could increase the supplement to that level.

Holli Elder, Developmental Disabilities Advocate's Office, spoke in behalf of SB 206. A copy of her prepared statement is attached to these minutes as Exhibit B.

Jim Pollard, Developmental Disabilities Planning Council, spoke in favor of the bill. He stated that their council had held public hearings last summer throughout the state and requested input on what people felt was important as far as legislative matters. This bill had first priority and the vast majority of people feel that if nothing else they would like the SSI supplement out of this session.

Vickie Demas, Nevada Mobile Homeowners Political Association, spoke in favor by stating that many members of their Association are disabled or have disabled children that they would like to keep at home. They strongly support this bill.

Bobbi Cawelti, Miss Wheelchair Nevada representing the Multiple Sclerosis Society, spoke in support of the bill. She stated that in one year alone, 10 MS victims were placed in institutions because they did not receive adequate funds to care for themselves. This would cost the state more than giving them adequate funds. Once they get in this position it is harder to get them back into home care facilities where they will be able to return to employment. She pointed out that medical coverage does not include wheelchair upkeep or repairs or other medical upkeeps among other things. There are not enough funds in SSI to cover these costs and it is often this additional cost that finally puts them into a facility.

SB 122

Barrie Brunet, MGM Grand Hotel, spoke in favor of SB 122. He stated that this would increase the amount of deductions that can be made from pari-mutual pool to bring it into accord with the amount of deductions that is now permitted under the Nevada Racing Act for racing. Currently the deduction is 13% for jai alai and 18% for horse racing. This would bring jai alai into accord with the same percentages that are now in the act for horse racing. Mr. Brunet also pointed out that current deduction allowed for pari-mutual pool in some other states range from Connecticut 18%, Florida 19%, Rhode Island 17 1/2%. This bill also increases the amount of tax that the state would receive by 50% from what it presently is. During the calendar year 1977 the MGM Grand in Las Vegas paid taxes of \$207,770.56 under the existing law and this would increase it about 50% under this new law.

Jack Stratton, Gaming Control Board, stated that they have no objections ot SB 122. In 1974 they conducted a study on the percentage charge in other states and found that Nevada was lower then most eastern states.

SB 161

Gary Milliken, Clark County Assessor's Office, presented a brief statement regarding their position on this bill. He gave a history on the bill and part that they objected to. He stated that presently anybody holding an exemption must come to the assessor's office each year and file. The main reason for that is that it gives them control over what the exemption is used on. The bill has been amended so that now the county treasurer is required to send out a notice with the tax bill to anybody with an exemption reminding them that they must come to the assessor's office to file to maintain their exemption. They would have no objection to that, however, it does create a problem with some of the county treasurers. They are in opposition on page 5 of the last part on notifying a DMV exemption. Mr. Milliken presented a statement regarding this opposition, which is attached to these minutes as Exhibit C.

Mr. Milliken went on to explain that in Clark County they have no list of who gets the DMV exemption. They simply come in and sign their card and the assessor's office gives them a slip which they take to DMV when they get their license plates. DMV also maintains no list of these exemptions. So there is a real problem with notifying these people.

Mr. Milliken further explained that the problem of people losing their exemption has come from the real property people who forget to come in each year to sign for their exemption. If they don't sign by August 1, they lose their exemption on the real property for that year. The problem has not been with the DMV exemption and they would like to see this taken out of the bill.

In answer to a question from Mr. Craddock, Mr. Milliken explained that in the smaller counties the assessor also handles the issuing of license plates. In Clark and Washoe Counties they do not handle this.

Bill Whitehead, Department of Motor Vehicles, stated that in the 15 smaller counties, when the individual gets his renewal he goes into the assessor's office and that office has a record there of his exemption. In Clark and Washoe County, the individual has been going to the local assessor's office to get a slip stating how much tax they have credit for and then bring it to DMV for the renewal or first time registration. The only problem that DMV has with the bill is if the mailings have to go out, they have no way to know who has exemptions out of 700,000 records.

Mr. Milliken stated that when they originally talked on the bill they were talking just about real property and when Mr. Daykin made up all the amendments he included the DMV exemptions. This was never discussed in the Senate Taxation Committee.

Mr. Whitehead stated that this was not a request of the Department of Motor Vehicles. He stated that if this was legislated they would have no way of knowing who this mailing would have to go out to.

Mr. Mann inquired what would happen if they didn't pass this bill at all. Mr. Milliken stated that it would be just as it is now and that people would come in and register.

Mr. Mann moved for "indefinite postponement" on SB 161 and Mr. Marvel seconded the motion. The motion passed unanimously with Mr. Weise, Mr. Chaney and Mr. Tanner absent at this time.

FURTHER COMMITTEE ACTION

SB 122

Mr. Coulter moved for a "do pass" recommendation and Mr. Dini seconded the motion. The motion passed unanimously with Mr. Weise, Mr. Chaney and Mr. Tanner absent.

SJR 19

Mr. Price explained that this is a remake of AJR 7 of the 59th Session which had already passed the Assembly. Mr. Daykin had found some type of error in AJR 7, which necessitated killing that bill on the floor and starting all over again.

Mr. Craddock moved for "do pass" recommendation and Mr. Rusk seconded the motion. The motion passed unanimously with Mr. Weise and Mr. Tanner absent.

AB 201

Because this the same as SB 77 which has already been passed, Mr. Bergevin moved for "indefinite postponement" and Mr. Marvel

seconded the motion. The motion passed unanimously with Mr. Weise and Mr. Tanner absent.

AJR 10

Because this also had been covered in another bill, Mr. Marvel moved for "indefinite postponement" and Mr. Rusk seconded the motion. The motion passed unanimously with Mr. Weise and Mr. Tanner absent.

AB 761

Mr. Chaney moved for "do pass" and Mr. Mann seconded the motion. The motion failed with Mr. Chaney and Mr. Mann voting for it and rest of the committee against.

Mr. Marvel moved for "indefinite postponement" and Mr. Bergevin seconded the motion. The motion passed with Mr. Chaney opposed and Mr. Weise and Mr. Tanner absent.

AB 733

Mr. Mann moved for "indefinite postponement" and Mr. Craddock seconded the motion. The motion passed unanimously with Mr. Weise absent.

AB 721

Mr. Marvel moved for "indefinite postponement" and Mr. Mann seconded the motion. The motion passed unanimously with Mr. Weise absent.

AB 709

Mr. Dini moved for "indefinite postponement" and Mr. Mann seconded the motion. The motion carried with Mr. Coulter opposed and Mr. Weise absent.

SB 162

Mr. Price stated that Rick Bennett, representing Sierra Manor, Inc. Volunteers of America, had asked for opportunity to speak to the committee for the purpose of reconsidering SB 162.

Mr. Bennett stated that he felt that there might have been some misunderstanding about the various figures on the Volunteers of America. He added that some of the members felt that there was a large profit shown in the balance sheet. He stated that this was not correct. This does not take into consideration capital expenditures.

Mr. Bennett went on to state that Volunteers of America are not actually involved in the matter but are merely a sponsor. A sponsor does not make any money and any money that is extra is put right back into the project and HUD must approve any expenditures. There is no way that Volunteers of America can make

a profit on this project. The bill was not drafted by Volunteers of America. There are two similar projects being proposed in Las Vegas, one being sponsored by NAACP and the other by Catholic Welfare. The Las Vegas project will be lost without this exemption and some other state will get the money involved.

Mr. Bennett stated that he has investigated to find out if there are areas of abuse and found that there was none. HUD informed him that at best the sponsor related management organizations break even. There is no room for fat and do it because they are a social welfare group. They are qualified as a church. The management arm carries some \$450,000 unpaid management fees because they haven't bothered to collect them. There are other items in the budget that are more important. They don't ever anticipate getting these back. They have been around for 80 years and are a social welfare group and they pump money in but they won't get any out.

Mr. Tanner inquired if the committee could be provided with the last three years accounting sheet of the operating statement of the organization. Mr. Bennett stated that he felt it could but that it would probably take a little time.

Mr. Mann stated that he also would like to see those figures because so many charitable organizations seem to be high in administrative costs.

Mr. Bennett presented some information for the committee's consideration. This information is attached to these minutes as Exhibit D.

Mr. Weise suggested that perhaps the committee should be polled to determine if there would possibly be enough votes for reconsideration before Mr. Bennett went to all the work of getting this additional information. Mr. Weise stated that he felt that "they had tinkered so much with the tax laws" that the committee really cannot go any further.

Mr. Bennett stated that if the projects are exempt they will come into the state. All the other states in the west have similar exemptions allowed.

Mr. Rusk stated that there was very limited housing available for senior citizens. He stated that he was convinced that allowing the exemption under this law was very much in order. This type of unit requires little or no services by the county and city. He added that he did not feel that the impact was that much and that there were few federal dollars available for the subsidy of these grants so that it would always be a limited program.

In answer to Mr. Price's question regarding rent, Mr. Bennett replied that it was about 1/4 of their adjusted income. Mr. Price went on to state that these seniors would then have more spendable dollars and perhaps get them off some other program.

Mr. Craddock stated that it would seem to follow that if your rent cost less your standard of living would improve and you would have more available dollars to spend.

Mr. Weise stated that there were projects already approved or in the planning stage without this exemption so it doesn't seem to be a real hinderance. He wondered if there would be projects that would be denied if this exemption was passed.

Mr. Bennett stated that there were two and that HUD had testified that the cost of construction and real property tax together was making it very difficult to qualify projects in Nevada. The two projects in Las Vegas very likely would not be funded because they weren't feasible costwise.

Mr. Weise inquired why the charitable organizations did not pick up this cost. Mr. Bennett replied that they do end up doing just that sometimes and that they have to put up \$10,000 as a sponsor and additional \$10,000 that goes into the project. The Sierra Manor Project had a letter from Senator Young that this bill would probably go through and that consideration was given in making the determination to go with the project.

Mr. Tanner stated that he would like to see the audited statements for the past 3 years. Mr. Bennett stated that the VOA is not only in these 202 Projects but are in a great many things that sometimes give them income. The federal regulations says that a sponsor cannot receive a benefit out of the project. He added that 202 Projects are a "different breed of animal". When you look at the audited statement you have to realize that while they may have some income coming in from other projects that they actually own, not that they sponsor, but from these projects there is no income. The bill is limited to housing under 12USC, 1201Q and they are specifically precluded from getting money and there are no administration expenses going against anything.

Mr. Rusk pointed out that he felt they should be looking at HUD guidelines on 202 Projects rather than VOA statements. These guidelines are very specific and it benefits one person only, that is the senior citizen who lives in that facility.

Mr. Price took a poll of the committee and found that there were only 5 members willing to vote for consideration. Since the vote for consideration would require support of 7 members the bill remained "indefinitely postponed."

AB 211

Mr. Rusk presented the subcommittee's recommended amendments to the bill. A copy of this is attached to these minutes as Exhibit E. He explained that the first page and a half was what the subcommittee had discussed and that the rest of the amendment had to deal with financing. It was the result of Mr. Ashelman and Mr. Midmore getting together and agreeing of this language.

Mr. Midmore, Nevada Consumer Finance Association, stated that they were in agreement with the amendment. The amendment was suggested by Mr. Joyce on behalf of Mr. Ashleman's clients and drafted by Russ MacDonald. It does recognize the fact that the consumer finance industry is now financing considerable number of mobile homes and it allows them to continue to do that if they become real estate in law and only that type of real estate. It puts a cap of 18% interest of such loans which is the regular rate that they are allowed to charge on loans up to \$10,000 and what is being considered as the usuary rate for most lending institutions in the state. Mr. Midmore added that it does add a few extra charges that are quite normal in real estate loans. Most of the language is necessary and merely amends the section of 675.

Mr. Weise moved for "amend and do pass" and Mr. Marvel seconded the motion. The motion passed with Mr. Coulter abstaining and all members of the committee present.

AB 111 and AB 129

Mr. Tanner presented his subcommittee report on the senior citizen bills. He presented some figures and information for the committee's consideration. These are attached to these minutes as Exhibits F and G.

Mr. Tanner stated that he would suggest helping those at the bottom income and leave those at the top alone. This would put those in the lower income bracket at 100% and would actually cost the state less than what they are paying at the present time. This would result because of the tax relief being proposed.

Mr. Weise stated that they had discussed taking the deferral program and, assuming that the people they wanted to reach on the deferral program were the same people being addressed in AB 111, they would suggest that those people have to first qualify under Senior Citizen's Assistance Program and the amount to be deferred could only be that amount in excess that is rebated back to the county.

Mr. Mann pointed out that most senior citizens do not want the deferral program at all.

Mr. Marvel moved for "indefinite postponement" of AB 129 and Mr. Mann seconded the motion. The motion failed.

Mr. Weise pointed out that if they were going to have a deferral program they would have to set a limit on how much can be deferred so that they could come up with some type of fiscal impact to the state. It really couldn't be open ended.

In answer to Mr. Mann's question regarding what amount they were looking at in this, Mr. Tanner explained that the total claims in the bottom bracket last year were 209 people. The number of those that would probably apply for the deferred tax would probably be less than 10%.

Mr. Mann stated that the problem that he would have with that is that it would tie up money in the bank for what could be a very few people who would apply. Mr. Weise stated that one way that they could cut it off is to say that the deferral would be only that portion which is not rebated. This would not amount to a great deal of money.

Mr. Tanner stated that in Oregon they have a tax deferral program which is 15 years old and last year only 2,000 people were involved in it.

Mr. Miles stated that if the whole middle category applied it would probably only be a little over \$500,000 costs.

Mr. Coulter moved to "amend and do pass as amended" AB 111 which would change the lower bracket amount to 100% and second lower bracket amount to 85% but to leave the base at \$300. Mr. Rusk seconded the motion. The motion passed unanimously with Mr. Dini and Mr. Chaney absent.

AB 729

Mr. Mann moved to "return to maker" of this bill and Mr. Marvel seconded the motion. It was pointed out that after developing a tax package that this would be an extremely proper motion. The motion passed unanimously.

AB 47

Mr. Weise moved for "indefinite postponement" and Mr. Marvel seconded the motion. It was pointed out that this subject is being covered in another bill. The motion passed unanimously.

Mr. Miles presented a exhibit which shows optional ways to apply the cap. This is attached to these minutes as Exhibit H. Mr. Miles went through the various ways. He explained that joint committees had agreed to go with the Senate school cap and when you fit the Assembly tax package to it you have to make an adjustment. The original cap that the Senate had was on the full 80¢ levy and this just is on a mythical school district and follow it through.

Mr. Mann inquired whether this was 80% of CPI. Mr. Miles stated

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that the Senate cap is at 100%. He added that it really wouldn't matter as this is just an example of the different ways that the cap could be applied.

As there was no further business to discuss at this time, Chairman Price adjourned the meeting.

Respectfully submitted,

Sandra Gagnier
Sandra Gagnier,
Assembly Attache

NEVADA STATE WELFARE DIVISION
 COST ESTIMATES
 DISABLED SUPPLEMENTAL ASSISTANCE
 PROPOSED SUPPLEMENTAL AMOUNT \$43.25/\$46.70

4/19/79
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	FY 80	FY 81
<u>TOTAL APPROPRIATIONS</u>	5,413,203	6,645,916
Federal	1,829,262	2,283,095
State	3,583,941	4,362,821
 <u>ADMINISTRATION</u>	 177,274	 185,688
Federal 50%	88,637	92,844
State 50%	88,637	92,844
 <u>ASSISTANCE PAYMENTS STATE</u>	 1,754,679	 2,079,726
 <u>MEDICAL COSTS</u>	 3,481,250	 4,380,502
Federal 50%	1,740,625	2,190,251
State 50%	1,740,625	2,190,251

Program Statement

Provide Assistance Payment to Disabled persons at the same State Supplemental rate as provided to the Aged. As of December 1977, there were 7,741 Disabled workers receiving Social Security Benefits. By the addition of a state supplement it is estimated that approximately 1,486 additional persons would be eligible over those presently receiving SSI payments.

Funding

Funding would be 50% Federal and 50% State for Medical and eligibility costs. The State Supplementary for Assistance Payment would be 100% State funds.

	FY 80			FY 81		
	Ongoing	Intake	Total	Ongoing	Intake	Total
<u>ADMINISTRATION</u>						
<u>Staffing</u>						
Cases	1,189	71		1,302	78	
Standard Workers	300	20		300	20	
Supervisors	4.0	3.6		4.3	3.9	
Clerical						
				8		8
				1		1
				2		2
 <u>Assistance Payments Positions</u>						
Elig. Cert. Supervisor	1		\$ 16,770	1		\$ 17,641
Elig. Cert. Specialist	8		117,816	8		123,896
Clerical	2		18,702	2		19,676
Total Positions/Salaries			11 \$153,288			11 \$161,213
 <u>In-State Travel</u>			\$ 5,462			\$ 5,899
 <u>Operating Costs</u>						
Office Supplies			\$ 2,884			\$ 3,115
Communications			6,952			7,558
Printing, Duplicating			671			737
Data Processing			5,598			6,433
Total Operating Costs			\$ 16,105			\$ 17,843
 <u>Training</u>			\$ 679			\$ 733
 <u>Equipment</u>						
Calculators	8		\$ 1,320			
Tab Units	1		420			
Total Equipment			\$ 1,740			
 <u>TOTAL ADMINISTRATION</u>			\$177,274			\$185,688

EXHIBIT A

NEVADA STATE WELFARE DIVISION
 COST ESTIMATES
 DISABLED SUPPLEMENTAL ASSISTANCE
 PROPOSED SUPPLEMENTAL AMOUNT \$43.25/\$46.70

4/19/79
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ASSISTANCE PAYMENTS	FY 80		FY 81	
	Cases	Costs	Cases	Costs
Estimated Nbr. of SSI cases Current Conditions at recommended Aged amount of \$43.25/46.70 per month.	2,625	\$1,362,375	2,875	\$1,611,150
Estimated Nbr. additional cases due to increased eligibility standard esti- mated average cost of \$22/24 per month.	1,486	\$ 392,304	1,627	\$ 468,576
<u>Total Assistance Payments</u>	4,111	\$1,754,679	4,502	\$2,079,726

MEDICAL COSTS

	FY 80	FY 81
<u>Medical Payments</u>		
80% of estimated additional cases Estimated monthly cost	\$ 1,189 \$ 241.00	\$ 1,302 \$ 277.15
Total Medical Payments	\$3,438,588	\$4,330,192
<u>Fiscal Agent Costs</u>		
Recipient Months Times 2.3 bills Times \$1.30 for FY 80 and \$1.40 for FY 81.	\$ 42,662	\$ 50,310
<u>TOTAL MEDICAL COSTS</u>	\$3,481,250	\$4,380,502

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Exhibit 11

I am here on behalf of the clients Developmental Disabilities Advocate's Office in support of S. B. 206. The establishment of a state supplement for SSI for the disabled is very important to the clients of the Advocate's Office.

SSI was implemented in 1974 by the Federal government under Title 16 of the Social Security Act. It replaced Aid to the Blind, Aid to the Totally Disabled and Old Age Assistance. This was done to standardize eligibility levels and to establish a guaranteed income level throughout the United States. The Federal SSI payment currently is \$189.40 per month. The Federal government permits states to establish a supplement to the Federal payment which may, at the State's option, be administered by the Federal government.

Nevada has supplemented SSI to the aged and the blind since 1974. Although bills to supplement SSI to the disabled have been introduced every session since 1974, this legislation has not yet passed. Current state supplements are \$40.05 to the aged and \$102.55 to the blind. Hence, the disabled receive \$189.40 per month, the aged \$229.45 and the blind \$291.95. The federal poverty level in September 1978 was \$261.00 per month.

I don't think that anyone can dispute the need for a state supplement for the disabled. We realize that in the light of the passage of Prop. 6, this session becomes one of ordering priorities. We are asking you to examine priorities, to

perhaps cut spending in other areas in order to help people who literally are not able to help themselves. Disabled people are not unemployed because they want to be. They cannot support themselves because they either are not able to work or are not able to find employers who will hire them. We are speaking of people who are mentally retarded, severely physically handicapped, or suffering from other substantially handicapping conditions.

Many disabled people are in programs which are enabling them to progress to the point where they can seek employment in the competitive job market. These people have great difficulty in providing for their basic needs on the current SSI grant.

The alternative for disabled people who cannot provide for their needs on the SSI payments is, in many cases, far more costly ~~in~~ care in group homes, Intermediate care facilities, or in nursing homes. Passage of the SSI supplement to the disabled would help take Nevada away from the expense of unnecessary institutionalization of many of its citizens.

We urge you to act favorably on SB 206.



clark county assessor's office

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JEAN E. DUTTON, County Assessor

K. DON DUNN, CAE, Assistant County Assessor

SB 161

We are opposed to the County Assessor notifying individuals of their exemptions to be used on their automobiles.

For the mail notice to be useful it should be received by the individual prior to his renewal of registration. With DMV having renewals throughout the year there is no way the Assessor would know the month of renewal. The only way we could do a one time mailing prior to all renewals being due would be at the first of the fiscal year. This would mean some individuals would receive their reminder as much as 11 months prior to their registration renewal.

Page 5, Line 40 of SB 161 (Third Reprint) indicates notification should be sent out to those exemptions pursuant to NRS 371:103 (veterans) and 371:104 (disabled veterans), but does not require notification to the blind (371:102) or Widows (371:101).

In the process of reviewing this bill it has come to our attention the exemptions for disabled veterans for automobiles (371:104) is different than the disabled veterans exemption for real and personal property (361:091). 361:091 provides for varying exemption amounts of 10,000, 7500, or 5000 based upon percentage of disability. 371:104 is for only 10,000 for a 100% disabled. Note: this is the same exemption as 361:091 before it was amended in the 1977 legislature.

We are relatively sure most Assessors did not realize a partially disabled veteran does not qualify to use his 7500 or 5000 exemption on motor vehicles and would recommend SB 161 be amended so that 371:104 could be worded the same as 361:091.

Law Offices of
Hale, Lane, Peek, Dennison and Howard
Attorneys and Counsellors at Law

Exhibit D

Edward Everett Hale
Steve Lane
J. Stephen Peek
Karen D. Dennison
R. Craig Howard
Richard Bennett
Stephen V. Novacek
Gregg W. Zive
Robert Damon Spitzer

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April 25, 1979

Robert Price, Chairman
Assembly Taxation Committee
Legislative Building
Carson City, Nevada 89701

Re: Senate Bill 162 - Volunteers of America

Dear Assemblyman Price:

Pursuant to your request and the request of other members of the Assembly Taxation Committee during the hearing held on Senate Bill 162 on April 23, 1979, I have attempted to gather documentation on the activities and internal structure on the Volunteers of America ("VOA") and its management arm, VOA National Housing. I apologize for not being able to furnish this information during the hearing, but I frankly did not anticipate questions on those subjects.

I am enclosing copies of a supplement which appeared in the New York Times on May 17, 1976 commemorating the organization's 80th anniversary. Also enclosed are copies of various brochures and a proposal to HUD which set forth the various social welfare programs funded and administered by VOA. As these documents indicate, VOA's involvement in the social welfare programs is substantial and large numbers of prominent national figures are involved in these programs.

Attached to this letter as Exhibit "A" is a copy of a letter from the Internal Revenue Service verifying VOA's status as a charitable organization. Under the Internal Revenue Code VOA is classified as a church and is exempt on that basis.

The question was raised during the hearing as to whether the real property tax savings which would be realized if SB 162 were passed would somehow be passed on to VOA or VOA National Housing in the form of excess profits. I am informed by Ray Tremont, Regional Director of the Southern Region, and HUD that any savings realized as a result of SB 162 would become residual receipts, the expenditure of which would have to be

Hale, Lane, Peek, Dennison and Howard

Robert Price, Chairman
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expressly approved by HUD. These receipts would then be spent on such things as extraordinary maintenance or improvements on the project or would be utilized to perhaps forestall rent increases. I am informed that no part of the savings realized as a result of the real property exemption contained in SB 162 would be available to either VOA or VOA National Housing and that all such savings would go back into the operation of the Sierra Manor project. VOA is required to submit annually a certified audit showing all expenditures and is subject to audit by the Inspector General with respect to all expenditures on the project.

The question was also raised as to the organization of VOA and the possibility that excessive executive compensation would result in the funds received by VOA not being used for its social welfare programs. I am informed that the directors of Sierra Manor, Inc., the Nevada nonprofit corporation which owns the project, receive no compensation for their services as directors. I am further informed that the chief executive officer of VOA receives an annual salary of approximately \$40,000.00. Mr. Tremont, who is the second-ranking executive in VOA, receives an annual salary of approximately \$30,000.00. In addition to his duties as regional director of the Southern Region, Mr. Tremont serves without compensation as administrator of VOA National Housing. In the performance of these joint duties he logs in excess of 150,000 air miles per year and travels approximately 3 or 4 days per week. I would suggest that these salaries cannot be considered excessive, nor can they be said to give rise to any inference that the VOA is devoted to any objective other than promoting social welfare.

There was also some concern by the committee members that VOA or VOA National Housing would derive a large profit by means of the management contract between Sierra Manor, Inc. and VOA National Housing. Any management fee for a 202 project must be approved by HUD. I am informed by John A. Kavanaugh from the Office of the Area Counsel of HUD in San Francisco that it was his understanding that management fees for an owner managing its own project are normally substantially lower than the fee that would normally be approved for an independent management entity. He further indicated that it was his feeling that the fee allowed would provide basically for enough funding for the operation of the project to break even with little or no excess being available. I am informed that the maximum management fee for the Sierra Manor project would be approximately \$25,000.00 according to Mr. Tremont. I am informed that from this amount the manager's

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salary, salaries for any secretaries, accounting fees, and all expenditures for office furniture would have to be covered.

Mr. Tremont stated that VOA uses its own management arm because of its expertise and management ability, rather than for the purpose of raising any additional revenue. VOA apparently has not had favorable results using independent managers. He further indicated that the management fees approved normally allow VOA National Housing only to break even in the operation of the project. If any excess should occur, I am informed that the policy of VOA is to put any such excess back into the respective projects.

Mr. Tremont further informed me that the fee to VOA National Housing is the last item in an operating budget to be paid. In the case of an independent management entity, the management fee is one of the first items paid. There are apparently receivables in the approximate total sum of \$450,000.00 carried on the books of VOA National Housing representing deferred management fees from these various projects which were not paid by the nonprofit owners because other items in the operating budget were determined to have priority. It is Mr. Tremont's opinion that most of these deferred fees would eventually be waived. The fact that these management fees are deferred tends to establish that revenue is not the basic purpose behind the use of VOA National Housing as the managing entity for these projects.

In addition to these deferred fees, Mr. Tremont informs me that they initially have to contribute to each 202 project as sponsor participation the sum of \$10,000.00. In many of the projects, additional programs for the elderly residents not covered by the operating budgets are funded independently by VOA from sources unrelated to the projects themselves. Substantial loans are made to various projects whose nonprofit owners experience severe problems with their operating budgets.

It should be pointed out that SB 162 has been reviewed by counsel for the California Association for Housing for the Aged and by the attorney for the National Association. It was the purpose of the Bill to aid as many HUD projects for the elderly as possible. Some of the changes suggested by these various groups were incorporated into the Senate amendments.

I hope that the information set forth in this letter and the enclosed materials will serve to calm any fears or

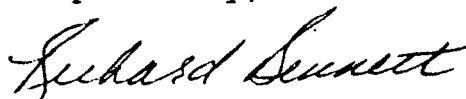
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concern which you or the other members of the Committee might have with respect to the effect of SB 162 on the project and VOA in particular, and its impact on the social welfare activities of VOA. If you should have any further questions or should need further information in your assessment of SB 162, please feel free to contact me. If you should feel the need to confirm this information or obtain further information either from VOA or HUD, you might wish to contact David Kroot or John Kavanaugh at the Office of the Area Counsel for HUD at (415) 556-6881 or either Ray Tremont or John Hood of VOA at (504) 837-2652. VOA has indicated that its representatives would be available to testify before your Committee at any time to answer further questions or provide any desired information. They apparently have available a slide show which details the activities of VOA. This could be presented if the Committee should deem it necessary.

On behalf of my client, Volunteers of America, and the other sponsors of elderly housing projects in the State of Nevada, I would ask your favorable consideration of SB 162. I thank you and your Committee for your patience and again apologize for not having this information available for you at the time of the hearing.

Respectfully,


Richard Bennett

RB:bt

Enclosures

Internal Revenue Service

Washington, D.C. 20543

Date: JUN - 1 1971

In reply refer to: T:MS:EO:R:4



The Volunteers of America
340 West 85th Street
New York, New York 10024

Gentlemen:

This refers to your letter dated March 15, 1971, in which you ask certain questions about the requirements for you to file Form 990 and Form 990-T.

Section 6033(a)(2)(A)(i) of the Internal Revenue Code provides that organizations exempt under section 501(c)(3) which are churches are not required to file information returns.

Our records indicate that you are exempt under section 501(c)(3) and in accordance with our ruling letter dated April 2, 1959 you are held to be a Church. Accordingly you are not required to file information returns and neither are your subordinate units.

We hope this answers your questions.

Sincerely yours,

J. A. Tedlow
Chief, Rulings Section
Exempt Organizations Branch

Section 202 Proposal
Volunteers of America

CAPACITY TO DEVELOP, OWN OR MANAGE
HOUSING AND PROVIDE SPECIAL SERVICES

The principal function and a major strength of the Volunteers of America is the provision of social services to lower income and disadvantaged individuals. For its full 81 year history, the Volunteers of America has attempted to remain aware of their needs and provide programs to benefit these people.

Housing

The Volunteers of America has recognized in all of its 21 housing sponsorships, that this responsibility entails special consideration for the tenants, particularly as to the provision of necessary corollary services. In every project that this organization has sponsored, it has assumed full responsibility for providing various services, including day care for children of working mothers, community center activity, teen-age programs, adult education programs, home management classes, and various recreational and social activities and special counseling regarding family problems.

In our projects exclusively for the elderly, or in those where there are a substantial number of elderly in residence, we have become the provider of services under the OAA Title VII nutritional program, and have established a whole variety of special program services designed to make life more meaningful and worthwhile for older people. For example, in Denver, Colorado, in correlation with our sponsorship of the 11-story high-rise for the elderly known as Sunset Park, we have the nutritional contract from HEW to serve meals for the elderly through the entire five-county area surrounding Denver.

Child, Youth Programs

One revealing indication of VOA's progressive policies is that a day care center for children of working parents was opened in Sioux Falls, South Dakota, back in 1920. At that time it was such a novel concept that similar facilities were unknown in most of the nation's older, more sophisticated cities. That hardly was the first - or last - evidence of VOA's leadership in social welfare.

Group Homes

Boys and girls who come from broken families or have been abused by their parents are assigned by juvenile courts to live in VOA facilities under the supervision of married couples who provide a wholesome family atmosphere for them. The homes are the permanent residences for groups of four to ten youngsters until they are considered ready to support themselves. In Boston, adolescents are given more freedom and responsibility by sharing outside apartments, still under the supervision of VOA.

In June 1975, seven teen-agers with a combined total of 59 years of foster care left the group home in Hagerstown, Md., upon graduation from high school. With their backgrounds of early neglect, they might have become drifters, or worse. Five enlisted in the armed forces, one boy was awarded a college scholarship and a girl enrolled in a junior college for a course in dietetics.

Adolescent and Runaway Shelters

These residences are for children who have serious conflicts with their parents, runaways, truants and juvenile delinquents. During their short stays, the children are under the tutelage of social workers who try to modify their behavior. The goal is to prepare them for return to a stabilized family situation or arrange for a longer term situation if a return to the family is impossible.

Boys' Ranches

Unusual facilities at Anoka and Wahkon, Minnesota, on large, rural tracts are residential treatment centers for 90 emotionally disturbed boys. They are referred by authorized child placement agencies to reconstruct their interpersonal relationships and correct their anti-social behavior. The staff includes psychiatrists, psychologists, social caseworkers and teachers trained in special techniques. The boys are not retained at the ranches indefinitely. They are returned to their homes when they have responded favorably to the psychotherapy.

School Clothing Centers

It is a shocking fact that countless children annually are truants from school because they are ashamed of their clothes - or do not have shoes and warm coats. In Houston and Detroit, VOA posts collect donated clothing, clean and repair the articles, then distribute them to needy children. In Detroit, hit hard by the recession, 4000 children were outfitted at the start of the school term last September.

Services for the Mentally Retarded

No segment of the population is more neglected than the mentally retarded. Some state and municipal facilities are inadequate and VOA makes an intensive effort to relieve deplorable conditions for victims and their families.

In Milwaukee, the Hearthside and Jackson Centers provide beds for 386 mentally retarded adults. Elsewhere, 12 group homes are maintained for severely retarded children and adults. At these installations and three other posts there are programs for counseling families that have great difficulty coping with the mentally handicapped.

Although the prognosis for treatment is limited, the objective is to help each retardate develop the maximum of his individual capability. Encouraging progress has been made in a sufficient number of cases to continue the arduous process. At Hearthside Center, 90 of the 126 residents hold outside jobs. Most of them are employed in sheltered workshops where they are taught simple skills and their special needs are taken into consideration.

Knowing when and how to give support without stifling a retardate, when to step back and give an opportunity for self-reliance, requires commitment, competence and devotion - vital elements in VOA's procedures.

Rehabilitation of Alcoholics

Addiction to alcohol is the most prevalent disease in the United States, impairing the health, efficiency and personal relationships of ten million people annually. From its inception, VOA has been combating alcoholism by treating it as a psychological disorder requiring the physical and spiritual rehabilitation of the victims.

The drive is spearheaded by 56 rehabilitation centers and Halfway Houses, four for women. There are facilities in all major cities served by VOA and smaller posts have programs designed to help the reclamation of alcoholics.

The same general procedure is followed in all installations, from the 100-bed detoxification center in Los Angeles to Halfway Houses with four residents. After the alcoholics are restored to sobriety, those who cannot afford private treatment are given group therapy and the option of remaining for further counseling. Some leave after a few hours; others have stayed indefinitely. The average length of residence in a Halfway House is about 45 days.

Since many men never have learned a trade - or their skills have been rusted by prolonged unemployment - they are given vocational training to qualify them for jobs. VOA does not believe in giving alcoholics a free ride. Residents are required to find jobs to pay for their upkeep as soon as they are able to work. If they are unemployable, they are assigned to sheltered workshops to repair clothing, furniture and household accessories collected by VOA for distribution to needy families.

New procedures devised in cooperation with local authorities continually are added to VOA's program to make it more effective. Los Angeles County assigns 20 inebriates a day to the detoxification center instead of sending them through "revolving doors" of jails. In Toledo, where men guilty of drunken driving may be sent to the county workhouse for mandatory three-day sentences, some first-time offenders are ordered by the courts to serve the sentence in VOA dormitories while attending a DWI (Driving While under the Influence) course conducted by the University of Toledo's sociology department.

Rehabilitation of Offenders

Maud Booth's first cause on a national scale was the rehabilitation of former convicts and it still is a prime objective of the organization she founded with her husband. The passage of time has brought wide support from penologists for the principles she espoused.

The policy advocated by VOA was summed up concisely by General John F. McMahon, Commander in Chief, in an address to the American Correctional Congress in Louisville last August.

"Most authorities recognize that crime is essentially a social problem," he said. "Yet the major emphasis of our criminal justice system still is on the apprehension and punishment of offenders. A significant reduction in offenses against individuals and society will not be effected until the causes of criminal behavior are corrected at the roots - in the family and the community. This can be best accomplished by providing community-based facilities that are alternatives to incarceration."

General McMahon went on to discuss in detail four types of community services VOA sponsors to help convicted offenders make successful adjustment to society:

- Immediate assistance to juveniles accused of status offenses such as running away from home, disobedience to parents and truancy.

Pre-Release Centers

In another noteworthy advance, the U.S. Bureau of Prisons has signed contracts with VOA to operate eight Pre-Release Centers where prisoners serve the last 90 days of their sentences. They receive personal and family counseling, educational and vocational guidance and referrals to other community services that can assist them to lead productive lives. When a man leaves the Center on parole, he is employed or enrolled in a school and has an approved residence.

All the programs with fancy designations are latter-day refinements of the Hope Halls for released convicts Maud Booth introduced in 1896.

Nursing Homes

Medical advances have added more than 20 years to the life span of Americans during the last three generations - but they cannot forestall indefinitely the ailments and infirmities of old age which inevitably overtake everyone.

The shortage of suitable facilities for the elderly who require constant attention long has concerned families with neither the room nor the training to minister properly to aged parents and relatives. And recent disclosures of scandals in the abysmal caliber of care and exorbitant fees in privately operated nursing homes have triggered demands for the correction of such abuses. Several legislators, pointing to VOA's excellent installations, are urging Federal and state agencies to put all nursing homes under the administration of non-profit organizations.

In 1970, VOA launched a major effort to meet the need for quality care in nursing homes. Nine facilities have been acquired and now are filled to capacity by approximately 1500 residents. They are attended around the clock by full staffs of physicians, registered nurses and geriatric specialists. Social amenities are provided with recreational programs, craft and hobby workshops and even beauty salons for women.

"No one looks forward to entering a nursing home, but many elderly people have no alternative as age begins to take its toll," observes Colonel Robert E. Nolte, Midwest Regional Director and administrator of health care services. "We do our best to make each resident's stay as comfortable as we possibly can. We believe an older person is not half an individual, but a special person with special needs."

- . Pre-trial release without bail for persons accused of non-violent offenses.
- . Supervised probation for youths and first offenders in lieu of jail sentences.
- . Halfway Houses that provide food, shelter, counseling and jobs for prisoners released on parole.

Those services are the foundations of an integrated program that has been adopted by the State of California and administered by VOA.

Community Project Return

Three months before and after release from prison, men and women are assigned VOA caseworkers in the communities where the offenders plan to return. Among the caseworkers are former convicts who understand the emotional and material problems of prisoners returning to society.

Caseworkers assist released offenders with employment, housing, education and general adjustment to a normal environment. There is particular emphasis on getting local business people to offer decent jobs. In 1975, nearly 1500 ex-prisoners were placed in jobs with highly satisfactory results to employers.

Juvenile Diversion

A pilot project for first-time juvenile offenders to avoid repetition of crimes. A feature of the program is reaching the juveniles through the medium of art and selling the work they create.

Midway Center

A 47-room hotel in Los Angeles is a residential treatment center for male parolees. Emphasis is on job placement.

Re-Entry Coordination Project

Similar to Community Return Project but used in jail for short-term prisoners.

WEPT

Six-month training program to prepare women ex-offenders to become paraprofessionals in correctional work with public or private agencies.

Emergency Relief

VOA teams with special training for responding to emergencies are on call at all times to assist the victims of fires, floods and other disasters. Vehicles with rescue and communications equipment expedite the relief work. The New Orleans Post has a plane that delivers supplies and evacuates injured people who require immediate hospitalization. In any given year, VOA answers at least a dozen calls for help from stricken communities.

OTHER INFORMATION

Based on our experience and success in establishing our Seattle facility known as The Theodora, and other projects exclusively serving the elderly, such as our Sunset Park at Denver, Colorado, Royal Towers at Kansas City, Missouri, and Loring Towers at Minneapolis, Minnesota, we are confident that we have the experience to develop, operate and maintain housing facilities for the elderly and handicapped under the 202 program, and include in such programs the special program activities essential to a full life for the elderly which is a part of the mission of the Volunteers of America.

This organization organized its first community facility exclusively for the needs of the aging in Boston, back in 1936, when few other people ever gave thought to the need for special programs for the aging, and this has continued to be one of the priority commitments of the Volunteers of America since that time.

We operate many recreational, social and service facilities for the elderly in communities throughout the United States, known as Sunset Clubs, and in most of our housing projects, this has been a special activity which the Volunteers of America has established for the benefit of the elderly residents.

We know that, out of the background of our experience and the dedication of our leadership, we can and will do the kind of job that your department wants to accomplish in providing services to elderly Americans.

PROJECT

SERVICES PROVIDED

Exhibit D

Atlantis Apartments (208 Units)
99 Atlantis Drive
Virginia Beach, Virginia 23451

Atlantis Child Development Center, tenant counseling, family counseling, human relations counseling, vocational counseling and job referrals.

Capital Park Apartments (316 Units)
2908 Capital Park Court
Columbus, Ohio 43224

Commerical space for community treatment center for Muscular Dystrophy patients, tenant counseling, human relations counseling, vocational counseling and job referrals.

Castle Gardens Charitable Trust
1102 - 58th. Street (152 Units)
Lubbock, Texas 79412

Emergency transportation, walk-in center for elderly, housing for recovering alcoholic women, bible study classes, counseling (tenant, family, human relations, vocational), emergency disaster services.

Continental Terrace Charitable Trust
2100 Jacocks Lane (200 Units)
Fort Worth, Texas 76115

Day care center, programs for senior citizens, transportation service for needy tenants, counseling for tenants, family counseling, human relations counseling, vocational counseling and job referrals.

Forest Glen Estates (160 Units)
511 North 64th. Street
Kansas City, Kansas 66102

Boy Scout troop, tenant counseling, family counseling, human relations counseling, vocational counseling and job referrals.

Gateway Terrace Apartments (206 Units)
1655 Chef Menteur Highway
New Orleans, Louisiana 70129

Proposed day care center, program for senior citizens, tenant counseling, family counseling, human relations counseling, vocational counseling and job referrals. Homemaker counseling for elderly, elderly transportation.

Highland Park Apartments (200 Units)
2351 Bellview
Topeka, Kansas 66605

Proposed day care center, tenant counseling, family counseling, human relations counseling, vocational counseling and job referrals.

Kennedy Homes (172 Units)
P. O. Box 325
Gainesville, Florida 32602

Day Care center, inter-office counseling or house calls (personal counseling, human relations counseling, financial counseling, child disciplinary, job referrals) medical-family health clinic for residents of project, Southeast and Northeast Gainesville; college credit courses taught in the community building.

Kings Row Charitable Trust
P. O. Box 33368 (180 Units)
Houston, Texas 77033

Day care center, senior citizen program, college courses offered in the community building by Houston Community College, tenant counseling, family counseling, human relations counseling, vocational counseling and job referrals. Elderly transportation.

London Square Village (200 Units)
7533 N. W. Sixth Street

Religious chapel services, day care center, tenant counseling, family counseling, human relations counseling, vocational counseling and job referrals.

Lord Tennyson Apartments (250 Units)
21 W. Tennyson Road
Hayward, California 94545

Family counseling, tenant counseling, human relations counseling, vocational counseling and job referrals.

Loring Towers Apartments (207 Units)
15 East Grant Street
Minneapolis, Minnesota 55403

Senior citizen nutrition program, planned recreation for senior citizens, human relations counseling, personal services counseling for senior citizens (Social Security, Medicare, Medicaid), religious services.

Meridian Village Apartments (136 Units)
2502 Wildwood Lane
Wichita, Kansas 67217

Tenant counseling, family counseling, human relations counseling, vocational counseling and job referrals.

Rockwell Villa Apartments (60 Units)
7533 N. W. Sixth Street
Oklahoma City, Oklahoma 73127

Tenant counseling, family counseling, human relations counseling, vocational counseling and job referrals.

Royal Towers Apartments (231 Units)
933 McGee
Kansas City, Missouri 64106

Title VII nutrition program, planned recreation for senior citizens, human relations counseling, personal services counseling for senior citizens (Social Security, Medicare, Medicaid), pharmacy, medical clinic, religious services.

Sunset Park Apartments (242 Units)
1 Larimer Street
Denver, Colorado 80202

Title VII nutrition program, planned recreation for senior citizens, human relations counseling, personal services counseling to senior citizens (Social Security, Medicare, Medicaid), religious services.

Sunset Townhouses (50 Units)
1001 Boyd Street
Newton, Kansas 67114

Tenant counseling, family counseling, human relations counseling, vocational counseling and job referrals. RSVP Program.

The Theodora (200 Units)

Housekeeping services, laundry, program director for recreation, provide 3 meals a day under dietitian direction, transportation for shopping, registered nurse 3 times a week for evaluation of residents medical needs, personal service counseling for senior citizens.

Yale Village Charitable Trust
5673 Yale Street (250 Units)
Houston, Texas 77022

Day care center, recreation program, tenant counseling, family counseling, human relations counseling, vocational counseling and job referrals.

1979 REGULAR SESSION (60TH)

ASSEMBLY ACTION	SENATE ACTION	Assembly	AMENDMENT BLANK
Adopted <input type="checkbox"/>	Adopted <input type="checkbox"/>	AMENDMENTS to <u>Assembly</u>	
Lost <input type="checkbox"/>	Lost <input type="checkbox"/>	Bill No. <u>211</u> Joint Resolution No.	
Date: _____	Date: _____	BDR <u>32-658</u>	
Initial: _____	Initial: _____	Proposed by <u>Committee on Taxation</u>	
Concurred in <input type="checkbox"/>	Concurred in <input type="checkbox"/>		
Not concurred in <input type="checkbox"/>	Not concurred in <input type="checkbox"/>		
Date: _____	Date: _____		
Initial: _____	Initial: _____		

Amendment No 878

Conflicts with Amendment No. 563.

Amend the bill as a whole, by inserting a new section, to be designated as section 1, preceding section 1, to read:

"Section 1. Chapter 361 of NRS is hereby amended by adding thereto a new section which shall read as follows:

1. A mobile home, as defined in NRS 361.561, constitutes real property if the running gear is removed and:

(a) It becomes, on or after July 1, 1979, permanently affixed to land which is owned by the owner of the mobile home; or

(b) It became so affixed before July 1, 1979, and the owner files with the county assessor by May 1, 1980, a statement declaring his desire to have the mobile home classified as real property.

2. Factory-built housing, as defined in NRS 461.080, constitutes real property if:

(a) It becomes, on or after July 1, 1979, permanently affixed to land which is owned by the owner of the factory-built housing; or

To: E & E
LCB File
Journal
Engrossment
Bill

Date 5-1-79 Drafted by JW:smc

(b) It became so affixed before July 1, 1979, and the owner files with the county assessor by May 1, 1980, a statement declaring his desire to have the factory-built housing classified as real property."

Amend the bill as a whole by renumbering sections 1 and 2 as sections 2 and 3.

Amend section 1, page 1, line 1, by deleting "Section 1." and inserting "Sec. 2."

Amend section 1, page 1, by deleting lines 8 through 11 and inserting:

"(b) Any mobile home or factory-built housing which meets the requirements of section 3 of this act."

Amend the bill as a whole by inserting new sections, to be designated as sections 4 through 6, following section 2, to read:

"Sec. 4. NRS 675.290 is hereby amended to read as follows:

675.290 1. For the purposes of this section, a loan or refinancing is "precomputed" if the debt is expressed as a sum comprising the principal and the interest charge computed in advance.

2. [Every] Except as provided in paragraph (c) of this subsection, every licensee may make loans of any amount with cash advance not exceeding \$10,000, repayable except as otherwise provided in subsection 4, in substantially equal consecutive monthly installments of principal and interest combined, and may charge, contract for, collect and receive charges not in excess of the following:

(a) A charge for interest at a rate not exceeding the equivalent of the greater of the following:

(1) The total of:

(I) Thirty-six percent per year on that part of the unpaid balance of the amount of cash advanced which is \$300 or less;

(II) Twenty-one percent per year on that part of the unpaid balance of the amount of cash advanced which exceeds \$300 but does not exceed \$1,000; and

(III) Fifteen percent per year on that part of the unpaid balance of the amount of cash advanced which exceeds \$1,000.

(2) Eighteen percent per year on the unpaid balance of the amount of cash advanced.

(b) The charge for interest [shall] must be calculated according to the actuarial method, which is the method of allocating payments between principal and interest pursuant to which a payment is applied first to the accumulated interest and the balance, if any, is applied to the unpaid principal. A licensee may, at the time the loan is made, precompute the charge for interest at the agreed-upon rate on the scheduled unpaid principal balances according to the terms of the contract and add [such] that interest to the principal of the loan. Where the charge for interest is precomputed the face amount of any note or contract may exceed \$10,000 by the amount of charges authorized by this chapter added to principal. If the charge for

interest is precomputed, payments on account may be applied to the combined total of principal and precomputed interest until the contract is fully paid. All payments on account, except those applied to default or deferment charges, [shall] must be applied to the installments in the order in which they fall due. The effect of prepayment of a precomputed loan is governed by the provisions relating to refund upon prepayment in full.

(c) On loans secured by mobile homes or factory-built housing which constitute real estate on real property as defined by NRS 361.035 the charge for interest may not exceed 18 percent on the unpaid balance of the amount of cash advanced.

(d) In the event of a default of more than 7 days in the payment of one-half or more of any scheduled installment on a precomputed loan contract, the licensee may charge and collect a default charge not exceeding an amount equal to the refund that would be required if the loan were prepaid in full 1 month prior to maturity. [Such] The charge may not be collected more than once for the same default and may be collected at the time of such default or at any time thereafter. If such default charge is deducted from any payment received after default occurs and such deduction results in the default of a subsequent installment, no charge may be made for the resulting default.

[(d)] (e) If, as of an installment due date, the payment dates

Amendment No. 878 to Assembly Bill No. 211 (BDR 32-658) Page

of all wholly unpaid installments on a precomputed loan contract, c which no default charge has been collected, are deferred one or mor full months and the maturity of the contract is extended for a cor- responding period, the licensee may charge and collect a deferment charge which shall not exceed the difference between the refund that would be required for prepayment in full as of the scheduled due dat of the first deferred installment and the amount which would be required for prepayment in full as of 1 month prior to such date multiplied by the number of months in the deferment period. The deferment period is that period of time in which no payment is made or required by reason of the deferment. No installment on which a default charge has been collected or on account of which any partial payment has been made [shall] may be deferred or included in the computation of the deferment charge unless such default charge or partial payment is refunded or credited to the deferment charge. The deferment charge may be collected at the time of the deferment or at any time thereafter and any payment received at the time of the deferment may be applied first to the deferment charge and the remainder, if any, applied to the unpaid balance of the contract. If such payment is sufficient also to pay in full an installment which is in default and the applicable default charge it [shall] must be first so applied and such installment shall not be deferred nor subject to the default charge.

Amendment No. 878 to Assembly Bill No. 211 (BDR 32-658) Page

flush If a refund is required during a deferment period the borrower [sha
must also receive a refund of that portion of the deferment charge
attributable to the unexpired full months of the deferment period.

3. If a precomputed loan contract is prepaid in full before the
final installment date the borrower shall receive a refund of an
amount which shall be at least as great a proportion of the combined
total of interest and service charge, excluding any adjustment made
for a first period of more than 1 month, as the sum of the periodic
time balances following the date determined by the following sentence
bears to the sum of all the periodic time balances under the schedule
of payments in the original contract. In computing any required
refund, any prepayment in full made on or before the 15th day fol-
lowing an installment date shall be deemed to have been made on the
installment due date preceding such prepayment in full and if made
on or after the 16th day shall be deemed to have been made on the
installment due date following such prepayment in full. No refund
[shall] may be required for partial prepayments and no refund of
less than \$1 need be made. The tender by the borrower, or at his
request, of an amount equal to the unpaid balance less the required
refund must be accepted by the licensee in full payment of the con-
tract. If the maturity of the contract is accelerated for any reason,
the licensee shall make the same refund as would be required for
prepayment in full.

Amendment No. 878 to Assembly Bill No. 211 (BDR 32-658) Page 7

4. When a loan contract is for more or less than 1 year, the interest [shall] must be computed at one-twelfth the annual rate for each month. For the purpose of computing charges, whether at the maximum rate or less, a month shall be that period of time from any date in a calendar month to the corresponding date in the following calendar month, but if there is no such corresponding date, then to the last day of such following month. A day is one-thirtieth of a month when computation is made for a fraction of a month.

5. A borrower and licensee may agree that the first installment due date may be not more than 15 days more than 1 month from the date of the loan and the amount of such first installment may be increased by one-thirtieth of the portion of the interest authorized by paragraph (a) of subsection 2 which would be attributable to a first installment of 1 month for each extra day.

6. No licensee [shall] may induce or permit any person or husband and wife to be obligated, directly or indirectly, under more than one contract of loan at the same time for the purpose of or with the effect of obtaining a higher rate of charge than would otherwise be permitted by this section.

7. In addition to the charges herein provided for, no further or other amount whatsoever shall be directly or indirectly charged, contracted for or received from the borrower in connection with a loan made under this chapter; except, such restrictions shall not apply to:

-
- (a) Court costs;
- (b) Reasonable attorneys' fees fixed and assessed by the court;
- (c) Lawful fees for the filing, recording or releasing in any public office of any instrument securing a loan;
- (d) The identifiable charge or premium for insurance provided for in NRS 675.300;
- (e) Fees for noting a lien on or transferring a certificate of title to any motor vehicle offered as security for a loan made under this chapter [.] ;
- (f) Reasonable fees of a trustee for preparing and recording a reconveyance of any real property securing the loan;
- (g) The following fees on any loan which is secured in whole or in part by real property:
- (1) An appraisal fee which does not exceed the actual cost of the appraisal of that real property or 1 percent of the amount of the loan, whichever is the lesser;
- (2) An escrow fee of a reasonable amount when paid to an independent person in connection with the loan; and
- (3) Attorney's fees for the preparation of deeds, deeds of trust and other documents in connection with the loan if the attorney is not a salaried employee of the licensee;
- (h) Reasonable expenses, including compensation of the trustee and his attorney's fees:

(1) Upon the proper exercise of a power of sale contained in a mortgage or deed of trust given to secure the loan; or

(2) Upon judicial foreclosure of any secured interest contained in a mortgage or deed of trust given to secure the loan.

8. If any amount in excess of the amounts authorized by this chapter is charged, contracted for or received, except as the result of an accidental or bona fide error, the licensee shall have no right to collect or receive any interest.

Sec. 5. NRS 675.300 is hereby amended to read as follows:

675.300 1. A licensee may request that a borrower insure tangible property when offered as security for a loan under this chapter against any substantial risk of loss, damage or destruction for an amount not to exceed the actual value of [such] the property and for a term and upon conditions which are reasonable and appropriate considering the nature of the property and the maturity and other circumstances of the loan.

2. A licensee may require that a borrower provide title insurance on real property offered as security for a loan under this chapter. The title insurance must be placed through a title insurance company authorized to do business in this state.

3. A licensee may provide, obtain or take as security for a loan insurance on the life and on the health or disability, or both, of one or more parties obligated on the loan [provided that any such

Amendment No. 878 to Assembly Bill No. 211 (BDR 32-658) Page 10

insurance provided or obtained by the licensee shall comply] if the insurance complies with the applicable provisions of chapter 690A of NRS.

[3.] 4. In accepting any insurance provided by this section as security for a loan, the licensee may include the premiums or identifiable charge as part of the principal or may deduct the premiums or identifiable charge therefor from the proceeds of the loan, which premium or identifiable charge [shall] must not exceed those filed with and approved by the commissioner of insurance, and remit [such] those premiums to the insurance company writing [such] the insurance, and any gain or advantage to the licensee, any employee, officer, director, agent, affiliate or associate from [such] the insurance or its sale [shall] may not be considered as additional or further charge in connection with any loan made under this chapter. Not more than one policy of life insurance and one policy providing accident and health coverage [shall] may be written by a licensee in connection with any loan transaction under this chapter, and a licensee shall not require the borrower to be insured as a condition of any loan. If the unpaid balance of the loan is prepaid in full by cash or other thing of value, refinancing, renewal, a new loan or otherwise, the charge for any credit life insurance and any credit accident and health insurance [shall] must be refunded or credited in accordance with the method established in [NRS 675.290] this

chapter for refunding or computing credit charges. Whenever insurance is written in connection with a loan transaction pursuant to this section, the licensee shall deliver or cause to be delivered to the borrower the certificate, instrument or other memorandum showing the cost [thereof] of the insurance to the borrower, within 30 days from the date of the loan. [All such insurance shall] The insurance must be written by a company authorized to conduct [such] business in this state, and the licensee shall not require the purchase of [such] the insurance from any agent or broker designated by the licensee.

[4.] 5. Every insurance policy or certificate written in connection with a loan transaction, pursuant to subsection 2 [shall] must provide for cancellation of the coverage and a refund of the premium or identifiable charge unearned, upon the discharge of the loan obligation for which [such] the insurance is security, without prejudice to any claim. [Such refund shall] The refund must be under a formula filed by the insurer with the insurance division of the department of commerce.

Sec. 6. NRS 675.350 is hereby amended to read as follows:

675.350 No licensee [shall:] may:

1. Take any confession of judgment or any power of attorney running to himself or to any third person to confess judgment or to appear for the borrower in a judicial proceeding.

2. Take any note or promise to pay which does not disclose the

date and amount of the loan obligation, a schedule or description of the payments to be made thereon, and the rate or aggregate amount of agreed charges.

3. Take any instrument in which blanks are left to be filled in after the loan is made.

4. Take a lien upon real property as security for any loan made under this chapter [,] except on a loan secured by a mobile home or factory-built housing which constitutes real estate or real property and except such lien as is created by law through the rendition or recording of a judgment."

Amend the title of the bill to read:

"AN ACT relating to real property; providing the circumstances under which mobile homes and factory-built housing become real property; providing for the making of installment loans on them as real property; and providing other matters properly relating thereto."

Revised *

CURRENT

SENIOR CITIZENS PROGRAM
1979-80

INCOME RANGE	0-1,999	2-3,999	4-6,999	7-9,999	10-11,000	TOTAL COST CURRENT
Rebate Percentage	100% 90%	80% 75%	50%	25%	10%	
Number of Claims	116	1,166	2,075	1,711	338	5,406
Average HO Tax	307 225	290 212	356 260	415 303	649 328	
Average HO Rebate	229 225	202 170	172 130	103 76	45 33	
1979-80 HO Rebates	26,807 26,100	235,160 98,220	356,742 249,150	177,109 130,026	15,104 11,154	\$ 810,922 635,260
MHO Number of Claims	9	133	284	290	54	770
Average MHO Tax	168 123	145 106	185 135	219 160	223 163	
Average MHO Rebate	145 123	108 85	92 68	54 40	22 16	
1979-80 MHO Rebates	1,305 1,107	14,387 11,306	26,188 19,912	15,783 11,600	1,187 864	\$ 58,850 44,188
MHR Number of Claims	30	706	947	645	132	2,460
Average MHR Tax	186	171	208	246	281	
Average MHR Rebate	164 186	127 137	103	61	27	
1979-80 MHR Rebates	4,925 5500	89,516 96,722	97,859	39,197	3,626	\$ 235,123 242,984
Renters Number of Claims	54	1,760	1,057	455	70	3,396
Average Renters Tax	210	178	281	351	436	
Average Renters Rebate	170 210	133 142	140	87	43	
1979-80 Renters Rebates	9,175 11,340	233,379 249,920	148,153	39,760	3,019	\$ 433,486 452,192
TOTAL CLAIMS	209	3,765	4,363	3,101	594	12,032
TOTAL REBATES	\$ 42,212	\$ 572,442	\$ 628,942	\$ 271,849	\$ 22,936	\$ 1,538,381
County Administration Fees	44,127	586,167	535,074	220,593	18,463	1,374,624 62,000
TOTAL COST 1979-80						\$ 1,600,381 1,436,624

* Estimated Cost after major tax relief and increase in benefits for the two lower income categories.

Reduction

163,757

EXH. B. 1. F

C U R R E N T
SENIOR CITIZENS PROGRAM
1979-80

INCOME RANGE	0-1,999	2-3,999	4-6,999	7-9,999	10-11,000	TOTAL COST CURRENT
Rebate Percentage	90%	75%	50%	25%	10%	
Number of Claims	116	1,166	2,075	1,711	338	5,406
Average HO Tax	307 225	290 212	356 260	415 303	449 320	
Average HO Rebate	229 203	202 159	172 130	103 76	45 35	
1979-80 HO Rebates	26,807 23,548	235,160 185,394	356,742 269,150	177,109 130,036	15,104 11,154	\$ 810,922 619,882
MHO Number of Claims	9	133	284	290	54	770
Average MHO Tax	168 123	145 106	185 135	219 160	223 163	
Average MHO Rebate	145 111	108 80	92 68	54 40	22 16	
1979-80 MHO Rebates	1,305 999	14,387 10,640	26,188 19,812	15,783 11,600	1,187 864	\$ 58,850 43,445
MHR Number of Claims	30	706	947	645	132	2,460
Average MHR Tax	186	171	208	246	281	
Average MHR Rebate	164	127	103	61	27	
1979-80 MHR Rebates	4,925	89,516	97,859	39,197	3,626	\$ 235,123
Renters Number of Claims	54	1,760	1,057	455	70	3,396
Average Renters Tax	210	178	281	351	436	
Average Renters Rebate	170	133	140	87	43	
1979-80 Renters Rebates	9,175	233,379	148,153	39,760	3,019	\$ 433,486
TOTAL CLAIMS	209	3,765	4,363	3,101	594	12,032
TOTAL REBATES	\$ 42,212	\$ 572,442	\$ 628,942	\$ 271,849	\$ 22,936	\$ 1,538,381 1,381,906
County Administration Fees						62,000
TOTAL COST 1979-80						\$ 1,600,381 1,393,906

Reduction In Cost *

* Includes only direct tax reductions to homeowners and mobile homeowners

\$ 206,475

Exhibit G

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627
DONALD R. MELLO, *Assemblyman, Chairman*
Arthur J. Palmer, *Director, Secretary*
INTERIM FINANCE COMMITTEE (702) 885-5640
FLOYD R. LAMB, *Senator, Chairman*
Ronald W. Sparks, *Senate Fiscal Analyst*
William A. Bible, *Assembly Fiscal Analyst*

ARTHUR J. PALMER, *Director*
(702) 885-5627

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JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5620
ANDREW P. GROSE, *Research Director* (702) 885-5637

February 13, 1979

MEMORANDUM

TO: Assembly Taxation Committee
FROM: Dan Miles, Deputy Fiscal Analyst
SUBJECT: Senior Citizens' Tax Assistance

Attached is additional information requested by the committee concerning the Senior Citizens' Tax Assistance Program. Included is:

1. An analysis of the impact of major property tax reform on the current program assuming a 30% tax cut.
2. Table of average incomes of each type of eligible senior citizen by income category for FY 1978-79 (Prepared by Department of Taxation).
3. Tables comparing the impacts of the current program, the program offered in A.B. 111 and the A.B. 5 proposal. (Prepared by the Department of Taxation).
4. A table of heads of households in Nevada (1975) which the Department of Taxation has used to estimate Senior Citizen populations.

In addition, the committee wanted more information on the maximum rebate currently set at \$300. In 1978-79, 450 refunds were made at the maximum allowance. If the limit had been \$400, therefore, the maximum additional cost would have been \$45,000. If average tax bills increase significantly in the coming years, the number of claims at or above the \$300 limit could also increase significantly.

The following table shows what home values could potentially be receiving a rebate at several maximum rebate levels in the various categories. These rebates would only occur, of course, if the homeowner met the income eligibility criteria.

Assembly Taxation Committee
 February 13, 1979
 Page 2

	<u>90 % Rebate</u>	<u>75 % Rebate</u>	<u>50 % Rebate</u>	<u>25 % Rebate</u>	<u>10 % Rebate</u>
\$300 Maximum Rebate:					
Tax Required	\$ 333	\$ 400	\$ 600	\$ 1,200	\$ 3,000
Home Value @ \$5.00	19,028	22,857	34,285	68,571	171,428
\$400 Maximum Rebate:					
Tax Required	\$ 444	\$ 533	\$ 800	\$ 1,600	\$ 4,000
Home Value @ \$5.00	25,371	30,457	45,714	91,428	228,471
\$600 Maximum Rebate:					
Tax Required	\$ 667	\$ 800	\$ 1,200	\$ 2,400	\$ 6,000
Home Value @ \$5.00	38,114	45,714	68,571	137,142	342,857

The Department of Taxation indicates that in FY 1978-79 no maximum rebates paid were in the 10 percent category and, therefore, the maximum value residence at a \$5.00 tax rate would have been \$68,571. It should be noted that at tax rates lower than \$5.00, the potential home values would be higher than those shown above at the \$5.00 rate.

DM:ca

SENIOR CITIZENS' TAX ASSISTANCEEffects of Major Tax Reform on Rebates

Current Program: Using 1978-79 Actual Rebates

Income Rebate	0-1999 <u>90%</u>	2-3999 <u>75%</u>	4-6999 <u>50%</u>	7-9999 <u>25%</u>	10-11,000 <u>10%</u>
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Homeowners:

Average Tax	\$294	\$277	\$341	\$396	\$429
Average Rebate	<u>220</u>	<u>193</u>	<u>165</u>	<u>99</u>	<u>43</u>
Net Tax Bill	\$ 74	\$ 84	\$176	\$297	\$386

30% Tax Reduction	\$206	\$194	\$239	\$277	\$300
New Rebate	<u>185</u>	<u>145</u>	<u>119</u>	<u>69</u>	<u>30</u>
New Tax Bill	\$ 21	\$ 49	\$120	\$208	\$270

Mobile Homeowners:

Average Tax	\$165	\$139	\$177	\$209	\$214
Average Rebate	<u>141</u>	<u>103</u>	<u>88</u>	<u>52</u>	<u>21</u>
Net Tax Bill	\$ 24	\$ 36	\$ 89	\$157	\$193

30% Tax Reduction	\$116	\$ 97	\$124	\$146	\$150
New Rebate	<u>104</u>	<u>72</u>	<u>62</u>	<u>36</u>	<u>15</u>
New Tax Bill	\$ 12	\$ 25	\$ 62	\$110	\$135

Renters:

A 30% reduction under Question 6 or the Governor's proposal would not directly affect renters in the Senior Citizens' Program unless the reductions were passed through as a rent reduction.

Under the rebate proposal (S.B. 54), Section 11 states that a person may receive both allowances. If one were applied before the other the affect would be similar to that for homeowners. That is, one would modify the other. If they are both applied to gross rent paid without regard for the other the renter would receive two full allowances.

Estimates for the number of seniors in income categories over \$11,000 are based on the attached information sheet provided by UNR and inflated at 10 percent per year. The number of households in the "62 to 64 years" category was determined by assuming that this group consists of 30 percent of the "55 to 64 years" category. The number of seniors in the categories under \$11,000 are based on the number eligible participants in the current program.

The following table indicates the average incomes of claimants in 1978-79:

	AVERAGE INCOME					
	1978-79					
	0-1,999	2-3,999	4-6,999	7-9,999	10-11,000	AVERAGE
HO	298	3,164	5,545	8,422	10,482	6,137
MHO	507	3,198	5,626	8,412	10,462	6,537
MHR	1,381	3,138	5,571	8,326	10,459	5,806
Renter	1,279	3,064	5,275	8,451	10,462	4,599
Average						
Income	713	3,113	5,490	8,405	10,473	5,661

Because of the lack of recent studies relating incomes to ages, we do not have accurate figures on the number of senior households in Nevada or the average incomes of all seniors in Nevada.

The tables on AB 111 ignore the freeze and illustrate the effects of changing the income categories. All estimates are based on the final figures for 1978-79. Taxes are inflated at 15 percent and number of claimants at 10 percent.

Fifty-seven percent (57%) of the refunds going to Mobile Home Renters are refunds for personal property tax and 43 percent of the refunds are for rent paid. A freeze in property tax would not affect the rent rebate portion, therefore only 57 percent of the MHR refunds would be frozen.

C U R R E N T
SENIOR CITIZENS PROGRAM
1979-80

INCOME RANGE	0-1,999	2-3,999	4-6,999	7-9,999	10-11,000	TOTAL COST CURRENT
Rebate Percentage	90%	75%	50%	25%	10%	
Number of Claims	116	1,166	2,075	1,711	338	5,406
Average HO Tax	307	290	356	415	449	
Average HO Rebate	229	202	172	103	45	
1979-80 HO Rebates	26,807	235,160	356,742	177,109	15,104	\$ 810,922
MHO Number of Claims	9	133	284	290	54	770
Average MHO Tax	168	145	185	219	223	
Average MHO Rebate	145	108	92	54	22	
1979-80 MHO Rebates	1,305	14,387	26,188	15,783	1,187	\$ 58,850
MHR Number of Claims	30	706	947	645	132	2,460
Average MHR Tax	186	171	208	246	281	
Average MHR Rebate	164	127	103	61	27	
1979-80 MHR Rebates	4,925	89,516	97,859	39,197	3,626	\$ 235,123
Renters Number of Claims	54	1,760	1,057	455	70	3,396
Average Renters Tax	210	178	281	351	436	
Average Renters Rebate	170	133	140	87	43	
1979-80 Renters Rebates	9,175	233,379	148,153	39,760	3,019	\$ 433,486
TOTAL CLAIMS	209	3,765	4,363	3,101	594	12,032
TOTAL REBATES	\$ 42,212	\$572,442	\$628,942	\$271,849	\$ 22,936	\$1,538,381
County Administration Fees						62,000
TOTAL COST 1979-80						\$1,600,381

A B 1 1 1 *

1979-80

INCOME RANGE	0-1,999	2-3,999	4-6,999	7-9,999	10-11,000	TOTAL COST AB 111
Rebate Percentage	95%	80%	60%	40%	20%	
Number of Claims	116	1,166	2,075	1,711	338	5,406
Average HO Tax	307	290	356	415	449	
Average HO Rebate	291	232	214	166	90	
1979-80 HO Rebates	34,047	270,512	444,050	284,192	30,324	\$1,063,125
MHO Number of Claims	9	133	284	290	54	770
Average MHO Tax	168	145	185	219	223	
Average MHO Rebate	160	116	111	88	45	
1979-80 MHO Rebates	1,437	15,459	31,499	25,383	2,411	\$ 76,189
MHR Number of Claims	30	706	947	645	132	2,460
Average MHR Tax	186	171	208	246	281	
Average MHR Rebate	177	137	125	98	56	
1979-80 MHR Rebates	5,299	96,364	118,060	63,465	7,413	\$ 290,601
Renters Number of Claims	54	1,760	1,057	455	70	3,396
Average Renters Tax	210	178	281	351	436	
Average Renters Rebate	200	142	169	140	87	
1979-80 Renters Rebates	10,778	250,610	178,191	63,918	6,109	\$ 509,606
TOTAL CLAIMS	209	3,765	4,363	3,101	594	12,032
TOTAL REBATES	\$ 51,561	\$632,945	\$771,800	\$436,958	\$ 46,257	\$1,939,521
County Administration Fees						62,000
TOTAL COST 1979-80						\$2,001,521

*Without freeze.

EX.G

A B 5

1979-80

INCOME RANGE	0-3,999	4-5,999	6-8,999	9-12,999	13-15,000	TOTAL COST AB 5
Rebate Percentage	90%	75%	50%	25%	10%	
Number of Claims	1,283	1,383	1,833	1,656	569	6,724
Average HO Tax	292	356	393	518	700	
Average HO Rebate	262	267	196	130	70	
1979-80 HO Rebates	336,637	369,261	359,268	214,249	39,830	\$1,319,245
MHO Number of Claims	142	189	288	271	91	981
Average MHO Tax	147	185	205	401	700	
Average MHO Rebate	132	139	103	100	70	
1979-80 MHO Rebates	18,753	26,249	29,902	27,134	6,370	\$ 108,408
MIR Number of Claims	736	631	745	627	213	2,952
Average MHR Tax	171	312	230	424	700	
Average MHR Rebate	154	234	115	106	70	
1979-80 MHR Rebates	113,430	147,575	85,682	66,430	14,910	\$ 428,027
Renters Number of Claims	1,814	705	656	409	142	3,726
Average Renters Tax	179	281	313	491	700	
Average Renters Rebate	161	211	157	123	70	
1979-80 Renters Rebates	292,146	148,493	102,762	50,246	9,940	\$ 603,587
TOTAL CLAIMS	3975	2,908	3,522	2,963	1,015	14,383
TOTAL REBATES	\$760,966	\$691,578	\$577,614	\$358,059	\$ 71,050	\$2,459,267
County Administration Fees						69,000
TOTAL COST 1979-80						\$2,528,267

EXHIBIT 9

1000

SB 48

	NUMBER OF CLAIMS 1979-80	REFUNDS 1979-80	NUMBER OF CLAIMS 1980-81	REFUNDS 1980-81
0 - 2,999	2,092	\$ 404,928	2,301	\$ 465,667
3 - 4,999	3,337	617,962	3,671	710,656
5 - 6,999	2,908	428,353	3,199	492,606
7 - 9,999	3,101	272,985	3,411	313,933
10 - 11,000	594	23,129	653	26,598
Noneligible	1,300		1,624	
County Administration Fees		62,000		68,200
TOTALS	13,332	\$1,809,357	14,859	\$2,077,660

Present Program*

	NUMBER OF CLAIMS 1979-80	REFUNDS 1979-80	NUMBER OF CLAIMS 1980-81	REFUNDS 1980-81
0 - 1,999	209	\$ 42,212	230	\$ 48,544
2 - 3,999	3,765	572,442	4,142	658,308
4 - 6,999	4,363	628,942	4,799	723,283
7 - 9,999	3,101	271,849	3,411	312,626
10 - 11,000	594	22,936	653	26,376
Noneligible	1,300		1,624	
County Administration Fees		62,000		68,200
TOTALS	13,332	\$1,600,381	14,859	\$1,837,337

* Based on final 1978-79 refunds.
Ten percent increase number of claimants.
Fifteen percent increase in refunds.

The costs projected in the fiscal note on SB 48 include only refunds and county reimbursements, not expenses incurred by the Department in processing applications.

SB 48 will increase costs of the program by \$208,976 in 1979-80 and \$240,323 in 1980-81.

Figures in the Executive Budget were arrived at before final figures for 1978-79 were available. Our revised estimates for program costs for 1979-80 and 1980-81 are \$1,600,381 and \$1,837,337, respectively; \$27,282 less than originally requested for the biennium.

Table 7. AGE OF HEAD—FAMILIES AND UNRELATED INDIVIDUALS BY TOTAL MONEY INCOME: 1975 AND 1974 (Revised)

(Numbers in thousands. Families and unrelated individuals as of March of the following year)

Table with columns for Year (1975, 1974), Total Money Income, Age of head (16 to 24, 25 to 34, 35 to 44, 45 to 54, 55 to 64, 65 years and over), and Percent of total excl. Armed Forces. Rows include Families, Unrelated Individuals, and Median Income/Standard Error.

- Represents zero. Based on revised methodology; for details see page 4.

ASSUME

- * \$100,000,000 Base Assessed Value
- * CPI Increase and Enrollment Increase total 10%
- * \$100,000,000 Assessed Value increases 20% to \$120,000,000.
- * \$100,000,000 X 110% X 80¢ per \$100 = \$880,000 permissible revenue
- * \$120,000,000 X 80¢ per \$100 = \$960,000 produced with full 80¢ levy

	<u>State Replacement</u>	<u>Local Generated Revenue</u>	<u>Total School Revenue</u>
<u>ORIGINAL CAP ON 80¢ LEVY - ALL PROCEEDS TO SCHOOLS</u>			
Revenue	-0-	\$880,000	\$880,000
Rate	-0-	73.3¢	73.3¢
<u>CAP ON 80¢ LEVY - 30¢ STATE/50¢ LOCAL</u>			
Revenue	\$330,000	\$550,000	\$880,000
Rate	-0-	45.8¢	45.8¢
<u>CAP ON 50¢ LEVY - STATE p/u AMOUNT PRODUCED BY 30¢</u>			
Revenue	\$360,000	\$550,000	\$910,000
Rate	-0-	45.8¢	45.8¢
<u>CAP ON 50¢ LEVY - LOCAL TO p/u GROWTH OF 30¢ ABOVE CAP</u>			
Revenue	\$330,000	\$580,000	\$910,000
Rate	-0-	48.3¢	48.3¢