

MEMBERS PRESENT:

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

MEMBERS ABSENT:

ASSEMBLYMAN MANN

GUESTS PRESENT:

See attached Guest List

Chairman Price called the meeting of the Assembly Taxation Committee to order for the purpose of hearing testimony on SB 48, 433, and 453 and to further discuss amendments to SB 204.

SB 453

Chairman Price gave a brief background of this bill and explained that it had come about as a result of the ticketron practice at Ceasar's Palace. There had been indications from the industry that other hotels would not be going into a similar system but there is at least one show presently going on in Reno that is operating without the entertainment tax. This bill was introduced to address this situation.

Harlen Elges, Nevada Gaming Control Board, stated that they have no disagreement with the bill and that they have been working with the industry on it. He stated that there was a large potential loss from the 27 major casinos if they should decide to enter into this type of thing. From one casino only they would estimate the loss of between \$900,000 to \$1,000,000 per year in revenue. This bill cleans up the statutes and provides some administrative changes.

Mr. Price stated that he was having an amendment drafted which would apply to the exceptions found on page 2 of the bill. He stated that a musician playing a guitar and walking around from table to table, but not singing, would be exempt from taxes. However if the musician was singing, taxes would be applied. He stated that he was asking for an amendment that would apply to "a strolling musician, singing or not" to be exempt from the taxation. He further asked for approval from the committee for such an amendment.

Mr. Rusk moved, based on the discription given, an "amend and do pass as amended" recommendation for SB 453 and Mr. Craddock seconded the motion. The motion passed unanimously with Mr. Chaney and Mr. Mann absent at this time.

SB 433

Senator Kosinski, sponsor of the bill, spoke in support of it. He stated that in the last session the legislature adopted an amendment to NRS 361.091, which is a property tax exemption to disabled veterans. A classification system was created from 60% to 100% disability. Inadvertently they failed to amend NRS 371.104 which relates to vehicle privilege tax. There is a provision in NRS 361 which limits any disabled veteran from obtaining benefits under both NRS 361.091 and NRS 371.104. The bill as initially introduced attempted to take away the requirement for any of these veterans from having to pay any registration fee. This was taken out in the Senate Taxation Committee. This bill as it exists right now, is intended to conform the vehicle privilege tax exemption to the property tax exemption and also to repeal the \$1.00 fee that was charged against the disabled veteran for the special license plate. The fiscal impact of the bill would be very minor. A copy of a memo from Ed Schorr to Assemblyman Mello regarding this is attached to these minutes as Exhibit A.

Mr. Tanner moved for a "do pass" and Mr. Dini seconded the motion. The motion carried unanimously with Mr. Chaney and Mr. Mann absent at this time.

SB 48

Senator Kosinski, sponsor of this bill also, spoke in support of it. He presented information developed on the bill which is attached to these minutes as Exhibit B. He explained that the Senate Taxation Committee had felt that the distribution under this plan was more equitable than under AB 111. He added that they were particularly concerned about the impact of SSI and other minimal benefits to the people in the very low income range, which forces them into the higher category. They also felt the inflationary impact of that and property taxes could deprive them of some of these needed benefits.

Ed Schorr, Deputy Fiscal Analyst went through the distribution between the two bills for the committee. He explained that largest group of people occur in the second category. The Senate bill would move the range down by establishing the first range at 90% for \$0-2,999. This begins to pick up the group of people who are at the minimum in Social Security or receiving SSI. The rationale for doing this was that with the increases in Social Security and SSI these people are being forced into the higher range. This would maintain them in that range where they receive a larger benefit.

Senator Kosinski stated that even with this change the impact of this would be less than that budgeted by the Governor for the program due to the impact of the property tax relief which the session will produce.

Mr. Schorr stated that these figures shown on the exhibit do reflect the tax reduction as put forth by SB 204 in its amended version.

Mr. Weise inquired what Mr. Coulter would feel about this. Mr. Coulter stated that he would favor his own bill but that anything that would benefit the senior citizen would be fine with him.

Mr. Weise moved for a "do pass" and Mr. Tanner seconded the motion. The motion carried unanimously with Mr. Chaney and Mr. Mann absent at this time.

SB 204

Chairman Price presented a copy of a proposed amendment submitted by Humboldt County regarding a situation that occurs in their county and the effect that the cap will have on it. This is attached to these minutes as Exhibit C. Mr. Price explained that Bill McDonald, District Attorney for Humboldt County, was concerned because the Valmy Power Plant and the inter-government agreement between the two counties which will send 20% of Humboldt's money over to Lander County to help cover costs of services provided. They were concerned that they wouldn't be able to use it under the cap.

Mr. Price continued that he understood Mr. Nickson thought that he could handle the problem administratively. This has raised some questions as to whether the bill was tight enough drawn to prevent circumvention of the intent of it.

Senator Kosinski stated that he had talked to Frank Daykin and that he felt that it was not clear where Mr. Nickson had gotten the idea that he had this discretion. Mr. Daykin indicated that he had not talked to Mr. Nickson and he had never represented that this discretionary language in SB 204 permits them to handle this type of situation. Mr. Daykin further stated that he had rejected threat to life or property as a viable possibility to get around the problem. The Senator added that the last conversation he had with Mr. Nickson indicated that Mr. Nickson was not so sure that he had this type of discretion. If the department wants that kind of discretion it should be written in, and according to Senator Kosinski the Senate does not feel that they should have that power but are willing to discuss it and that there also should be some review procedure.

Mr. Marvel stated that this was an unique situation and once the power company is built and comes on line, then this agreement no longer exists. This would be about 1983. They are really talking about approximately \$80,000 overall and that the cap will really distress them.

It was pointed out that the discretionary language they were speaking about was found in section 4 on page 8 of the fourth reprint.

Mr. Miles explained that there were property taxes that Humboldt County is going to be collecting and therefore will come under the cap. The problem is that they won't be in the base so if they get to their cap they would have to reduce services in Humboldt County to transfer to Lander County the money required.

Senator Glaser stated that he felt that this was just one of the many problems that will be coming up over the next two years. He felt that there needs to be some flexibility for someone to make some adjustments.

It was pointed out that several counties have inter-county agreements of this type or similar types.

Mr. Nickson stated that it was his belief that he did have sufficient authority as proposed on page 8 line 8 to handle this type of thing.

Mr. Dini moved that the committee adopt the Humboldt-Lander County amendment. Mr. Weise seconded the motion.

Mr. Nickson continued by stating he felt that he could use the authority cited to determine the expenditure from Humboldt County would not be included in the cap as a transfer to Lander County. However, in Lander County, he would consider this a cap on their expenditure authority and that the funds granted by Humboldt Co. would be limited to their fiscal year 1978-79 budget and that they would be required to reduce the tax rate rather than increase their expenditures.

Mr. Bergevin stated that the amendment being proposed would exempt the funds from both county's cap.

Mr. Nickson stated that there was a question in his mind as to the Nevada Tax Commission's decision to place the construction work in progress on a situs basis during the construction phase. He can find no authority for that under NRS 361.320. In prior years when they built the Churchill plant for instance, the value of that plant was spread throughout the Sierra-Pacific Power system on a line mile basis. The Commission made a ruling in 1977 that construction work in progress would be treated on a situs basis to Humboldt County. There are provisions as in the case of the Mohave plant where 75% of the power is exported and the company has at least two additional units within the state to place a portion of it on a situs basis. This is not the case in this instance.

Senator Kosinski stated that he was concerned as to the justification for this particular exception. If a local government enters into an agreement with another county that doesn't necessarily mean that there is going to be any expenditures or base problems. It is just a means to provide services for their citizens. He stated that he felt the inflation-population base criteria takes all this into consideration. He stated that he could see no justification for this. If they want to deal with the particular

problem of Lander and Humboldt counties, he would suggest that they do that separately. He suggested that perhaps some type of safety valve was needed and that perhaps someone should be designated to make approval for exceptions.

Senator Glaser stated that the bill could be amended to make this clear to allow flexibility for administrative adjustments of this type for two eyars.

It was suggested that perhaps the Interim Finance Commission or Legislative Commission should be designated for this purpose. A discussion was held on this where various people voiced displeasure with putting this authority into the Finance Commission. It was pointed out the the Tax Commission would be the appropriate place of it.

At this point the original motion and the second were withdrawn.

Because of the problems and concerns being put forth by members of both the Senate and Assembly Taxation Committees, it was decided to appoint a subcommittee to meet together to iron out this type of this. Chairman Price appointed Mr. Marvel and Mr. Bergevin to meet with Mr. Nickson and a Senate subcommittee to go over this and resolve the problem.

Mr. Price called upon Mr. Miles to go through the amendments which had been prepared and explain them for the committee. A copy of these amendments is attached to these minutes as Exhibit D.

Senator Dodge pointed out an error in the amendment found on page 3 in 9th line from the bottom. This should read "the public schools described in subparagraphs (1) to (4), inclusive," Subparagraph (5) as referred to in the amendment refers to adult education and should not be included in this section.

Mr. Bergevin stated that he had just been into Senate Finance and they have a problem with the ending balance. As it looks at this time, they will end up in the first year of the biennium with \$14,000,000 and they feel that this is too low. There are two ways possible to accomodate a greater ending balance. One would be to take 30¢ out the school formula but this would destroy the 50¢ cap procedure. This would create a loss to the school districts. A simpler solution would be to have the state pick up their normal 25¢ of ad valorem and instead of \$3.64 rate it would be a \$3.89 rate. This would be accomplished in a separate bill. This would only apply to the first year of the biennium and would still have the biggest relief in the second year of the biennium.

Mr. Miles went through the proposed amendments and explained that a majority of the amended parts were technical or conflicts, or omissions that had to be corrected. He explained the part dealing with Metro and also the part that put the 80% of the 5 year average of CPI back into local government cap. He also explained that there were parts where the language was left

out so that final figures could be placed into the amendment at the last moment. Finally the amendment rewords the effective date portion of the bill.

Mr. Price stated that some questions had been raised about the operation of the trigger. He called upon Mr. Miles to explain some of the options on the trigger.

Mr. Miles stated that he was not sure how the Senate Finance's proposal would effect the trigger but that they would have to accomodate within the calculations the 25¢ coming and establishing a new maximum rate. As the bill sits at this point, the maximum rate is designated for the coming year and set the amount of school levy and conversely set the amount additional tax relief that the state is going to pick up in order to "buy out" the schools the first year and in the second year the trigger takes over completely and would, based on state revenues, reset if needed, the school levy.

Mr. Miles continued stating that under the original proposal showed the revenue from the two major taxes will come in about 11-12%. The trigger measures the first three quarters of next year in the sales and gaming taxes against the first three quarters of the current in those two taxes and then calculate the percentage increase and determine where those amounts of revenue would let them fund tax relief. 11-12% indicates 50¢. If they go up the scale the school levy comes down and the combined rate comes down and the multiplier for the replacement of funds goes up. If revenues come in less then expected the opposite occurs, less tax relief would be granted and the multiplier would go down.

A sample of the trigger effect is attached to these minutes as Exhibit E.

Mr. Miles stated that the committee might want to consider increasing the middle 11-12% bracket to broaden it to be 10-12%. He stated that if the revenues are off the potential to dettrigger would become greater. If the revenues would fall just slightly, the dettrigger could cause them to add 4¢ to the tax rate. If the category were broaden as suggested then if they only missed 11% by a few thousand dollars they wouldn't be dettriggering \$2,000,000 in tax relief.

He continued that with the proposals of Senate Finance some of these conditions with the trigger would necessarily have to be changed. He was not prepared at this time to give an analyze of this until what was being done was better defined.

Mr. Craddock stated that he did not think that it would hurt to broaden this range.

It was decided that the final analysis of this would be incumbent upon the final decision of the money committees and so the committee decided to take no final action until this happened.

Minutes of the Nevada State Legislature

Assembly Committee on.....TAXATION.....

Date:.....May 25, 1979.....

Page:.....Seven.....

As there was no further business to come before the chair,  
Chairman Price adjourned the meeting.

Respectfully submitted,

*Sandra Gagnier*  
Sandra Gagnier,  
Assembly Attache





STATE OF NEVADA  
LEGISLATIVE COUSEL BUREAU

LEGISLATIVE BUILDING  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710



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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*  
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ANDREW P. GROSE, *Research Director* (702) 885-5637

May 16, 1979

Exhibit A

MEMORANDUM

TO: Assemblyman Don Mello, Chairman  
Assembly Committee on Ways and Means

FROM: Ed Schorr, Deputy Fiscal Analyst  
Fiscal Analysis Division *ES*

SUBJECT: S.B. 433--First Reprint

As amended, S.B. 433 will have no financial effect on the state or local governments. The effect of the bill will be to make the language in Chapter 371, which deals with motor vehicles, parallel the language currently contained in Chapter 361, which deals with property tax.

For many years the state has granted property tax exemptions to certain groups; for example, widows and orphans, the blind and disabled veterans. When the Constitution was amended to permit the motor vehicle privilege tax, these exemptions were extended to the privilege tax on motor vehicles apparently without statutory authority. The 1977 Legislature enacted language in the motor vehicle section of NRS parallel to that in the property tax section. This resulted in the language currently contained in NRS 371.104 (the section that S.B. 433 amends). The 1977 Legislature also enacted A.B. 622 (attached) which amended the disabled veterans' provision in NRS 361.091. This resulted in two different sets of criteria for exemption of disabled veterans from property tax or motor vehicle privilege tax payments. Testimony before the Assembly Taxation Committee indicated that the criteria in Chapter 361 has been applied to disabled veterans' claims on an ongoing basis both for property tax and motor vehicle tax payments; therefore, no increase in program cost is involved.

The \$1 fee which is being deleted (page 2, line 31 of the bill) will raise a negligible amount of revenue and reportedly cost more than \$1 to collect.

Please let me know if I can be of further assistance.

ES:ym  
attachment

Exhibit A

Assembly Bill No. 622—Assemblyman Kosinski

CHAPTER 500

AN ACT relating to property taxes; reducing tax exemptions for partly disabled veterans; and providing other matters properly relating thereto.

[Approved May 13, 1977]

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

SECTION 1. NRS 361.091 is hereby amended to read as follows:

361.091. 1. [The property to the extent of \$10,000 assessed valuation of any] An actual bona fide resident of the State of Nevada who has incurred a permanent service-connected disability [of the kind described in 38 U.S.C. § 801 as effective on the date when the exemption is claimed, and has received upon severance from service an honorable discharge or certificate of satisfactory service] and has been honorably discharged from the Armed Forces of the United States [shall be exempt from taxation.] is entitled to a disabled veteran's exemption.

2. [For the purpose of this section the first \$10,000 assessed valuation of property in which such person has any interest shall be deemed the property of such person.] The amount of exemption shall be based on the total percentage of permanent service-connected disability. The maximum allowable exemption for total permanent disability is the first \$10,000 assessed valuation. A person with a permanent service-connected disability of:

(a) Eighty to 99 percent, inclusive, is entitled to a \$7,500 assessed value exemption.

(b) Sixty to 79 percent, inclusive, is entitled to a \$5,000 assessed value exemption.

For purposes of this section, any property in which an applicant has any interest is deemed to be the property of the applicant.

3. The exemption shall be allowed only to a claimant who has made an affidavit annually, on or before the 1st Monday in August, for the purpose of being exempt on the tax roll; but the affidavit may be made at any time by a person claiming exemption from taxation on personal property.

4. The affidavit shall be made before the county assessor or before a notary public and submitted to the county assessor to the effect that the affiant is an actual bona fide resident of the State of Nevada, that he or she meets all the other requirements of subsection 1, and that such exemption is claimed in no other county within this state.

5. Before allowing any exemption pursuant to the provisions of this section, the county assessor [of each of the several counties of this state] shall require proof of status of the applicant, and for that purpose shall require [production of:

(a) A certificate from the Veterans' Administration that the applicant has received or is eligible to receive a grant pursuant to 38 U.S.C. ch. 21; and

(b) Any one of the following:

(1) An honorable discharge;

(2) A certificate of satisfactory service; or

(3) A certified copy of either of the above.] an applicant to produce an original or certified copy of:

(a) An honorable discharge or other document of honorable separation from the Armed Forces of the United States which indicates the total percentage of permanent service-connected disability;

(b) A certificate of satisfactory service which indicates the total percentage of permanent service-connected disability; or

(c) A certificate from the Veterans' Administration that the applicant has incurred a permanent service-connected disability which indicates the total percentage of that disability, together with an honorable discharge or certificate of satisfactory service.

6. If a tax exemption is allowed under this section, the claimant is not entitled to an exemption under NRS 361.090.

7. If any person makes a false affidavit or produces false proof to the county assessor or a notary public, and as a result of such false affidavit or false proof, a tax exemption is allowed to a person not entitled to such exemption, such person is guilty of a gross misdemeanor.

Assembly Bill No. 612—Assemblymen May, Hickey, Mann, Kissam, Ross, Price, Dreyer, Bennett, Sena, Hayes, Brookman, Horn, Bremner, Chaney, Robinson and Harmon

CHAPTER 501

AN ACT relating to public financial administration; providing for the distribution and use of certain proceeds of slot machine taxes; and providing other matters properly relating thereto.

[Approved May 13, 1977]

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

SECTION 1. NRS 463.385 is hereby amended to read as follows:

463.385 1. In addition to any other license fees and taxes imposed by this chapter, there is hereby imposed upon each slot machine operated in this state a tax equal to the amount of any credit which may be allowed against the tax imposed on slot machines by 26 U.S.C. § 4461 or other federal statute for the payment of a state tax. If no [such] credit is allowed, no tax is payable under this subsection.

2. The commission shall:

(a) Collect the tax annually on or before June 20, as a condition precedent to the issuance of a state gaming license to operate any slot machine.

(b) Include the proceeds of the tax in its reports of state gaming taxes collected.

3. The commission shall pay over the tax as collected to the state treasurer to be deposited to the credit of the state distributive school fund and the higher education capital construction fund, hereby created in the state treasury, in the amounts and to be expended only for the purposes specified in subsections 4 and 5.

STATE OF NEVADA  
LEGISLATIVE COUSEL BUREAU

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S.B. 48  
May 16, 1979

Exhibit B

MEMORANDUM

TO: SENATE COMMITTEE ON TAXATION

FROM: Fiscal Analysis Division *EA*

SUBJECT: S.B. 48--Increases certain allowances to elderly  
for property taxes.

S.B. 48 expands the income ranges in the two lowest income categories of the Senior Citizens' Property Tax Assistance Program. The Senior Citizens' Property Tax Program currently provides relief from property taxes for eligible senior citizens. The program covers homeowners, mobile homeowners, mobile home renters and renters who are at least 62 years of age and earn less than \$11,000 annually. The program allows a certain percentage credit on the Senior Citizens' Tax Bill dependent upon income. Currently, the following income categories and rebates are in effect:

Income	\$0-1,999	\$2,000-3,999	\$4,000-6,999	\$7,000-9,999	\$10,000-11,000
Rebate	90%	75%	50%	25%	10%

This bill will increase the income range in the first category by \$1,000 to \$2,999 and will lift the maximum in the next category to \$4,999. These changes will provide a higher percentage rebate to those eligible seniors who need it most--people receiving minimum Social Security and Supplemental Security Income (SSI) benefits.

The bill also proposes to increase the maximum benefit from \$300 to \$500. Currently, about 400 claimants receive this maximum and would benefit from this increase. By reviewing the table of benefits, it becomes apparent that to receive the maximum benefit, a staggering amount of income must go to pay property tax.

Under the Senior Citizens' program the state reimburses the local governments for their loss of tax revenue due to the allowances. The increases recommended in this bill can be accommodated without any increase in the recommended appropriations since major tax relief granted by this Legislature will reduce the actual outlays under the current program.

## SB 48\*

Exhibit B.

1979-80	0-2,999	3-4,999	5-6,999	7-9,999	10-11,000	TOTALS
Refunds	90%	75%	50%	25%	10%	
HO	134,661	227,402	179,777	129,579	11,068	682,487
MHO	7,342	14,871	12,775	11,581	880	47,449
MHR	59,222	94,363	65,589	39,666	3,707	262,547
Renters	<u>151,178</u>	<u>191,720</u>	<u>98,995</u>	<u>39,949</u>	<u>3,055</u>	<u>484,897</u>
County Admin. Fees						62,000
TOTALS	352,403	528,356	357,136	220,775	18,710	<u>\$1,539,380</u>

## Number of Claimants

HO	699	1,275	1,383	1,711	338	5,406
MHO	76	161	189	290	54	770
MHR	383	669	631	645	132	2,460
Renters	<u>934</u>	<u>1,232</u>	<u>705</u>	<u>455</u>	<u>70</u>	<u>3,396</u>
TOTALS	2,092	3,337	2,908	3,101	594	12,032

## AB 111\*

1979-80	0-1,999	2-3,999	4-6,999	7-9,999	10-11,000	TOTALS
Refunds	100%	80%	50%	25%	10%	
HO	26,100	198,220	269,750	130,036½	11,154	635,260
MHO	1,107	11,305	19,312	11,600	864	44,188
MHR	5,580	96,722	97,859	39,197	3,626	242,984
Renters	<u>11,340</u>	<u>249,920</u>	<u>148,153</u>	<u>39,760</u>	<u>3,019</u>	<u>452,192</u>
County Admin.						62,000
TOTALS	44,127	556,167	535,074	220,593	18,663	<u>\$1,436,624</u>

## Number of Claimants

HO	116	1,166	2,075	1,711	338	5,406
MHO	9	133	284	290	54	770
MHR	30	706	947	645	132	2,460
Renters	<u>54</u>	<u>1,760</u>	<u>1,057</u>	<u>455</u>	<u>70</u>	<u>3,396</u>
TOTALS	209	3,765	4,363	3,101	594	12,032

\*Estimated cost after major tax relief based on a 27 percent reduction of taxes to Homeowners and Mobile Homeowners.

Exhibit C

Amendment proposed by Humboldt and Lander Counties to S.B. 204 (4th Reprint)

Amend Section 15, subsection 3 (lines 1 through 7 of page 8 of S.B. 204, 4th reprint), by adding an additional subparagraph to read as follows:

- (d) of money which is, pursuant to an inter-local cooperative agreement initiated between two counties or between two school districts, either received by a county from another county or is paid by a county to another county or which is either received by a school district from another school district or is paid by a school district to another school district.

Explanation:

The only place that we can see that might offer the exemption sought is section 14, subsection 6, lines 24 to 30, of S.B. 204, 4th reprint. However, that specifically excludes school districts and, anyway, it might be difficult to convince the legislative commission that the situation caused by the construction of \$200,000,000 worth of power plants in Humboldt County some 25 miles from Battle Mountain is a threat to life or property or was beyond our control.

We would like to be able to carry out the terms of our agreement to assist Lander County to meet the impact of the power plant construction without that construction too adversely affecting Lander's ability to continue to provide government services to their own residents and tax payers and, at the same time, without penalizing Humboldt's taxpayers by including Humboldt's payments within the spending cap for Humboldt County.

We ask that the money paid by Humboldt County to Lander County be exempted from Humboldt County's spending cap and likewise be added to and thus exempt from Lander County's spending cap.

Note:

Neither counties' 1978/79 budget includes these payments because the power plant construction is just now in its first year.

Hopefully, the language suggested is sufficiently narrow that it would not constitute much of a loophole through which other spending could sneak.

Bill McDonald, District Attorney  
Humboldt County

22 May 1979

1117

Exhibit D

1979 REGULAR SESSION (60TH)

ASSEMBLY ACTION		SENATE ACTION		Assembly	AMENDMENT BLANK
Adopted	<input type="checkbox"/>	Adopted	<input type="checkbox"/>	AMENDMENTS to	Senate
Lost	<input type="checkbox"/>	Lost	<input type="checkbox"/>	Bill No.	204
Date:		Date:			<del>Joint</del>
Initial:		Initial:			<del>Resolution No.</del>
Concurred in	<input type="checkbox"/>	Concurred in	<input type="checkbox"/>	BDR	32-1480
Not concurred in	<input type="checkbox"/>	Not concurred in	<input type="checkbox"/>	Proposed by	Committee on Taxation
Date:		Date:			
Initial:		Initial:			

Amendment N<sup>o</sup> PROPOSED



Amend section 1, page 1, line 2, by deleting "2 and 3" and inserting "2 to 3.5, inclusive,".

Amend section 2, page 1, line 4, by deleting "\$3.64" and inserting "\$\_\_\_\_\_".

Amend the bill as a whole by adding a new section, designated section 3.5, following section 3, to read as follows:

"Sec. 3.5. All household goods and furniture used by a single household and owned by a member of that household are exempt from taxation."

Amend section 4, page 2, by deleting line 24 and inserting: "limit. [That portion of the".

Amend section 4, page 2, line 26, by deleting the bracket.

Amend section 6, page 4, line 11, by deleting "80 percent of".

Amend section 12, page 6, by deleting lines 26 and 27 and inserting:

"chapter 364, Statutes of Nevada 1979, and section 11 of this act

To: E & E  
LCB File  
Journal  
Engrossment  
Bill

Date \_\_\_\_\_ Drafted by \_\_\_\_\_

may be cited as the State Budget Act."

Amend section 14, page 6, by deleting lines 44 through 47 and inserting:

"(b) The amount calculated under paragraph (a) is multiplied by 80 percent of the average annual percentage of inflation or deflation for the 60 months preceding the month of November preceding the fiscal year for which the budget is prepared and further multiplied by the number of years from July 1, 1978, to July 1 of the year for which the budget is prepared, and this product is added to or subtracted from the amount calculated under paragraph (a)."

Amend section 14, page 7, line 4, by deleting "tentative".

Amend section 14, page 7, by deleting lines 21 and 22 and inserting:

"by the United States Department of Labor, must be used".

Amend section 15, page 7, line 40, by inserting after "purposes of" the words "NRS 354.599 and 354.615 and".

Amend section 15, page 8, by inserting between lines 4 and 5:

"(b) Of a metropolitan police department;".

Amend section 15, page 8, line 5, by deleting "(b)" and inserting "(c)"

Amend section 15, page 8, line 7, by deleting "(c)" and inserting "(d)"

Amend section 15, page 8, by deleting lines 15 and 16 and inserting:  
"agency which is jointly supported by two or more local governments and for which a separate budget is prepared pursuant to this chapter is".



Amend section 20, page 10, by deleting lines 34 through 37 and inserting: "which changes in enrollment must be calculated."

Amend section 20, page 10, by deleting lines 43 through 46 and inserting:

"(b) The amount calculated under paragraph (a) is multiplied by 80 percent of the average annual percentage of inflation or deflation for the 60 months preceding the month of November preceding the fiscal year for which the budget is prepared and this product is added to or subtracted from the amount calculated under paragraph (a)."

Amend section 20, page 11, by deleting line 8 and inserting: "for each school district. For the purposes of this section, "enrollment" means the sum of the particular counts of pupils enrolled in and scheduled to attend programs of instruction in the public schools described in subparagraphs (1) to (5), inclusive, of paragraph (a) of subsection 1 of NRS 387.1233."

Amend section 20, page 11, by deleting lines 10 and 11 and inserting:

"ment of Labor must be used in determining the percentage".

Amend section 21, page 11, line 37, by deleting ".003" and inserting "\_\_\_\_\_".

Amend the bill as a whole by adding a new section, designated section 21.5, following section 21, to read as follows:

"Sec. 21.5. NRS 387.1235 is hereby amended to read as follows:

387.1235 Local funds available are the [sum of:

1. The amount computed by multiplying .007 times the assessed valuation of the school district as certified by the department of taxation for the concurrent school year; and

2. The] proceeds of the local school support tax imposed by chapter 374 of NRS. The department of taxation shall furnish an estimate of [such] these proceeds to the state board of education on or before July 15 for the fiscal year then begun, and the state board of education shall adjust the final apportionment of the concurrent school year to reflect any difference between [such] the estimate and actual receipts."

Amend section 22, page 12, line 15, by deleting "50" and inserting "      ".

Amend section 38, page 19, by deleting lines 1 and 2 and inserting "fund to the state distributive school fund:".

Amend section 38, page 19, line 3, by deleting "\$57,546,987" and inserting "\$           ".

Amend section 38, page 19, line 4, by deleting "\$67,730,448" and inserting "\$           ".

Amend section 38, page 19, line 6, by deleting ".003," and inserting "      ".

Exhibit D

Amendment No. 1361 to Senate Bill No. 204 (BDR 32-1480) Page 5

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Amend section 39, page 20, by deleting lines 14 through 19 and inserting:

"Sec. 39. 1. This section shall become effective upon passage and approval.

2. Sections 1 to 37, inclusive, of this act shall become effective upon passage and approval for the purposes of preparing budgets and calculating levies.

3. For all other purposes:

(a) Sections 12 and 33 of this act shall become effective at 12:01 a.m. on July 1, 1979; and

(b) The remaining sections of this act shall become effective on July 1, 1979."

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ADDITIONAL PROPERTY TAX RELIEF

Basic Features:

- . If state revenues (sales tax and gaming) are other than projected in 1979-80 greater or lesser amounts of tax relief will be granted in 1980-81.
- . Revenues are projected to produce \$1.36 of tax relief. Up to 18¢ additional relief may be granted if state revenues exceed expectations and up to 30¢ less relief may be granted if state revenues fall short of projections.
- . The following table depicts the revenue increases of the State sales tax and gross gaming tax for the first 3 quarters of 1979-80 compared with the first 3 quarters of 1978-79 and the corresponding optional school levy allowed and the maximum combined tax rate:

<u>If inc. is equal to or greater than</u>	<u>But less than</u>	<u>Optional School levy in cents per \$100</u>	<u>Maximum Combined Rate</u>
-----	2%	\$.80	\$3.94
2%	3%	.79	3.93
3%	4%	.76	3.90
4%	5%	.73	3.87
5%	6%	.70	3.84
6%	7%	.67	3.81
7%	8%	.63	3.77
8%	9%	.60	3.74
9%	10%	.57	3.71
10%	<del>11%</del>	.54	3.68
<del>11%</del>	12%	.50	3.64
12%	13%	.48	3.62
13%	14%	.45	3.59
14%	15%	.41	3.55
15%	16%	.38	3.52
16%	17%	.35	3.49
17%	-----	.32	3.46