

SENATE COMMITTEE ON TAXATION

January 18, 1979

The meeting was called to order at 1:00 p.m. on Thursday, January 18, 1979, in Room 213. Chairman Norman Glaser was in the chair.

PRESENT: Chairman Norman Glaser
Vice-Chairman Floyd Lamb
Senator Carl Dodge
Senator William Raggio
Senator Don Ashworth
Senator Mike Sloan
Senator Jim Kosinski

Fiscal Analyst, Ed Schorr

The meeting was opened by Chairman Glaser. Chairman Glaser introduced Sharyna Miley and said that she was available for typing correspondence for the Committee members, particularly anything relating to tax matters.

Chairman Glaser stated that he would like to have some Committee bills introduced and had prepared, for consideration, a number of such bills. He said that Committee introduction does not mean that the bills have to be supported on the floor or out of the Committee.

The following items were considered by the Committee:

BDR 32-102 (Exhibit "A") which provides for submission at next general election of question proposing certain changes in Sales and Use Tax Law. (SB 63)

Senator Dodge stated that he had no objections to this bill being introduced but questioned whether it should be held until a similar bill, introduced by Senator Raggio, was acted upon.

The Senators discussed whether this bill was regarding food tax. It was decided that BDR 32-102 was actually regarding Security Bonds and not food tax. There was no further discussion regarding the bill, so the Chairman entertained a motion for Committee Introduction.

Senator Sloan: Motion for Committee Introduction.

Senator Kosinski: Second the Motion.

The Motion carried.

BDRC-724 (Exhibit "B") proposes to amend Nevada constitution to allow imposition of estate tax not greater than credit allowable under federal law. (SJR 6)

Chairman Glaser stated that this bill was somewhat similar to BDRC-194. He said that the only difference between the two bills was that one incorporates a prohibition against having a state income tax. Chairman Glaser questioned whether both bills should be introduced by the Committee since there is enough differences between them. He gave a brief history of the past actions taken on this bill. He stated that the bill would not impose any greater amount than that which would normally be paid, but would allow a 10% recapture by the State. It would amount to about \$6,000,000 annually.

After further minor discussion, Senator Raggio made the following motion:

Senator Raggio: Motion for Committee Introduction.

Senator Dodge: Second the Motion.

Senators Don Ashworth and Lamb: Voted "NO".

The Motion carried.

Discussion followed during which it was decided that it might be better to introduce the bill individually. Chairman Glaser entertained a motion to rescind the previous action.

Senator Lamb: Motion to rescind previous action.

Senator Dodge: Second the Motion.

The Motion Carried.

The Senators decided to introduce this bill individually with the following sponsors:

Senators Glaser, Dodge, Raggio, Sloan, Kosinski.

Senator Don Ashworth stated that he felt that the Committee should be aware of inherent problems once federal taxes are enacted unless stringent restrictions are placed on them. Some of the problems he mentioned were the closing of Joint Tenancy accounts on the death of an individual, or enforcement purposes, such as the ones they have in all the contiguous states around the State of Nevada. Senator Don Ashworth would like to see what regulations there are in regard to the pick-up tax. He also questioned whether the federal government would require policing from the state concerning the pick-up tax.

BDRC-194 (Exhibit "C") proposes to amend Nevada constitution to prohibit income tax and authorize limited estate tax. (SJR 4)

Senator Raggio questioned whether the bill authorizes only to the extent of the pick-up tax.

Senator Dodge stated that, in regard to Nevada's future, the state might be locking itself out of tax sources which might be needed in the future.

Chairman Glaser felt that if the Committee did not sponsor the bill, Senator Hernstadt would probably sponsor it personally.

Senator Sloan felt that it might give more incentive to pass the estate tax bill.

Senator Ashworth stated that he had the same objections to the bill as he had to BDRC-724

The Committee decided to return BDRC-194 to its original sponsor, Senator Hernstadt, for individual introduction.

BDR 32-242 (Exhibit "D") provides for submission at next general election of question proposing exemption of agricultural insecticides and herbicides from Sales and Use Tax Act. (SB 65)

Chairman Glaser stated that this bill was from Humboldt County and that the District Attorney from Humboldt County had requested it on behalf of the agricultural producers. He said that there is apparently a large use of insecticides and herbicides in that county in the agricultural areas. He said that they feel that since it is used in the generation of food and food products, it should be exempted.

Senator Sloan made the following motion:

Senator Sloan: Motion for Committee Introduction.

Senator Lamb: Second the Motion.

The Motion carried.

BDRC-194 (Exhibit "C") was once more discussed by the Committee.

Senator Raggio stated that he could foresee some ramifications by refusing to accept the bill for introduction and that the Committee's intentions might be misread, especially since Committee introduction does not mean the Committee is for or against the bill.

The following motion was made:

Senator Raggio: Motion for Committee Introduction.

Senator Sloan: Second the Motion.

Senators Don Ashworth, Dodge and Lamb: Voted "NO".

The Motion did not carry.

BDR 32-245 (Exhibit "E") exempts petroleum-ethanol mixture from motor vehicle fuel taxes by state and counties.

Chairman Glaser stated that several states have passed this same type of bill as an incentive to get away from the dependency on foreign oil, and to use up some of the surplus grain crops.

Senator Dodge said that he didn't feel the bill had any application for Nevada.

Chairman Glaser stated that the fiscal analysis was that there wouldn't be enough usage in Nevada to affect the motor vehicle taxes.

The Committee decided to hold BDR 32-245 and not give it introduction.

BDR 32-249 (Exhibit "F") provides rebate of sales taxes on food to persons of limited income.

Senator Dodge felt that the bill should be kept in mind but did not see any merit in introducing it at this time.

The Committee decided to hold BDR 32-249 and not give it introduction.

BDR 32-529 (Exhibit "G") proposes to amend the Sales and Use Tax Act to provide credit for exchanges on certain products. (SB 64)

Chairman Glaser stated that this bill dealt primarily with the residual value left in automobiles, farm equipment, and major household appliances, in that when you trade them in you don't get any sales tax credit on the new purchase. He stated that this amounts to a total of a \$6,000,000 tax break.

Senator Raggio felt that the bill had enough merit for committee introduction.

Senator Glaser entertained a motion for introduction.

Senator Raggio: Motion for Committee Introduction.

Senator Don Ashworth: Second the Motion.

The Motion carried.

BDR 32-688 (Exhibit "H") exempts household goods and gradually exempts certain livestock from property tax. (SB 66)

Chairman Glaser stated that this bill is a follow-up to Question 4 and spells out how the livestock should be taken off the five-year phase out. He stated that Nevada is almost the only state that still taxes livestock.

Senator Don Ashworth questioned the rationale for the exemption.

Chairman Glaser stated that livestock was the only thing, in prior years, that could be taxed to fund the local school districts. The assessment of livestock was not as carefully carried out as it is now and at this time there are other sources to fund the school districts.

Senator Don Ashworth questioned whether any differentiation is made between a herd that can be maintained forever (such as breeding herds) and the actual selling of a herd.

Chairman Glaser stated that this would exempt breeding stock and livestock for sale. He said that Question 4 exempts inventory held for sale and would also exempt calves which would be sold at a later date.

Some discussion followed regarding whether livestock, as a fixed asset, is subject to personal property tax.

Chairman Glaser felt that introduction of this bill would probably induce a lot of discussion from the various Assessor's Offices. He felt that considering livestock as a fixed asset is a technicality that should be discussed. Chairman Glaser stated that the counties which would be affected the most by this bill would be Elko, Humboldt and the rural counties with a large livestock population.

Senator Dodge made the following motion:

Senator Dodge: Motion for Committee Introduction

Senator Raggio: Second the Motion.

The Motion carried.

SENATE COMMITTEE ON TAXATION
JANUARY 18, 1979
PAGE SIX

There being no further business, the meeting was dismissed
at 1:55 p.m.

Sharyna Miley
Respectfully Submitted By:
Sharyna Miley, Secretary

Norman Glaser
Approved By:
Senator Norman Glaser, Chairman

SUMMARY--Provides for submission at next general election of question proposing certain changes in Sales and Use Tax Law.
(BDR 32-102)

Fiscal Note: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to taxation; providing for the submission to the registered voters at the general election of 1980 of the question of whether the Sales and Use Tax Act of 1955 should be amended to require return of certain bonds to taxpayers; contingently creating similar requirements for certain analogous taxes; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. At the general election on November 4, 1980, a proposal shall be submitted to the registered voters of this state to amend the Sales and Use Tax Act, which was enacted by the 47th session of the legislature of the State of Nevada and approved by the governor in 1955, and subsequently approved by the people of this state in the general election held on November 6, 1956.

Sec. 2. At the time and in the manner provided by law, the secretary of state shall transmit the proposed act to the several county clerks, and the county clerks shall cause it to be published and posted as provided by law.

Sec. 3. The proclamation and notice to the voters given by the county clerks pursuant to law shall be in substantially the following form:

Notice is hereby given that at the general election on November 4, 1980, a question will appear on the ballot for the adoption or rejection by the registered voters of the state of the following proposed act:

AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes;

providing for the manner of collection; defining certain terms; providing penalties for violation, and other matters properly relating thereto," approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS:

Section 1. Section 98 of the above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 778, is hereby amended to read as follows:

Section 98. 1. The tax commission, whenever it deems it necessary to insure compliance with this chapter, may require any person subject thereto to place with it such security as the tax commission may determine. The amount of the security shall be fixed by the tax commission but, except as noted below, [shall] must not be greater than twice the estimated average liability of persons filing returns for quarterly periods or three times the estimated average liability of persons required to file returns for monthly periods, determined in such manner as the tax commission deems proper, or \$10,000, whichever amount is the lesser.

2. In case of persons habitually delinquent in their obligations under this chapter, the amount of the security [shall] must not be greater than three times the average liability of persons filing returns for quarterly periods or five times the average liability of persons required to file returns for monthly periods, or \$10,000, whichever amount is the lesser.

3. The limitations herein provided apply regardless of the type of security placed with the tax commission.

4. The amount of the security may be increased or decreased by the tax commission subject to the limitations herein provided.

5. The tax commission may sell the security at public auction if it becomes necessary so to do in order to recover

any tax or any amount required to be collected, interest or penalty due. Notice of the sale may be served upon the person who placed the security personally or by mail; if by mail, service shall be made in the manner prescribed for service of a notice of a deficiency determination and shall be addressed to the person at his address as it appears in the records of the tax commission. Security in the form of a bearer bond issued by the United States or the State of Nevada which has a prevailing market price may, however, be sold by the tax commission at a private sale at a price not lower than the prevailing market price thereof.

6. Upon any sale any surplus above the amounts due shall be returned to the person who placed the security.

7. The tax commission shall return any security which it has required under this section 1 year after requiring it, or 1 year after the person who placed the security has last been delinquent, whichever is later.

Sec. 2. This act shall become effective on January 1, 1981.

Sec. 4. The ballot page assemblies and the paper ballots to be used in voting on the question shall present the question in substantially the following form:

Shall the Sales and Use Tax Act of 1955 be amended to require the return of certain bonds posted by taxpayers?

YES _____ NO _____

Sec. 5. The explanation of the question which shall appear on each paper ballot and sample ballot and in every publication and posting of notice of the question shall be in substantially the following form:

If this proposal is adopted, the tax commission will be required to return any security posted by a person or other entity which collects sales and use taxes on behalf of the

state after 1 year if that person or entity has not been delinquent in making payments during that year.

Sec. 6. If a majority of the votes cast on the question is yes, the amendment to the Sales and Use Tax Act of 1955 shall become effective on January 1, 1981. If a majority of votes cast on the question is no, the question shall have failed and the amendments to the Sales and Use Tax Act of 1955 shall not become effective.

Sec. 7. All general election laws not inconsistent with this act are applicable.

Sec. 8. Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held shall be so construed as not to invalidate the adoption of the act by a majority of the registered voters voting on the question if it can be ascertained with reasonable certainty from the official returns transmitted to the office of the secretary of state whether such amendments were adopted or rejected by a majority of such registered voters.

Sec. 9. NRS 374.515 is hereby amended to read as follows:

374.515 1. The department, whenever it deems it necessary to insure compliance with this chapter, may require any person subject thereto to place with it such security as the department may determine. The amount of the security shall be fixed by the department but, except as noted below, ~~(shall)~~ must not be greater than twice the estimated average liability of persons filing returns for quarterly periods or three times the estimated average liability of persons required to file returns for monthly periods, determined in such manner as the department deems proper, or \$5,000, whichever amount is the lesser.

2. In case of persons habitually delinquent in their obligations under this chapter, the amount of the security ~~(shall)~~ must not be

greater than three times the average liability of persons filing returns for quarterly periods or five times the average liability of persons required to file returns for monthly periods, or \$5,000, whichever amount is the lesser.

3. The limitations herein provided apply regardless of the type of security placed with the department.

4. The amount of the security may be increased or decreased by the department subject to the limitations herein provided.

5. The department may sell the security at public auction if it becomes necessary so to do in order to recover any tax or any amount required to be collected, interest or penalty due. Notice of the sale may be served upon the person who placed the security personally or by mail; if by mail, service shall be made in the manner prescribed for service of a notice of a deficiency determination and shall be addressed to the person at his address as it appears in the records of the department. Security in the form of a bearer bond issued by the United States or the State of Nevada which has a prevailing market price may, however, be sold by the department at a private sale at a price not lower than the prevailing market price thereof.

6. Upon any sale any surplus above the amounts due shall be returned to the person who placed the security.

7. The tax commission shall return any security which it has required under this section 1 year after requiring it, or 1 year after the person who placed the security has last been delinquent, whichever is later.

Sec. 10. Sections 1 to 8, inclusive, of this act and this section shall become effective on July 1, 1979. Section 9 shall become effective on January 1, 1981, only if the question provided for in section 3 of this act is approved by the voters at the general election on November 4, 1980.

SUMMARY--Proposes to amend Nevada constitution to allow imposition of estate tax not greater than credit allowable under federal law. (SDR C-724)

SENATE JOINT RESOLUTION--Proposing to amend article 10 of the constitution of the State of Nevada, relating to taxation, by authorizing the imposition of an estate tax not greater than the credit allowable for such a tax against the federal estate tax, reduced by the amount paid to any other state.

RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF NEVADA, JOINTLY, That article 10 of the constitution of the State of Nevada be amended by adding thereto a new section which shall read as follows:

The legislature may provide by law for the taxation of estates taxed by the United States, but only to the extent of any credit allowed by federal law for the payment of such a state tax. The combined amount of these federal and state taxes may not exceed the estate tax which would be imposed by federal law alone. If another state of the United States imposes and collects death taxes against an estate which is taxable by the State of Nevada under this section, the amount of estate tax to be collected by the State of Nevada must be reduced by the amount of the death taxes collected by the other state. Any lien for the estate tax attaches no sooner than the time when the tax is due and payable, and no restriction on possession or use of a decedent's property may be imposed by law before the time when the tax is due and payable. The State of Nevada shall accept the determination of the United States of the taxable estate without further audit.

That and be it further

RESOLVED, That section 1 of article 10 of the constitution of the State of Nevada be amended to read as follows:

Section 1. The legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of

all property, real, personal and possessory, except mines and mining claims, when not patented, the proceeds alone of which shall be assessed and taxed, and when patented, each patented mine shall be assessed at not less than five hundred dollars (\$500), except when one hundred dollars (\$100) in labor has been actually performed on such patented mine during the year, in addition to the tax upon the net proceeds; shares of stock (except shares of stock in banking corporations), bonds, mortgages, notes, bank deposits, book accounts and credits, and securities and choses in action of like character are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt. Notwithstanding the provisions of this section, the legislature may constitute agricultural and open-space real property having a greater value for another use than that for which it is being used, as a separate class for taxation purposes and may provide a separate uniform plan for appraisal and valuation of such property for assessment purposes. If such plan is provided, the legislature shall also provide for retroactive assessment for a period of not less than 7 years when agricultural and open-space real property is converted to a higher use conforming to the use for which other nearby property is used. Personal property which is moving in interstate commerce through or over the territory of the State of Nevada, or which was consigned to a warehouse, public or private, within the State of Nevada from outside the State of Nevada for storage in transit to a final destination outside the State of Nevada, whether specified when transportation begins or afterward, shall be deemed to have acquired no situs in Nevada for purposes of taxation and shall be exempt from taxation. Such property shall not be deprived of such exemption because while in the warehouse the property is assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged.

The legislature may exempt motor vehicles from the provisions of the tax required by this section, and in lieu thereof, if such exemption is granted, shall provide for a uniform and equal rate of assessment and taxation of motor vehicles, which rate shall not exceed five cents on one dollar of assessed valuation. The legislature shall provide by law for a progressive reduction in the tax upon business inventories by 20 percent in each year following the adoption of this provision, and after the expiration of the 4th year such inventories are exempt from taxation. The legislature may exempt any other personal property, including livestock. No inheritance [or estate] tax shall ever be levied, and there shall also be excepted such property as may be exempted by law for municipal, educational, literary, scientific or other charitable purposes.

And and be it further,

RESOLVED, That the secretary of state shall assign the next consecutive section number in article 10 of the constitution of the State of Nevada to the new section set forth in this resolution upon its approval and ratification by the people.

SUMMARY--Proposes to amend Nevada constitution to prohibit income tax and authorize limited estate tax. (BDR C-194)

SENATE JOINT RESOLUTION--Proposing to amend section 1 of article 10 of the Nevada constitution by prohibiting the imposition of an income tax and authorizing the imposition of an estate tax limited to the amount of any credit against the federal estate tax.

RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF NEVADA, JOINTLY, That section 1 of article 10 of the constitution of the State of Nevada is hereby amended to read as follows:

Section 1. 1. The legislature shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory, except mines and mining claims, when not patented, the proceeds alone of which shall be assessed and taxed, and when patented, each patented mine shall be assessed at not less than five hundred dollars (\$500), except when one hundred dollars (\$100) in labor has been actually performed on such patented mine during the year, in addition to the tax upon the net proceeds; shares of stock (except shares of stock in banking corporations), bonds, mortgages, notes, bank deposits, book accounts and credits, and securities and choses in action of like character are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt. [Notwithstanding the provisions of this section, the] The legislature may constitute agricultural and open-space real property having a greater value for another use than that for which it is being used, as a separate class for taxation purposes and may provide a separate uniform plan for appraisal and valuation of such property for assessment purposes. If such plan is provided, the legislature shall also provide for retroactive assessment for a period of not less than 7 years when agricultural and open-space

real property is converted to a higher use conforming to the use for which other nearby property is used. Personal property which is moving in interstate commerce through or over the territory of the State of Nevada, or which was consigned to a warehouse, public or private, within the State of Nevada from outside the State of Nevada for storage in transit to a final destination outside the State of Nevada, whether specified when transportation begins or afterward, shall be deemed to have acquired no situs in Nevada for purposes of taxation and shall be exempt from taxation. Such property shall not be deprived of such exemption because while in the warehouse the property is assembled, bound, joined, processed, disassembled, divided, cut, broken in bulk, relabeled or repackaged. The legislature may exempt motor vehicles from the provisions of the tax required by this section, and in lieu thereof, if such exemption is granted, shall provide for a uniform and equal rate of assessment and taxation of motor vehicles, which rate shall not exceed five cents on one dollar of assessed valuation. [No inheritance or estate tax shall ever be levied, and there] There shall also be excepted such property as may be exempted by law for municipal, educational, literary, scientific or other charitable purposes.

2. The legislature shall not levy any tax upon the income from employment, business enterprise or property of any kind, except the net proceeds of mines and revenues from gaming. The legislature may provide by law for the taxation of estates taxed by the United States, but only to the extent of any credit allowed by federal law for the payment of such a state tax. The combined amount of such federal and state taxes must not exceed the estate tax which would be imposed by federal law alone. If another state of the United States imposes and collects death taxes against an estate which is taxable by the State of Nevada under this section, the amount of

estate tax to be collected by the State of Nevada must be reduced by the amount of death taxes collected by such other state. Any lien for such estate tax may attach no sooner than the time when the tax is due, and no restriction on possession or use of a decedent's property may be imposed by law before the tax is due. The State of Nevada shall accept the determination by the United States of the taxable estate without further audit.

SUMMARY--Provides for submission at next general election of question proposing exemption of agricultural insecticides and herbicides from Sales and Use Tax Act. (3DR 32-242)
Fiscal Note: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to taxation; providing for the submission to the registered voters at the general election in 1980 of the question whether the Sales and Use Tax Act of 1955 should be amended to exempt agricultural insecticides and herbicides from those taxes; contingently creating similar exemptions from certain analogous taxes; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. At the general election on November 4, 1980, a proposal must be submitted to the registered voters of this state to amend the Sales and Use Tax Act, which was enacted by the 47th session of the legislature of the State of Nevada and approved by the governor in 1955, and subsequently approved by the people of this state in the general election held on November 6, 1956.

Sec. 2. At the time and in the manner provided by law, the secretary of state shall transmit the proposed act to the several county clerks, and the county clerks shall cause it to be published and posted as provided by law.

Sec. 3. The proclamation and notice to the voters given by the county clerks pursuant to law must be in substantially the following form:

Notice is hereby given that at the general election on November 4, 1980, a question will appear on the ballot for the adoption or rejection by the registered voters of the state of the following proposed act:

AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; defining certain

terms; providing penalties for violation, and other matters properly relating thereto," approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS:

Section 1. Section 56 of the above-entitled act, being chapter 397, Statutes of Nevada 1955, at page 772, is hereby amended to read as follows:

Sec. 56. There are exempted from the taxes imposed by this chapter the gross receipts from sales of, and the storage, use or other consumption of:

1. Any form of animal life of a kind the products of which ordinarily constitute food for human consumption.
2. Feed for any form of animal life of a kind the products of which ordinarily constitute food for human consumption or are to be sold in the regular course of business.
3. Seeds and annual plants the products of which ordinarily constitute food for human consumption or are to be sold in the regular course of business.
4. Fertilizer, insecticides and herbicides to be applied to land the products of which are to be used as food for human consumption or sold in the regular course of business.

Sec. 2. This act shall become effective on January 1, 1981.

Sec. 4. The ballot page assemblies and the paper ballots to be used in voting on the question must present the question in substantially the following form:

Shall the Sales and Use Tax Act of 1955 be amended to exempt agricultural insecticides and herbicides from those taxes?

YES _____ NO _____

Sec. 5. The explanation of the question which must appear on each paper ballot and sample ballot and in every publication and

posting of notice of the question must be in substantially the following form:

(Explanation of Question)

The proposed amendment to the Sales and Use Tax Act of 1955 would exempt agricultural insecticides and herbicides from those taxes effective January 1, 1981. If this proposal is adopted, the legislature has provided that the Local School Support Tax Law and the City-County Relief Tax Law will be amended to provide the same exemptions. A "Yes" vote is to provide for the exemption on agricultural insecticides and herbicides. A "No" vote is a vote not to provide the exemption on agricultural insecticides and herbicides.

Sec. 6. If a majority of the votes cast on the question is yes, the amendment to the Sales and Use Tax Act of 1955 shall become effective on January 1, 1981. If a majority of votes cast on the question is no, the question shall have failed and the amendments to the Sales and Use Tax Act of 1955 shall not become effective.

Sec. 7. All general election laws not inconsistent with this act are applicable.

Sec. 8. Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held must be so construed as not to invalidate the adoption of the act by a majority of the registered voters voting on the question if it can be ascertained with reasonable certainty from the official returns transmitted to the office of the secretary of state whether the proposed amendment was adopted or rejected by a majority of those registered voters.

Sec. 9. NRS 374.285 is hereby amended to read as follows:

374.285 There are exempted from the taxes imposed by this chapter the gross receipts from sales of, and the storage, use or other consumption of:

1. Any form of animal life of a kind the products of which ordinarily constitute food for human consumption.
2. Feed for any form of animal life of a kind the products of which ordinarily constitute food for human consumption or are to be sold in the regular course of business.
3. Seeds and annual plants the products of which ordinarily constitute food for human consumption or are to be sold in the regular course of business.
4. Fertilizer , insecticides and herbicides to be applied to land the products of which are to be used as food for human consumption or sold in the regular course of business.

Sec. 10. Sections 1 to 8, inclusive, of this act and this section shall become effective on July 1, 1979. Section 9 shall become effective on January 1, 1981, only if the question provided for in section 3 of this act is approved by the voters at the general election on November 4, 1980.

EXHIBIT "E"

SUMMARY--Exempts petroleum-ethanol mixture from motor vehicle fuel taxes by state and counties. (SDR 32-245]
Fiscal Note: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to motor vehicle fuel taxes; exempting certain mixtures of petroleum and ethanol from those taxes; requiring the reporting of sales of the mixture; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 365 of NRS is hereby amended by adding thereto a new section which shall read as follows:

"Petroleum-ethanol mixture" means a fuel containing a minimum of 10 percent, by volume, of ethyl alcohol derived from agricultural products.

Sec. 2. NRS 365.020 is hereby amended to read as follows:

365.020 1. "Dealer" means [and includes] every person who:

(a) Refines, manufactures, compounds or otherwise produces motor vehicle fuel or a petroleum-ethanol mixture and sells or distributes [the same] it in this state.

(b) Imports motor vehicle fuel or a petroleum-ethanol mixture into this state and sells or distributes [the same therein,] it in this state, whether in the original package or container in which it is imported or otherwise, or who uses the motor vehicle fuel or petroleum-ethanol mixture in this state after having imported [the same.] it.

(c) Having acquired motor vehicle fuel or a petroleum-ethanol mixture in this state in the original package or container, distributes or sells [the same] it in such original package or container or otherwise, or in any manner uses [the same.] it.

(d) Otherwise acquires in this state for sale, use or distribution in this state motor vehicle fuel or a petroleum-ethanol mixture

with respect to which there has been no prior taxable sale, use or distribution.

2. "Dealer" [shall] does not include any person who [shall import] imports into this state motor vehicle fuel or a petroleum-ethanol mixture in quantities of 500 gallons or less purchased from a supplier who is licensed as a dealer under this chapter and who [shall assume] assumes liability for the collection and remittance of the applicable excise tax to this state.

Sec. 3. NRS 365.030 is hereby amended to read as follows:

365.030 All motor vehicle fuel or petroleum-ethanol mixture sold, donated, consigned for sale, bartered, used or in any way voluntarily disposed of so as to terminate the ownership and possession thereof by the dealer or any other person who imports such motor vehicle fuel or petroleum-ethanol mixture owned by him shall be deemed to be distributed and considered as distribution under this chapter.

Sec. 4. NRS 365.060 is hereby amended to read as follows:

365.060 "Motor vehicle fuel" means [and includes] gasoline, natural gasoline, casinghead gasoline and any other inflammable or combustible liquid, by whatever name such liquid may be known or sold, the chief use of which in this state is for the propulsion of motor vehicles, motorboats or airplanes. Kerosene, gas oil, fuel oil, jet aircraft fuel, diesel fuel , [and] liquefied petroleum gas [shall not be considered] and petroleum-ethanol mixture do not constitute motor vehicle fuel for the purposes of this chapter.

Sec. 5. NRS 365.080 is hereby amended to read as follows:

365.080 "Retailer" means [and includes] every person, other than a dealer , [as defined in NRS 365.020,] engaged in the business of selling motor vehicle fuel [.] or a petroleum-ethanol mixture.

Sec. 6. NRS 365.140 is hereby amended to read as follows:

365.140 The department shall, upon request duly received from

the officials to whom are entrusted the enforcement of the motor vehicle fuel tax laws of any other state, [provided such] if the other state furnishes like information to this state, forward to [such] that officer any information which [it] the department may have in its possession relative to the manufacture, receipt, sale, use, transportation or shipment by any person of motor vehicle fuel [.] or a petrolaum-ethanol mixture.

Sec. 7. NRS 365.170 is heraby amended to read as follows:

365.170 1. In addition to any other taxes provided by law, every dealer shall, not later than the 25th day of each calendar month:

(a) Render to the department a statement of all motor vehicle fuel and petrolaum-ethanol mixture sold, distributed or used by him in the State of Nevada, as well as all motor vehicle fuel sold, distributed or used in this state by a purchaser thereof upon which sale, distribution or use the dealer has assumed liability for the tax therson under NRS 365.020, during the praceding calendar month; and

(b) Pay an excise tax of 4.5 cents per gallon on all motor vehicle fuel so sold, distributed or used, in the manner and within the time prescribed in this chapter.

2. The department for good cause may extend for not to exceed 30 days the time for making any report or return required under this chapter. The extension may be granted at any time if:

(a) A request therefor has been filed with the department within or [prior to] before the period for which the extension may be granted; and

(b) A remittance of the estimated tax is made when due [.] , except that no remittance is required for an extension of time to file a report of the use, sale or distribution of any petrolaum-ethanol mixture.

3. Any dealer of motor vehicle fuel to whom an extension is granted shall pay, in addition to any delinquent tax due, interest at the rate of one-half of 1 percent per month, or fraction thereof, from the date on which the tax would have been due without the extension to the date of payment. A dealer of a petroleum-ethanol mixture to whom an extension is granted shall pay an amount equal to one-fourth of a cent per gallon of petroleum-ethanol mixture which is sold, distributed or used in the month for which the report is required, plus interest at the rate of one-half of 1 percent per month, or fraction thereof, from the date of the extension to the date of payment.

[3.] 4. Any report, return, remittance to cover a payment or claim for credit or refund required by this chapter which is transmitted through the United States mail shall be deemed filed or received by the department on the date shown by the post office cancellation mark stamped upon the envelope containing it, or on the date it was mailed if proof satisfactory to the department establishes that [such] the document or remittance was timely deposited in the United States mail properly addressed to the department.

Sec. 8. NRS 365.200 is hereby amended to read as follows:

365.200 1. In addition to any other taxes provided for by this chapter, every person who [shall use] uses any inflammable or combustible liquid or other material other than motor vehicle fuel [as defined in NRS 365.060] to operate a motor vehicle on the highways of this state [,] except special fuel , as defined in NRS 366.060, or a petroleum-ethanol mixture shall pay an excise tax as provided by NRS 365.170, 365.180 and 365.190 for each gallon thereof so used, and shall render monthly statements and make monthly payments at the times and in the manner prescribed for dealers in this chapter.

2. Any owner or operator of a motor vehicle who [shall import] imports motor vehicle fuel or other fuel or material [,] except special fuel , as defined in NRS 366.060, or a petroleum-ethanol mixture into this state, from another state or from federal proprietary lands or reservations, in the fuel tank or tanks of any [such] motor vehicle in a quantity exceeding 25 gallons shall, upon demand of the department or its duly authorized agent, pay to the department on such excess motor vehicle fuel the excise tax required to be paid by dealers.

3. Nothing in this chapter [shall be construed to require] requires more than one payment of any excise tax upon or in respect to the same fuel.

Sec. 9. NRS 365.210 is hereby amended to read as follows:

365.210 [No] A county, city or other political subdivision or municipal corporation shall not levy or collect any excise, privilege or occupation tax upon or measured by the receipt, storage, sale, distribution, transportation or use of motor vehicle fuel , a petroleum-ethanol mixture or any other inflammable or combustible liquids except:

1. The county motor vehicle fuel tax authorized by chapter 373 of NRS.
2. Any motor vehicle fuel taxation in effect on January 1, 1935, in any city or town.
3. County and city business license taxes where otherwise authorized by law.

Sec. 10. NRS 365.500 is hereby amended to read as follows:

365.500 1. Every dealer shall [cause to be kept] keep a true record, in such form as may be prescribed or approved by the department, of all stocks of motor vehicle fuel , petroleum-ethanol mixture and of other inflammable or combustible liquids, and of all manufacture, refining, compounding, blending, purchases, receipts, transportations, use, sales and distribution thereof.

2. [Such records shall be] These records are subject to inspection at all times within business hours by the department or its duly authorized agents, and [shall] must remain [so] available for such an inspection for [a period of] 3 years from the date of any entry therein.

3. [Should] If any dealer [wish] wishes to keep proper books and records pertaining to business done in Nevada elsewhere than within the State of Nevada for inspection as provided in this section, he shall pay a fee for such examination in an amount per day equal to the amount set by law for out-of-state travel for each day or fraction thereof during which the examiner is actually engaged in examining the dealer's books, plus the actual expenses of the examiner during the time that the examiner is absent from Carson City, Nevada, for the purpose of making such examination; but such time [shall] must not exceed 1 day going to and 1 day coming from the place where the examination is to be made in addition to the number of days or fractions thereof the examiner is actually engaged in auditing the dealer's books. Not more than two such examinations [shall] may be charged against any dealer in any year.

4. Any [monays received shall] money received must be deposited by the department to the credit of the fund from which the expenditures for the examination were paid.

5. Upon the demand of the department or at such times as the tax commission may prescribe by regulation, every dealer shall furnish a statement showing the contents of the records to such extent, in such detail and in such form as the department may require.

Sec. 11. NRS 365.510 is hereby amended to read as follows:

365.510 1. Every retailer shall maintain and keep within the state for [a period of] 3 years a true record of motor vehicle fuel and petroleum-ethanol mixture received, of the price thereof and

the name of the person supplying the [same] fuel or mixture, together with delivery tickets, invoices and such other records as the department may require.

2. [Such records shall be] The records are subject to inspection by the department or its duly authorized agents at all times within business hours.

Sec. 12. NRS 365.520 is hereby amended to read as follows:

365.520 1. Every carrier, whether common, contract or private, except a dealer licensed under this chapter or a wholesale distributor transporting the products of a dealer licensed under this chapter, transporting motor vehicle fuel [as defined in NRS 365.-060] or a petroleum-ethanol mixture in interstate commerce to or from any point within the State of Nevada shall report to the department all deliveries so made.

2. [Such report shall] The report must cover the period of each calendar month and [shall] must be filed within 25 days after the end of such month. The report [shall] must show:

(a) The name and address of every consignor and consignee and of every person other than the designated consignee to whom delivery has actually been made.

(b) The date of every delivery.

(c) The amount of every delivery in gallons.

(d) Such other information as the department may require.

3. The department or its duly authorized agents may examine the books and records of any carrier during business hours to determine [if] whether the provisions of this section have been or are being complied with.

Sec. 13. NRS 366.060 is hereby amended to read as follows:

366.060 "Special fuel" means all combustible gases and liquids used for the generation of power for propulsion of motor vehicles, except that it does not include motor vehicle fuel or a petroleum-ethanol mixture as defined in chapter 365 of NRS.

SUMMARY--Provides rebate of sales taxes on food to persons of limited income. (SDR 32-249)

Fiscal Note: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to sales and related taxes; providing for the return of such taxes paid on food to persons of limited income; specifying eligible persons; providing penalties for violations; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Title 32 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 14, inclusive, of this act.

Sec. 2. As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 to 9, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 3. "Department" means the department of taxation.

Sec. 4. "Eligible person" means the head of a household who:

1. Receives a retirement or disability pension from the United States Veterans' Administration, the United States Social Security Administration, the United States Railroad Retirement Board, the public employees' retirement system of this state or a public employees' retirement system of another jurisdiction and whose household income did not exceed \$6,000 for the preceding fiscal year.

2. Otherwise satisfies the department by affidavit that his household income did not exceed \$6,000 for the preceding fiscal year.

3. Receives compensation for a full disability from the Nevada industrial commission or from or through an equivalent body in another jurisdiction.

Sec. 9. "Tax" means sales tax, use tax, local school support tax and city-county relief tax paid on purchases made in the State of Nevada.

Sec. 10. 1. Each eligible person may apply during the month of July in each year for an allowance to compensate for the tax which he has paid on purchases of food during the previous fiscal year.

2. An application filed under the provisions of this section must be filed on a form prescribed and provided by the department, and must be accompanied by:

(a) Evidence of eligibility in a form acceptable to the department.

(b) A waiver of confidentiality of the information on file with any agency mentioned in section 4 of this act, and permission for the department to inquire into the circumstances of any pension or compensation being paid to the applicant.

Sec. 11. The department may:

1. Design application forms and specify reasonable information to be included on them.

2. Investigate the status of any applicant, whether or not the applicant has received an allowance in any previous fiscal year.

Sec. 12. The department shall:

1. Adopt regulations for submission of applications, establishment of eligibility and payment of allowances.

2. Determine whether each applicant is an eligible person and inform each applicant who is rejected of the reasons for his rejection and of his right to a hearing before an employee of the department.

3. Conduct hearings to investigate the claims of applicants whose applications for an allowance have been denied and who have requested a hearing. The decision of the department, rendered after hearing, constitutes final administrative action.

Sec. 13. 1. To each person found eligible, the department shall pay for the head of the household and each additional member of the household for whom he provides more than one-half of that member's support:

(a) If the household income is \$3,000 or less, \$21.

(b) If the household income exceeds \$3,000 but is less than \$4,500, \$17.

(c) If the household income is \$4,500 or more, \$13.

2. Allowances paid under the provisions of this section must be paid from the state general fund with money appropriated for that purpose.

3. Warrants prepared for payment of allowances under this section must be mailed no later than November 1 of the year in which the application was received to the address shown on the application, and each envelope shall carry the direction "Do Not Forward."

Sec. 14. Any person who submits an application and who:

1. Knows himself to be ineligible for an allowance under this chapter; or

2. Includes any information which he knows to be false or materially misleading,
is guilty of a gross misdemeanor.

Sec. 15. The first applications under this act shall be accepted by the department of taxation during the month of July 1980 for fiscal year 1979-1980.

SUMMARY--Proposes to amend Sales and Use Tax Act of 1955 to provide credit for exchanges on certain products. (BDR 32-529)
Fiscal Note: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to taxation; providing for the submission to the registered voters at the general election in 1980 of the question whether the Sales and Use Tax Act of 1955 should be amended to provide a credit for exchanges on certain products; contingently so amending the Local School Support Tax Law; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. At the general election on November 4, 1980, a proposal must be submitted to the registered voters of this state to amend the Sales and Use Tax Act, which was enacted by the 47th session of the legislature of the State of Nevada and approved by the governor in 1955, and subsequently approved by the people of this state at the general election held on November 6, 1956.

Sec. 2. At the time and in the manner provided by law, the secretary of state shall transmit the proposed act to the several county clerks, and the county clerks shall cause it to be published and posted as provided by law.

Sec. 3. The proclamation and notice to the voters given by the county clerks pursuant to law must be in substantially the following form:

Notice is hereby given that at the general election on November 4, 1980, a question will appear on the ballot for the adoption or rejection by the registered voters of the state of the following proposed act: AN ACT to amend an act entitled "An Act to provide revenue for the State of Nevada; providing for sales and use taxes; providing for the manner of collection; defining certain terms; providing penalties for violation, and other matters properly relating thereto," approved March 29, 1955, as amended.

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS:

Section 1. The above-entitled act, being chapter 297, Statutes of Nevada 1955, at page 762, is hereby amended by adding thereto a new section to be designated as section 67.2, which shall immediately follow section 67.1 and read as follows:

Sec. 67.2. The amount of taxes imposed by this chapter on the gross receipts from sales and the storage, use or other consumption of automobiles, farm tractors, farm equipment and major household appliances must be reduced by an amount equal to the product of the rate of such taxes multiplied by the amount allowed by the seller against the purchase price in exchange for the used vehicle, equipment or appliance of the purchaser, if such a used item was so exchanged.

Sec. 2. This act shall become effective on January 1, 1981.

Sec. 4. The ballot page assemblies and the paper ballots to be used in voting on the question must present the question in substantially the following form:

Shall the Sales and Use Tax Act of 1955 be amended to provide a credit against the sales and use tax on vehicles, equipment and appliances for like items exchanged?

YES..... NO.....

Sec. 5. The explanation of the question which must appear on each paper ballot and sample ballot and in every publication and posting of notice of the question must be in substantially the following form:

The proposed amendment to the Sales and Use Tax Act of 1955 would provide a credit against the sales and use tax on automobiles, farm tractors, farm equipment and major household appliances for like items exchanged, effective January 1, 1981. If this proposal is adopted, the legislature has provided that the Local School Support Tax Law will be amended to provide the same credit. A "yes" vote is to provide the tax credit. A "no" vote is a vote not to provide the tax credit.

Sec. 6. If a majority of the votes cast on the question is yes, the amendments to the Sales and Use Tax Act of 1955 shall become effective on January 1, 1981. If a majority of the votes cast on the question is no, the question fails and the amendments to the Sales and Use Tax Act of 1955 shall not become effective.

Sec. 7. All general election laws not inconsistent with this act are applicable.

Sec. 8. Any informalities, omissions or defects in the content or making of the publications, proclamations or notices provided for in this act and by the general election laws under which this election is held must be so construed as not to invalidate the adoption of the act by a majority of the registered voters, voting on the question if it can be ascertained with reasonable certainty from the official returns transmitted to the office of the secretary of state whether such amendments were adopted or rejected by a majority of such registered voters.

Sec. 9. Chapter 374 of NRS is hereby amended by adding thereto a new section which shall read as follows:

The amount of taxes imposed by this chapter on the gross receipts from sales and the storage, use or other consumption of automobiles, farm tractors, farm equipment and major household appliances must be reduced by an amount equal to the product of the rate of such taxes multiplied by the amount allowed by the seller against the purchase price in exchange for the used vehicle, equipment or appliance of the purchaser, if such a used item was so exchanged.

Sec. 10. This section and sections 1 to 8, inclusive, of this act shall become effective July 1, 1979. Section 9 of this act shall become effective January 1, 1981, only if the question provided for in section 3 of this act is approved by the voters at the general election on November 4, 1980.

SUMMARY--Immediately exempts household goods and gradually exempts certain livestock from property tax. (BDR 32-588)

Fiscal Note: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to the property tax; exempting household goods and furniture from taxation; gradually eliminating the tax on livestock held for business purposes through annual reductions; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 361 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 4, inclusive, of this act.

Sec. 2. All household goods and furniture are exempt from taxation.

Sec. 3. All livestock held for business purposes must be assessed as follows:

1. In the fiscal year 1979-80, at 28 percent of its full cash value;

2. In the fiscal year 1980-81, at 21 percent of its full cash value;

3. In the fiscal year 1981-82, at 14 percent of its full cash value; and

4. In the fiscal year 1982-83, at 7 percent of its full cash value.

Sec. 4. All livestock held for business purposes are exempt from taxation.

Sec. 5. NRS 361.030 is hereby amended to read as follows:

361.030 1. "Personal property" means [and includes:] :

(a) [All household and kitchen furniture.

(b)] All law, medical and miscellaneous libraries.

[(c)] (b) All goods, wares and merchandise.

[(d)] (c) All chattels of every kind and description, except vehicles as defined in NRS 371.020.

[(e)] (d) Stocks of goods on hand.

[(f)] (e) Horses, mules, oxen, calves, beef cattle, hogs, sheep, goats, jacks and jennies, and cattle of every description, but does not [mean and] include calves and lambs that have not been weaned.

[(g)] (f) Any vehicle not included in the definition of vehicle in NRS 371.020.

[(h)] (g) All locomotives, cars, rolling stock and other personal property used in operating any railroad within the state.

[(i)] (h) All machines and machinery, all works and improvements, all steamers, vessels and watercraft of every kind and name navigating or used upon the waters of any river or lake within this state or having a general depot or terminus within this state.

[(j)] (i) The money, property and effects of every kind, except real estate, of all banks, banking institutions or firms, bankers, moneylenders and brokers.

[(k)] All property of whatever kind or nature, except] (j) All other property, except property described in subsection 2, and vehicles as defined in NRS 371.020, not included in the term "real estate" as that term is defined in NRS 361.035.

2. Gold-bearing and silver-bearing ores, and quartz or minerals from which gold or silver is extracted, when in the hands of the producers thereof, [shall not mean, not be taken to mean, nor] are not personal property and must not be listed and assessed under the term "personal property" as used in this section, but are specially excepted therefrom, and [shall] must be listed, assessed and taxed as provided by law.

Sec. 6. NRS 361.225 is hereby amended to read as follows:

361.225 [All] Except as otherwise provided in section 3 of this act, all property subject to taxation [shall] must be assessed at 35 percent of its full cash value.

Sec. 7. NRS 361.225 is hereby amended to read as follows:

361.225 [Except as otherwise provided in section 3 of this act, all] All property subject to taxation must be assessed at 35 percent of its full cash value.

Sec. 8. NRS 361.247 is hereby amended to read as follows:

361.247 1. Between July 1 and July 15 of each year, each owner of taxable livestock shall file with the county assessor of the county in which his principal place of livestock business is located the statement required by NRS 361.265. In the statement, the owner shall declare:

(a) The number, kind and classification of all taxable livestock in the State of Nevada owned by him on the date of the statement.

(b) His plan of livestock operation during the current fiscal year, including the number, kind and classification of taxable livestock he plans to own from time to time during the fiscal year and their anticipated location in the State of Nevada during the fiscal year.

2. The county assessor with whom the statement is filed shall deliver to the county assessor of each county in which the owner declares that any of his taxable livestock will be located during the fiscal year a certified copy of the statement.

3. The taxable livestock which the owner declares will be located in a particular county [shall] must be assessed by the county assessor of such county on a pro rata basis for each month or major portion thereof during which the owner anticipates the livestock will be located in such county. No county assessor [shall] may assess livestock at a value greater than the portion of the total assessed value for the current fiscal year attributable to the number of months the livestock will be located in his county.

4. In the statement required by subsection 1, the owner shall also declare the actual number, kind and classification of taxable

livestock he owned from time to time during the preceding fiscal year and their actual location in the State of Nevada during such fiscal year. If the actual number is less than the number declared in the statement filed by the owner for the preceding fiscal year, the excess of taxes paid by the owner [shall] must be credited to the owner against his tax for the then current fiscal year. If the actual number is greater than the number declared in the statement filed for the preceding fiscal year, the owner shall pay, upon demand by the county assessor, the additional tax due. The amount of such additional tax [shall be] is determined by applying the same tax rates which was applied in determining the amount of tax on the taxable livestock estimated by the owner, and the additional tax collected [shall] must be distributed among the taxing entities in the same manner as the taxes collected pursuant to the under-estimates of the owner.

5. Nothing in this section [shall be construed to limit] limits the right of any county assessor to verify the number of taxable livestock of any owner by any reasonable means, including actual count at any reasonable time.

Sec. 9. NRS 361.260 is hereby amended to read as follows:

361.260 1. Between July 1 and December 15 in each year, the county assessor, except when otherwise required by special enactment, shall ascertain by diligent inquiry and examination all real and personal property in his county subject to taxation, and also the names of all persons, corporations, associations, companies or firms owning the [same.] property. He shall then determine the full cash value of all such property and he shall then list and assess [the same at 35 percent of its full cash value] it to the person, firm, corporation, association or company owning it.

2. In arriving at the value of all public utilities of an intra-county nature, the intangible or franchise element [shall] must be

considered as an addition to the physical value and a portion of the full cash value.

3. In addition to the inquiry and examination required in subsection 1, the county assessor shall appraise property using standards approved by the department and reappraise all property at least once every 5 years thereafter using the same standards. Such appraisals and reappraisals at 5-year intervals [shall] must be accepted as the examination required under subsection 1, for the intervening 4 years.

Sec. 10. NRS 361.310 is hereby amended to read as follows:

361.310 1. On or before January 1 of each year, the county assessor of each of the several counties shall complete his tax list or assessment roll, and shall take and subscribe to an affidavit written therein to the effect that he has made diligent inquiry and examination to ascertain all the property within the county subject to taxation, and required to be assessed by him, and that he has assessed the [same] property on the assessment roll, equally and uniformly, according to the best of his judgment, information and belief, at [35 percent of its full cash value.] the rate provided by law. A copy of such affidavit [shall] must be filed immediately by the assessor with the department. The failure to take or subscribe to such affidavit [shall] does not in any manner affect the validity of any assessment contained in the assessment roll.

2. The county assessor may close his roll as to changes in ownership of property on December 1 of each year or on any other date which may be approved by the board of county commissioners.

Sec. 11. NRS 361.333 is hereby amended to read as follows:

361.333 1. Not later than May 1 of each year, the department shall:

(a) Determine the ratio of the assessed value of each type or

class of property for which the county assessor has the responsibility of assessing in each county to:

(1) The assessed value of comparable property in the remaining counties.

(2) The full cash value of such type or class of property within that county.

(b) Publish and certify to the county assessors and the boards of county commissioners of the counties of this state:

(1) The average ratio of assessed valuation to the full cash value of property in each county and the state.

(2) The adjusted average ratio of assessed valuation to the full cash value of property in each county.

The department may take into account the interval between the current determination and the last assessment of property by the county assessor, and it may appropriately discount or otherwise adjust the full cash valuation determined by it or take any other appropriate action.

2. The ratio study [shall] must be conducted on nine counties in one year and eight counties in the next year with the same combination of counties being tested in alternate years.

3. The formulas and standard procedures used by the department in conducting the ratio study [shall] must include a random sampling of property and sales and the use of the mean, median, standard deviation and other statistical criteria that will indicate an accurate ratio of full cash value to assessed value and an accurate measure of assessment equality. The formulas and standard procedures [shall become] are the mandatory formulas and procedures to be used by the county assessors.

4. During the month of May of each year, the Nevada tax commission shall meet with the board of county commissioners and the county assessor of each county. The board of county commissioners and the county assessor shall:

(a) Present evidence to the Nevada tax commission of the steps taken to insure that all property subject to taxation within the county has been assessed [at 35 percent of its full cash value] as required by law.

(b) Demonstrate to the Nevada tax commission that any adjustments in assessments ordered in the preceding year as a result of the appraisal procedure provided in paragraph (c) of subsection 5 have been complied with.

5. At the conclusion of each meeting with the board of county commissioners and the county assessor, the Nevada tax commission shall:

(a) If it finds that all property subject to taxation within the county has been assessed at [35 percent of its full cash value,] the proper percentaga, take no further action.

(b) If it finds that any class of property, as designated in the segregation of the tax roll filed with the secretary of the state board of equalization pursuant to NRS 361.390, is assessed at less or more than [35 percent of its full cash value,] the proper percentage, and if the board of county commissioners approves, order a specified percentage increase or decrease in the assessed valuation of such class on the succeeding tax list and assessment roll.

(c) If it finds the existence of underassessment or overassessment wherein the ratio of assessed value to full cash value is less than 30 percent or more than 37 1/2 percent within each of the several classes of property of the county [,] which are required by law to be assessed at 35 percent of their full cash value, or if the board of county commissioners does not agree to an increase or decrease in assessed value as provided in paragraph (b), order the board of county commissioners to employ forthwith one or more qualified appraisers approved by the department. The payment of such appraisers' fees [shall be] is a proper charge against the

funds of the county notwithstanding that the amount of such fees has not been budgeted in accordance with law. The appraisers shall determine whether or not the county assessor has assessed all real and personal property in the county subject to taxation at [35 percent of its full cash value as] the rate of assessment required by law. The appraisers may cooperate with the department in making their determination if so agreed by the appraisers and the department, and shall cooperate with the department in preparing a report to the Nevada tax commission. The report to the Nevada tax commission [shall] must be made on or before October 1 following the date of the order. If the report indicates that any real or personal property in the county subject to taxation has not been assessed at [35 percent of its full cash value,] the rate required by law, a copy of the report [shall] must be transmitted to the board of county commissioners by the department [prior to] before November 1. The board of county commissioners shall then order the county assessor to raise or lower the assessment of such property to [35 percent of its full cash value] the rate required by law on the succeeding tax list and assessment roll.

6. The Nevada tax commission may [promulgate] adopt regulations reasonably necessary to carry out the provisions of this section.

7. Any county assessor who refuses to increase or decrease the assessment of any property pursuant to an order of the Nevada tax commission or the board of county commissioners as provided in this section is guilty of malfeasance in office.

Sec. 12. 1. Sections 4 and 7 of this act shall become effective on July 1, 1983.

2. The remaining sections of this act shall become effective on July 1, 1979.

3. Section 3 of this act shall expire by limitation on July 1, 1983.