

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

Mr. Ed Shorr, Fiscal Analyst

GUESTS: Andrew P. Grose, Research Director, Legislative Counsel Bureau  
Jean E. Dutton, Clark County Assessor  
Don Dunn, Deputy Assessor, Clark County  
Clyde L. Scott, Deputy Exec. Director, Department of Taxation  
Donald E. Peckham, Washoe County Assessor  
John Moschetti, Elko County Assessor  
Marilyn Paoli, Senior Citizens Program, Department of Taxation  
Roy Nickson, Executive Director, Department of Taxation  
Frank Daykin, Legal Counsel, Legislative Counsel Bureau  
Leroy L. Ward, Lyon County Assessor  
Marvin Leavitt, City of Las Vegas Representative

Senate Bill #204

Mr. Andrew P. Grose, Research Director, Legislative Counsel Bureau, presented his synopsis of the administration of rent rebates, (see Exhibit "A").

Senator Dodge stated that perhaps it should mandate in the law that the assessors must send every property owner notification of his parcel number. Mr. Grose said that he didn't think it would be necessary to state this for the assessors, but he felt it might be necessary to state that the landlords must provide, upon notification from the assessor, the numbers of all the units in the complex.

Mr. Grose said that the bill should be amended to say, "the landlord, number one, upon receipt of the identification numbers from the assessor, has the responsibility to assign those numbers to the tenants; and secondly, in any case where there is a tenant without one assigned, it is the responsibility of the landlord to report this to the assessor and obtain a number." Senator Dodge said that the landlord should be able to assign the numbers as he has his apartments numbered.

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Mr. Jean Dutton, Clark County Assessor, said that previously they had provided an impact study of this bill from their office, (See Minutes, Vol.II, 2/6/79 - ). Mr. Dutton said that in view of Mr. Grose's report, there will be additional fiscal impact to the assessors. Initially, Mr. Dutton stated that



he understood that the Department of Taxation would handle the entire program for the State. Mr. Dutton did feel that for the sake of uniformity, only the assessors should assign parcel numbers, as the individual owners do their own type of apartment numbering. However, Mr. Don Dunn, Deputy Assessor, Clark County, said that possibly a compromise would be for the landlord to submit to us all of the units in the way that he has them numbered for mailing purposes, and let us assign this unit number to the parcel number. Mr. Dunn felt this would increase the data processing costs to approximately \$10,000.

Senator Dodge asked how the assessors in the larger counties are going to know which units are owner-occupied or which are rental units? Mr. Dutton said that on the application for refund, they would request the individual social security number, then if there was a duplication, it would show up, and he felt that the amount of the refund would not encourage a great amount of fraud.

Mr. Donald Peckham, Washoe County Assessor, stated that he was appearing because Mr. Homer Rodriguez of Carson City had telephoned him and asked him to discuss some of the costs that might be involved relative to implementing Senate Bill No. 204. Mr. Peckham said that he realized after hearing Mr. Grose speak that his estimates on cost would no longer be applicable. Mr. Peckham said to Senator Lamb that he didn't have computer space for additional numbers on the parcel number for the rental rebate proposal. (See Exhibit "B")

Senator Raggio asked if Mr. Peckham could reach the Washoe County Commissioners by phone this date and ask what they estimated would be the cost of this additional responsibility? Mr. Peckham said that he is sure that the larger parcel numbers could not be accommodated, and he felt that it would cost considerably more to implement this type of parcel number program; however, he would discuss this with his Commissioners.

Elko County Assessor, Mr. John Moschetti, presented a letter to the Committee, see Exhibit "C", and stated that he preferred the concept of Senate Bill No. 204 over Question 6. Mr. Moschetti said that he was "lukewarm" in regards to the renters' rebate and the mobilehome owners' tax reduction.

Ms. Marilyn Paoli, Senior Citizens Program, Department of Taxation, stated to Senator Sloan that in regards to the rent rebate (which will be administered using personnel in the Senior Citizens Program) the application could include an affidavit which would state the amount of rent paid. Ms. Paoli also said that if the parcel number were available, the computer program could be designed to "kick out" duplicate parcel numbers, as well as random samples, which would be directly verified with the landlords. She also felt that the use of social security numbers in the system would assist in controlling duplication. Ms. Paoli also suggested for the homeowner's refund, when taxes are paid quarterly,



a system could be devised whereby the assessor reduces the bill with the amount of the tax refund, and mails out the net amount. She stated that this would be simpler for the counties because after reducing the bill by the refund, they could divide the net into four equal quarterly installments, and the Department of Taxation could reimburse them right away.

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Chairman Glaser called a ten minute recess while the Committee secretary contacted Mr. Frank Daykin and asked for his attendance at the meeting.

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S.B. 204 - Amendment 119 (Exhibit "D")

Mr. Frank Daykin, Legal Counsel, Legislative Counsel Bureau, said to Senator Dodge that this amendment includes the process for conducting a test case for constitutionality of the legislation. Senator Sloan asked if when tested, the entire bill will either "stand or fall"? Mr. Daykin replied yes, the court's decision will affect the entire bill. Senator Sloan said if the administrative sections were declared unconstitutional, we should not be in the situation where the "housekeeping" portions of the bill would also be nullified. Mr. Daykin said that could occur, and this could be dealt with in two ways. Mr. Daykin said that in the 1981 Session, the inseparability clause could be repealed when "it had done its work". Mr. Daykin said this would be preferable to the second choice of attaching an expiration by limitation clause to the bill at this time.

Senator Sloan moved adoption of Amendment Number 119 of Senate Bill No. 204.

Senator Kosinski seconded the motion.

The motion carried.

S.B. 204 - Amendment 157 (Exhibit "E")

Senator Lamb asked if this amendment was in accord with the requests made by the Department of Taxation. Mr. Roy Nickson said that they were.

Senator Raggio asked how the local entities will receive the benefit of the taxes when certain individuals choose to file on a quarterly basis? Mr. Daykin said that the method used (as stated earlier by Ms. Paoli) will be the same one currently used in the Senior Citizens Program, and he said that the credit is larger for the Senior Citizens Program that it will be for the property tax proposal.

(Committee Minutes)

S.B. 204 - Amendment 157 (Cont.)

Senator Raggio asked under whose authority will this be administered in this manner? Mr. Nickson said that this applies only to the homeowners who will receive the \$1.08 refund, and that program will be handled by the county assessors. He further stated that the Department of Taxation will not be involved. However, Mr. Nickson added that he didn't see that there would be any problem in the counties receiving their portion of the taxes immediately, when an individual filed quarterly, because the claim is filed prior to December 15, before the certification of the roll, and then when June arrives, the county assessor is aware of what the total amount of the \$1.08 allowance will be. At that point, Mr. Nickson continued, the assessor will mail out his tax bill and concurrently will send a billing to the State Department of Taxation for reimbursement. Mr. Nickson said that the counties will then be reimbursed at that time, regardless of whether the individual pays annually or by the quarter, because the county billing gives the State authority to pay at the beginning of the new fiscal year. Mr. Daykin concurred with this remark.

Senator Lamb moved adoption of Amendment Number 157 of Senate Bill No. 204.

Senator Sloan seconded the motion.

The motion carried.

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Senator Raggio asked Mr. Daykin to explain Section Six of S.B. 204 (Page Two), regarding the requirement of six months for either residency in the State or residency of six months in a specific apartment. Mr. Daykin said that this intended that the individual must reside at least six months in a particular apartment. Mr. Daykin said that if another intent is inferred, then the language should be clarified to make the intent specific.

Senator Lamb moved to have Section Six of Senator Bill No. 204 clarified in order to specify the intent that an individual must be a resident in one location for six months in order to receive the rent rebate.

Senator Don Ashworth seconded the motion.

The motion carried.

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S.B. 204 - Amendment 171 (Exhibit "F")

Mr. Ed Shorr, Fiscal Analyst, explained that this amendment involved increasing the tax relief given in the event that revenues do increase, and also includes a "reverse trigger" in the event that revenues do not materialize to the extent projected, see Exhibit "G".

Mr. Daykin said that perhaps the greatest problem regarding authority for this type of adjustment in the law comes in the fact that the law will in effect say that the Interim Finance Committee can set the tax rate, and then can allocate the funds. Mr. Daykin said that the "fact that you are directing somebody else to perform the duty at all, is a little more vulnerable than if the legislature did it themselves."

Senator Dodge asked if the amendment could be constructed to read that the relief increased automatically, so that no one was involved? Mr. Daykin said that the determination of the revenue would have to be responsible to some body, either Interim Finance or the Board of Examiners. The Committee discussed which of these bodies should make this judgement.

Senator Lamb moved to change the wording in Amendment Number 171 to read that the additional amount of relief will be fixed by the State Board of Examiners, and to also remove the discretionary element in the Amendment.

Senator Don Ashworth seconded the motion.

The motion carried.

Senator Dodge said that the Committee should discuss whether they want the relief in the second year of the biennium to be "across the board" or whether it should apply just to homeowners and renters.

Senator Ashworth commented that the 5% increase allowance in the second year is only allocated to the homeowners, and he opposes that concept, because he felt that the entire tax package was initiated to give relief across the board. After further discussion, Senator Kosinski made the following motion:

Senator Kosinski moved that the second year relief over and above the 20¢ increase, be limited to homeowners and renters.

Senator Lamb seconded the motion.

S.B. 204 - Amendment 171 (Cont.)

Senators Don Ashworth and Glaser voted "No".

The motion carried.

Chairman Glaser asked for further action:

Senator Lamb moved adoption of Amendment Number 171 of Senate Bill No. 204, as amended in the previous motion.

Senator Kosinski seconded the motion.

Senator Don Ashworth voted "No".

The motion carried.

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S.B. 204 - Amendment 175 (Exhibit "H")

Mr. Daykin said that this amendment adds new features to Senate Bill No. 204. Mr. Daykin stated that this amendment exempts household goods and furniture, and it imposes a "cap" upon the expenditures by local governments from their general fund.

Senator Dodge asked why 1978-79 was being used as a base year as opposed to using 1975-76? Mr. Marvin Leavitt, representing the City of Las Vegas, said that the reasoning was that since 1975 there have been a large number of out of date assessments brought up to date. Mr. Leavitt also said that the school districts have a major problem with this date due to their current situation with teacher contracts, etc.

Senator Dodge commented that if population growth is going to be used as a factor, there needs to be a reliable system of calculating the population within the State. Mr. Nickson said that he understood that the University is preparing annual estimates for individual counties, and plans to add cities as part of their program. Mr. Nickson also said that the State Board of Education will provide the figures on school enrollment.

Mr. Leavitt said that he questioned the limitation of the rate that might be levied to achieve a certain revenue, (Page 4, Section 2-A of Amendment No. 175). Mr. Leavitt said that whatever percentage is used in the change of the assessed valuation, it should be accumulative, and not apply just to the initial year. Mr. Daykin said that this could be provided as 2% of the revenue after the period for each year elapsed since the base year.



S.B. 204 - Amendment 175 (Cont.)

Senator Dodge asked why it is necessary to be dealing with restrictions on the assessment base? Mr. Daykin said the restrictions are on the total revenue, and the result is that if one has a limit such as this, and an assessed valuation increases sharply, as the result of inflated value, the rate descends correspondingly.

Mr. Nickson said that he sent a memo to Chairman Glaser (Exhibit "I") on S.B. 225 (S.B. 225 also applies to an expenditure "cap" as incorporated in Amendment #175 of S.B. 204) which recommended revisions that would ensure that local governments would not circumvent the intent of the bill. Senator Dodge felt that this refinement would be necessary in order to define what the "general fund" does or does not include at the local government level. Mr. Daykin said that "general fund" could be defined for this purpose to include everything that is not self-supported by fees of its users, and should also include federal funding. Mr. Leavitt said that he has problems with capping certain local funds such as "enterprise" funds which have no relation to population growth. Mr. Nickson felt that the language he suggested in his memo specifically addressed these exceptions.

Chairman Glaser said that the Committee should determine what base year they wish to use. Senators Don Ashworth, Sloan, Lamb and Kosinski said that they preferred the base year to be 1978-79. Senator Dodge said that he preferred 1975-76. Senator Raggio said that he didn't know if 1975-76 was the correct year to start with, but he felt that some type of reduction was necessary. Mr. Nickson said it may be of interest in regards to the base year that in reviewing local county budgets in his office, out of the seventeen counties, seven have areas in their projected budgets that are over the \$5.00 ad valorem tax limit, and this indicated to him that most local governments haven't given much thought to reduction in expenditures.

The Committee decided that in regards to which base year they would adopt, Senators Kosinski, Dodge, Glaser and Raggio voted for 1975-76, and Senators Don Ashworth, Sloan and Lamb preferred 1978-79.

After further discussion regarding the difficulty of specifying individual funds that will be subject to the "cap" in this amendment, Senator Sloan made the following motion:

Senator Sloan moved to delete Section 16.9 of Amendment Number 175, Senate Bill No. 204, in order to be consistent with the "cap" in other expenditure limitation legislation.

S.B. 204 - Amendment 175 (Cont.)

Senator Dodge seconded the motion.

The motion carried.

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Senator Lamb moved adoption of Amendment Number 175 of Senate Bill No. 204, as amended in the previous motion.

Senator Kosinski seconded the motion.

The motion carried.

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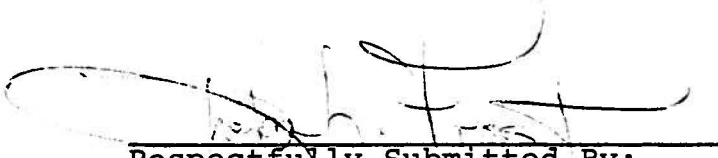
Senator Lamb moved Do Pass on Senate Bill No. 204 as amended, and re-referral of the Reprint to the Senate Taxation Committee.

Senator Sloan seconded the motion.

The motion carried.

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There being no further business, the meeting was dismissed at 5:30 p.m.



Respectfully Submitted By:  
Sheba L. Frost, Secretary



Approved By: Senator Norman Glaser,  
Chairman



STATE OF NEVADA  
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627

DONALD R. MELLO, *Assemblyman, Chairman*  
Arthur J. Palmer, *Director, Secretary*

INTERIM FINANCE COMMITTEE (702) 885-5640

FLOYD R. LAMB, *Senator, Chairman*  
Ronald W. Sparks, *Senate Fiscal Analyst*  
William A. Bible, *Assembly Fiscal Analyst*

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

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-5627  
JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5620  
ANDREW P. GROSE, *Research Director* (702) 885-5637

February 26, 1979

M E M O R A N D U M

TO: Senate Committee on Taxation  
FROM: Andrew P. Grose *[Signature]* Research Director  
SUBJECT: S.B. 204/Administration of Renter Rebates

Mr. Schorr has related to me the committee's concern over possible administrative difficulties in S.B. 204 and the chairman's request that we examine similar administration in other states. There is no state with a program of universal tax rebates to renters. Four states allow the deduction for state income taxes of a certain percentage of rent. The closest that any state comes is with circuit breaker tax relief such as our Senior Citizens' Tax Relief Act. A circuit breaker always has income as a criteria and usually uses ages as well. Most of them apply to renters as well as owners and renter relief is figured much the way it is determined in NRS 361.830 which simply says that 17 percent of rent is assumed to be property tax.

According to a 1975 HUD study of tax relief programs in all states, administration of the circuit breaker plan is not a great burden. Our own program rebates \$2.61 million in the current biennium with a staff of three. The HUD report found that the most common error in circuit breaker applications was the failure to claim rebates as large as allowed. Another conclusion was that the benefit levels of most circuit breakers did not make the programs attractive fraud targets. In all the states using the circuit breaker, only one case, as of 1975, had been recorded of prosecuted fraud.

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The assumption with S.B. 204 is that the rebates will be significant enough to make fraud tempting. Also, the entire state population will be eligible instead of a single income or age group. Another potential problem rests in the fact that two levels of government will be administering different forms of tax relief. The question becomes one of minimizing fraud opportunities or other obstacles to the proper functioning of the law.

The following elements constitute a proposal for administering tax rebates under S.B. 204.

1. Every dwelling unit, whether resident owned or rented would be assigned a number that would be unique in the state. The number would be the assessor's parcel number with a prefix to identify the county and a suffix to identify multiple units on the same parcel. The department of taxation could require the uniform numbering system by rule.
2. The county tax collector, after crediting the tax allowance to each property owner who files a proper claim, would forward to the department of taxation a list of all parcel numbers showing those receiving a tax allowance. Again, the department could require this by rule.
3. All homeowner allowances must be credited 2 1/2 months before the renter refunds must be provided. (Homeowner allowances by June 1; renter refunds by August 15.) The department would have the numbers of every owner unit credited with an allowance and would not allow a renter refund to any unit credited with a tax allowance at the county level.
4. No homeowner allowance or renter refund would be allowed without the assessor-assigned number. The assessor would send every property owner notification of his number. In the case of landlords, the assessor should know how many rental units there are on each parcel



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and provide that many unique numbers (using suffixes) to the landlord. Chapter 118A of NRS (The Landlord-Tenant Act) could be amended at NRS 118A.250 to require that the rental receipt already required would have to have on it the assessor's identification number for the unit.

5. For tenants renting from landlords not covered by NRS 118A, unit numbers could be obtained from assessors.
6. NRS 118A already requires rental receipts at the request of the tenant so no change in law is necessary to prevent the withholding of rent receipts. If there is concern over the tenants not covered by that act, a provision could be added to S.B. 204 to compel rent receipts from anyone renting residential property including mobile home lots.
7. If the rental refund applications are public records and open to IRS, the landlord-tenant collusion problem should be precluded. IRS could get parcel numbers from an assessor and then obtain rent refund information from the department of taxation for any parcel numbers.
8. An added benefit of this universal numbering system is that participation rate can be accurately calculated for homeowners or renters. Also, if the department has all the parcel unit numbers on computer, it will be easy to kick out multiple applications on a single unit.
9. The case of multiple tenants is not really relevant. The refund would go to whomever pays the rent as reflected on the rental receipts. Also, S.B. 204, at section 10, says only one renter per unit may file.

This suggestion for fraud prevention in the administration of the Tax Abatement Act has been discussed with the

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legislative counsel and the conclusions about what can be done by rule and what by law are his. The system suggested seems tight and should accomplish its purpose. The question remaining is the cost and that information must be provided by the department and the affected county officials. It would seem that after computer software changes are made at state and local level, ongoing costs for this control system would not be great.

APG/jld



## ESTIMATED COST - SB 204

75,000 Parcels  
36,000 Single Family  
10,000 Mobile Homes  
46,000

Labor:

Base salary	\$8,700	
Benefits	<u>2,275</u>	
Total:	\$10,975	

5 additional employees: \$54,875.00

Capital outlay:

desks	\$256.00		
chairs	74.00		
calculators	114.00		
typewriters	<u>489.00</u>		
Total:	\$933.00	x 5	\$4,665.00

2 autos @ \$4,000.00 = \$8,000.00

Total capital outlay \$12,665.00

Services & Supplies:

telephones (add.)	\$1,200.00	
program MIS sup.	5,000.00	
mail (25000 @		
.15)	3,750.00	
printing, etc.	<u>1,000.00</u>	
Total:	\$10,950.00	\$10,950.00

Estimated start (1st year)	\$78,490
say	79,000
Start up cost	<u>18,000</u>
	\$61,000

Office of COUNTY ASSESSOR

P.O. Box 8

ELKO, NEVADA 89801

February 23, 1979

In Re: SB 204

Hon. Norman Glaser, Chairman  
Senate Taxation Committee  
401 South Carson Street  
Carson City, Nv 89710

Dear Norm:

Homer Rodriguez phoned and stated that your committee would appreciate assessor input on tax relief and primarily SB 204 to be heard Feb 27th.

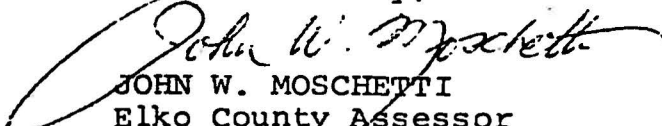
I think that Question 6 has been discussed at length so that most people who are knowledgeable in the field of Nevada taxation know that it would cause inequality mostly because our assessments are not current and the relief does not go where it is needed most.

To me, the concept of SB 204 is the better approach, since I feel that the primary relief should be given to the homeowner who has seen his taxes skyrocket the most during the years I have been assessor. I am lukewarm to relief for renters since it would be the most difficult to administer. I am also not wholly in favor of tax relief for mobile home owners unless the legislature changes their method of taxation.

Enclosed is a copy of a study that I made showing valuation comparisons between houses and mobile homes in Elko City. We tried to pick samples that were comparable in size and age and you will note that in the 15 year period, home assessments continue to escalate while mobile home assessments decrease. Also shown are 12 sales of used mobile homes in Elko City during 1978 in which the average assessment ranged from 16% to 33% of the used selling price instead of the 35% as required by statute. Just yesterday we received a Dealer's Report of Sale on a 1975 mobile home for \$28,000. The original new selling price in 1975 was \$24,500. and that is the base we must use since there are a dozen of the same units in Elko. To this \$24,500 base we must depreciate 21% per state guidelines, down to a market value for tax purposes of \$19,355 @ 35% = \$6,775 (24% ratio).

Most of us in these offices hate to see additional paper work, and believe me the assessors have received more than their share; however, we realize if specific aims are achieved, it is inevitable. To try to estimate the cost to our county to administer SB 204 would be difficult not knowing what the final package might be. I would prefer to see something like the 6% of the claims handled which is the amount we now receive for handling personal property tax collections rather than a flat fee per claim. Our experience with the \$1.00 per vehicle registered these many years of inflation in labor, postage and other costs proves that it has been a fiscal disaster that also needs correcting. Kind personal regards,

Yours sincerely,

  
JOHN W. MOSCHETTI  
Elko County Assessor

Encls.

cc-Dean Rhoads  
-Homer Rodriguez

ELKO COUNTY

EXHIBIT C

Prepared by:

VALUATION COMPARISONS

*Moschetti*  
John W. Moschetti  
Elko County  
Assessor.

Houses vs Mobile Homes

Land Not Included

ASSESSED VALUATIONS

<u>Description</u>	<u>Size</u>	<u>63-64</u>	<u>68-69</u>	<u>73-74</u>	<u>78-79</u>
Meyers Flat Top Built in 1959	Parcel 1-203-1 1141 sq ft	3,740	4,920	6,090	8,190
Meyers Flat Top Built in 1959	Parcel 1-013-9 1069 sq ft	3,530	5,150	6,060	9,010

NRS 361.225 states "ALL PROPERTY SUBJECT TO TAXATION SHALL BE ASSESSED AT 35 PERCENT OF ITS FULL CASH VALUE."

1969 Marlette \$12,645 List Price	1440 sq ft	-	4,425	3,190	2,170
1968 Marlette \$17,144 List Price	1440 sq ft	-	6,000	3,960	2,760
1964 Van Dyke \$8,605 List Price	800 sq ft	3,010	2,050	1,480	1,020

USED MOBILE HOME SELLING PRICES

(Sales Made in 1978) in 1978 (These are used mobile homes)

<u>Size &amp; Make</u>	<u>New Selling Price</u>	<u>Used S.P.</u>	<u>Assessed</u>	<u>%</u>
67 Marlette, 60x12	\$ 8,295	\$ 7,995	\$ 1,250	16%
71 Fleetwood, 64x12	5,650	6,395	1,110	17%
72 Skyline, 70x14	8,665	10,816	2,000	18%
70 Fleetwood, 52x12	6,362	5,995	1,160	19%
71 Gentry, 60x12	6,995	6,700	1,370	20%
70 Fleetwood, 64x12	6,525	5,700	1,280	22%
71 Biltmore, 64x12	6,704	5,700	1,320	23%
75 Academy, 60x14	9,817	10,495	2,710	26%
72 Academy, 70x14	10,200	7,150	2,140	30%
74 Bainbridge, 68x24	18,495	16,500	5,110	31%
76 Academy, 70x14	13,995	13,786	4,260	31%
71 Gentry, 60x12	6,995	4,200	1,370	33%

Above SALES SHOW THAT USED MOBILE HOMES ARE NOT ASSESSED AT 35%  
ASSESSORS MUST USE DEPRECIATION SCHEDULE APPROVED BY TAX DEPARTMENT.



## USED MOBILE HOMES

Determination of the assessed value of used mobile homes shall be computed in the following manner. Multiply the suggested retail price (S.R.P.) as listed in the "Official Mobile Home Market Report" (Blue Book) by the "applicable multiple" as shown in the following depreciation schedule: (The assessed valuation in any case shall not be less than \$100.00.):

Model Year	Age	Percent Good	Assessment Ratio	Applicable Multiple
1978	New	35% of Nevada retail delivered price		
1977	1	93	@ 35%	= 32.55%
1976	2	87		= 30.45
1975	3	79		= 27.65
1974	4	72		= 25.20
1973	5	66		= 23.10
1972	6	60		= 21.00
1971	7	56		= 19.60
1970	8	52		= 18.20
1969	9	49		= 17.15
1968	10	46		= 16.10
1967	11	43		= 15.05
1966	12	40		= 14.00
1965	13	37		= 12.95
1964	14	34		= 11.90
1963	15	31		= 10.85
1962	16	28		= 9.80
1961	17	26		= 9.10
1960	18	24		= 8.40
1959	19	22		= 7.70
1958	20	20		= 7.00

Example:  
Model year - 1977 suggested retail price -

\$10,000.00	
X 93% good (7% depreciated)	
\$ 9,300.00	
X 35% assessment ratio	
\$ 3,260.00	

OR (per above table)

\$10,000 X 32.55% = \$3,260.00 (Rounded to nearest ten dollars).  
Application of the local tax rate will determine the tax liability.

The window sticker is not required for licensed mobile units.

This page from Bulletin 141  
July 1, 1978  
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State of Nevada  
Nevada Tax Commission  
Carson City Nevada

## 1979 REGULAR SESSION (60TH)

ASSEMBLY ACTION		SENATE ACTION		Senate AMENDMENT BLANK	
Adopted	<input type="checkbox"/>	Adopted	<input type="checkbox"/>	AMENDMENTS to	Senate
Lost	<input type="checkbox"/>	Lost	<input type="checkbox"/>		Joint
Date:		Date:		Bill No.	204
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> 119

Amend section 30, page 10, line 14, by inserting after the period:  
 "Section 1 of this act expires by limitation on June 30, 1981, if before that date the constitution of the State of Nevada is amended to limit the amount of general (ad valorem) taxes on real property to \$1 for each \$100 of full cash value, or to any lesser amount."

Amend section 47, page 13, by deleting lines 15 through 24.

Amend section 48, page 13, line 27, by deleting "1".

Amend section 48, page 13, by deleting lines 31 through 36.

Amend section 68, page 16, line 42, by deleting "1" and inserting "2".

Amend section 96, page 21, line 22, by deleting "\$30,000," and inserting "\$10,000,".

Amend section 96, page 21, line 28, by deleting "\$30,000," and inserting "\$10,000,".

Amend section 102, page 24, line 39, by deleting "10" and inserting "5".

To: E & E  
 LCE File  
 Journal  
 Engrossment  
 Bill

Date 2-19-79 Drafted by EED:ml

Amendment No. 119 to Senate Bill No. 204 (BDR 32-1480) Page 2

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Amend section 108, page 24, line 41, by deleting "10" and inserting "5".

Amend section 108, page 24, line 42, by deleting "10" and inserting "5".

Amend the bill as a whole by inserting a new section designated section 156, following section 155, to read as follows:

"Sec. 156. 1. With respect to taxes or refunds payable during the fiscal year 1979-80 only, a claim for an allowance or a refund may be made at any time between the 10th day after the effective date of this section and June 30, 1979. The department of taxation shall make refunds as soon as practicable. County treasurers shall apply allowances, when determined, to the remaining unpaid installments of taxes.

2. The director of the department of taxation shall, not later than the day after the effective date of this section, begin the preparation of forms and regulations appropriate for the administration of the Tax Abatement Act. It is the mandatory duty of the director of the department of taxation to report the measures taken pursuant to this subsection to the director of the legislative counsel bureau for dissemination to the members of the legislature. The director of the department of taxation shall make this report within 7 days after the effective date of this section, and shall deliver with the report to the director of the legislative counsel bureau a copy of each form of claim used in

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Amendment No. 119 to Senate Bill No. 204 (BDR 32-1480) Page 3

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administering the Senior Citizens' Property Tax Assistance Act."

Amend the bill as a whole by renumbering section 156 as section 157 and inserting a new section designated section 158, following section 156, to read as follows:

"Sec. 158. This act constitutes a unified plan for the reduction of taxes and the abatement of inequities in their effect, and is not severable. If any provision of this act or the application thereof to any person, thing or circumstance is held invalid, the other provisions of this act become ineffective, and the measure described in section 30 of this act must not be submitted to the registered voters of this state."

Amend section 157, page 32, by deleting lines 48 and 49 and inserting:

"Sec. 159. 1. This section, sections 1 and 2, sections 29 to 40, inclusive, section 156 and section 158 of this act shall become effective upon passage and approval."

Amend section 157, page 33, line 1, by deleting "156" and inserting "157".

Amend section 157, page 33, line 6, by deleting "This act expires" and inserting "Sections 1 to 28, inclusive, and section 154 of this act expire".

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ASSEMBLY ACTION	SENATE ACTION	Senate	AMENDMENT BLANK
Adopted <input type="checkbox"/>	Adopted <input type="checkbox"/>	AMENDMENTS to <u>Senate</u>	
Lost <input type="checkbox"/>	Lost <input type="checkbox"/>	Bill No. <u>204</u> <del>Joint</del> Resolution No. _____	
Date: _____	Date: _____	BDR <u>32-1480</u>	
Initial: _____	Initial: _____	Proposed by <u>Committee on Taxation</u>	
Concurred in <input type="checkbox"/>	Concurred in <input type="checkbox"/>		
Not concurred in <input type="checkbox"/>	Not concurred in <input type="checkbox"/>		
Date: _____	Date: _____		
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Amendment No. 157

Consistent with Amendment No. 119

Amend section 4, page 1, line 16, by deleting "built" and inserting "situated".

Amend section 6, page 2, line 19, by deleting "calendar" and inserting "fiscal".

Amend section 6, page 2, line 21, by deleting "calendar"

Amend section 10, page 3, line 10, by deleting "January 1 and April 30," and inserting "July 1 and October 31,"

Amend section 10, page 3, line 12 by deleting "August 15:" and inserting "February 15:".

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Date 2-26-79 Drafted by FWD:sl

1979 REGULAR SESSION (60TH)

ASSEMBLY ACTION		SENATE ACTION		Senate	AMENDMENT BLANK
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Lost	<input type="checkbox"/>	Lost	<input type="checkbox"/>	Bill No.	204 <del>Joint</del>
Date:		Date:			<del>Resolution No.</del>
Initial:		Initial:		BDR	32-1480
Concurred in	<input type="checkbox"/>	Concurred in	<input type="checkbox"/>	Proposed by	Committee on Taxation
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Amendment No 171

Consistent with Amendments Nos. 119 and 157

Amend section 2, page 1, line 4, after "valuation," by inserting:  
"reduced by any reduction fixed for the rate of the tax levied pursuant to paragraph (a) of subsection 2 of NRS 387.195,".

Amend section 5, page 2, line 15, deleting the period and inserting:  
"and any additional amount which may be fixed by the interim finance committee if that committee is authorized by law to fix an additional amount for that fiscal year.".

Amend section 6, page 2, line 20, after "percent" by inserting:  
", and any additional percentage which may be fixed by the interim finance committee if that committee is authorized by law to fix an additional percentage for that fiscal year,".

Amend the bill as a whole by inserting new sections designated as sections 17.3 and 17.6, following section 17, to read as follows:

"Sec. 17.3. NRS 387.1235 is hereby amended to read as follows:  
 387.1235 Local funds available are the sum of:

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 Bill

Date 2-27-79 Drafted by FWD:ml

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1. The [amount computed by multiplying .007 times the assessed valuation of the school district] proceeds of the tax levied pursuant to the provisions of paragraph (a) of subsection 2 of NRS 387.195, 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 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 estimate and actual receipts.

Sec. 17.6. NRS 387.195 is hereby amended to read as follows:

387.195 1. At the time of levying county taxes, the board of county commissioners of each county shall levy a county school district tax.

2. In [1956 and in] each year [thereafter] when the board of county commissioners levies county taxes:

(a) [It shall be mandatory for each] Unless the rate is reduced pursuant to the provisions of subsection 3, each board of county commissioners [to] shall levy a 70-cent tax on each \$100 of assessed valuation of taxable property within the county, which taxes shall be used by the county school district for the maintenance and

Amendment No. 171 to Senate Bill No. 204 (BDR 32-1480) Page 3

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operation of the public schools within the county school district .  
[; and]

(b) When recommended by the board of trustees of the county school district, in addition to the mandatory levy of taxes provided in paragraph (a), each board of county commissioners shall levy a tax of not to exceed 80 cents on each \$100 of assessed valuation of taxable property within the county for the support of the public schools within the county school district.

(c) In addition to the taxes levied in accordance with the provisions of paragraphs (a) and (b), each board of county commissioners shall levy a tax for the payment of interest and redemption of outstanding bonds of the county school district.

3. If the interim finance committee is authorized by law to fix a lower rate for a particular fiscal year, the rate so fixed is the rate which must be levied pursuant to the provisions of paragraph (a) of subsection 2.

Amend section 156, page 32, line 40, by inserting "1." before "There".

Amend section 156, page 32, line 43, by deleting "1." and inserting "(a)".

Amend section 156, page 32, line 44, by deleting "2." and inserting "(b)".

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Amendment No. 171 to Senate Bill No. 204 (BDR 32-1480) Page 4

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Amend section 156, page 32, by inserting between lines 44 and 45:

"2. There is hereby appropriated from the state general fund to the interim finance committee for allocation pursuant to the provisions of this section:

(a) For the fiscal year 1979-80, the sum of \$2,200,000.

(b) For the fiscal year 1980-81, the sum of \$8,400,000.

Amend section 156, page 32, line 45, by inserting "3." before "The" and indenting the line.

Amend section 156, page 32, inserting between lines 47 and 48:

"4. For the purposes of this section, the relevant taxes are:

(a) The tax accrued pursuant to the Sales and Use Tax Act. The increase in its yield is determined by comparing the total accruals for the three calendar quarters beginning July 1, 1979, and ending March 31, 1980, with the total accruals for the three calendar quarters beginning July 1, 1978, and ending March 31, 1979.

(b) The quarterly state license fee based upon gross revenue from gaming, collected pursuant to NRS 463.370. The increase in its yield is determined by comparing the total collections for the three calendar quarters beginning July 1, 1979, and ending March 31, 1980, with the total collections for the two calendar quarters beginning July 1, 1978, and ending March 31, 1979.



5. For the fiscal year 1979-80, the interim finance committee shall fix an additional amount equal to 10 cents on each \$100 of assessed valuation for the allowance to homeowners made by section 5 of this act, and allocate sufficient money to the tax abatement account to provide for it. For the fiscal year 1980-81, if the combined increase in yield of the relevant taxes is 8.5 percent or more, the committee may fix an additional amount equal to not more than 20 cents on each \$100 of assessed valuation for this allowance, and may fix an additional percentage of not more than 0.1 percent for the refund to renters provided by section 6 of this act, and if it does so shall allocate sufficient money to the tax abatement account to provide for the amount and percentage respectively fixed.

6. For the fiscal year 1980-81, if the combined increase in yield of the relevant taxes is in one of the ranges tabulated below, the interim finance committee may fix the rate of the tax to be levied pursuant to paragraph (a) of subsection 2 of NRS 387.195 at no less than the rate in cents per \$100 of assessed valuation specified below for that range:

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<u>Range</u>	<u>Rate</u>
8.5 percent or more but less than 12 percent	65 cents
12 percent or more but less than 13 percent	62 cents
13 percent or more but less than 14 percent	59 cents
14 percent or more but less than 15 percent	56 cents
15 percent or more but less than 16 percent	53 cents
16 percent or more but less than 17 percent	49 cents
17 percent	46 cents".

S.B. 204BASIC PROGRAM

1. 36¢ across-the-board cut in rate of tax on all property.
2. Allowance to homeowners, including mobile homes -  
\$1.18 first year of the biennium, and  
\$1.28 second year of the biennium.
3. Rebate to renters -  
4.9% of rent the first year of the biennium, and  
5% of rent the second year of the biennium.

If revenue were to fall sharply the allowance and the rebate would be adjusted downward to \$1.08 and 4.9% respectively for the second year of the biennium.

ADDITIONAL FEATURES

1. 5¢ more cut across-the-board during the second year of the biennium if revenue appears to meet or exceed projections.
2. Up to 19¢ additional cut across-the-board if revenue meets or exceeds specified percentage:
 

12% = 3¢	14% = 9¢	16% = 16¢
13% = 6¢	15% = 12¢	17% = 19¢

FINANCIAL CRITERIA

1. General Fund balance desired: \$35 million to \$50 million.
2. Revenue growth is measured by the change in the state 2¢ Sales & Use Tax and the state quarterly Gaming Taxes. First three quarters of 1979-80 compared to first three quarters of 1978-79.
3. For the 19¢ cut or any part of it to become effective, revenue projections must indicate that total money for the increase will be earned in the two revenues (#2 above) by the end of the first year of the biennium.

COST ESTIMATES

Remove Sales & Use on Food:		
2¢ state plus 1¢ school.....	\$20.5 mil.	\$24.0 mil.
Across-the-Board Cut 36¢:		
State 25¢ plus Title XIX 11¢.....	20.3 mil.	23.4 mil.
Appropriations in Bill:		
\$1.08 allowance & 4.9% rebate.....	45.0 mil.	52.0 mil.
Increase Allowance \$1.18 & \$1.28 Rebate, 5% second year.....	2.2 mil.	5.2 mil.
5¢ Across-the-Board 2nd Year.....		3.2 mil.
Up to 19¢ Across-the-Board 2nd Year...		12.4 mil.
Sub-Total Appropriations:.....	\$47.2 mil.	\$72.8 mil.
TOTAL:.....	\$88.0 mil.	120.2 mil.



1979 REGULAR SESSION (60TH)

ASSEMBLY ACTION	SENATE ACTION	Senate	AMENDMENT BLANK
Adopted <input type="checkbox"/>	Adopted <input type="checkbox"/>	AMENDMENTS to	Senate
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Date:	Date:	BDR 32-1480	<del>Resolution No.</del>
Initial:	Initial:	Proposed by	Committee on Taxation
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Amendment N<sup>o</sup> 175

Consistent with Amendments Nos. 119, 157 and 171

Amend section 1, page 1, line 2, by deleting "13," and inserting "13.5,".

Amend the bill as a whole by inserting a new section designated section 13.5, following section 13, to read as follows:

"Sec. 13.5. All household goods and furniture used by a single household and owned by a member of that household are exempt from taxation."

Amend the bill as a whole by inserting new sections designated sections 16.3, 16.6 and 16.9, following section 16, to read as follows:

"Sec. 16.3. Chapter 354 of NRS is hereby amended by adding thereto the provisions set forth as sections 16.6 and 16.9 of this act.

Sec. 16.6 1. Expenditure by a local government from its general fund during the fiscal year commencing July 1, 1978, is the base from which the permissible expenditure from that fund in subsequent

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Amendment No. 175 to Senate Bill No. 204 (BDR 32-1480) Page 2

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years must be calculated.

2. The governing body of a local government shall calculate the level of permissible expenditure from its general fund for a given year as follows:

(a) The amount of expenditure in the base year is multiplied by the percentage of change in population or enrollment in the current year from the base year and this product is added to or subtracted from the amount of expenditure in the base year.

(b) The amount calculated under paragraph (a) is multiplied by the percentage of inflation or deflation in the current year from the base year, and this product is added to or subtracted from the amount calculated under paragraph (a).

(c) If the amount resulting from the calculations under paragraphs (a) and (b) represents a net increase over the base year, a governing body may increase its expenditure accordingly. If the amount represents a net decrease, the governing body shall decrease its expenditure accordingly. If the amount is the same as in the base year, expenditures must not be increased.

3. The department of taxation shall disapprove any tentative budget of a governing body which does not comply with the limitations of subsections 1 and 2.

4. On or before December 1 of each year:

(a) The governor shall certify the percentage of increase or decrease in population for each county and city.

(b) The state board of education shall certify the percentage of increase or decrease in enrollment for each school district.

Every other local government must use the percentage of increase or decrease in population for the county in which it, or the largest fraction of its population, is located.

5. The Consumer Price Index published by the United States Department of Labor, for the month of November preceding the fiscal year for which the budget is prepared, must be used in determining the percentage of inflation or deflation.

6. The governing body of a local government may exceed the limitation imposed by subsections 1 and 2 only to the extent necessary to meet situations not reasonably foreseeable in which there is a threat to life or property.

Sec. 16.9 1. Except as provided in subsection 3, the board of county commissioners or other governing body in levying taxes for the benefit of any local government shall not levy a rate which will produce more revenue than is permitted by this section. The revenue derived from ad valorem taxes in the fiscal year commencing July 1, 1978, is the base from which permissible revenue from that source in subsequent years must be calculated.



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2. The permissible revenue is calculated as follows:

(a) The revenue in the base year is multiplied by the percentage of change in the assessed valuation of taxable property which results from new construction. For the purposes of this paragraph, "new construction" includes additions or improvements to existing structures, and the change is the net result of increases from new construction and any decreases from demolition of existing structures.

(b) The amount calculated pursuant to the provisions of paragraph (a) is added to or subtracted from the revenue in the base year, and there may be further added an amount not greater than 2 percent of the revenue in the base year.

3. The governing body may exceed the limitation imposed by subsection 1 to the extent necessary to meet situations in which there is a threat to life or property, and if it does so, the permissible revenue is reduced in each of the next 3 fiscal years by an amount equal to one-third of the excess amount received in the year for which the emergency levy was made."

Amend the title of the bill, 1st line, by deleting:

"taxation; fixing a statutory limit" and inserting

"governmental finance; fixing statutory limits on expenditures by local governments and".

## Department of Taxation

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ROBERT LIST, Governor

ROY E. NICKSON, Executive Director

February 23, 1979

The Honorable Norman Glaser  
 Senator  
 Chairman, Senate Taxation Committee  
 Legislative Building  
 Carson City, Nevada 89701

Dear Senator Glaser:

As requested at the February 22 meeting of the Senate Taxation Committee, revisions to S.B. 225 to achieve the objective desired by the Committee to broaden the spending limitations to include any tax supported activity and to prevent circumvention of the intent of the Legislature are submitted:

Page 2, Section 3, Subsection 1, line 18:

"1. Expenditure by a local government from (its general fund) any fund receiving ad valorem or state distributed tax revenues during"

Page 2, Section 3, Subsection 1, line 20:

"permissible expenditure from (that) such fund or funds in subsequent years must be"

Page 2, Section 3, Subsection 2, line 23:

"of permissible expenditure from (its general fund) any fund receiving ad valorem or state distributed tax revenues for a given year as"

Page 3, Section 3, add a new subsection 7 between lines 7 and 8:

Sec. 7. Local Governments are enjoined from transferring accounts that were utilized in the funds defined in subsections 1 and 2 in the base year to any other fund not so included. An exception to this mandate is the establishment of an enterprise fund that is entirely self supporting by user charges.

Obviously, the Legislative Counsel should be consulted as to exact legal wording. However, I believe the changes, as indicated, provide the gist of the Committee's desires.

If I can be of any additional assistance, please contact me.

Highest personal regards.

Very respectfully,