

The meeting was called to order on Tuesday, May 22, 1979, at 3:40 P. M. in Room 213, with Senator Norman Glaser in the Chair.

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

Mr. Ed Schorr, Fiscal Analyst

ABSENT: Vice-Chairman Floyd Lamb

GUESTS: Mr. Marvin Leavitt, City of Las Vegas  
Mr. Sam Mamet, Clark County  
Ms. Adele Kingham, Clark County  
Mr. Roy Nickson, Nevada Tax Commission  
Mr. Gene Phelps, Nevada State Highway Department  
Mr. Robert Guinn, Nevada Motor Transport Association  
Mr. Jerry Hall, Managing Engineer, Regional Street  
and Highway Commission, Washoe County  
Mr. Steve Brown, Washoe County Commissioner  
Mr. Russ Macdonald, Lobbyist-at-Large

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A. J. R. 7- Proposes constitutional amendment to  
*59<sup>th</sup> Session* permit property tax exemption for con-  
servation of energy. (Exhibit "A")

Senator Glaser said he had this bill referred to the committee rather than have it die on the Secretary of the Senate's Desk. This bill was replaced by S. J. R. 17. The Chair said it would entertain a motion on A. J. R. 7.

Senator Raggio made to motion to indefinitely postpone Assembly Joint Resolution 7.

Senator Dodge seconded the motion.

The Chair called for discussion.

The motion carried.

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A. B. 268 - Allocates entire proceeds of real property transfer tax and certain fees for gaming licenses to counties. (Exhibit "B")

The Chair stated that it had been brought to his attention that A. B. 268 had passed in the Assembly on this date and the bill will be coming to the Senate on May 23, 1979, and in order to give it consideration, he felt it would be appropriate to hold a hearing on it at this time. The Chair said a desire had been expressed by a lobbyist to amend the bill.

Mr. Sam Mamet, representing Clark County, said that in view of the fact that the recorders are now responsible for the collection, administration, and enforcement of the real estate transfer tax, the counties should have some authority to levy an administrative charge so the recorder may recoup some of the costs associated with the tax.

Ms. Adele Kingham, representing Clark County, presented facts and figures in support of the desired amendment, showing that for recorders to assume this additional responsibility, it will necessitate additional personnel and concomitant expenses. She requested that the amendment (Exhibit "C") be inserted in A. B. 268 and read the amendment:

"In counties with one or more incorporated cities, a fee for administrative overhead shall be charged and collected by the county recorder. Such fee shall be 2% of that portion of the real property transfer tax collected and distributed amongst the one or more incorporated cities."

Senator Sloan asked about the counties where there are not incorporated cities, and if they are not going to have administrative costs. Ms. Kingham replied in those counties the additional revenue will go directly to those counties.

Senator Kosinski asked how many counties would be eligible under the bill, what counties have one or more incorporated cities. Mr. Mamet replied that Washoe, Elko, and Clark counties would meet the criteria. Senator Sloan asked about the net gain to a county and the distribution formula. Mr. Mamet and Ms. Kingham said they are not objecting to the distribution formula; they merely want to act in accordance with the recorders' request that they do have access to administrative cost allowances.

Mr. Marvin Leavitt, representing the city of Las Vegas, said he is in favor of the amendment. He feels the allowance is just, and reflects adequate funds to defray actual increased expenditures in the administration of the tax.

There was a discussion of the revenue accruing to the counties as a result of this bill.

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A. B. 268 - (con't.)

Senator Glaser said, that, in other words, the recorder has to handle the tax money and all they are asking for is a reimbursement of the cost for collecting the tax. The recorder now has the responsibility for the failure of an escrow holder to pay the tax, and this amendment is related to that responsibility. Mr. Roy Nickson, state tax commission, explained why the tax commission felt the escrow responsibility should go to the county recorder, as the state is not receiving revenue from this particular tax.

Senator Dodge asked if it is fair to charge an administrative fee. Mr. Leavitt explained that the administrative fee being charged is not a charge to the property owners, but a charge out of the fund as it already exists. Senator Sloan asked if the fee comes off the top of the fund, and Mr. Mamet and Ms. Kingham replied in the affirmative.

There was a discussion in regard to the annual audit as it pertains to A. B. 268.

Senator Kosinski said he would like Mr. Schorr to work out some figures for the counties to see what they would be receiving for their services. Mr. Schorr said that on the Senate bill there had been a fiscal note in this regard. The Chair asked that the figures be prepared and put on each member's desk, and that the bill be voted out.

The Chair called for any further testimony.

Senator Sloan moved to amend and do pass  
Assembly Bill 268.

Senator Raggio seconded the motion.

The Chair called for discussion.

The motion carried, with Senator Kosinski  
abstaining from voting.

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S. B. 46 - Increases percentage of money received for  
county gaming licenses to be paid to cities  
and towns. (Exhibit "D")

The Chair called for a motion on this bill.

Senator Ashworth moved to indefinitely  
postpone Senate Bill 46.

Senator Dodge seconded the motion.

The Chair called for discussion.

The motion carried.

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(Committee Minutes)

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A. J. R. 32 -Proposes to amend Nevada Constitution to limit spending by state.

The Chair called for testimony on this resolution.

Senator Glaser asked if this was the same language that is in S. B. 204. Mr. Schorr, fiscal analyst, said that this bill puts an annual limit on spending, and the state has a bi-annual budget. He said that if this resolution was enacted, it would create a mechanical problem.

Senator Sloan moved to indefinitely postpone Assembly Joint Resolution 32.

Senator Ashworth seconded the motion.

The Chair called for discussion.

There ensued discussion. Senator Raggio asked why the Assembly passed it and was it not aware of this problem? Senator Dodge asked where the mechanical problem would arise and was it because of the bi-annual budget?

Mr. Schorr replied there were a couple of problems, one being with timing, and the second that some of the state expenditures are appropriated annually and some bi-annually. He said that mechanically he would not know to which year they would go to place a limit because there are two legislatures, basically, appropriating expenditures for the same year.

Senator Dodge asked if there was any way the resolution could be adjusted to accommodate a bi-ennium budget. He said these kinds of opportunities to help the taxpayers don't come along very often. He said they listen to the spenders of the revenue, but never listen to the taxpayers. He said this resolution is an opportunity to look into constructive protection for the taxpayers.

Senator Sloan said that putting caps on spending is a new experience for the legislature and mentioned the problems the process had raised during this session. He said he would rather have the confidence that the cap system is going to work before getting locked into a constitutional situation.

There was discussion about revenue and spending and how they relate to this bill.

The Chair asked that Mr. Schorr work on the matter of the budget and then the committee would discuss the resolution in depth.

Senator Sloan made a motion to indefinitely postpone Assembly Joint Resolution 32.

Senator Ashworth seconded the motion.

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A. J. R. 32 - (con't.)

The Chair called for further discussion.

Senators Sloan, Ashworth, and Raggio voted for the motion.

Senators Dodge and Kosinski voted against the motion.

The Chair cast the deciding vote against the motion.

The vote was lost.

A. J. R. 32 is to be held for further consideration.

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A. B. 750- Authorizes boards of county commissioners to impose additional county motor vehicle fuel tax if approved by voters of county. (Exhibit "E")

Senator Glaser said this was re-referred to the committee for it was in danger of being lost, and he thought that perhaps there might be a possibility of putting the state into the picture on some basis. He said he called Gene Phelps of the highway department to help in this matter.

Mr. Jerry Hall, managing engineer for the regional state and highway commission in Washoe County, testified first. He reviewed what A. B. 750 proposes to accomplish, and presented facts and figures which were essentially the same as in his previous testimony before this committee on May 8, 1979. Mr. Steve Brown, a Washoe County commissioner, joined him in testimony on this bill. It was pointed out that smaller cities such as Elko, Carson City, and Winnemucca, could not develop their road systems without the help of A. B. 750.

Mr. Hall said they had a master plan in Washoe County for their roads and streets, and outlined for the committee the progress that had been made to date on the plan. He said they utilized cash flow whenever possible and if A. B. 750 did not pass, that such cash flow would be the sole source of income to the regional highway commission. He said they are at capacity in bond sale capability. He said they plan to continue to use assessment districts on their projects wherever possible, and will continue doing joint projects among city, county, and state governments. He explained how they cooperated in private projects in order to reach some of their goals.

Mr. Hall spoke of the regulations attached to spending of federal money. He emphasized that the vote of the people is necessary, that the taxpayers should be more involved in decision-making, and if the people don't want the tax, then it is their responsibility for lack of achievement of goals in this endeavor.

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A. B. 750 - (con't.)

The fear was again expressed by some members of the committee that if this measure goes to the people and they vote it down, and in two years the legislature should want to pass a gas tax, it would not be able to instigate the measure in the face of a negative mandate from the voters. The matter of the governor vetoing any tax not submitted to the people for a vote was again raised.

The subject of what funds could be used for construction and what funds for maintenance of the roads and highways was discussed again.

Mr. Bob Rusk, assemblyman, testified once more in favor of this bill, reiterating his testimony of May 8, 1979, on this measure.

Mr. Gene Phelps of the highway department testified against the bill again. He said his fear is that already expressed before the committee on May 8, 1979, that this bill would preempt funds that should go to the highway department and that the state needs are greater than local needs at this time. He said 68% of the highway miles travelled in Nevada are on the state system. Mr. Phelps said he had not been able to devise a way in which the state, counties, and cities could benefit from this bill; he could see no method by which the state could be incorporated in the measure, on a percentage basis or otherwise.

Mr. Robert Guinn, Nevada Transport Association, spoke. He referred to his previous testimony on A. B. 750, May 8, 1979, before the committee. He said he could not see a way in which the state could also benefit from this bill. He said, upon questioning from Senator Raggio, that he is against the bill for reasons previously stated.

There was discussion on the cost of a special election and the time element involved.

Most of the discussion and testimony on this bill was a reiteration of what was presented in the committee meeting on May 8, 1979.

Senator Raggio moved do pass on Assembly Bill 750.

Senator Ashworth seconded the motion.

The Chair called for discussion.

Senator Kosinski said his sense on the floor of the Senate the previous day had been the Senate did not want the bill, and perhaps putting it with S. B. 419 might help.

Senator Sloan asked for some more figures and fiscal information, especially from Clark County, and Mr. Mamet said he would obtain that information. Senator Sloan said there has to be a decision made about the miles of roadway used statewide or the local streets where people live.



A. B. 750 - (con't.)

Senator Glaser said he could not see any way to put cosmetic amendments on the bill to aid in its passage. He thought it would have to go back to the floor as is. Senator Kosinski said that if S. B. 419 were put on it, it might get it across the Senate floor.

Senator Ashworth called for the question.

The Chair called for a vote on  
Assembly Bill 750.

The motion carried, with Senator Dodge  
dissenting.

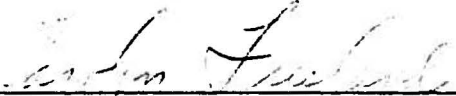
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S. B. 204

The Chair announced that this bill is in the process of being amended in the Assembly; there was a technical problem with it caused by a mistake in the bill drafting.

Senator Ashworth asked if there would be any substantial changes in the bill, and Senator Glaser and Mr. Schorr assured him that there would not be.

There being no further business, the meeting adjourned at 5:15 P. M.

  
Respectfully submitted by:  
Carolyn Freeland, Secretary

  
Approved by: Norman Glaser,  
Chairman

ASSEMBLY JOINT RESOLUTION NO. 7

**A. J. R. 7**

**ASSEMBLY JOINT RESOLUTION NO. 7—ASSEMBLYMEN RUSK, WEBB, WAGNER, FRENGAMAN, TANNER, FITZPATRICK, BRADY, BERGEVIN, MARVEL, RHOADS, GETTO, MALONE, WEISE AND CAVNAR**

**JANUARY 17, 1979**

**Referred to Committee on Taxation**

**SUMMARY—Requests Congress to submit amendment to United States Constitution to limit federal spending. (BDR 787)**

**EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.**

**ASSEMBLY JOINT RESOLUTION—Requesting the Congress of the United States to submit to the state legislatures an amendment to the United States Constitution which would limit federal appropriations for any fiscal year to federal revenues estimated for that year, except during national emergencies**

- 1    **WHEREAS, The national debt now amounts to hundreds of billions of**
- 2    **dollars and is increasing enormously each year as federal expenditures**
- 3    **grossly exceed federal revenues; and**
- 4    **WHEREAS, Payment of the increased interest on this ever-expanding**
- 5    **debt imposes a tremendous burden on the taxpayers of this country; and**
- 6    **WHEREAS, Continuous deficit financing by the Federal Government**
- 7    **supports inflationary conditions which adversely affect the national econ-**
- 8    **omy and all Americans, particularly those persons with fixed or low**
- 9    **incomes; and**
- 10   **WHEREAS, Constantly increasing use of deficit financing has enabled**
- 11   **the Federal Government to allocate considerable sums to programs which**
- 12   **in many instances have proved to be wasteful and not beneficial to the**
- 13   **public; and**
- 14   **WHEREAS, Limiting federal expenditures in each fiscal year to revenues**
- 15   **available in that year, except during national emergencies, will result in**
- 16   **greater selectivity of federal programs for the benefit of the public; and**
- 17   **WHEREAS, The annual federal budgets continually reflect the unwilling-**
- 18   **ness or inability of both the legislative and executive branches of the**
- 19   **Federal Government to balance the budget and demonstrate the necessity**
- 20   **for a constitutional restraint upon deficit financing; and**
- 21   **WHEREAS, Under article V of the Constitution of the United States,**
- 22   **the Congress may propose amendments to the federal Constitution**
- 23   **whenever two-thirds of both houses deem it necessary; now, therefore,**
- 24   **be it**

Original bill is 2 pages long.  
Contact the Research Library for  
a copy of the complete bill.



ASSEMBLY BILL NO. 268

(REPRINTED WITH ADOPTED AMENDMENTS)

THIRD REPRINT

A. B. 268

ASSEMBLY BILL NO. 268—COMMITTEE ON TAXATION

FEBRUARY 2, 1979

Referred to Committee on Taxation

SUMMARY—Allocates entire proceeds of real property transfer tax and certain fees for gaming licenses to counties. (BDR 32-1057)

FISCAL NOTE: Effect on Local Government: Yes.  
Effect on the State or on Industrial Insurance: Yes.

EXPLANATION—Matter in italics is new, matter in brackets [ ] is material to be omitted.

AN ACT relating to public revenue; allocating the entire proceeds of the real property transfer tax and county gaming license fees to local governments; imposing a liability upon county recorders; and providing other matters properly relating thereto.

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

1 SECTION 1. NRS 375.070 is hereby amended to read as follows:  
2 375.070 1. The county recorder shall transmit the proceeds of the  
3 real property transfer tax at the end of each quarter [as follows:

4 1. Seventy-five percent of such proceeds to the state treasurer, who  
5 shall deposit them in the general fund in the state treasury; and

6 2. Twenty-five percent of such proceeds to the county treasurer of  
7 the county in which the transfer is recorded, who shall deposit them in the  
8 general fund in the county treasury.] *to the county treasurer, who shall*  
9 *deposit them all in the general fund, and in other counties deposit 25*  
10 *percent of them in the general fund and apportion the remainder as*  
11 *follows:*

12 (a) *If there is one incorporated city in the county, between that city*  
13 *and the county general fund in proportion to the respective populations*  
14 *of the city and the unincorporated area of the county.*

15 (b) *If there are two or more cities in the county, among the cities in*  
16 *proportion to their respective populations.*

17 2. *If there is any incorporated city in a county, the county recorder*  
18 *shall charge each city a fee equal to 2 percent of the real property transfer*  
19 *tax which is transferred to that city.*

20 SEC. 2. NRS 375.100 is hereby amended to read as follows:

21 375.100 1. The county recorder shall refuse to record any deed or  
22

Original bill is 5 pages long.  
Contact the Research Library for  
a copy of the complete bill.

Proposed Amendment to A.B. 268

In counties with one or more incorporated cities, a fee for administrative overhead shall be charged and collected by the county recorder. Such fee shall be 2% of that portion of the real property transfer tax collected and distributed amongst the one or more incorporated cities.



SENATE BILL NO. 46

S. B. 46

SENATE BILL NO. 46—SENATORS K. ASHWORTH, GLASER,  
CLOSE AND JACOBSEN

JANUARY 18, 1979

Referred to Committee on Taxation

SUMMARY—Increases percentage of money received for county gaming licenses to be paid to cities and towns. (BDR 41-198)

FISCAL NOTE: Effect on Local Government: Yes.  
Effect on the State or on Industrial Insurance: Yes.

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to county gaming license fees; abolishing the payment of any of those fees to the state treasurer; increasing the percentage of those fees to be paid to cities and towns; and providing other matters properly relating thereto.

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

- 1 SECTION 1. NRS 463.320 is hereby amended to read as follows:
- 2 463.320 1. All gaming license fees imposed by the provisions of
- 3 NRS 463.370, 463.373, 463.375, 463.380, 463.383 and 463.390 shall
- 4 be collected and disposed of as [herein provided.] *provided in this*
- 5 *section.*
- 6 2. All state gaming license fees and penalties shall be collected by
- 7 the commission and paid over immediately to the state treasurer to be
- 8 disposed of as follows:
- 9 (a) All state gaming license fees and penalties other than the license
- 10 fees imposed by the provisions of NRS 463.380 shall be deposited for
- 11 credit to the general fund.
- 12 (b) All state gaming license fees imposed by the provisions of NRS
- 13 463.380 shall, after deduction of costs of administration and collection,
- 14 be divided equally among the various counties and transmitted to the
- 15 respective county treasurers. Such fees, except as otherwise provided
- 16 [herein,] *in this paragraph,* shall be deposited by the county treasurer in
- 17 the county general fund and shall be expended for county purposes. If
- 18 the board of county commissioners desires to apportion and allocate all
- 19 or a portion of such fees to one or more incorporated or unincorporated
- 20 cities or towns within the county, the board of county commissioners shall,
- 21 annually, [prior to] *before* the preparation of the city or town budget or

Original bill is 2 pages long.  
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a copy of the complete bill.



ASSEMBLY BILL NO. 750

A. B. 750

ASSEMBLY BILL NO. 750—WASHOE COUNTY DELEGATION

APRIL 16, 1979

Referred to Committee on Taxation

SUMMARY—Authorizes boards of county commissioners to impose additional county motor vehicle fuel tax if approved by voters of county. (BDR 32-1861)

FISCAL NOTE: Effect on Local Government: Yes. Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in italics is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to the county motor vehicle fuel tax; authorizing boards of county commissioners to impose an additional tax if approved by the voters of the county; 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. NRS 373.030 is hereby amended to read as follows:
373.030 In any county for all or part of which a streets and high-ways plan has been adopted by the county or regional planning commission, the board may by ordinance:
1. Create a regional street and highway commission; and
2. Impose a tax on motor vehicle fuel [as provided in this chapter.] sold in the county of:
(a) One cent or 2 cents per gallon.
(b) In addition to the tax provided for in paragraph (a), 2 cents per gallon to be effective only if the tax is approved by a vote of the registered voters of the county upon a question which the board may submit to the voters at any election.
A tax imposed under this section is in addition to other motor vehicle fuel taxes imposed under the provisions of chapter 365 of NRS.
SEC. 2. NRS 373.070 is hereby amended to read as follows:
373.070 Any motor vehicle fuel tax ordinance enacted under this chapter [shall] must include provisions in substance as follows:
1. A provision imposing [an] the additional excise tax [of 1 cent per gallon or 2 cents per gallon, as the board may determine at any time or from time to time, on all motor vehicle fuel sold in the county, which tax shall be in addition to other motor vehicle fuel taxes imposed under the provisions of chapter 365 of NRS.] and stating the amount of the tax per gallon of fuel.
2. Provisions identical to those contained in chapter 365 of NRS

Original bill is 2 pages long. Contact the Research Library for a copy of the complete bill.



ASSEMBLY JOINT RESOLUTION NO. 32—  
COMMITTEE ON TAXATION

MAY 7, 1979

Referred to Committee on Taxation

SUMMARY—Proposes to amend Nevada constitution to limit spending  
by state. (BDR C-1722)

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

ASSEMBLY JOINT RESOLUTION—Proposing to amend article 9 of the constitution of the State of Nevada, relating to finance and state debt, by limiting the total expenditures of the state government to those in a base period except for changes related to increases or decreases in population and inflation or deflation.

1 *Resolved by the Assembly and Senate of the State of Nevada, jointly,*  
2 That article 9 of the constitution of the State of Nevada be amended by  
3 adding thereto a new section which shall read as follows:

4 *Sec. 6. 1. Except as provided in subsection 4, the legislature, in*  
5 *appropriating from the state general fund money for expenditure for*  
6 *purposes other than construction and in authorizing for expenditure reve-*  
7 *nuues of the state which are not required by the constitution to be credited*  
8 *to a fund other than the state general fund, shall not exceed the limit*  
9 *upon total expenditures calculated pursuant to this section. The base*  
10 *from which the permissible expenditure in subsequent years must be*  
11 *calculated is the total amount:*

12 *(a) Appropriated by the legislature for expenditure from the state gen-*  
13 *eral fund for the purposes limited; and*

14 *(b) Authorized by the legislature for expenditure from revenues of the*  
15 *state which are not required by the constitution to be credited to a fund*  
16 *other than the state general fund,*  
17 *for the fiscal year in which this section became effective.*

18 2. *The limit for each fiscal year is calculated as follows:*

19 *(a) The amount of expenditure in the base year is multiplied by the*  
20 *percentage of change in population in the current year from the base*  
21 *year, and this product is added to or subtracted from the amount of*  
22 *expenditure in the base year.*

23 *(b) The amount calculated under paragraph (a) is multiplied by the*  
24 *percentage of inflation or deflation, and this product is added to or sub-*  
25 *tracted from the amount calculated under paragraph (a).*