

Chairman May called the meeting of the Assembly Committee on Taxation to order at 2:20 p.m. with the following members present:

PRESENT: Chairman May  
Vice Chairman Coulter  
Mr. Brady  
Mrs. Cafferata  
Mr. Craddock  
Mr. Marvel  
Mr. Price  
Mr. Rusk  
Mr. Stewart  
Mrs. Westall

ABSENT/EXCUSED: Mr. Bergevin

Please see attached guest register for guests present.

A.B. 258: Provides for submission to voters of amendments to Sales and Use Tax Law.

Testifying in support of this measure was Assemblyman Nick Horn, Assembly District #5, and Mr. Harold Myers representing the opticians of Nevada. Mr. Horn explained they have arranged for a representative to be present to give information on patients requiring the use of hearing aids, artificial limbs, eye glasses, as well as members of the general public to present their feelings on this bill. Mr. Myers testified that in this bill they are asking that the sales and use tax be removed from the prosthetic devices that consist of eye glasses, artificial limbs and hearing aids. These are basically all necessities of life - they are not luxuries and are worn because people need them. He testified they had petitions with over 20,000 signatures urging the passage of this bill, but the petitions were turned over to Senator Faiss and are not available. He stated this measure is very important to the citizens of Nevada.

Introduced next was Mr. Leonard Hughes with the hearing aid industry in Nevada for the past twelve years who urged passage of the bill; next was Isabel Rosen, who stated she was representing herself and supports AB 258. In response to a question by Mr. Marvel on the fiscal impact, Mrs. Westall distributed copies of the fiscal note (attached as EXHIBIT I) and pointed out that this shows that glasses are purchased nine times more often than hearing aids and that perhaps, we might want to consider putting hearing aids in the bill but not glasses.

Chairman May pointed out that this bill would simply put this question to the voters to see what their decision is and could be on the ballot for November of 1982.

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Mr. Dan Miles, Fiscal Analyst, reminded the committee members that the fiscal note seen today was based on the old sales tax rate of 3½% rather than the new rate of 5 3/4% and perhaps the committee would want to obtain an up-dated fiscal note prior to taking action.

It was the consensus of the members present that they would prefer to hold this bill in committee as suggested by Mr. Miles pending receipt of a new fiscal note. Chairman May stated that it would be rescheduled for hearing next Monday.

A.B. 20 - Provides for submission at next general election of question proposing refund of sales and use tax paid on certain mobile homes.

Mr. Stewart explained that he and Mr. Bergevin had discussed this, and Mr. Bergevin had suggested coming up with a figure that would represent the labor in mobile homes which would be deducted and only the materials used in mobile homes would be subject to the sales tax the same as in a house.

Inasmuch as Mr. Bergevin was not present at the meeting to present his proposal, the hearing on this bill was closed and the bill will be rescheduled next Monday.

A.B. 122 - Revises form used in declaration of value of real property at time of transfer and increases penalty for false statements of value.

Appearing before the Committee to testify on this bill was Ms. Marie Feeney, representing the Clark County Assessors Office. She explained that her office has been in contact with the Washoe County Recorders Office and they have agreed to withdraw their interest in this bill and will pursue passage of A.B. 298 which provides for similar legislation.

A motion was introduced by Mr. Marvel to give AB 122 no further consideration; seconded by Mr. Rusk and unanimously carried.

A.B. 298 - Provides alternate form for declaring value of transferred real property.

Testifying in support of this measure was Mr. Joe Melcher, Washoe County Recorder, who stated that this bill was discussed by the county recorders and approved by them. This would make the use of a rubber stamp or the declaration of value form optional depending on which the county has decided to do. Most of the large counties are using the rubber stamp on the document. This bill would save the large counties from duplicating what is already in the declaration of value forms and requiring that the same information be put on the document itself. They support the passage of the bill.

There being no further testimony, a Motion for Do Pass was made by Mr. Marvel, seconded by Mr. Rusk and carried unanimously.

S.B. 7 - Limits designation of county assessors as agents of department of motor vehicles.

Mr. May explained that this bill has previously been passed out of committee with a "do pass", however, since that time the Registration Department of DMV has found a flaw in the bill and has a suggested amendment. In the circumstances, SB 7 will be rescheduled when the amendment is in the proper form; tentative amendment is attached as EXHIBIT II (Amendment No. 755).

A.B. 330 - Allocates portion of casino entertainment tax for free musical performances.

Mr. Price reported that his subcommittee on this measure was prepared to discuss the bill and have suggested an amendment.

He explained that his committee has met with Mr. Mark Tully of the Musicians Union and he concurs with the suggested amendment. He pointed out that the original bill has been requested for several sessions and would have taken one percent of the 10% entertainment tax to provide for musical performances throughout the state. They have now concluded that it would not be feasible to take that portion this year but, if possible, funding could be put as an appropriation from the General Fund. They felt that if they set up an appropriation for one of the two biennial years that it would give them an opportunity for the system to be set up to put the program into operation. After the one year trial period, they could return to the legislature and there would be a track record on how effective this program would be.

They have suggested an amendment to the original bill which would appropriate the sum of \$200,000 in the second half of the biennium and also sets up for allocation of the funds to various counties. As he understands it, the bill would have to go from this committee to Ways and Means for further consideration.

There being no further testimony, Mr. Price introduced a motion to adopt Amendment #677\* to AB 330 and refer to the Committee on Ways and Means; motion seconded by Mrs. Westall and carried by a vote of 7 to 3. Voting aye were Messrs. Craddock, Marvel, Price, Rusk, Coulter and May and Assemblywoman Westall. Voting nay: Messrs. Stewart and Brady and Assemblywoman Cafferata. Absent/not voting, Mr. Bergevin.

Chairman May reminded the committee that we had requested drafting of a new bill which will increase the rate of property tax assessment of certain property and decrease sales tax upon amendment of the constitution to permit differential taxation of property. He explained that if the committee is still agreeable, he will have the bill introduced tomorrow and referred back to the committee for hearing next Monday.

\*See Exhibit III

(Committee Minutes)

Mr. Rusk advised the committee that what that would do is compliment with AJR 27 but more importantly it puts the future legislature on record as to what we intended. On page 3 it points out that all the property subject to taxation must be assessed at a rate of "blank" and we must fill in that amount; that is, all the property other than single family residences presently appraised or assessed at the 35%. He suggested we talk to Roy Nickson to determine, if we appraised the property at 45% what kind of a yield we would have in additional money if we took all the commercial properties in the state at that higher rate. He feels the committee needs to take a look at those figures and decide what we think would be an appropriate higher assessment rate. This further provides that if, in the event there is enough money from the increase to accomplish it, that the school support tax would be reduced by  $\frac{1}{2}$  of 1%. We can vary that up or down after we get into the accounting facts. He emphasized that the main intent is that every nickel that comes from the increase in the assessment for commercial property would go to the reduction of sales tax.

Mr. Price disagreed with this approach and explained that he believes firmly that had we been able to separate the commercial from residential we could come up with a method to hold residential on a more level plane without having to increase or tamper with commercial or other types of property taxes. He feels we should come out with some other type of bill that says, "as soon as this constitutional amendment passes, we are going to beef it up," but he feels this is going to be defeating our whole purpose and stated he cannot support this concept.

Mr. May suggested that we introduce the bill without any figures on page 3 and then work out the amounts later.

Mr. Rusk reminded the members that one of the things we heard while talking about the tax package idea is that businesses could, in fact, carry a heavier burden particularly in light of the severe reduction we have come up with in our tax package - that they didn't need that kind of reduction to survive. For that reason, there was a lot of discussion on split rolling which we couldn't do because of the provisions in our constitution. This is an attempt to not only allow them to carry a heavier burden but more important if we would reduce the sales tax, we would end up with a tax package which, in his opinion, is more acceptable than what we have come up with so far. That is what AJR 27 and this bill propose to do. He stated he agreed with Mr. Price in his basic thinking, but he feels this is a very important part of the tax package and now we are in a position where we are trying to address the region that he and many others have been against, and this is what this attempts to do.

Chairman May stated that if there is no objection he would like a motion to introduce BDR 322-042. Mr. Price thereupon

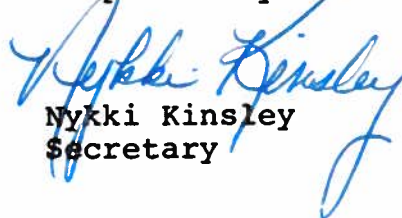
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reiterated his objections and stated he did object to the introduction of the bill as he did not feel we should project the kind of image he addressed earlier in the discussion.

After brief general discussion, a motion for introduction of BDR 322-042 was made by Mr. Rusk, seconded by Mrs. Cafferata and carried by an 8 to 1 vote with two absent/not voting. Voting "aye": Messers. Brady, Craddock, Marvel, Rusk, Coulter, and May and Assemblywomen Cafferata and Westall. Voting "nay": Mr. Price. Absent/not voting were Assemblymen Bergevin and Stewart.

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
Nykki Kinsley  
Secretary

ASSEMBLY

AGENDA FOR COMMITTEE ON.....Taxation.....

Date Mon, May 4, 1981 Time 1:30 pm Room 240.....

Bills or Resolutions  
to be considered

Subject

Counsel  
requested\*

ALL MEETINGS OF THE ASSEMBLY COMMITTEE ON TAXATION  
WILL BEGIN PROMPTLY AT 1:30 PM. PLEASE ARRANGE  
YOUR SCHEDULE ACCORDINGLY.

- A.B. 20- Provides for submission at next general election of question proposing refund of sales and use tax paid on certain mobile homes.
- A.B. 122- Revises form used in declaration of value of real property at time of transfer and increases penalty for false statements of value.
- A.B. 298- Provides alternate form for declaring value of transferred real property.
- A.B. 258- Provides for submission to voters of amendments to Sales and Use Tax Law.



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ALL MEETINGS OF THE ASSEMBLY COMMITTEE ON TAXATION WILL BEGIN PROMPTLY AT 1:30 PM. PLEASE ARRANGE YOUR SCHEDULE ACCORDINGLY.

2/ A.B. 20-  
*not Monday*

Provides for submission at next general election of question proposing refund of sales and use tax paid on certain mobile homes.

4/ A.B. 122-  
*Bill*

Revises form used in declaration of value of real property at time of transfer and increases penalty for false statements of value.

4/ A.B. 298-  
*do pass*

Provides alternate form for declaring value of transferred real property.

4/ A.B. 258-  
*no action*

Provides for submission to voters of amendments to Sales and Use Tax Law.

*agenda with Monday  
get new # out*

4/ 37- put on agenda for tomorrow

Ex B. 2 A 258.

✓ Ex II amend. H 677 to AB 330. *done* *do pass* *to swim.*

~~7 Ex III - no bill~~

*schedule new to Monday*

*Monday*  
AB 20  
AB 258  
new bill ? #

\*Please do not ask for counsel unless necessary.





AB 258

FISCAL NOTE

BDR 32-1010  
A.B.  
S.B.

STATE AGENCY ESTIMATES Date Prepared 3-12-81

Agency Submitting	Taxation			
Revenue and/or Expense Items	Fiscal Year 1980-81	Fiscal Year 1981-82	6 mo. Fiscal Year 1982-83	1 yr. Continuing
2% Sales Tax	-0-	-0-	(131,113)	(288,448)
1% LSST	-0-	-0-	(65,557)	(144,224)
1/2% CCRT	-0-	-0-	(32,778)	(72,112)
Total	0	0	(229,448)	(504,784)

Explanation (Use Continuation Sheets If Required)

Estimate based on FY 80-81 sales with estimated 10% price increase per year to FY 82-83.

Hearing aids - 14,400 @ \$400 + average 6 yr. life = \$960,000 sales.

Glasses - 264,000 @ \$100 + average 3 year life = \$8,800,000 sales.

Braces, canes, crutches are estimated @ \$1,075,770 taxable sales annually.

Local Government Impact YES  NO   
(Attach Explanation)

Signature Ray E. Nickerson  
Title Executive Director

DEPARTMENT OF ADMINISTRATION COMMENTS Date

pop ~~864,000~~ 800,000  
1/3 = 264,000 wear glasses  
1.80% wear hearing aids

Signature  
Title

LOCAL GOVERNMENT FISCAL IMPACT (Legislative Counsel Bureau Use Only) Date 1-8-82

1981 REGULAR SESSION (61st)

ASSEMBLY ACTION		SENATE ACTION		Assembly	AMENDMENT BLANK
Adopted <input type="checkbox"/>		Adopted <input type="checkbox"/>		AMENDMENTS to	Senate
Lost <input type="checkbox"/>		Lost <input type="checkbox"/>			<del>Joint</del>
Date:		Date:		Bill No. 7	Resolution No.
Initial:		Initial:		BDR 43-449	
Concurred in <input type="checkbox"/>		Concurred in <input type="checkbox"/>		Proposed by	Committee on Taxation
Not concurred in <input type="checkbox"/>		Not concurred in <input type="checkbox"/>			
Date:		Date:			
Initial:		Initial:			

Amendment N<sup>o</sup> 755

Resolves conflict with A.B. 43

Amend the bill as a whole by deleting sections 1 through 5 and adding a new section designated section 1, to read as follows:

"Section 1. Chapter 122, Statutes of Nevada 1981, is hereby amended by adding thereto a new section designated section 6, following section 5, to read as follows:

Sec. 6. This act shall become effective on January 1, 1982."

Amend the title of the bill to read as follows:

"AN ACT relating to taxation; delaying the date on which chapter 122, Statutes of Nevada 1981, becomes effective."

833  
*Exhibit II*

To: E & E  
LCB File ✓  
Journal  
Engrossment  
Bill

Drafted by DS:ml Date 4-30-81

1981 REGULAR SESSION (61st)

ASSEMBLY ACTION	SENATE ACTION	Assembly	AMENDMENT BLANK
Adopted <input type="checkbox"/>	Adopted <input type="checkbox"/>	AMENDMENTS to	Assembly
Lost <input type="checkbox"/>	Lost <input type="checkbox"/>		<del>Joint</del>
Date: <input type="checkbox"/>	Date: <input type="checkbox"/>	Bill No. 330	Resolution No.
Initial: <input type="checkbox"/>	Initial: <input type="checkbox"/>	BDR. 41-1144	
Concurred in <input type="checkbox"/>	Concurred in <input type="checkbox"/>	Proposed by	Committee on Taxation
Not concurred in <input type="checkbox"/>	Not concurred in <input type="checkbox"/>		
Date: <input type="checkbox"/>	Date: <input type="checkbox"/>		
Initial: <input type="checkbox"/>	Initial: <input type="checkbox"/>		

Amendment N<sup>o</sup> 677



Amend the bill as a whole by deleting sections 1 and 2 and adding two new sections designated sections 1 and 2, to read as follows:

"Section 1. 1. The sum of \$200,000 is hereby appropriated from the state general fund to the Nevada council on the arts for the purpose of providing free live musical performances to the public or to persons in institutions described in subsection 3.

2. The council shall:


- (a) Obtain information relating to the collection of the casino entertainment tax from the department of taxation; and
- (b) Allocate the money appropriated in this section as follows:

(1) The sum of \$180,000 must be expended to present the performances in the counties in which the casino entertainment tax is collected according to each county's pro rata share of the total amount collected; and

(2) The sum of \$20,000 must be expended to present the performances in counties in which no casino entertainment tax is collected and provide compensation to a person whom the council appoints to act as a coordinator of all the performances presented pursuant to this section.

3. The musical performances may include without limitation opera, ballet, public dances and concerts of all kinds. They may be presented in any public building, park, school, college or

To: E & E  
 LCB File  
 Journal   
 Engrossment  
 Bill

Drafted by..... DS: smc  
 Date..... 4-24-81  


university or in public institutions which care for blind, aged, imprisoned or physically or mentally disabled persons.

4. Payment of expenses, including without limitation the cost of hiring musical performers and necessary technical personnel and providing transportation required for the performances, must be made on claims certified by the council in the same manner in which other claims against the state are paid.

Sec. 2. This act shall become effective on July 1, 1982."

Amend the title of the bill to read as follows:

"AN ACT relating to musical performances; making an appropriation for the provision of free live musical performances; and providing other matters properly relating thereto."