

COMMITTEE ON TAXATION  
MEETING OF THE WHOLE

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
May 5, 1981

NEVADA LEGISLATURE

Sixty-First Session, 1981

SENATE DAILY JOURNAL

THE ONE HUNDRED AND SEVENTH DAY

CARSON CITY (Tuesday), May 5, 1981

Senate called to order at 10:15 a.m.  
President Leavitt presiding.  
Roll called.  
All present.  
Prayer by the Chaplain, Pastor Kenneth E. Bergmann.  
Pledge of allegiance to the Flag.

Senator Gibson moved that further reading of the Journal be dispensed with, and the President and Secretary be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

*Mr. President:*

Your Committee on Government Affairs, to which were referred Senate Bill No. 560; Assembly Bill No. 484, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

JAMES I. GIBSON, *Chairman*

*Mr. President:*

Your Committee on Human Resources and Facilities, to which was re-referred Senate Bill No. 412, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JOE NEAL, *Chairman*

*Mr. President:*

Your Committee on Natural Resources, to which was referred Senate Bill No. 599, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

NORMAN D. GLASER, *Chairman*

*Mr. President:*

Your Committee on Government Affairs, to which was referred Senate Bill No. 597, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JAMES I. GIBSON, *Chairman*

*Mr. President:*

Your Committee on Commerce and Labor, to which were referred Senate Bills Nos. 420, 470, 500, 543, 558, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

THOMAS R. C. WILSON, *Chairman*

*Mr. President:*

Your Committee on Human Resources and Facilities, to which was referred Assembly Bill No. 458, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

JOE NEAL, *Chairman*

*Mr. President:*

Your Committee on Human Resources and Facilities, to which was referred Assembly Bill No. 144, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JOE NEAL, *Chairman*

*Mr. President:*

Your Committee on Finance, to which were referred Senate Bills Nos. 551, 618; Assembly Bills Nos. 359, 498, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

FLOYD R. LAMB, *Chairman*

*Mr. President:*

Your Committee on Finance, to which was referred Assembly Bill No. 274, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

FLOYD R. LAMB, *Chairman*

*Mr. President:*

Your Committee on Judiciary, to which were referred Senate Bills Nos. 35, 39, 577, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MELVIN D. CLOSE, JR., *Chairman*

*Mr. President:*

Your Committee on Judiciary, to which was referred Senate Bill No. 610, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MELVIN D. CLOSE, JR., *Chairman*

#### MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, May 4, 1981

*To the Honorable the Senate:*

I have the honor to inform your honorable body that the Assembly on this day passed Assembly Bills Nos. 518, 519.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 227, 240, 253, 362.

Also, I have the honor to inform your honorable body that the Assembly on this day passed Assembly Bills Nos. 353, 457, 483, 532, 549, 565.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 109, 283, 299, 375, 391, 393, 413, 467, 482, 527, 541.

Also, I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 241, 356.

Also, I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate amendment to Assembly Bill No. 220.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bills Nos. 87, 251, and respectfully request your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Assembly on this day passed Assembly Joint Resolution No. 30.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Joint Resolution No. 24.

CAROL L. MOORE

*Assistant Chief Clerk of the Assembly*

## SECOND READING AND AMENDMENT

Senate Bill No. 379.

Bill read second time.

The following amendment was proposed by the Committee on Transportation:

Amendment No. 783.

Amend section 1, page 1, by deleting line 3 and inserting:

*"1. A blind per-"*

Amend section 1, page 1, line 4, by deleting *"on foot"* and inserting *"who is on foot and"*.

Amend section 1, page 1, by deleting line 5 and inserting:

*"in color, or white tipped with red, has the right of way when entering or when on a highway, street or road of this state. Any driver of a vehicle who approaches or encounters such a blind person shall yield the right of way, come to a full stop, if necessary, and take"*.

Amend section 1, page 1, line 6, by deleting *"as may be necessary"*.

Senator Blakemore moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 397.

Bill read second time.

The following amendment was proposed by the Committee on Transportation:

Amendment No. 776.

Amend section 1, page 1, line 3, by deleting *"annual"*.

Amend section 1, page 1, line 4, by deleting *"by"* and inserting a period.

Amend section 1, page 1, by deleting line 5.

Senator Blakemore moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 454.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 753.

Amend section 1, page 1, line 1, by deleting *"293"* and inserting: *"218"*.

Amend section 1, page 1, by deleting lines 3 through 18, and inserting:

*"1. As used in this section, "first committee of reference" means the committee to which a bill or joint resolution was first referred in the house of the legislature into which it was introduced.*

*2. Upon request from the first committee of reference, the legal and research divisions of the legislative counsel bureau shall prepare, for any proposed constitutional amendment or statewide measure which, if approved by the legislature, would be submitted to a vote of the people:*

*(a) A condensation of the proposal into a question to be placed on the ballot; and*

(b) *An explanation of the proposal, including arguments for and against it.*

3. *The condensation and explanation must be of reasonable length and written in easily understood language.*

4. *After the bill or joint resolution has been approved by both houses of the legislature, the first committee of reference shall request the preparation of the condensation and explanation, if it has not already done so, and shall review the draft and approve such changes as it deems necessary.*

5. *The first committee of reference shall then submit the condensation and explanation, in the form of a simple resolution, to the members of the house in which the proposed constitutional amendment or statewide measure was introduced. After that resolution is approved, it must be entered in the journal in its entirety and the enrolled resolution delivered to the secretary of state to accompany the bill or joint resolution to which it relates.*

6. *If the legislature adjourns before the procedures set forth in subsections 4 and 5 have been completed, the legislative commission shall review, revise and approve the condensation and explanation for delivery to the secretary of state.*

7. *In the case of a joint resolution which proposes a constitutional amendment, the condensation and explanation must be treated in the same manner when the proposal is before the legislature for its second approval as when the proposal was first approved."*

Amend section 1, page 1, line 19, by deleting "5." and inserting "8."

Amend sec. 2, page 2, by deleting line 21, and inserting:

"[3.] 5. The condensations and explanations for constitutional amendments and statewide measures proposed by initiative or referendum [shall] must be prepared by the"

Amend sec. 2, page 2, line 22, by deleting "general and" and inserting:

"general . [and]"

Amend sec. 2, page 2, by deleting line 23 and inserting:

"legislative counsel,) They must be in easily understood language of of reasonable length,"

Amend sec. 2, page 2, line 24, by deleting "shall" and inserting:

"[shall] must"

Amend sec. 2, page 2, line 26, by deleting "5." and inserting "6."

Amend sec. 2, page 2, line 29, by deleting "6." and inserting "7."

Amend sec. 3, page 2, by deleting line 37 and inserting:

"tions prepared pursuant to NRS 293.250 [.] and section 1 of this act."

Amend the title of the bill to read:

"An Act relating to elections; transferring to the legislative branch of government the responsibility for preparing the ballot questions and explanations for bills and resolutions proposing constitutional amendments and statewide measures; and providing other matters properly relating thereto."

Senator Gibson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 478.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 767.

Amend sec. 3, pages 1 and 2, by deleting line 20 on page 1 and lines 1 and 2 on page 2, and inserting:

"Sec. 3. 1. The state board of examiners shall issue general obligation bonds of the State of Nevada in the amount of \$2,000,000 to provide the remaining money necessary to acquire the land described in section 1 of this act.

2. The legislature finds and declares that the issuance of bonds pursuant to this section is necessary for the protection and preservation of the property of this state and for the purpose of obtaining the benefits thereof, and constitutes an exercise of the authority conferred by the second paragraph of section 3 of article 9 of the constitution of the State of Nevada.

3. The provisions of the State Securities Law, contained in chapter 349 of NRS, apply to the issuance of bonds under this section.

4. The proceeds of the bonds issued pursuant to this section are hereby appropriated to Douglas County, Nevada, for the purposes specified in subsection 1."

Amend sec. 4, page 2, line 5, by deleting the period and inserting: "as soon as all payments of money encumbered have been made."

Amend the bill as a whole by adding a new section designated section 5, following section 4, to read as follows:

"Sec. 5. This act shall become effective upon passage and approval."

Senator Lamb moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 527.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 799.

Amend sec. 2, page 1, line 6, by deleting "*engages in*" and inserting "*is under*".

Amend sec. 2, page 1, by deleting line 7 and inserting: "*a corporate licensee; and*".

Amend sec. 7, page 2, line 30, after the period, by inserting: "*A document issued by any governmental authority for any employment other than gaming is not a valid work permit for the purposes of this chapter.*".

Amend sec. 12, page 5, line 27, by deleting "*tax*" and inserting "*license fees or taxes*".

Amend sec. 12, page 5, line 28, by deleting "*all property*" and inserting:

"*any right, title or interest in all real and personal property where the gaming establishment is located, or that is directly connected with gaming, which is*".

Amend sec. 12, page 5, line 29, after "state" by inserting "and".

Amend sec. 12, page 5, by deleting line 34 and inserting:

*"constitutes a lien on all such property within the state owned by the".*

Amend sec. 12, page 5, by deleting line 40 and inserting:

*"4. A debtor continues to be responsible for a deficiency determination although he is no longer licensed pursuant to this chapter.*

*5. A lien created pursuant to this section".*

Amend sec. 12, page 5, line 41, by deleting "(a) Is" and inserting "is".

Amend sec. 12, page 5, by deleting lines 44 and 45 and inserting:

*"other lien except a previously recorded lien and con-".*

Amend sec. 12, page 5, by deleting line 48 and 49.

Amend sec. 12, page 5, line 50, by deleting "5." and inserting "6."

Amend sec. 12, page 6, line 6, by deleting "6." and inserting "7."

Amend sec. 13, page 6, by deleting line 10 and inserting:

*"Sec. 13. Any information".*

Amend sec. 13, page 6, by deleting lines 13 through 16 and inserting:  
*"disclosed except:*

*1. Such information obtained from the former employer of an applicant for a work permit must be disclosed to the applicant to the extent neces-".*

Amend sec. 13, page 6, line 18, by deleting the period and inserting ":

*2. In the necessary administration of this chapter; or*

*3. Upon the lawful order of a court of competent jurisdiction.".*

Amend sec. 13, page 6, by deleting lines 19 through 23.

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

*"Sec. 13.5. Any communication of a licensee which is required by law or the regulations of the board or commission to be made to the board or commission or any of their agents or employees is absolutely privileged and does not impose liability for defamation or constitute a ground for recovery in any civil action.".*

Amend sec. 14, page 6, by deleting lines 29 through 36 and inserting:

*"2. The emergency order must state the facts upon which the finding of necessity for the suspension is based. For purposes of this section, the emergency order shall be deemed a complaint.*

*3. The person whose work permit is summarily suspended:*

*(a) Has a right to a hearing on the order. The commission shall schedule a hearing within 5 days after the receipt of the person's notice of defense.*

*(b) Must file a".*

Amend sec. 14, page 6, line 37, by deleting "3" and inserting "30".

Amend sec. 14, page 6, line 40, by deleting "5." and inserting "4.".

Amend sec. 14, page 6, after line 42, by inserting:

*"5. Except as otherwise provided in this section, the procedures for a disciplinary action in NRS 463.312 must be followed.".*

Amend sec. 15, page 6, by deleting line 43 and inserting:

*"Sec. 15. 1. A person shall not operate or maintain in".*

Amend sec. 19, page 7, line 22, after "Every" by inserting "district attorney,".

Amend sec. 19, page 7, by deleting line 24 and inserting:  
*“course of any substantial investigation or prosecution of any person if it appears”.*

Amend sec. 23, page 8, by deleting line 7 and inserting:  
*“board , with the approval of the commission, may:”.*

Amend sec. 25, page 9, line 11, by deleting “required” and inserting  
 “[required] :

(a) *Required*’.

Amend sec. 25, page 9, line 13, after “licensee” by inserting “; and  
 (b) *Pertaining to an applicant’s criminal record, antecedents and background which have been furnished to or obtained by the board or commission from any source,*”.

Amend sec. 25, page 9, by deleting lines 14 through 18 and inserting:  
*“are confidential and [must not] may be revealed in whole or in part [except as follows:*

(a) In] *only in the course of the necessary administration of this chapter [.*

(b) Upon] *or upon the lawful order of a court of competent jurisdiction [.*

(c) To a duly] *, except that the commission may reveal such information and data to an authorized agent of any agency of the United”.*

Amend sec. 25, page 9, line 19, by deleting “or of” and inserting “,  
 [or of]”.

Amend sec. 25, page 9, after line 22, by inserting:  
*“or any political subdivision of this state”.*

Amend sec. 25, page 9, line 24, after “5.” by inserting an open bracket.

Amend sec. 25, page 9, line 26, by deleting the open bracket.

Amend sec. 25, page 9, by deleting lines 29 through 31 and inserting  
*“petent jurisdiction.”.*

Amend sec. 25, page 9, line 32, after “6.” by inserting a closed bracket.

Amend sec. 25, page 9, line 33, by deleting “subsections 4 and 5”  
 and inserting “[subsections 4 and 5] *subsection 4*’.

Amend sec. 25, page 9, line 36, by deleting “7.” and inserting “[7.]  
 6.”.

Amend sec. 25, page 9, line 38, by deleting “8.” and inserting “[8.]  
 7.”.

Amend sec. 26, page 10, line 36, by deleting “(e)” and inserting  
 “3.”.

Amend sec. 26, page 10, by deleting line 39 and inserting:  
*“audits. The former licensee shall maintain all books, papers and records necessary for audits for a period of 1 year after the date of the surrender or revocation of his gaming license. If the former licensee seeks judicial review of a deficiency determination or files a petition for a redetermination, he must maintain all books, papers and records until a final order is entered on the determination.*

Amend sec. 26, page 10, line 40, by deleting “[4.] 3.” and inserting  
 “4.”.

Amend sec. 26, page 10, line 49, by deleting “4.” and inserting  
 “5.”.

Amend sec. 26, page 11, line 3, by deleting "5." and inserting "[5.] 6."

Amend sec. 27, page 11, by deleting line 25 and inserting:  
"ever period extends the longest,  
the [commission] board may bring a"

Amend sec. 27, page 11, line 29, by deleting "not" and inserting  
"[not] no longer".

Amend sec. 31, page 15, line 20, by deleting "make" and inserting  
"[make] use its best efforts to enter".

Amend sec. 31, page 15, line 21, by deleting "upon" and inserting  
"concerning".

Amend sec. 35, page 21, by deleting line 24 and inserting:  
"(j) Been convicted of any felony or gross misdemeanor,".

Amend sec. 35, page 21, line 25, by deleting "tude,".

Amend sec. 39, page 24, line 10, by deleting "] 12".

Amend sec. 39, page 24, line 11, after "annum" by inserting "[ ] 1  
percent per month".

Amend sec. 42, page 25, line 40, after "31" by inserting ".[".

Amend sec. 42, page 25, line 42, by removing the brackets.

Amend sec. 42, page 25, by deleting line 43 and inserting:  
"fixed as annual license fees.] If the operation".

Amend sec. 42, page 25, line 46, by deleting the period and insert-  
ing:

"[.] , and if the operation is new, the commission shall prorate the ini-  
tial license fee on a monthly basis."

Amend sec. 42, page 26, by deleting lines 8 and 9.

Amend sec. 42, page 26, line 10, by deleting "6." and inserting  
"5."

Amend sec. 42, page 26, line 15, by deleting "[6." and inserting "6.  
[".

Amend sec. 42, page 26, by deleting line 17 and inserting:  
"Except as provided in this section and NRS 463.386, the amount of  
the fee speci-".

Amend sec. 43, page 27, line 13, by deleting the open bracket.

Amend sec. 43, page 27, by deleting lines 17 and 18 and inserting:  
"sions of this section."

Amend sec. 45, page 29, by deleting line 18 and inserting:  
"allowed at the rate of [7 percent per annum] 1 percent per month  
upon the amount found".

Amend sec. 45, page 29, by inserting after line 24:

"7. The provisions of this chapter must not be construed to permit  
the proration of state gaming taxes or license fees for purposes of a  
refund."

Amend sec. 50, page 31, by deleting line 12 and inserting:  
"Interest is computed at the rate of [7 percent per annum] 1 percent  
per month from".

Amend sec. 56, page 33, line 22, by deleting "1 year" and inserting  
"2 years".

Amend sec. 56, page 33, line 24, after "sale" by inserting "in a  
manner approved by the board,".

Amend sec. 56, page 33, by deleting lines 25 through 27 and insert-  
ing:



*"a distributor's license. In cases of bankruptcy of a state gaming licensee"*.

Amend sec. 56, page 33, line 30, by deleting *"a single bulk sale"* and inserting *"the disposition"*.

Amend sec. 57, page 34, line 1, by deleting *"greately"* and inserting *"greatly"*.

Amend sec. 63, page 36, line 5, by deleting the semicolon and inserting:

*"and their deputies when carrying out their official duties [.] ;"*.

Amend sec. 64, page 37, line 18, after *"179.255"* by inserting:

*", if the event or conviction was related to gaming,"*.

Amend the title of the bill by deleting lines 4 and 5 and inserting:

*"ing a privilege to licensees for communications required by law to be made to the board or commission; making various other changes to the laws regu-"*.

Senator Keith Ashworth moved the adoption of the amendment.

Amendment adopted.

Senator Keith Ashworth moved that Senate Bill No. 527 be referred to the Committee on Judiciary.

Motion carried.

Bill ordered reprinted and engrossed.

Senate Bill No. 530.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 793.

Amend section 1, page 1, by deleting line 1 and inserting:

*"Section 1. NRS 6.020 is hereby amended to read as follows:*

*6.020 1. Upon satisfactory proof, made by affidavit or otherwise, the following-named persons, and no [other, shall be] others except as provided in subsection 2, are exempt from service as grand or trial jurors:*

- (a) Any federal or state officer.*
- (b) Any judge, justice of the peace or attorney at law.*
- (c) Any county clerk, recorder, assessor, sheriff, deputy sheriff, constable [, deputy constable] or police officer.*
- (d) [Any physician, dentist, graduate nurse or registered pharmacist.*
- (e) Any locomotive engineer, locomotive fireman, conductor, brakeman, switchman or engine foreman.*
- (f) Any mail carrier engaged in the actual carrying of the United States mail on a star route in a rural area.*
- (g) Any teacher, principal or superintendent actually engaged in teaching or in the supervision of teaching in the public schools of this state, and any member of the faculty of the University of Nevada System, shall be exempt from jury duty during the session of the public schools or university of this state in which he is employed. Nothing in this paragraph shall excuse or be construed to excuse any teacher, principal, superintendent or university faculty member from jury duty during school vacation, except when he is taking training in his professional work or in finishing his school reports and other matters incident thereto within 1 month of the day of the closing of the school*

in which he is employed, or in preparation for the opening of school during the 2 weeks immediately preceding the opening of school.

(h) Members and officers of paid and volunteer fire departments and members of exempt firemen's associations, societies or organizations, as follows:

(1) One-half of all members of each regularly enrolled fire department in this state as specified by such department. This exemption shall not apply to any fire department having 50 or more regular paid personnel.

(2) Any member of a volunteer fire department, association, society or organization in this state.

This exemption shall not apply to more than 50 members as designated by such department, association, society or organization.

(i) Any officer or correctional officer employed by the department of prisons.

[(j)] (e) Any member or employee of the legislature or the legislative counsel bureau while the legislature is in session.

2. All persons of the age of 65 years or over are exempt from serving as grand or trial jurors. Whenever it [shall appear] *appears* to the satisfaction of the court, by affidavit or otherwise, that a juror is over the age of 65 years, the court shall order the juror excused from all service as a grand or trial juror, if the juror so desires."

Amend the title of the bill, line 1, by deleting "all" and inserting: "certain".

Senator Keith Ashworth moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 559.

Bill read second time, ordered engrossed and to third reading.

Senate Bill No. 561.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 758.

Amend the bill as a whole by renumbering sections 2 and 3 as sections 3 and 4 and adding a new section designated section 2, following section 1, to read as follows:

"Sec. 2. Section 14 of chapter 130, Statutes of Nevada 1981, is hereby amended to read as follows:

Sec. 14. NRS 242.060 is hereby amended to read as follows:

242.060 1. The central data processing fund is hereby created as an [intragovernmental] *internal* service fund in the sum of \$1,000,000. Money from the fund must be paid out on claims as other claims against the state are paid. The claims must be made in accordance with budget allotments and are subject to preaudit examination and approval.

2. All operating, maintenance, rental, repair and replacement costs of equipment and all salaries of personnel assigned to the division must be paid from the fund.

3. Each agency using the services of the division shall pay a fee for

that use, which must be set by the chief of the division in such amount as to reimburse the division for the entire cost of providing those services, including overhead. Each using agency shall budget for those services. All fees, proceeds from the sale of equipment, and other money received by the division must be deposited with the state treasurer for credit to the fund."

Senator Lamb moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 563.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 769.

Amend section 1, page 1, line 4, by deleting "*search that*" and inserting:

*"investigate in a reasonable manner"*.

Amend section 1, page 1, by deleting line 5 and inserting:

*"to determine whether or not that person is wearing a bracelet, necklace,"*.

Amend section 1, page 1, line 6, by deleting "*or other visible device*" and inserting:

*"other visible device or other identification"*.

Amend section 1, page 1, line 8, by deleting "*an identifying device*" and inserting:

*"identification of a medical condition"*.

Amend section 1, page 1, by deleting line 9 and inserting:

*"an investigation conducted pursuant to subsection 1 shall take reasonable steps"*.

Amend the title of the bill, line 1, by deleting "a search" and inserting:

*"an investigation"*.

Amend the title of the bill, line 2, after "devices" by inserting:

*"or other identification"*.

Senator Keith Ashworth moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 568.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 751.

Amend section 1, page 2, line 12, after "(g)" by inserting:

*"The trust fund for the care of sites for the disposal of radioactive waste;*

*(h)"*.

Amend section 1, page 2, line 18, by deleting "(h)" and inserting "(i)".

Amend the bill as a whole by adding a new section, designated as section 2, following section 1, to read as follows:

"Sec. 2. NRS 338.160 is hereby amended to read as follows:

338.160 1. Except as provided in subsection [4,] 5, a public body and its officers or agents awarding a contract for the construction, alteration or repair of public works shall authorize partial payments of the amount due under the contract at the end of each calendar month, or as soon thereafter as practicable, to the contractor if the contractor is satisfactorily performing the contract. Not more than 90 percent of the calculated value of any work shall be paid until 50 percent of the work required by the contract has been performed. Thereafter the public body may pay any of the remaining installments without retaining additional funds if, in the opinion of the public body, satisfactory progress is being made in the work.

2. Except as provided in this section, the public body shall retain the amount withheld under any such contract until the contract is satisfactorily completed and finally accepted. When a project is sufficiently completed to be placed into service, the public body shall reduce the retained percentage and retain only such sum as it may determine to be sufficient to complete the contract.

3. *The public body shall pay to the contractor at the end of each quarter the interest earned on the amount withheld under the contract during the quarter. The rate of the interest to be paid must be the same as that earned during the quarter from the investment of money in the general fund of the public body.*

4. Except as provided in subsection [4,] 5, the amount withheld under any such contract is due and payable within a reasonable time following the filing of a notice of completion as provided in NRS 108.228 or upon other proper evidence of satisfactory completion of the contract.

[4.] 5. If the labor commissioner has reason to believe that an employee has a valid and enforceable claim for wages against a contractor, he may require the public body to withhold from any payment due the contractor under this section and pay the labor commissioner instead, an amount equal to the amount claimed by the employee. This amount [shall] *must* be paid to the employee if the claim is resolved in his favor, otherwise it [shall] *must* be returned to the public body for payment to the contractor."

Amend the bill as a whole by renumbering section 2 as section 3.

Amend the sec. 2, page 2, by deleting lines 41 and 42, and inserting: "*on the amount withheld from the contract, he shall within a reasonable time pay*".

Amend the title of the bill, line 2, by deleting "the state" and inserting:

"a public body".

Senator Gibson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 589.

Bill read second time.

The following amendment was proposed by the Committee on Transportation:

Amendment No. 782.

Amend section 1, page 1, by deleting line 3 and inserting:

"1. A board".

Senator Blakemore moved the adoption of the amendment.

Amendment adopted.

Senator Blakemore moved that Senate Bill No. 589 be re-referred to the Committee on Finance.

Motion carried.

Bill ordered reprinted and engrossed.

Assembly Bill No. 4.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 806.

Amend section 1, page 1, line 7, by removing the brackets and deleting "85".

Amend section 1, page 1, line 8, by removing the brackets and deleting "25".

Amend section 1, page 1, line 10, by removing the brackets and deleting "25".

Amend section 1, page 1, by deleting line 13 and inserting:

"spent, but not more than [\$50] \$100 in any calendar day, to be taxed as costs".

Amend section 1, page 1, line 14, by deleting the open bracket.

Amend section 1, page 1, line 15 by deleting "\$50," and inserting "\$50,] \$100,".

Amend section 1, page 1, line 16, by deleting "\$50" and inserting "\$50,] \$100".

Amend section 1, page 1, line 17, by deleting the closed bracket.

Senator Close moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 168.

Bill read second time.

The following amendments were proposed by the Committee on Finance:

Amendment No. 631.

Amend the bill as a whole by adding a new section designated section 22.5, following section 22, to read as follows:

"Sec. 22.5. NRS 286.676 is hereby amended to read as follows:

286.676 1. Except as limited by subsection 2, the spouse of a deceased member whose allowance was fully vested is entitled to receive a monthly allowance equivalent to that provided by Option 3 in NRS 286.590. For purposes of applying the provisions of Option 3, the deceased member shall be deemed to have retired on the date of his death immediately after having named the spouse as beneficiary under Option 3. This benefit must be computed without any reduction for age for the deceased member. The benefits provided by this subsection shall be paid to the spouse for the remainder of such spouse's life. The spouse may elect to receive the benefits provided by any one of the following only:

- (a) This section;
- (b) NRS 286.674; or
- (c) NRS 286.678.

2. The benefit payable to the spouse of a member who died before May 19, 1975, is limited to a spouse who received at least 50 percent of his support from the member during the 6 months immediately preceding the member's death and to the amounts provided in this subsection. If, at the time of his death, such a member had 15 or more years of service, his spouse, upon attaining the age of 60 years, may receive the sum of \$100 per month or 50 percent of the average salary received by the deceased member for the 3 consecutive highest salaried years of his last 10 years of service, whichever is less. If, at the time of his death, a member had 20 or more years of service and did not elect an optional retirement plan as offered in this chapter, his spouse, upon attaining the age of 60 years, may receive \$125 per month or 50 percent of the average salary received by such member for the 3 consecutive highest salaried years of his last 10 years of service, whichever is less. Payments, or the right to receive payments, [shall] *must* cease upon the death or remarriage of the spouse. Benefits under this section [shall not be] *are not* renewable following termination.

3. *The benefits provided by subsection 1 may only be paid to the spouses of members who died on or after May 19, 1975.*"

Amend sec. 31, page 18, line 29, by deleting "The" and inserting: "If the approval of the interim retirement committee is first obtained, the".

Amendment No. 801.

Amend the bill as a whole by adding a new section designated section 23.5, following 23, to read as follows:

"Sec. 23.5 NRS 286.686 is hereby amended to read as follows:

286.686 1. The board may invest the [money] *money* in its funds in real property, real property mortgages and leases of real property if the board first obtains appraisals and other studies by [qualified professionals] *professionally qualified persons* establishing the value of the property and the probable return on such proposed investment.

2. The board may invest in real property mortgages or deeds of trust up to 80 percent of the appraised value of the real property if the mortgage or deed of trust is secured by a first lien on the property.

3. The board may enter into contracts as it deems necessary to execute and manage investments made pursuant to this chapter. Reimbursements to employees for their expenses incurred in evaluations or inspections conducted with respect to proposed real estate investments must be paid from commitment fees paid to the system by prospective borrowers.

4. *The board shall keep applications under this section confidential unless and until it finally approves the investment. Documents related to the investment then become public records, except for:*

- (a) *Wills and trust agreements;*
- (b) *Financial statements and copies or excerpts of income tax returns;*
- (c) *Legal and financial evaluations; and*

*(d) Such other documents as the board determines contain information whose disclosure would invade the legitimate personal or financial privacy of the applicant."*

Senator Lamb moved the adoption of the amendments.

Amendments adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 201.

Bill read second time and ordered to third reading.

Assembly Bill No. 295.

Bill read second time and ordered to third reading.

Assembly Bill No. 313.

Bill read second time and ordered to third reading.

Assembly Bill No. 374.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 779.

Amend section 1, page 1, by deleting lines 3 through 9 and inserting:

*"1. A board of county commissioners may expend money for any purpose which will provide a substantial benefit to the inhabitants of the county. The board may grant all or part of the money to a private organization, not for profit, to be expended for the selected purpose.*

*2. A grant to a private organization must be made by resolution which must specify:*

*(a) The purpose of the grant;*

*(b) The maximum amount to be expended from the grant; and*

*(c) Any conditions or other limitations upon its expenditure."*

Amend the title of the bill to read:

*"An Act relating to counties; broadening the purposes and means of expending public money; and providing other matters properly relating thereto."*

Senator Gibson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Assembly Bill No. 399.

Bill read second time and ordered to third reading.

Assembly Bill No. 410.

Bill read second time and ordered to third reading.

Assembly Bill No. 485.

Bill read second time and ordered to third reading.

#### MOTIONS, RESOLUTIONS AND NOTICES

Senator Blakemore moved that Senate Bill No. 297 be placed on the General File.

Motion carried.

#### INTRODUCTION, FIRST READING AND REFERENCE

By Committee on Commerce and Labor:

Senate Bill No. 634—An Act relating to contractors; providing for

notice to the contractor's board of an action on the bond of a contractor; requiring the board to give notice to other claimants of an action on a bond or against the board for a cash deposit; providing expressly for interpleader and notice thereof; and providing other matters properly relating thereto.

Senator Wilson moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

By Committee on Commerce and Labor:

Senate Bill No. 635—An Act relating to savings and loan associations; broadening the assimilation of federal powers by those associations; and providing other matters properly relating thereto.

Senator Wilson moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

By Committee on Commerce and Labor:

Senate Bill No. 636—An Act relating to insurance; requiring the filing of forms to which rates apply; and providing other matters properly relating thereto.

Senator Wilson moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

By Senator Jacobsen:

Senate Bill No. 637—An Act relating to the appropriation of public waters; requiring the state engineer to notify certain boards of county commissioners upon receipt of a request for a permit to use water in a county other than that in which it is appropriated or currently diverted or used; and providing other matters properly relating thereto.

Senator Jacobsen moved that the bill be referred to the Committee on Natural Resources.

Motion carried.

By Senator Neal:

Senate Bill No. 638—An Act relating to public investments; prohibiting the investment of public money in banks or companies doing business in or with the Republic of South Africa; and providing other matters properly relating thereto.

Senator Neal moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

By Senators Neal and Kosinski:

Senate Bill No. 639—An Act relating to the state executive departments; creating a commission on minority affairs and providing for its organization, powers and duties; making an appropriation; and providing other matters properly relating thereto.

Senator Neal moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

By Senator Blakemore:

Senate Bill No. 640—An Act relating to public schools; specifying



the criteria for closing a school; repealing a provision on rehearing and review; and providing other matters properly relating thereto.

Senator Blakemore moved that the bill be referred to the Committee on Human Resources and Facilities.

Motion carried.

By Senator Kosinski:

Senate Bill No. 641—An Act relating to days of observance; establishing August 8 of each year as Pat McCarran Day; and providing other matters properly relating thereto.

Senator Kosinski moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

By Committee on Human Resources and Facilities:

Senate Bill No. 642—An Act relating to community education; making temporary financial assistance available to school districts, the University of Nevada System, cities, counties and other political subdivisions for that purpose; making an appropriation; and providing other matters properly relating thereto.

Senator Neal moved that the bill be referred to the Committee on Finance.

Motion carried.

By Committee on Finance:

Senate Bill No. 643—An Act relating to motor vehicle carriers; providing the department of motor vehicles with greater power to enforce certain statutes and regulations governing those carriers; and providing other matters properly relating thereto.

Senator Lamb moved that the bill be referred to the Committee on Transportation.

Motion carried.

By Committee on Human Resources and Facilities:

Senate Bill No. 644—An Act relating to retarded persons; revising the procedure for allocating money from the community training center fund; and providing other matters properly relating thereto.

Senator Neal moved that the bill be referred to the Committee on Finance.

Motion carried.

By Committee on Judiciary:

Senate Bill No. 645—An Act relating to gaming; establishing a procedure to govern local investigation of applicants for gaming licenses; and providing other matters properly relating thereto.

Senator Close moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Assembly Bill No. 109.

Senator Gibson moved that the bill be referred to the Committee on Transportation.

Motion carried.

**Assembly Bill No. 227.**

**Senator Gibson moved that the bill be referred to the Committee on Human Resources and Facilities.**

**Motion carried.**

**Assembly Bill No. 240.**

**Senator Gibson moved that the bill be referred to the Committee on Judiciary.**

**Motion carried.**

**Assembly Bill No. 253.**

**Senator Gibson moved that the bill be referred to the Committee on Judiciary.**

**Motion carried.**

**Assembly Bill No. 283.**

**Senator Gibson moved that the bill be referred to the Committee on Government Affairs.**

**Motion carried.**

**Assembly Bill No. 299.**

**Senator Gibson moved that the bill be referred to the Committee on Human Resources and Facilities.**

**Motion carried.**

**Assembly Bill No. 353.**

**Senator Gibson moved that the bill be referred to the Committee on Finance.**

**Motion carried.**

**Assembly Bill No. 362.**

**Senator Gibson moved that the bill be referred to the Committee on Judiciary.**

**Motion carried.**

**Assembly Bill No. 375.**

**Senator Gibson moved that the bill be referred to the Committee on Commerce and Labor.**

**Motion carried.**

**Assembly Bill No. 391.**

**Senator Gibson moved that the bill be referred to the Committee on Commerce and Labor.**

**Motion carried.**

**Assembly Bill No. 393.**

**Senator Gibson moved that the bill be referred to the Committee on Government Affairs.**

**Motion carried.**

**Assembly Bill No. 413.**

**Senator Gibson moved that the bill be referred to the Committee on Government Affairs.**

**Motion carried.**

**Assembly Bill No. 457.**

**Senator Gibson moved that the bill be referred to the Committee on Finance.**

**Motion carried.**

**Assembly Bill No. 467.**

Senator Gibson moved that the bill be referred to the Committee on Judiciary.

Motion carried.

**Assembly Bill No. 482.**

Senator Gibson moved that the bill be referred to the Committee on Judiciary.

Motion carried.

**Assembly Bill No. 483.**

Senator Gibson moved that the bill be referred to the Committee on Judiciary.

Motion carried.

**Assembly Bill No. 518.**

Senator Gibson moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

**Assembly Bill No. 519.**

Senator Gibson moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

**Assembly Bill No. 527.**

Senator Gibson moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

**Assembly Bill No. 532.**

Senator Gibson moved that the bill be referred to the Committee on Judiciary.

Motion carried.

**Assembly Bill No. 541.**

Senator Gibson moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

**Assembly Bill No. 549.**

Senator Gibson moved that the bill be referred to the Committee on Transportation.

Motion carried.

**Assembly Bill No. 565.**

Senator Gibson moved that the bill be referred to the Committee on Human Resources and Facilities.

Motion carried.

Senator Gibson moved that the Senate resolve itself into a Committee of the Whole for the purpose of considering Senate Bill No. 69 with Senator Keith Ashworth as Chairman of the Committee of the Whole.

Motion carried.

## IN COMMITTEE OF THE WHOLE

Senator Keith Ashworth presiding.

Senate Bill No. 69 considered.

The Committee of the Whole was addressed by Senator Keith Ashworth, Mr. Jim Lein, Senators Wagner, McCorkle, Wilson, Close, Raggio, Hernstadt, Getto, Gibson, Don Ashworth, Blakemore and Neal.

On motion of Senator Gibson, the committee did rise and report back to the Senate.

## SENATE IN SESSION

At 12:27 p.m.

President Leavitt presiding.

Quorum present.

## REPORTS OF COMMITTEES

*Mr. President:*

Your Committee of the Whole has considered Senate Bill No. 69.

KEITH ASHWORTH, *Chairman*

Senator Keith Ashworth requested that the following remarks concerning Senate Bill No. 69, considered in the Committee of the Whole, be entered in the Journal:

SENATOR KEITH ASHWORTH:

Thank you, Mr. President. The Committee of the Whole then will please come to order. We are considering today Senate Bill No. 69, the fourth reprint, which is the third bill in the tax package, the other two of which have already been passed and signed by the Governor. I have asked today to have Jim Lein, who has been working on this bill, come to the Secretary's rostrum and explain the bill section by section. This bill primarily deals with the assessing practices and standards used by our assessors, and other matters, and Jim Lein will go into it section by section, as I have said. I wish, if you have any questions relating to any of the sections in the bill, please get the attention of the Chair, and we will address the questions as we go through each item. Jim, go ahead.

MR. LEIN:

Thank you, Mr. Chairman, and Members of the Senate. The purpose of Senate Bill No. 69 is to revise the method of assessing property for ad valorem tax purposes. The concept which has been used by county assessors previously, that of full cash value, is no longer to be used, and a new concept, that of taxable value, is being instituted. "Taxable value" is a value that is going to be established somewhere between one dollar and full cash value. Senate Bill No. 69 sets forth the various factors for determining this taxable value. So, looking at the bill, we will go through it step by step. Unfortunately, there are parts of it which explain earlier sections in the latter part of the bill, but we will attempt to tie them together as we go.

Section 1, on page 1, is at this point doing nothing more than conforming statutes to taxable value striking out such words as "full cash value."

Page 2 is where we begin to have some substantive changes so far as Chapter 361 is concerned. Section 2, on page 2, line 19, we now begin to define what we mean by taxable value, and in order to make sure the taxable value takes care of all centrally assessed properties as well as locally assessed properties, the definitions 1, 2 and 3 must be included. The third item listed on line 26, "The value of all other property determined in the manner provided in NRS 361.227" is something we will get to as we move through the bill. This is the basic conformance of a new concept to all properties being assessed in the State of Nevada. Section 3 merely, of course, is conforming language.

**SENATOR WAGNER:**

Thank you, Mr. Chairman. Maybe this is not necessary to ask the question, but NRS 361.227 does define full cash value, and I gather that what you are saying is that we are going to be changing that to taxable value. Maybe you will be explaining that at a later point, Jim, but since the definition does include the definition for full cash value and for taxable value, I am wondering where the changes will occur.

**MR. LEIN:**

In NRS 361.227?

**SENATOR WAGNER:**

Yes, in NRS 361.227.

**SENATOR KEITH ASHWORTH:**

The answer to your question, Senator Wagner, is in the assessment practices, we are going to be referring to taxable value, and where full cash value remains, if it is referred to in the statutes, then it will remain the definition of "full cash value."

**MR. LEIN:**

Section 4 on line 34, page 2, does do just as was mentioned—give the definition of "full cash value." There are no exceptions now, as has previously been noted. This is strictly a definition of what full cash value means.

Section 5, again, is merely conforming language to strike "full cash value" and insert "taxable value."

Section 6 now refers to the ratio of assessed valuation. The 35 percent ratio that we have referred to previously, 35 percent of full cash value being assessed value, now, referring to assessed valuation as being 35 percent of taxable value, taxable value being something less than full cash value.

Section 7 is, of course, conforming statutes of Nevada to prior language in Section 6.

Section 8 becomes the first major discussion of how taxable value is derived. It amends NRS 361.227, which sets forth the various factors. The new language begins on line 47 where you will see the term "full cash value." This is because of vacant land. There is really no way to determine a value for vacant land other than basically using some type of a comparable sale of like property. Therefore, we still do use the term "full cash" when we are talking about both vacant land and improved land. Land is something which we are really concerned as being a full cash value. Improvements on land are going to be less than, designated less than full cash value.

**SENATOR McCORKLE:**

Why did you specifically say the cash value is the "use to which it is capable of being put" rather than actually being used?

**MR. LEIN:**

Certainly, it can be changed, but the meanings are definitely separate. Vacant land normally doesn't have a use. If it's vacant, it's not being used. It's sitting there to be used in some manner, at some point, and so at that point, a determination has to be made how it is likely to be used.

**SENATOR McCORKLE:**

Well, vacant land can have use, if it is subdivided or if it is on the verge of being subdivided, the density of the subdivision. Who's to say what it is to be used for? In addition to that, how do you value farmland? Is that land under cultivation considered an improvement?

**SENATOR KEITH ASHWORTH:**

Senator McCorkle, farmland is under another provision in the Constitution, which is pointed out separately, and it's under the Green Belt Law, so that would not be a good example.

**MR. LEIN:**

Yes, agricultural land is under Chapter 361A. The procedure is set out differently to assess its use, as long as it is being used for agricultural purposes. When you say a piece of vacant land is subject, perhaps, to being subdivided, normally the assessor is going to have to look at how the land is being used around the piece of vacant land, perhaps how the property has been zoned for use. At this point, he has to make that determination by looking at the land surrounding the vacant land.

He does not make his own judgment: "I think it is going to be used for such and such." He has to see what the property's potential use is going to be based on the surrounding property and how it is zoned, if zoning is in effect in that particular county.

The second aspect of land, of course, is improved land, consistent with the use to which the improvements are being put. In other words, if there is a residence on that property, it would be valued accordingly.

**SENATOR WILSON:**

I am sorry, Mr. Chairman, to interrupt. I am still on line 48, the "vacant land for a use to which it is capable of being put." "Capable" is language of mandate, it seems to me. I guess my only question is whether it will be appropriate to give that provision some statutory balance by the use of qualifiers such as those you discussed just a moment ago. "A use to which it is capable of being put" seems to me would be the highest, the greatest return, the densest, that kind of thing, and that is rather discretionary.

**MR. LEIN:**

The language would be highest and best use. That's how it would be interpreted. That's correct.

**SENATOR CLOSE:**

I have the same problem that Senator Wilson has. "Capable of being put" means anything. I guess you could determine that piece of property is capable of sustaining a 20-story building in the middle of Washoe Valley, because the land is capable of being put to that use. What land is capable of being put to is dependant upon what a person is willing to invest in the land. So if you are utilizing "capable" as being its highest and best use without any further definition, I think you are into a real problem. The reason is that land is capable of being put to any use, if sufficient money is invested in the property.

I also see a distinction between vacant land and improved land. For example, in Las Vegas, on 4th Street, between two high-rise buildings is a vacant piece of land. About two years ago, that land had a residence on it. The use of the land is still the same, but according to your definition, now the property would be valued differently. The house was finally knocked down and the junk hauled away, because that's all it was. But you are going to appraise those two properties differently, because a person was living on the property at one time, and then the house was torn down and it became vacant property. After that statement, my question is the word "capable" of being put is so broad that it could be to any use, and why the distinction in the situation I posed to you in Las Vegas where was a house on the property, but it was torn down and it became vacant?

**SENATOR KEITH ASHWORTH:**

I would like to point out to the Senators that this provision in this bill has given the committee more consternation and problem than any other single item in the bill. This dialogue is needed. I might also point out, and I have asked Mr. Leavitt to go get the copy of what the committee—we're still considering language on that—and I will ask him to bring that in and we'll have Jim read it in. In the meantime, maybe Senator Raggio could give us a further explanation.

**SENATOR RAGGIO:**

Mr. Chairman, and to Senator Close, the Chairman's correct. This language has gone through many transitions to reach this point. I think I could give you some examples that the committee has considered in reaching this language. Bear in mind, of course, that at this point we are talking only about the appraisal of the land, disregarding improvements as far as their value is concerned. Looking at your situation, if you had three lots side by side, for example, along the Strip in Las Vegas, and one had a casino and hotel on it, the land itself would be valued on the basis for which it is presently being put to use. If there was a vacant lot next to it, the land itself may not be much different, but the land of the filling station would be valued for the use to which it's being put as compared to the land for the hotel and casino and the use to which it is being put. It would have a different value. Now, if we didn't say the land that's vacant in the middle, which has no improvements on it, would be valued at the value to which it's "capable of being put," that's the highest and best use really, and that would be governed by zoning and other restrictions that might be pertinent. The committee could find no better way to state that to give recognition to the land that's being, let's say "underused."

The land that's capable of being utilized for a hotel may, in fact, have only a "Mom and Pop" store on it, a filling station, or something of that kind. It was an effort by the committee to recognize that we did not want to impose a higher value on the land than that to which it was being put that led to these distinctions. That's the best effort of the committee in reaching those conclusions.

**SENATOR KEITH ASHWORTH:**

Before we continue any further explanation, and let me recognize Senator Hernstadt next, because each of the other two have spoken, let's have Mr. Lein read in what we are considering to present to the committee for consideration on this area. Then we can get into the discussion, because if it's the consensus that this language that we are going to read now probably will address it better, maybe we can effect this amendment in the committee later. Senator Close.

**SENATOR CLOSE:**

I would just like to state words in response to Senator Raggio. That points up my problem, because the vacant land is capable of being used either as a filling station or as a casino. That is the very problem that I perceive.

**MR. LEIN:**

We would strike line 48 on page 3 as you now have it in the bill and would insert:

"Vacant land; consideration must be given to its legal entitlements for use, the essential quality of the terrain and the use to which it may be adapted congruous with lands within the area where the property is situated."

**SENATOR HERNSTADT:**

That sounds a lot better. In fact, that tends to address the problem that I was going to address about the existing language on line 48, which is just what your legal entitlements are. In other words, what is permitted under planning and zoning codes if you have rural farmland, for example, or is you are out in Pahrump Valley, and one piece of land has water rights—

**SENATOR KEITH ASHWORTH:**

Don't use farmland as an example, because it is taxed completely separate and different.

**SENATOR HERNSTADT:**

All right. If you use land that has water rights as opposed to land that has the water right closed off because it wasn't put to beneficial use before a certain date, that kind of legal entitlement bears a great deal of consideration as to the value to which you can finally utilize the property. But I think the new language seems to solve a lot of the problems. You certainly don't want a holdout parcel between two high-rise buildings to be zoned for an unutilized land. I think they should be zoned for the high-rise use.

**SENATOR KEITH ASHWORTH:**

The committee will consider the new language at this afternoon's meeting, and if adopted, will offer it as an amendment to this bill. I think it's a little better language than the other. Senator Getto.

**SENATOR GETTO:**

Yes, Mr. Chairman, I presume that this new language, as I heard it, will take care of some situations at Lake Tahoe where the lot is probably worth a great deal of money if it were able to be put to use, but the owners all of a sudden find themselves in a mess and they cannot build on it. This language would take care of it, as I understood it.

**MR. LEIN:**

That is correct.

**SENATOR KEITH ASHWORTH:**

For the benefit of the Senate, let's have Jim read it again, slowly.

**MR. LEIN:**

"Vacant land; consideration must be given to its legal entitlements for use, the essential quality of the terrain and the use to which it may be adapted congruous with lands within the area where the property is situated."

**SENATOR WILSON:**

Mr. Chairman, "legal entitlements," I suppose, means what it suggests. The

other language, I think, largely had the thrust of uses consistent with terrain and other surrounding uses, and my question goes specifically to a whole series of circumstances, one of which was touched on by my colleague, Senator Getto. Others have to do with municipal and county regulations on major project review, power company inability to give "will serve" letters to supply water, growth policies which may restrict growth or development of certain projects, notwithstanding appropriate zoning—all these things bear upon the actual use to be made of property, notwithstanding the language in the suggested amendment. I guess my concern is that whatever the limitations are that bear upon the value of unimproved property, you ought to recognize those limitations, not just the broad ones with respect to legal entitlements or consistency with zoning. The practical facts today, I think, more directly impede and restrict and, as a practical matter, change the market value of property than perhaps the others.

**SENATOR McCORKLE:**

Mr. Chairman, I'll be specific with two examples that should be considered somehow in the language. High-rise property in downtown Reno has a value based on the number of units you can place on that. I think Senator Close was right on line when he said the value is dependent upon the amount of money that someone is willing to invest in the property. Take the same piece of property zoned the same, and you put five stories on with 100 units. It has one value. If you put 10 stories on with 200 units, it has an entirely different value. The circumstances haven't changed.

And the same way with a subdivision; if you take a piece of property that's zoned for five-acre parcels, and you improve it to an extent where it has dirt roads and overhead utilities, it has x value. If you put underground utilities, paved streets and fire hydrants, it has a whole different value. Somehow, that has to be taken into account.

**SENATOR KEITH ASHWORTH:**

O.K. Any further questions on this section? Come to the meeting this afternoon and account for it, Senator McCorkle.

**MR. LEIN:**

In essence, of course, it does and is taken into consideration by the assessor when he values property.

The second portion of that which we mentioned was the improved land "with the use to which the improvements are being put."

On page 4, we move into the (b) portion, where we are now talking about improvements made on the land. We are now talking about instead of using comparable sales perhaps to determine the value of a home, there is only one way that that value can be determined and that is the replacement cost, less depreciation and obsolescence. As we move down a little further, you will find that that becomes restrictive also, so that the assessor can only apply certain depreciation schedules and can only consider obsolescence to a certain degree.

**SENATOR KEITH ASHWORTH:**

Why don't you go over that criteria individually now so that we can have discussion on that?

**MR. LEIN:**

If you look down on lines 21 through 26, page 4, we are talking about the various costs that are going to be used and the depreciation that can be determined, "cost of replacement of improvements." Of course, the Tax commission has to set the regulations for how they are going to determine costs of replacing of property. Secondly, when we talk about depreciation, the Department of Taxation will establish estimated life of the various types of property, but the depreciation to be determined on any particular property has to be on its actual age. While there may be a depreciation table that is for an estimated life of a property as 60 years, we find that if a property is actually 40 years old, that's where it enters on the table. It doesn't make any difference whether it is worth, perhaps, more, because someone has kept it up very well. We have done away with the concept of effective age. We don't use effective age any more. You could actually have, as you realize, two 40 year old properties, one in a rundown condition and, therefore, you would appraise it as being 40 years old, and one that was kept up very well—constantly repainted, and so forth, items replaced—and it might have an effective age of only



25 years. That's no longer applicable. If the structure is 40 years old, it will be placed on the depreciation table as being 40 years old.

SENATOR McCORKLE:

Mr. Chairman, is it the intent then, if a building has a 40-year life, and it is 40 years old, it would have no property tax due?

MR. LEIN:

No, because there is always the residual value, normally. When we talk about obsolescence, of course, there is a possibility that an item becomes so obsolete that it has very little or no value, or has only a salvage value to it. There is some type of value at some point, but it may only be a salvage value.

SENATOR McCORKLE:

Mr. Chairman, this is a point which I ask this question in a broader scope in how it is reflected in our projections of tax income for property taxes. I think what you have just described will allow a great number of properties to be taxed at 20 percent of what they normally would have been taxed at, by what they have historically been taxed at, because you are throwing out effective age. Has our projected tax income taken this kind of reduced revenues into account?

MR. LEIN:

My response to that would have to be, when the figures were compiled regarding projections, the factors that were used and are used in this bill at a later point on page 28 were the basis for doing that. In essence, the first two years, the roll that's now going to be adjusted in May and June and the roll which will be closed next December 15th, the valuations will be determined by factors set forth by the Department of Taxation. Beginning the following assessment period, the county assessors will be applying the cost tables, etc., which are set forth in NRS 361.227. Our projections were based on the factors as they are listed at a later point, not the impact of this, which is approximately two years down the road.

SENATOR McCORKLE:

That's not what I'm talking about. I'm not referring to a lag in property not having been assessed in recent years. I'm talking about a basic reduction in assessed valuation, because you are subtracting actual depreciable life and frequently it will result with a property valued at 20 percent of its market value.

SENATOR KEITH ASHWORTH:

Senator McCorkle, I don't think we can really say it's 20 percent. I think to answer your question, as a result of this formula and the criteria that the assessors must use, improved property will be appraised much less with this criteria than it was in the past. I think the point that Mr. Lein made should be emphasized: that for the next two years in the first year of the biennium, there will be the leveling off factoring period; the next year of the biennium, next year, will be another factoring period which will be addressed on all property, and the assessors will not start appraising the property under this schedule until the first year of the biennium, two years from now. This is necessary in order for the assessors to get the factored work done, and it's necessary to keep the rolls in a semblance of balance so that there isn't a tremendous increase as a result of reappraisal in the second year of the biennium. This provision in the law will really not trigger (correct me if I am wrong, Jim) until the first year, until two years from now. Does everyone understand that?

MR. LEIN:

That's correct.

SENATOR GIBSON:

In answer to you, Senator McCorkle, I think it has been taken into account to the extent possible at this time. If you want to look at figures that had the effect of reducing the potential valuation from 10 billion dollars to 8.5 billion dollars, that's the adjustment which came about by trying to apply similar standards to residential assessments as have been the rule for commercial and industrial assessments all along. This chart on page 28 shows a listing of those factors to try to get the two methods in balance, but I don't think the actual effect of that can be known until it's really done. But, I'd say, yes, a considerable amount of that effect has been taken into account in the projection.

SENATOR HERNSTADT:

With respect to a 40 or 50 or 80 year old building, like some of the buildings up

in Virginia City which have been maintained in a historical condition and are usable as restaurants, bars and tourist attractions, and are kept up to present standards, would they be depreciated down to zero, or would they be assessed based on the replacement value, less a realistic depreciation and not a historical depreciation?

MR. LEIN:

It will still be depreciated down, and the actual age will still be taken into consideration in determining whether or not it is a residual value or an obsolescence value. It is very possible that a building may be 90 years old that is being used for a commercial purpose, but nevertheless, would have a very small value as far as the improvement is concerned because of its age.

SENATOR HERNSTADT:

But is that fair? Did the Committee on Taxation, in doing this, take into account —our state isn't that old—in some areas of the county you have buildings that are perfectly good and have a substantial value, and by depreciating in this way, would you be letting certain individuals who happen to possess one of these historic buildings off without paying any tax except salvage value when, in fact, it's a valuable commercial property?

SENATOR KEITH ASHWORTH:

The Committee on Taxation did take all of this into consideration. In fact, it just had a simple straight-line depreciation schedule in one of the reprints which, in effect, did exactly what you describe, Senator Hernstadt. It was very unfair. So we tried to get the language built-in to where the factors that you are considering could be taken into account. We hope we've got the language in whereas if one piece of property is the same age and one is kept up, it could be more valuable than the other one and could be taxed different.

SENATOR HERNSTADT:

Your own expert is shaking his head "no."

SENATOR KEITH ASHWORTH:

Did we take that out?

MR. LEIN:

Well, where we use the term "actual age," we, in essence, have done away with effective age and, therefore, it doesn't make any difference whether one building was kept up better than the other one. They are both going to be appraised in the same manner. They are going to have replacement costs, less depreciation, and their entry onto the depreciation schedule will be the actual age of the building. So it doesn't make any difference whether it has, in fact, been restored or whether it has not been restored. Remember that the purpose of the Committee on Taxation has been to establish only a taxable value, having nothing to do with the market value of the property.

SENATOR HERNSTADT:

So then, would it be a fair statement to say owners of historic commercial property will pay virtually no tax under this provision?

MR. LEIN:

They will pay less taxes than they have been paying. They will be paying probably only residual value.

In essence, that is the crux of that particular section on NRS 361.227, which is Section 8. We have gone through how the depreciation would be applied, what actual age means, and we are then going on in lines 26 and 27 indicating that those schedules, which are going to be developed by the Department of Taxation will have to be approved by the interim legislative committee on local government finance.

SENATOR HERNSTADT:

You jumped from line 7 to line 23 to go through what the standards are. We did not cover line 8, nor did we cover the word "or" at the end of line 7. The question there is, with the three forms of appraisal technique, comparable, replacement less depreciation, or income stream, why did you put in just an "or" rather than an "and/or" on line 7?

MR. LEIN:

We are back up to that section of paragraph 2, "taxable value of a possessory

interest." Subtracting from the cost replacement of the improvements applicable depreciation and obsolescence; or by capitalizing the fair economic income expectancy, a possessory interest can be placed on personal property as well as real property. For example, when we are concerned with a possessory interest at Boulder Dam, we do not want to necessarily be concerned with determining the replacement value at Boulder Dam. Instead, we would capitalize the income expectancy of the use of certain properties at Boulder Dam to determine that possessory interest value.

**SENATOR HERNSTADT:**

How would casino/hotels be appraised or taxable value be established? Would that be by replacement, less depreciation?

**MR. LEIN:**

Yes.

**SENATOR HERNSTADT:**

And what about income stream?

**MR. LEIN:**

That would not be used. The improvement of the hotel/casino would be appraised as any other improvement is appraised, that is, replacement cost, less depreciation. The property within the hotel, the personal property—the slot machines, etc. are personal property—would, of course, also be appraised on its replacement cost.

**SENATOR KEITH ASHWORTH:**

Any further questions in this area? Okay, proceed.

**MR. LEIN:**

On line 15, since we didn't actually touch on that, the taxable value of other personal property would be determined by subtracting from the cost of replacement any depreciation. So personal property also will be placed on a replacement cost basis. It is not now on replacement cost. It is now on original cost.

Paragraph 5 on line 18 is sort of a saving clause to a degree. Taxable value cannot exceed full cash value. Taxable value is something between a dollar and full cash value. It cannot exceed full cash value.

**SENATOR KEITH ASHWORTH:**

That's important.

**MR. LEIN:**

Section 9, again, is amending statutes.

**SENATOR RAGGIO:**

Mr. Chairman, before we leave the other point, the previous point on the schedules of depreciation, and the indication that depreciation must be determined according to the actual age, I would like to serve notice to the Chairman that I think that's a matter that ought to be rediscussed. It was my understanding in the committee, and I stand to be corrected, that we were suggesting the implementation of effective age rather than actual age to take care of the situation where a building may have completely deteriorated vis-a-vis one that was maintained. Unless I lost something in the shuffle, I was under the impression that that's what we had decided.

**SENATOR KEITH ASHWORTH:**

Maybe Mr. Lein can answer it. It was my understanding also, Senator Raggio. Maybe in the last amendment, we deleted that. Can you tell us, Mr. Lein, what happened on that provision?

I would like to point out to the Senators first that prior to this act, as far as residential property is concerned, there has been no depreciation schedule. The committee felt in its wisdom that we should effect some form of depreciation for residential property, and when we started doing that, we really got into the problems that we are addressing here. Most of these questions that have been addressed in the Committee of the Whole have been addressed in the subcommittee. As I said earlier, we started out with what was, to all intents and purposes, a simple depreciation schedule of a straight-line depreciation of 30 years with a residual amount of x percent of the original cost and depreciated down, but we determined that that was really not a fair and equitable method. This is the result of what we've been

hassling with over these weeks and the main reason this bill has been held up. If you will notice, this is the fourth reprint, and if you track it, I think you will find a lot of those amendments have come in the area of depreciation. So, Jim, can you answer Senator Raggio's questions in regard to effective useful life?

**MR. LEIN:**

Certainly. Actual age and effective age were both discussed by the committee. It was the technical committee's understanding that actual age was what the final determination was. If it was not, then it can be reversed without any problem.

**SENATOR GIBSON:**

This part of the bill came out of a suggestion that I had made, and I would like to go strongly on record against this so-called "practical age" as far as residences go, because that's part of the problem we have now, an inflated residential appraisal. If you give latitude to the assessors, it will be the same problem in the future. I think you have to mandate the age and not let the discretion be there. As far as old houses that people fix up, I think they are a value to the community, and that's an investment that they are making in the community. One of the problems on improvements right now is that people are reluctant to make them, because every time they spend a little money to improve their home, the assessor comes by and puts it on at twice or three times what it cost them, and they have to pay higher taxes on it. I don't see anything wrong with leaving it at actual age.

**SENATOR DON ASHWORTH:**

Mr. Chairman, on page 4, lines 15, 16 and 17, isn't that now handled by a personal property declaration by the individual making that declaration?

**MR. LEIN:**

The individual would still make a declaration, but the assessor in taking that declaration—the declaration says what property he has—at that point, the assessor, under this language, would then apply to that personal property from the tables that he has received from the Department of Taxation the replacement value and would then depreciate it, depending on the age of that personal property.

**SENATOR DON ASHWORTH:**

Then we don't run into the problem, I would assume, because of what's on lines 18 and 19, of that replacement cost, even if it, in fact, does go above the cost value ever being above the cost value. Is that correct?

**MR. LEIN:**

If it actually is above the full cash value of that property, then you have an immediate appeal to the Board of Equalization.

**SENATOR DON ASHWORTH:**

Well, what does 5 mean? "The computed taxable value of any property must not exceed its full cash value."

**MR. LEIN:**

That's correct, and if for some reason, he did compute it to be more than what you can prove as being the full cash value, then it would have to be reduced accordingly.

**SENATOR GETTO:**

Yes, Mr. Chairman, I am in accord with what my colleague, Senator Gibson, is talking about, but on the other hand, the extreme side, let's take for example the old Capitol Building, where it was completely gutted. If it were private property, its value would change, because probably the remodeling cost as much as it originally did, and it's better than it was when it was built the first time. Let's take something like the V & T Railroad, if it were made into a shopping center like some of the shopping centers that are in California in some of the old canneries, some of those older buildings would be a tremendous windfall for the owners of those particular establishments. I think that we should address this situation when we get back to committee.

**SENATOR KEITH ASHWORTH:**

I agree. I think we should address it, but I think it's a philosophical thing that I think each person is going to weigh in their own mind whether they want to use that if somebody does rehabilitate something, or if you want the government to come in and the assessor to come in and appraise that because he has rehabilitated

it, or do you want to give him the tax break? I think that's a philosophical thing that each person is going to have to do, and the committee will address this subject further, but when we come out with a bill, you are going to have vote aye or nay on it, one way or the other.

SENATOR McCORKLE:

Mr. Chairman, I would suggest that you might accommodate that type of a restoration cost by treating a recent building permit, which would value that restoration cost, as a brand new depreciation schedule, separate from the main building.

SENATOR KEITH ASHWORTH:

I believe that would be an approach to start depreciating the cost as the new basis of the value of that piece of property.

SENATOR McCORKLE:

I do have another question, Mr. Chairman. In arriving at the number we consistently hear around here of 50 percent average reduction in property taxes, were the factors we are talking about, this depreciation from replacement cost for residences, was that the basis for the 50 percent? Or will the depreciation add a premium tax reduction greater than 50 percent?

SENATOR KEITH ASHWORTH:

If this bill is passed, whatever benefit would be derived out of this bill through the assessment practices and standards of depreciation and other items in this bill would be in addition to the amount that was given in the other bills that were passed. It would be an addition. This doesn't take effect, really, until two years from now. The factoring provisions on page 21 of this bill are the items that were considered that made the so-called "50-51 percent" reduction in property taxes. That was caused by the factoring provisions that we'll get to later in the bill.

Any further questions in this area? It is probably the most important area in the entire bill. Hearing none, then, continue on, Jim.

MR. LEIN:

Section 10, on page 5, is merely conforming to taxable value, striking "full cash" and coming to "taxable" value.

Section 11, beginning on page 5, line 44, the period of time which the assessor has to work on property for placement on the roll on December 15th is now from January 1 through December 15th for the real roll or secured roll.

At the top of page 6 we refer to property that is on the unsecured roll, that is, personal property. So he may take action on appraising it, of course, as he receives declarations or as it enters into the county anywhere between May 1st and the following April 30th. It is on lines 12 through 23, on page 6, that we actually develop what is considered to be annual appraising of property. For those properties which are not physically reappraised in any one assessment year, the assessor must apply factors developed by the Department of Taxation to bring those other properties to taxable value. So, in essence, all properties are assessed annually, a portion of them physically and the remaining portions by a factor to bring them to taxable value.

SENATOR KEITH ASHWORTH:

Does everyone understand that? Questions. Senator Wagner.

SENATOR WAGNER:

Mr. Chairman, I wonder if maybe Jim might be able to explain, in a little more detail, the factoring?

SENATOR KEITH ASHWORTH:

Well, as you recall every — the previous law required that property be reassessed every five years. There is some property that has not been assessed for four, three, two and one years. This still requires that one-fifth of the property be reassessed but that four-fifths not be reassessed.

SENATOR RAGGIO:

Mr. Chairman, I think your're using the wrong term...be reappraised...

Senator Keith Ashworth:

Excuse me...be reappraised. But the four-fifths that is reappraised will be brought up on a factor of x number of percent of what it was before, if in effect,

the other property is brought up. It could go down depending on — and this criteria will be developed by the Taxation Department.

SENATOR WAGNER:

That was my question, what is the criteria going to be?

SENATOR KEITH ASHWORTH:

We don't know.

MR. LEIN:

In essence, what it will be of course, Senator Wagner, is the determination of updating every replacement cost.

SENATOR KEITH ASHWORTH:

The purpose of it is to keep all property current so that you're not having a four-year lag and then on the fifth year you get a tremendous increase. It is to level out your tax burden. Senator HERNSTADT.

SENATOR HERNSTADT:

Does this mean then every property in every year will get a different tax bill with a different appraised value? Twenty percent of those having been done by means of a physical reappraisal and the other 80 percent by factoring?

SENATOR KEITH ASHWORTH:

It could.

SENATOR HERNSTADT

I mean, I'm not saying it may go up each year because if you...

SENATOR KEITH ASHWORTH:

It could have a different value or it could be a factor to remain the same. It could. It could go up, it could go down, it could stay the same.

MR. LEIN:

That would depend upon the development of the replacement cost factors and the fact that the property is a year older and so forth.

SENATOR McCORKLE:

Mr. Chairman, I'm afraid I don't understand how it could go down. If I read this right, we're using replacement cost as the base less depreciation. The only way it could go down is if the replacement cost went down. Is that right? Which is highly improbable.

MR. LEIN:

That would be correct. Only if you had a leveling off of the economy and inflation ceased to exist, if we were in a depression type of economy where values actually — and costs of materials begin going down, that would be probably the only time you would see a marked down-turn. Otherwise, you would probably see some increase modified by the age of the property.

SENATOR McCORKLE:

Well, if the average inflation for construction was 10 percent a year, and a depreciation per year was 3 percent, say at 30-year life, then the net increase in taxes for that year would be 7, is that right?

MR. LEIN:

Not the increase in taxes, the increase of taxable value of the property would be approximately 7 percent. What the taxes would be depends on the controls of Senate Bill No. 411 on how they affect the tax levying ability of a local government. But the assessment would go up 7 percent — the assessed value would go up 7 percent, you are correct.

SENATOR McCORKLE:

Another question, Mr. Chairman. I understand the reason for putting a base year, I think, at one — a factor of one in 1978-79 to bring everybody up to the same starting point. However, from...

SENATOR KEITH ASHWORTH:

Are you on page 21 now?

SENATOR McCORKLE:

I am on 28, since it is related to what we're talking about.

SENATOR KEITH ASHWORTH:

Okay.

SENATOR McCORKLE:

We're using 1.0 as the base factor for 1978-79, what do we do after — what do we do starting next year? Perhaps, if I ask the question it will make it clearer. It looks like any property one or two years old would receive a reduced assessment because it is less the 1.0 factor. Would that continue next year and then the year after? For every home that had not been reappraised inside of two years, would the values keep going down somehow?

MR. LEIN:

What transpires is, with the factors which are applied on page 28, it brings — the purpose of it is to bring all residential properties to the 1978-79 level which basically indicates that the replacement cost value of residential property would be equal with commercial property at that point. From that point, then, all residences become one. The factor here that you see only brings the properties into line. The second year they now all assume the same one. They're all at one. Then you apply whatever the factor is that is developed by the Department of Taxation to that one. In other words, they're all equal.

SENATOR KEITH ASHWORTH:

Are there further questions? Please continue.

MR. LEIN:

Page 6, Section 12, is the noticing of the secured roll and it just clarifies that it is a secured roll; that the assessor is noticing the tax list as published in the newspaper or as he sends it out. Of course, the notice for an unsecured personal property is the billing that takes place.

Section 13. Actually the only major change is found on page 8, in the middle of the page, beginning on lines 19 through 21, where it specifies that the formula for centrally assessed properties must take into consideration the indicators of income, stock and debt and the cost of its assets. These are the factors or indicators which are now used but they are now being specified in statute so they cannot be confused with what takes place in NRS 361.227.

Section 14, on page 9, is a section that has to do with the ratio study that is conducted in the various counties by the Department of Taxation. It can, first of all, conform the language to taxable value; it, in lines 16 through 20, deletes the reference to discounting because discounting is no longer necessary under the annual reappraisal factoring procedure, and the other major change is on lines 32-33 which means that only those counties in which the ratio study was conducted need meet with the Department of Taxation, instead of all counties.

Section 14.5 is found on page 10. The substantive change is actually on page 11, beginning on line 21. It sets forth in statute that an individual who wishes to protest to the County Board of Equalization must file that protest or his appeal by January 15th. It indicates, of course, that the county board must publish what their schedule is. Before, it was all done by regulation and it's now being placed into statute. It extends, on line 27, the County Board of Equalization's meetings until February 15th. Before they had to conclude their work by the end of January and they have now been extended to mid-February.

Section 15, on page 11, again, is conforming taxable value by striking the "full cash."

On page 12, Section 16 indicates who may file an appeal as far as real or secured property is concerned. And the new language on lines 17 through 20 specifies that for personal or unsecured personal property, I should say, that is appraised between May and December, the individual must appeal before the County Board of Equalization. To quickly tie it in as to that personal property which is appraised between December 15th and April 30th, if you'll look directly across onto page 13, in Section 17, beginning on lines 15 through 18, the individual may go directly to the State Board of Equalization. Previously there has been some confusion of what an individual does if he can't go to the county board. And the state board has basically said, "sorry, the statute says you must go to a county board. "So it's now clarified that if he is unable to go to a State Board of Equalization because of the timing of his personal property assessment, he has direct access to the State Board of Equalization. In essence, that covers Section 17 as well as Section 16.

Section 17.3, on page 13, lines 32-33, specifies an individual who has a transcript

from a court reporter must furnish that to the State Board of Equalization at the time he files an appeal.

Section 17.5 changes the time of meeting of the State Board of Equalization. Remember, we extended the county board to mid-February, so we are now having the State Board of Equalization convene on the first Monday in March rather than convening in February. Also, on lines 41 and 42, it must complete its work on basically centrally assessed properties by April 10th.

On page 14, Section 17.7, it is changing the time in which the county assessor must file the tax roll with the State Board of Equalization. It changes it from the first Monday in February to the first Monday in March consistent with changing the meeting dates of the State Board of Equalization.

In paragraph 2, beginning on line 13, it changes the time that he files the segregation of the roll with the State Board of Equalization from March 25th to the fourth Monday of March, just merely to keep a consistent time frame.

Section 18 is conforming the meeting dates of the State Board of Equalization to the March date and it also conforms with the taxable value.

Section 18.5, the principal change is found on page 15, line 4, indicating the state board must forward the results of its actions to the county no later than April 15th of each year consistent with its having concluded substantial properties by April 10th.

Section 19 is conforming the taxable language and, of course, other statutory clean-up.

Section 19.3, found on page 16, basically changes the lien date for the purpose of collection of taxes. Instead of the lien attaching the first Monday in September, it is now attached on July 1 of the year for which the taxes are levied. We are basically moving the roll which has always been one year in arrears to be consistent now with the fiscal period, so the lien attaches at the time the taxes are being levied on that roll.

**SENATOR DON ASHWORTH:**

Mr. Chairman, I think it is important to make sure all Senators are aware that if you had a piece of property in escrow that was going to cover this period of time when this change goes into play, the problem that you're going to have is that no longer will the taxes be in arrears. So the individual selling the property would not be subject to that arrearage through that escrow account, we're going to bring them up to current so they'll always be prospective, instead of the way they have been in the past where we have always been paying one year in arrears.

The only one that's really going to be affected by this in any way would be those escrow accounts that are open at that period of time that actually cover this transitional period.

**SENATOR KEITH ASHWORTH:**

Good point. In other words, as a result of this passage the State of Nevada is no longer a year behind on their taxes.

**SENATOR HERNSTADT:**

Are we going to make some kind of provision for those escrow accounts between such and such a date that it is not the intention of the legislature to assess double tax?

**SENATOR DON ASHWORTH:**

Well, there is no double tax.

**SENATOR KEITH ASHWORTH:**

There is no double tax.

**SENATOR DON ASHWORTH:**

There is no double tax, though. All you're doing is forgiving the one and it goes forward then.

**SENATOR KEITH ASHWORTH:**

The only time you would have a problem then, Senator Hernstadt, is if the world comes to an end, you would have a year hiatus there. And that may happen sooner than you think with this legislature. Senator Raggio.

**SENATOR RAGGIO:**

Just to add further, all you're doing is redesignating the tax as being prospective, and what you're concerned with would be covered by an appropriate escrow instruction.



**SENATOR KEITH ASHWORTH:**

It is an important phase of the bill that everyone should be cognizant of.

**MR. LEIN:**

Section 19.4, on page 17, allows the county auditor additional time for the extension of the tax roll due to the fact that state board results have also been delayed in coming to the county auditor, so additional time is given for him to process the tax roll and extend it.

Section 19.3 actually cleans up language in paragraph 1 to conform with language in paragraph 4, because we had in the first paragraph taxes being due on the first Monday of July, and in the fourth paragraph, the third Monday of July. It has conformed them to all being the third Monday of July.

Section 19.6, the substantive language is found on page 18. It indicates that personal property, of course, may be collected on a quarterly basis when it is secured. And it also indicates that May and June assessments of personal property on the unsecured roll may be collected with the taxes due in the ensuing year.

**SENATOR HERNSTADT:**

Does this personal property aspect conform the taxation of mobile homes to the taxation of stick-built homes or is there any intention to do that? What will the taxation basis be for mobile homes?

**SENATOR KEITH ASHWORTH:**

There is another bill pending in committee concerning that subject, Senator HERNSTADT.

**SENATOR HERNSTADT:**

Well, is there any intention of the Committee on Taxation to be consistent?

**SENATOR KEITH ASHWORTH:**

It is pretty hard for me to tell you right now what the intention of the Committee on Taxation is. I've got six members on it that are individualists, and they don't tell me what their thinking is all the time.

**MR. LEIN:**

It is not the intent of the language here.

Paragraph 3, beginning on line 19 and ending on line 24, merely indicates that an individual who has paid a personal property tax and has gotten relief from the State Board of Equalization, that the refund can be made directly to that individual once the order from the State Board of Equalization is issued. He does not need to appeal to the board of County Commissioners to get his refund.

Section 19.7, at this point adds a 10 percent penalty to personal property if taxes are not paid when they are due, which is the same type of penalty assessed against mobile homes.

Section 19.8, found on page 19, new language being...

**SENATOR MCCORKLE:**

Mr. Chairman, can we go back to 19.7? It says, "If the tax and penalty are not paid on demand....," can demand be made any day after the 30th day and was that the intention? That's a pretty short fuse.

**SENATOR KEITH ASHWORTH:**

Well, I believe it is the intention that there is. After the grace period, if there is any, they can demand to have the taxes paid and that the 10 percent continues, yes.

**MR. LEIN:**

What the demand is at this point really is the tax bill. You receive a tax bill, and it demands that it be paid by a certain date. Thirty days following that date a penalty would be added if it had not been paid.

**SENATOR MCCORKLE:**

I'm not concerned with the penalty. I'm concerned about the seizure of the property; there is no grace period provided in here beyond the 30 days.

**MR. LEIN:**

No grace period beyond the 30 days, that's correct.

**SENATOR RAGGIO:**

The present law doesn't allow any. If you look at the language, it says if you don't pay the taxes on demand, the county assessor may seize the property. This gives you 30 days for a grace period. It is 30 days after demand.

**SENATOR BLAKEMORE:**

Mr. Chairman, is 10 percent new or is that what it has always been? That seems confiscatory to me.

**MR. LEIN:**

Ten percent is the figure which has been used for mobile homes. And since mobile homes are basically considered personal property, that same 10 percent was applied to the other personal property.

**SENATOR KEITH ASHWORTH:**

Did you want it higher, Senator Blakemore?

**SENATOR BLAKEMORE:**

Higher?

**SENATOR KEITH ASHWORTH:**

Yes.

**SENATOR BLAKEMORE:**

If a guy can't pay his taxes now and you hit him with 10 percent, he's lost it.

**SENATOR KEITH ASHWORTH:**

I misunderstood you. I thought you meant it should be higher. Excuse me. Senator Neal.

**SENATOR NEAL:**

Mr. Chairman, I have a question as to the penalty of 10 percent and I'm wondering how this would apply to those individuals who, say, buy their homes through FHA or the Veteran's Administration and which those agencies, you know, pay those particular taxes. If they're late...

**MR. LEIN:**

Senator, this does not apply to that type of property. That's real property, this is only unsecured personal property.

Section 19.8, the language on lines 43 through 48 addresses conforming quarterly payments being allowed for mobile homes and slide-in campers when they are secured property.

On page 20, Section 20 is merely conforming taxable value, again.

Section 20.5, the principal language is at the bottom of the page, lines 49 and 50, where now the declaration claim is made. It says it should be made under oath or affirmation and now must be signed under penalty of perjury.

**SENATOR KEITH ASHWORTH:**

This conforms with another bill that we passed.

**MR. LEIN:**

It is conforming the part on qualified systems to other types of personal property and declarations made. Also, continuing in this same section is the amendment that you find on page 21, lines 10 through 12, which indicates now that an individual who wishes to apply for an allowance for a qualified system, a cooling/heating system, may need file but once. He has to do so by the first Monday in August, which conforms with the other types of filings for various types of allowances or exemptions. But he need only do so once instead of annually.

Section 21, is conforming taxable value.

Section 22, is conforming taxable value.

Section 24, on page 23, is again conforming taxable value.

Section 25, on page 23, is also conforming taxable value now on open space instead of agricultural land.

Section 26, on page 23, is conforming taxable value.

Section 27, on page 24, is conforming taxable value.

Section 27.5, on page 24 and then at the top of page 25, conforms the date of the meeting as far as the Department of Taxation is concerned, and the certification for assessment for net proceeds of mines is to be mailed not later than May 25th, which is the meeting the Tax Commission is required to hold in May.

Section 28...

**SENATOR HERNSTADT:**

On the net proceeds of mines, did you do any redefining of net proceeds as to the goods being at market values, the cost of the ore or mineral content being at market value, or is there any redefinition to it?

MR. LEIN:

No, there has been no change in Chapter 362 regarding that. The only thing that will be done in Chapter 362, as this bill has addressed itself, would be the mine properties themselves.

SENATOR KEITH ASHWORTH:

There is another bill under consideration in the committee for that.

MR. LEIN:

Section 28, on page 25, again conforms taxable — this time for bank shares.

Section 29 also conforms taxable.

Page 26, Section 30, again, is conforming taxable.

Section 30.3 is now concerned with the distribution of motor vehicle taxes and the amendment which is important is found on page 27 on line 19.

After the adoption of Senate Bill No. 204 in the last session, you added language on line 21 which basically froze the percentage which school districts would receive from the motor vehicle privilege tax apportionments. The same thing now is occurring on line 19 for all local governments. With the drastic change in tax rates which will occur under the tax package, it was felt that apportionment of the motor vehicle privilege tax should be similar to what it had been previously and, therefore, a set date as far as tax rates as the basis for that apportionment has been established, which is in effect for the current year.

On page 28, we're into the repealers. In essence, what — I would assume that you all want to know exactly what's being repealed.

SENATOR KEITH ASHWORTH:

For the few that don't know, would you repeat them please?

MR. LEIN:

NRS 361.267 requires that people who own warehouses report the names, the value and listings of property that they hold in that warehouse to the county assessor. It is felt that basically all property is being required by declaration by the owner to be filed with the county assessor. Therefore, it was a redundant provision.

SENATOR BLAKEMORE:

You speak of warehouses and notifying the assessor. What's that doing to our Free Port Law.

MR. LEIN:

That does not affect the Free Port Law at all. It is in another section. NRS 361.285 repeals the provision that if you hold property in another county you have to report that to your own county assessor. In other words, if you have property in Washoe County and Carson City, both, you have to report to the Washoe County assessor the property that you own in Carson City as well as the property you own in Washoe County. It was considered that it was no longer necessary. It does not affect the provision on livestock, which is another provision. The rancher must report where his cattle are located, whatever county.

NRS 361.290, again, is merely the transmission of that information from one county assessor to another. So if you repeal NRS 361.285, repeal of NRS 361.290 has to follow with it.

NRS 361.735 has to do with the county auditor sending a list to the state controller showing the assessed valuation, the rates of taxation and the amount of taxes being levied for state and county purposes. A statement which is basically no longer required is there are no longer state ad valorem taxes, and it was felt that it was not necessary to report the county taxes as they were being levied; that report actually follows in the independent audit reports at the close of the fiscal period.

NRS 361.745 has to do with the quarterly remittances from the county treasurer to the state treasurer. There are no property taxes being remitted from the local level to the state level.

NRS 361.750 merely indicates that the state controller has to put on the report the county treasurer sent to him that he has received it. Obviously he is not receiving anything. That also goes out.

NRS 361.760 has to do with the refund of taxes and basically is redundant because all it does is refer to the provision where refunds are considered; that was in Chapter 353. The legislative counsel felt that could be removed.

Section 31 begins what is, in essence, going to occur immediately on all properties. Section 31 sets forth the factors which are going to be applied to residential properties and to all other properties to bring them equal. And, in essence, those properties which have reappraised in the varying years now will all be considered at a value which is the same year. And as it was pointed out earlier, because residential properties have been valued at comparable sales rather than replacement value, you find that they are equalized at approximately the 1978-79 level, while other property is equalized in 1980-81. In the second year then, all would assume the same equal standing.

In Section 3 of that provision...

**SENATOR WILSON:**

Perhaps this is an academic point, but could you tell us the distinction between the factor used for residential improvement and the factor for other property and the anatomy of the distinction, if there is one?

**MR. LEIN:**

I missed the question, Senator.

**SENATOR WILSON:**

The difference between the factor used for residential improvements and the factors for other property and the nature of the difference?

**SENATOR KEITH ASHWORTH:**

Well, originally, Senator Wilson — then I'll let Mr. Lein enlarge upon it — originally, in the earlier ones we had that factor for other property as land and there was a problem. We wanted the land to ascribe to the same factors that commercial property did, so rather than — and we did have some problem there. Mr. Lein will address that. We changed it to factors for other properties which could include land. Mr. Lein, would you go ahead and explain that?

**MR. LEIN:**

The residential improvement factors are strictly for improvements which are based on what is projected to be the replacement value of the property. While the factors for other property are developed in the same manner consistent with the practice in appraising other types of commercial properties, replacement has been the principal method used on commercial improvements and, therefore the factoring is different because of that. The land was placed in the other category in order for it to be consistent at this point, instead of having a — each lot, depending on how it's used. And it's only during this transitional period of this first year that you see this type of attempt to equalize. The second year, new factors are being developed which will, in each county for each type of property, attempt to further equalize the property.

**SENATOR HERNSTADT:**

Mr. Lein, how would this pass Constitutional muster of having certain things factored to 1978, the residences, and all other property factored to 1980-81, when we're charged to treat property consistently?

**SENATOR KEITH ASHWORTH:**

The problem, Senator HERNSTADT, is that if we weren't Constitutional before, this brings it into Constitutional. Residential property was not appraised in the same manner as commercial property was, in the past, and this is the difference between the factoring, which brings them into conformity.

**MR. LEIN:**

That was the principal reason, which was that they had not been handled in the same manner as other property previously, and so this factoring method is to equalize that approach.

**SENATOR KEITH ASHWORTH:**

Senator Neal has a lot of property.

**MR. LEIN:**

Section 31.3 is the section which tells the assessor what is going to occur in the second year for the property that is going to be placed on the roll this next December 15th. In essence, what is going to occur is that the factors will be developed by the Department of Taxation. It sets down a time frame in which they must develop those factors, which is by September 1st. Those factors must be

reviewed by the interim legislative committee on local government finance. They must adopt, modify or reject them by September 15th, immediately thereafter. After their adoption, the department must give those factors to the assessor so they may be applied to the tax rolls. Those factors will be developed by the department going to each of the counties and developing what the replacement cost schedule should be in each of those several counties.

Subsection 3, on line 39, basically indicates that the county assessor does not need to be concerned with reappraising property at this point in time. He has to be concerned with applying factors in helping the department develop factors, etc., in preparation for his following year's reappraisal program.

Section 31.6, basically indicates that since factors are being applied in this next year for real property and replacement costs as was defined, NRS 361.227 is not being applied this next year. The same procedure will be followed for personal property, so there will be no change in the method of assessing personal property until the following year.

Section 32 indicates that personal property and centrally assessed property, agricultural lands and bank shares will not be affected, nor will the net proceeds of mines. The factoring process that takes place, because they are already annually reappraised centrally assessed properties, no factor needs to be applied to them.

Section 33, on page 29, is the legislative finding which indicates the unequal treatment that has occurred in the attempt through the factoring process to bring properties into parity.

Section 34 is the instruction to the county. It indicates that they must complete factoring the current assessment roll in the months of May and June.

**SENATOR KEITH ASHWORTH:**

This is the area where, if there is any emergency on this bill, it would come into this section, because they do have to get all this factoring done in the months of May and June so that it can go out on your tax bill for July. It is a tremendous task, so there is a sense of emergency on this bill.

**MR. LEIN:**

What will occur, after the county assessor has completed his factoring process, is that the county will develop a tax bill which will show the homeowner what his taxes would have been if this tax package had not been passed, in addition to showing what the new taxable value of the property is and what the new tax bill is, so that the taxpayer can understand what has occurred by the action of the Legislature.

There still has to be a process, I would say, to appeal the adjustments which are being made, and you will find that on page 30 at the top of the page. In this particular situation, the assessor does not notify the property holder of the change in valuation and then he goes to a County Board of Equalization and then at a later point attaches this levy. What will occur is that he will receive in his tax billing the notice of valuation change. If he does not agree with that new taxable value, he then will have an opportunity to file a protest or an appeal to the County Board of Equalization by August 14th. And, in essence, if he disagrees he then can go to the State Board of Equalization who must conclude its hearings by October 1st. If he has paid taxes in the interim and he receives an adjustment by the county or State Board of Equalization, the order that changes that taxable value will also require the county to refund taxes, so that the taxpayer is protected.

Section 34.5, on page 30, indicates that the tax rates for the next year that each local government will be allowed to have will be set by the Nevada Tax Commission on July 10th. The new valuations will be established by July 1st, the budgets will have been filed by this time by several entities, the revenue cap from property tax and the supplementary CCRT will have been established, and the tax department will now be able to determine the tax rate that is necessary for each of the local governments.

Section 35 merely states that when the taxes are going to be due, which is the third Monday of August for this next year, it also provides for the lien transition.

Section 37 indicates that if a county assessor has difficulty in meeting the time frame of May and June in adjusting his taxroll that the county must pay the necessary expenses to secure additional help, either from within the county or from outside the county, to make that adjustment.

Section 38 amends the chapter that you have already passed, Chapter 93, as to the adjustment for hearings upon the tentative budget for this next fiscal year.

Normally, of course, that is done at an earlier point in time. That has now been reestablished for June. There has been a change and the reason it is in this bill is that for cities it has now been changed to the second Monday in June rather than the first Tuesday which fell on the municipal election day.

Line 16, on page 31, where we repeal chapter 2 of the 1981 statutes is a repeal of what was Senate Bill No. 27, which was the emergency Board of Equalization that was established, where the county was allowed to have two boards of equalization during this particular year. That statute is now repealed. Mr. Chairman.

**SENATOR KEITH ASHWORTH:**

Thank you very much, Jim. Are there further questions of Mr. Lein?

**SENATOR HERNSTADT:**

Where's the severability section? It's in Senate Bill No. 411 and Assembly Bill No. 369, but doesn't it need to be in this bill also?

**SENATOR KEITH ASHWORTH:**

There is no severability in this one. The other two include this one, but this one doesn't include the other two. This could stand without the other two.

**SENATOR HERNSTADT:**

In other words, if one of the other two fall, do all three fall or just the other two, and this stands?

**SENATOR KEITH ASHWORTH:**

No, all three. Further questions? I want to thank you, Jim, very much for coming and making the presentation to us. If there are no further questions we will adjourn the Committee of the Whole and turn the gavel back to the President of the Senate.

#### MOTIONS, RESOLUTIONS AND NOTICES

Senator Wilson moved that Senate Bill No. 67 be taken from the Secretary's desk and be placed on the General File for the next legislative day.

Motion carried.

By Committee on Natural Resources:

Senate Joint Resolution No. 36—Urging the United States Government to supply water from the Pacific Northwest to Nevada in return for taking land and water for the "MX" missile system.

Senator Glaser moved that the resolution be referred to the Committee on Natural Resources.

Motion carried.

By Senators Bilbray, Gibson, Don Ashworth, Keith Ashworth, Blakemore, Close, Echols, Faiss, Ford, Getto, Glaser, Hernstadt, Jacobsen, Kosinski, Lamb, McCorkle, Neal, Raggio, Wagner and Wilson:

Senate Concurrent Resolution No. 52—Memorializing the late K. O. Knudson.

**WHEREAS,** The members of this body sadly note the death of Kert Oscar Knudson, known affectionately by generations of students and teachers as "K. O.," on April 11, 1981; and

**WHEREAS,** Mr. Knudson, principal of Las Vegas' Fifth Street Grammar School from 1926 to 1946, was Nevada's oldest and most honored school official; and

**WHEREAS,** He served Las Vegas schools for 33 years, retiring in 1959 after 13 years as director of audio-visual education; and

**WHEREAS,** He was first president of the Clark County Retired Teachers Association and was named a distinguished Nevadan by the board of regents of the University of Nevada in 1962; and

**WHEREAS,** The gradual loss of his eyesight spurred Mr. Knudson's interest in helping other persons without vision as head of the Nevada Federation of the Blind; now, therefore, be it

*Resolved by the Senate of the State of Nevada, the Assembly concurring, That the members of this body appreciate the contributions of this great educator and extend their sincere condolences to the family of K. O. Knudson.*

Senator Bilbray moved the adoption of the resolution.  
Resolution adopted unanimously.

By Senator Kosinski:

Senate Concurrent Resolution No. 53—Requesting the Council of State Governments and the National Conference of State Legislatures to study the feasibility of holding regional primaries for presidential candidates.

Senator Kosinski moved that the resolution be referred to the Committee on Government Affairs.

Motion carried.

By Committee on Legislative Affairs:

Senate Concurrent Resolution No. 54—Directing the legislative commission to study the provisions of Nevada law governing access to public books and records.

Senator Echols moved that the resolution be referred to the Committee on Legislative Affairs.

Motion carried.

Assembly Joint Resolution No. 24.

Senator Gibson moved that the resolution be referred to the Committee on Judiciary.

Motion carried.

Assembly Joint Resolution No. 30.

Senator Gibson moved that the resolution be referred to the Committee on Judiciary.

Motion carried.

#### GENERAL FILE AND THIRD READING

Senate Bill No. 297.

Bill read third time.

Remarks by Senators Blakemore, Jacobsen, Neal and Kosinski.

Senators Bilbray, Blakemore and Jacobsen moved the previous question.

Motion carried.

The question being on the passage of Senate Bill No. 297.

Roll call on Senate Bill No. 297:

YEAS—7.

NAYS—Don Ashworth, Bilbray, Close, Faiss, Getto, Gibson, Glaser, Jacobsen, Kosinski, Lamb, Raggio, Wagner, Wilson—13.

Senate Bill No. 297 having received a constitutional majority, Mr. President declared it lost.

Senate Bill No. 178.

Bill read third time.

The following amendment was proposed by Senator Bilbray:

Amendment No. 774.

Amend sec. 2, page 2, by deleting lines 37 through 41 and inserting:  
“*pletion of the well. The state engineer shall make available forms for*

*the registration of such wells and shall maintain a register of those wells.*

3. *The state engineer may require the plugging of such a well which is drilled on or after July 1, 1981, at any time not sooner than 1 year after water can be furnished to the site by:*

*(a) A political subdivision of this state; or*

*(b) A public utility whose rates and service are regulated by the public service commission of Nevada.”*

Amend sec. 2, page 2, line 42 by deleting “3.” and inserting “4.”.

Senator Bilbray moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Senate Bill No. 381.

Bill read third time.

Remarks by Senator Glaser.

Roll call on Senate Bill No. 381:

YEAS—20.

NAYS—None.

Senate Bill No. 381 having received a constitutional majority, Mr. President declared it passed, as amended.

There being no objections, Mr. President declared the Preamble adopted.

Bill ordered transmitted to the Assembly.

Senate Bill No. 485.

Bill read third time.

Roll call on Senate Bill No. 485:

YEAS—20.

NAYS—None.

Senate Bill No. 485 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 488.

Bill read third time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 792.

Amend the bill as a whole by adding a new section designated section 55.5, following section 55, to read as follows:

“Sec. 55.5 NRS 539.547 is hereby amended to read as follows:

539.547 1. Notice of the election must be given by:

(a) Posting notices in three public places in each election precinct in the district not less than 15 nor more than 20 days before the date of election; and

(b) Publication thereof for 3 weeks in some newspaper published in the county where the district was organized.

2. The notice shall specify:

(a) The time of holding the election.

(b) The amount of bonds proposed to be issued.

(c) *The maximum rate of interest.*



(d) In substance that such plans and estimates as have been made are on file for inspection by the electors of the district at the office of the board."

Amend the bill as a whole by adding a new section designated section 59.5, following section 59, to read as follows:

"Sec. 59.5 NRS 543.730 is hereby amended to read as follows:

543.730 The board shall prescribe the form of the notice of election, and direct the publication of the same, the first publication of the notice to be not less than 15 days prior to the election. *The notice must include the maximum rate of interest to be paid.*"

Amend the bill as a whole by renumbering section 76 as section 77 and adding a new section designated section 76, following section 75, to read as follows:

"Sec. 76. Section 8 of Assembly Bill No. 167 of this session is hereby amended to read as follows:

Sec. 8. NRS 350.024 is hereby amended to read as follows:

350.024 1. Except as provided in subsection [3,] 2, the notice of election [shall] *must* contain:

- (a) The time and places of holding the election.
- (b) The hours during the day in which the polls will be open, which [shall] *must* be the same as provided for general elections.
- (c) The purposes for which the [bonds] *obligations* are to be issued or [the loan is otherwise to be] incurred.
- (d) The maximum amount of the [bonds or the loan.] *obligations*.
- (e) The maximum rate of interest.
- (f) The maximum number of years which the [bonds] *obligations* are to run. [or the maximum term of the loan.]

2. Any election called pursuant to NRS [350.010] 350.020 to 350.070, inclusive, may be consolidated with a general election.

[3.] If the election is consolidated with the general election, *a primary election, or a municipal election*, the notice of election need not set forth the places of holding the election, but may instead state that the places of holding the election [shall] *will* be the same as those provided for the [general] election [.] *with which it is consolidated.*

3. *If the election is a special election, the notice must contain the date on which registration closes.*"

Senator Gibson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Senate Bill No. 553.

Bill read third time.

Remarks by Senators Neal and Wilson.

Roll call on Senate Bill No. 553:

YEAS—19.

NAYS—Lamb.

Senate Bill No. 553 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 555.

Bill read third time.

Roll call on Senate Bill No. 555:

YEAS—20.

NAYS—None.

Senate Bill No. 555 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 587.

Bill read third time.

Roll call on Senate Bill No. 587:

YEAS—19.

NAYS—Neal.

Senate Bill No. 587 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Joint Resolution No. 17.

Resolution read third time.

Remarks by Senator Don Ashworth.

Roll call on Senate Joint Resolution No. 17:

YEAS—20.

NAYS—None.

Senate Joint Resolution No. 17 having received a constitutional majority, Mr. President declared it passed, as amended.

Resolution ordered transmitted to the Assembly.

#### MOTIONS, RESOLUTIONS AND NOTICES

Senator Gibson moved that Assembly Bills Nos. 56, 192, 307, 327, 389, and 422 be taken from the General File and be placed on the General File for the next legislative day.

Motion carried.

#### MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, May 5, 1981

*To the Honorable the Senate:*

I have the honor to inform your honorable body that the Assembly on this day passed Assembly Bills Nos. 529, 530.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 161, 250, 360, 396, 405, 409.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day adopted, as amended, Senate Concurrent Resolution No. 20 and respectfully requests your honorable body to concur in said amendment.

CAROL L. MOORE

*Assistant Chief Clerk of the Assembly*

#### INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 161.

Senator Gibson moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

Assembly Bill No. 250.

Senator Gibson moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Assembly Bill No. 360.

Senator Gibson moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 396.

Senator Gibson moved that the bill be referred to the Committee on Human Resources and Facilities.

Motion carried.

Assembly Bill No. 405.

Senator Gibson moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Assembly Bill No. 409.

Senator Gibson moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

Assembly Bill No. 529.

Senator Gibson moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Assembly Bill No. 530.

Senator Gibson moved that the bill be referred to the Committee on Judiciary.

Motion carried.

#### UNFINISHED BUSINESS

##### CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 164.

The following Assembly amendment was read:

Amendment No. 628.

Amend the bill as a whole by renumbering sections 3 through 9 as sections 4 through 10 and adding a new section designated as section 3, following section 2, to read as follows:

"Sec. 3. NRS 534.050 is hereby amended to read as follows:

534.050 1. Except as provided in subsection 2, every person desiring to sink or bore a well in any basin or portion therein in the state designated by the state engineer, as provided for in this , chapter shall first make application to and obtain from the state engineer a permit to appropriate [such] *the* water, in accordance with the provisions of chapter 533 of NRS relating to the appropriation of the public waters, before performing any work in connection with the boring or sinking of the well.

2. Upon written application and a showing of good cause, the state engineer may issue a written waiver of the requirements of subsection 1 for exploratory wells to be drilled to determine the availability of water or the quality of available water.

3. In other basins or portions [therein] *of basins* which have not been designated by the state engineer no application or permit to appropriate water is necessary until after the well is sunk or bored and water developed. Before any [legal] diversion of water [can] *may* be

made from the well, the appropriator must make application to and obtain from the state engineer, in accordance with the provisions of chapter 533 of NRS, a permit to appropriate the water.

4. Upon written application and a showing of good cause, the state engineer may issue a written waiver of the requirements of subsection 3, to allow use of water in [constructing a highway.] *construction and in drilling wells for gas, oil or geothermal steam or hot water.*

5. Any person using water after a permit has been withdrawn, denied, canceled, revoked or forfeited is guilty of a misdemeanor. Each day of violation of this subsection constitutes a separate offense and is separately punishable.”

Senator Glaser moved that the Senate do not concur in the Assembly amendment to Senate Bill No. 164.

Motion carried.

Bill ordered transmitted to the Assembly.

Senate Bill No. 371.

The following Assembly amendment was read:

Amendment No. 704.

Amend sec. 4, page 2, line 34, by deleting “*a source*” and inserting “*sources*”.

Amend sec. 4, page 2, by deleting line 35 and inserting: “*the Federal Government, the state, any local government or other public body or their instrumentalities. Any goods or services*”.

Senator Close moved that the Senate concur in the Assembly amendment to Senate Bill No. 371.

Motion carried.

Bill ordered enrolled.

#### SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary signed Senate Bills Nos. 4, 93, 174; Assembly Bills Nos. 158, 220, 438; Assembly Concurrent Resolution No. 10.

#### GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Raggio, the privilege of the floor of the Senate Chamber for this day was extended to Messrs. Tim Sullivan, Jesus Magpantayun, Mohammad Rafagat, Wilfredo A. Aquindo, Ramin Homanfar, Heejoo Noh, Jung Lee, Yong Ku Kim, Byung Ha Ho, Horacio Ruiz, Misses Un Chang, Sun Ae Kim, Vinh-To, Shelly Altick and Nikki Chism.

On request of Senator Jacobsen, the privilege of the floor of the Senate Chamber for this day was extended to Masters Kenneth Troy, Corey Wetenkamp, Misses Brenda Clampitt, Kim Jaurequi, April Smith, Michelle Dilgen, Wendi Thompson, Mrs. Liz Letz and Mr. Frank A. Hawbolt.

On request of Senator Blakemore, the privilege of the floor of the Senate Chamber for this day was extended to Messrs. Elvin Willie, Jr., Robert Johnson, Jr., Mesdames Ellen Willie, Gladys Johnson, Darlene Williams and Pat Hicks.

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Senator Gibson moved that the Senate adjourn until Wednesday, May 6, at 10:30 a.m.  
Motion carried.

Senate adjourned at 1:19 p.m.

Approved:

**MYRON E. LEAVITT**  
*President of the Senate*

Attest: **LEOLA H. ARMSTRONG**  
*Secretary of the Senate*

