

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON TAXATION

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
May 12, 1981

The Senate Committee on Taxation was called to order by Chairman Keith Ashworth, at 2:07 p.m., Tuesday, May 12, 1981, in Room 213 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Keith Ashworth, Chairman  
Senator Norman D. Glaser, Vice Chairman  
Senator Don Ashworth  
Senator Virgil M. Getto  
Senator James N. Kosinski  
Senator William J. Raggio

COMMITTEE MEMBER ABSENT:

Senator Floyd R. Lamb

GUEST LEGISLATORS:

Assemblyman Jan Stewart  
Assemblyman Robert E. Robinson

STAFF MEMBERS PRESENT:

Ed Shorr, Deputy Fiscal Analyst  
Colleen Crum, Committee Secretary

ASSEMBLY BILL NO. 116

Assemblyman Stewart explained the background of the bill. The Department of Taxation has determined it will change the method of taxing mobile homes. Presently, mobile homes are taxed on a depreciation schedule similar to the schedule used for automobiles. The proposed method would use the market value as the method of assessment, which would increase tremendously the taxes on mobile homes. Many mobile home owners are retired and specifically purchased mobile homes for the tax advantage. Assembly Bill No. 116 permits the

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continuance of the present tax structure on mobile homes purchased prior to July 1, 1982. New mobile homes purchased after July 1, 1982 will be assessed by a new method of valuation.

The chairman asked how the public will be notified of the change in the law. Assemblyman Stewart stated various tenant associations are aware of the change.

Senator Glaser observed it would be advantageous to purchase a used mobile home, rather than a new mobile home, under Assembly Bill No. 116. Assemblyman Stewart stated Senator Glaser's observation was correct.

The chairman noted new mobile homes would fall under the assessment method mandated by Senate Bill No. 69, which provides for the depreciation of property.

Ms. Thelma Clark, a mobile home owner, supported Assembly Bill No. 116. She stated 112,200 people live in mobile homes in the state, according to a Clark County Community College study. Of the 112,000 who live in mobile homes, 72,930 are 62 years of age or older.

Senator Raggio asked why the bill was amended to differentiate between mobile homes purchased before July 1, 1982. Ms. Clark stated the bill would not have passed the Assembly without the amendment. She preferred the bill in its original form.

Senator Raggio questioned the constitutionality of creating two classes of mobile homes for taxation purposes.

#### ASSEMBLY BILL NO. 134

The chairman explained Amendment No. 940 amends page one, lines 3-13 of Assembly Bill No. 134. (See Exhibit C.) The committee did not request that these lines be amended.

The chairman stated Clark County's gaming tax is based on gross revenue. Senate Bill No. 502, which is before the Senate Committee on Judiciary, would prohibit a tax on gaming based on gross revenue. Assembly Bill No. 134 does not

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prohibit a tax based on gross revenue. It was not the intent of the Senate Committee on Judiciary to prohibit Clark County from levying a gross revenue tax on gaming. The Senate Committee on Judiciary wanted to prohibit any other county from levying a gross revenue tax on gaming.

The chairman asked the committee whether it wanted to address the problem of which entities may be permitted to levy a gross revenue tax.

Senator Raggio stated the committee must make decisions on the following issues:

1. Whether all local entities should be prohibited from imposing a gaming tax based on gross revenues;
2. Whether all local entities should be permitted to levy a gaming tax based on gross revenues; and
3. Whether the status quo should be maintained in which Clark County is permitted to levy a gaming tax based on gross revenue and all other counties are permitted to levy a flat gaming tax.

Senator Getto stated an inequity exists between the two methods of taxation. Gross revenues may continue to grow, while flat fee revenues cannot grow.

Senator Kosinski proposed placing a statutory cap on the percentage rate which may be levied on the gross revenue tax. He felt a review of alternative methods was necessary if the committee wanted to decide whether a gross revenue tax was preferable to a flat tax.

Senator Raggio moved that Assembly Bill No. 134 be amended to allow Clark County to retain its gross revenue tax on gaming, but prohibit any other county from levying a gross revenue tax.

Senator Don Ashworth seconded the motion.

The motion carried. (Senator Kosinski voted "No".)

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Senator Kosinski stated it was unnecessary to impose the restriction proposed by Senator Raggio.

Mr. Daykin asked whether the committee wanted Section One of the second reprint to remain intact. He explained this section would not permit even the increase of 80 percent of the Consumer Price Index under Senate Bill No. 411.

Senator Raggio suggested conforming Section One of Assembly Bill No. 134 to the caps in Senate Bill No. 411. Mr. Daykin explained conformance could be accomplished by changing the expiration date to July 30, 1981, which is the effective date of Senate Bill No. 411.

The chairman clarified the committee wished to permit Clark County to continue to levy a gross revenue gaming tax and to prohibit any other county from levying a gross revenue tax. It also wanted to conform Section One of Assembly Bill No. 134 with the caps in Senate Bill No. 411.

The chairman asked for an explanation of the state gaming tax rate in Assembly Bill No. 134. Mr. Daykin explained the rates as follows:

<u>Revenue</u>	<u>Tax</u>
First \$150,000	3 percent
Next \$250,000	4 percent
Over \$400,000	5.75 percent

The chairman presented a proposal by Mr. Ed Greer, Business Manager for Clark County School District, to increase the gaming tax. This increase would generate an additional \$800,000 for schools. (See Exhibit D.)

Mr. Jerry Higgins, representing the Gaming Industry Association, and Mr. Robbins Cahill, representing the Nevada Resort

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Association, stated they were not opposed to the suggested increase.

Senator Getto questioned whether the small casino owners whom they represent would support the increase.

Mr. Higgins and Mr. Cahill opposed applying the cap in Senate Bill No. 411 to gaming tax increases. They requested a moratorium on gaming tax increases.

The committee debated how the caps in Senate Bill No. 411 affected the gross revenue tax and the flat tax. Mr. Marvin Leavitt, a task force member, explained the cap on the flat tax relates to the tax rate. The cap on the gross revenue tax relates to the total revenue.

ASSEMBLY BILL NO. 384

Mr. George Tackett, representing Bell Telephone Company, presented prepared testimony in support of the bill. (See Exhibit E.)

Senator Raggio questioned whether the bill should apply only to express easements. He suggested including implied easements in the bill.

Mr. Tackett stated he did not object to changing the wording in the bill.

Mr. Chuck King, representing Central Telephone Company, stated he agreed with Mr. Tackett's statement.

ASSEMBLY BILL NO. 523

Mr. Julius Conigliaro, representing the City of Las Vegas, supported the bill. He explained there are numerous cases where an owner abandons small parcels of property for non-payment of taxes. The abandoned property is usually small strips of land adjacent to subdivisions. These abandoned parcels serve the public interest by being acquired for dedication for street, sewer, or drainage property. Present

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law does not require the local government to pay the delinquent taxes if the acquisition of property is for street dedication. Assembly Bill No. 523 would allow local government acquisition of tax delinquent property without payment of back taxes if the purpose of the acquisition is for sewer or drainage uses as well as street dedication.

SENATE BILL NO. 632

Mr. David Horton, representing the American Legion, presented prepared testimony in support of the bill. (See Exhibit F.)

Senator Glaser asked for the fiscal impact of Senate Bill No. 632. Mr. Ed Shorr, Deputy Fiscal Analyst, stated the fiscal impact would be negligible. Except in a few cases, fallout shelters would not substantially add to the value of existing structures.

Senator Glaser observed the financial incentive in Senate Bill No. 632 is insufficient to encourage the building of fallout shelters. Senator Getto agreed with Senator Glaser's comment.

Mr. Don Dehne, representing the Nevada Civil Defense and Disaster Agency, supported the bill. He felt the bill would create more interest in civil defense and make the Civil Defense and Disaster Agency more productive.

Mr. Jim Lincicome, representing Washoe County Civil Defense Agency, supported the bill. The bill would enable the civil defense agencies to compile a list of the shelters within residential areas.

The chairman questioned whether the civil defense agencies would use the lists of residential fallout shelters to direct the public to these private shelters in an emergency.

Mr. Horton explained the list of residential fallout shelters would be used in planning where public shelters are most needed.

The chairman asked whether the Civil Defense Agency would commandeer residential fallout shelters in an emergency. Mr. Horton stated residential shelters would not be commandeered.

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Mr. Jack Holt, Carson City Civil Defense Director, supported the bill.

Mr. N. H. Carver and Mr. Russell West, Jr. submitted statements for the record on Senate Bill No. 632. (See Exhibits G and H.)

ASSEMBLY JOINT RESOLUTION NO. 21

Assemblyman Robinson stated Assembly Joint Resolution No. 21 would prohibit the levying of a state income tax. He said Nevada is unique because it does not levy a state income tax. The resolution would prevent the legislature from establishing a state income tax to respond to an urgent need. He was confident this issue would be approved if it was put to a vote of the people.

The chairman noted no one was present to testify on Assembly Joint Resolution No. 34 or Assembly Bill No. 298. Assembly Bill No. 298 was rescheduled for hearing on May 14, 1981.

Senator Glaser moved that Assembly Joint Resolution No. 34 be approved. (See Exhibit I.) *(NO EXHIBIT I)*

Senator Getto seconded the motion.

The motion carried. (Senator Kosinski did not vote; Senator Raggio was absent for the vote.)

The chairman asked for consideration on Assembly Joint Resolution No. 21.

Senator Getto moved that Assembly Joint Resolution No. 21 be approved.

Senator Getto seconded the motion.

The motion failed. (Senator Kosinski voted "No"; Senator Don Ashworth did not vote; Senator Raggio was absent for the vote.)

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Senator Kosinski questioned the necessity of the resolution. He stated the legislature would take the issue to a vote of the people if it felt a state income tax was needed.

Senator Glaser agreed with Senator Kosinski's comment.

Senator Don Ashworth felt there would be too many constitutional issues on the ballot, which would diminish the important issues.

The chairman asked for consideration on Senate Bill No. 632.

Senator Getto moved that Senate Bill No. 632 be approved. (See Exhibit J.)

Senator Kosinski seconded the motion.

The motion carried. (Senator Raggio was absent for the vote.)

The chairman asked for consideration on Assembly Bill No. 523.

Senator Don Ashworth moved that Assembly Bill No. 523 be approved. (See Exhibit K.)

Senator Getto seconded the motion.

The motion carried. (Senator Kosinski did not vote; Senator Raggio was absent for the vote.)

The chairman asked for consideration on Assembly Bill No. 384.

Senator Getto moved that Assembly Bill No. 384 be amended to include implied easements, and be approved.

The motion died due to a lack of a second.

Senator Kosinski stated the bill should be limited to easements of record.

Senator Kosinski moved that Assembly Bill No. 384 be amended to limit easements to "any easements of record for public utility purposes," and be approved. (See Exhibit L.)



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Senator Getto seconded the motion.

Senator Don Ashworth moved to amend Senator Kosinski's motion by limiting the amendment to "except any easements of record only."

Senator Glaser seconded the motion.

Senator Kosinski opposed approving Senator Don Ashworth's motion without receiving additional testimony on the issue.

Senator Don Ashworth withdrew his motion.

Senator Glaser withdrew his second of Senator Don Ashworth's motion.

The chairman stated a vote would be taken on Senator Kosinski's motion that the bill be amended to limit easements to "any easements of record for public utility purposes," and be approved.

The motion carried. (Senator Raggio was absent for the vote.)

The chairman asked for consideration on Assembly Bill No. 116. Senator Kosinski felt the second reprint of the bill was unconstitutional.

Senator Getto stated the bill was worthwhile. He suggested that the bill be held for action until May 14, 1981.

The chairman appointed a subcommittee of Senators Getto and Kosinski to meet with Assemblyman Jan Stewart to discuss the problems of the bill.

There being no further business, the meeting adjourned at 4:20 p.m.

Respectfully submitted by:

  
Colleen Crum, Secretary

APPROVED BY:

  
Senator Keith Ashworth, Chairman

DATE: May 15, 1981

SENATE AGENDA

COMMITTEE MEETINGS

Amended 5-7-81

Committee on TAXATION, Room 213

Day Tuesday, Date May 12, 1981, Time 2:00 p.m.

EXHIBIT A

AMENDED AGENDA

A. J. R. No. 34--Memorializes Congress of United States to repeal federal estate and gift taxes.

A. J. R. No. 21--Proposes to amend Nevada constitution to prohibit state income tax.

A. B. No. 384--Projects easement for public utility purposes when property is sold for delinquent taxes.

A. B. No. 116-- Removes requirement to classify mobile homes for purposes of property tax assessment.

A. B. No. 523--Broadens provisions for acquisition of tax-delinquent property by local governments without cost.

S. B. No. 632--Provides partial exemption from property tax for residences containing shelter against radioactive fallout.

A. B. No. 298--Provides alternate form for declaring value of transferred real property.

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON TAXATION

EXHIBIT B

DATE: May 12, 1981

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
Earlean Henry	Dept of Taxation	885-4840
Jk Comperthwaite	Dept. of Taxation	885-4840
Thelma Clark	<del>XXXXXXXXXXXX</del> Self	457-4597
GEORGE TACKET	NEVADA BELL	789-8496
DON DEHNE	CIVIL DEFENSE	885-4240
CHUCK KING	CEN TEL	383-5501
David Horton	American Legion	883-1966
Russell West, Jr.	<del>XXXXXXXXXXXX</del> Self	882-5259

## Exhibit C

**THIS EXHIBIT IS MISSING FROM BOTH THE ORIGINAL  
MINUTES AND THE MICROFICHE.**

## Exhibit D

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## Exhibit E

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## Exhibit G

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## Exhibit H

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## Exhibit I

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## Exhibit J

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## Exhibit K

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## Exhibit L

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