

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON TAXATION

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
May 20, 1981

The Senate Committee on Taxation was called to order by Chairman Keith Ashworth, at 11:50 a.m., Wednesday, May 20, 1981, in Room 213 of the Legislative Building, Carson City, Nevada. There was no Meeting Agenda or 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

COMMITTEE MEMBERS ABSENT:

Senator Floyd R. Lamb  
Senator William J. Raggio

STAFF MEMBERS PRESENT:

Ed Schorr, Deputy Fiscal Analyst  
Colleen Crum, Committee Secretary

SENATE BILL NO. 687

The chairman asked for consideration of Amendment No. 1088 (Exhibit A) to Senate Bill No. 687.

Senator Don Ashworth moved that Senate Bill No. 687 be amended with Amendment No. 1088 and be re-referred to the committee.

Senator Kosinski seconded the motion.

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

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Senator Glaser noted Assembly Bill No. 116 must be amended to conform with Senate Bill No. 69.

Senator Kosinski stated Assembly Bill No. 116 was unnecessary. The data supplied to the committee showed some mobile home owners would pay a slight increase in taxes while others would experience a slight decrease in taxes.

The chairman stated Assembly Bill No. 116 would permit those mobile homes purchased prior to July 1, 1982 to continue to be depreciated at the present rate. If this bill is not approved, mobile homes would be depreciated as real property.

Senator Kosinski stated mobile homes would be treated as real property only if they meet certain requirements.

The chairman stated the bill would do no harm if it was passed. Senator Kosinski stated the bill creates another system for the Department of Taxation and the county assessors to administer, which they otherwise would not have to worry about.

The chairman stated many people, who are aware only of Assembly Bill No. 116 and not Senate Bill No. 69, will be concerned if the legislature does not approve Assembly Bill No. 116.

Senator Don Ashworth's motion died due to a lack of a second.

ASSEMBLY BILL NO. 20 (Exhibit B)

The chairman suggested amending the bill to delete the section which exempts the sales tax on the resale of mobile homes. Senator Don Ashworth disagreed with the suggestion because stick homes are presently exempt from sales tax when they are resold.

The committee discussed the fiscal note prepared by the Department of Taxation. (See Exhibit I of the minutes for the May 19, 1981 meeting.)

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Mr. Ed Schorr, Deputy Fiscal Analyst, explained the fiscal note was revised after the Department of Taxation realized the bill applied to only half of the first fiscal year.

Senator Don Ashworth moved that Assembly Bill No. 20 be approved.

Senator Glaser seconded the motion.

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

SENATE BILL NO. 690

Senator Kosinski asked whether the Senate Committee on Finance had been consulted about the bill. The chairman stated he had consulted Senator James Gibson, who had requested the bill. Senator Gibson felt there was not enough time left in the session to correct the problems with the bill.

Senator Kosinski asked what would be required to correct the problems. Mr. John Eck, representing Southern Pacific Transportation Company, stated the construction of the bill creates many constitutional problems, particularly in relation to the applicability of the sales and use tax.

Senator Don Ashworth moved that Senate Bill No. 690 be indefinitely postponed.

Senator Glaser seconded the motion.

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

ASSEMBLY JOINT RESOLUTION NO. 21

Senator Don Ashworth moved that Assembly Joint Resolution No. 21 be approved.

Senator Kosinski stated the legislature would not impose a state income tax without placing the issue on a referendum of the people. Prohibiting a state income tax in the constitution may create problems in the future if a state income tax becomes necessary.

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Senator Glaser agreed with Senator Kosinski's comments. While Senator Glaser did not support a state income tax, he felt the legislature in the future may feel a state income tax is needed.

Senator Don Ashworth's motion died due to a lack of a second.

Senator Don Ashworth asked that the remarks on Assembly Joint Resolution No. 21 be entered into the record.

ASSEMBLY BILL NO. 298 (Exhibit C)

Mr. Schorr explained the committee could amend Assembly Bill No. 298 two different ways. The bill could be amended to require the recording of the tax to remain on the face of the deed, or the bill could be amended to not require the tax to be recorded on the face of the deed. If the committee decides not to require that the tax be recorded on the face of the deed, NRS 375.030 must be amended, which is the section preceding the section covered in the bill.

Senator Don Ashworth moved that Assembly Bill No. 298 be amended to not require that the transfer tax be shown on the face of the deed, and be approved.

Senator Glaser seconded the motion.

Senator Kosinski asked whether the transfer tax information would be available to the public. Ms. Marie Feeney, representing Clark County's Assessor's Office, explained the information would be available at the recorder's or the treasurer's office, but the record of the tax is not considered public information.

Senator Kosinski asked whether the public would be able to ascertain whether the tax was paid. Ms. Feeney stated the public can determine whether the tax was paid, but the amount of the tax is not public information. Senator Don Ashworth explained the deed is not recorded until the tax is paid.

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

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SENATE BILL NO. 328 (Exhibit D)

Mr. Schorr presented information on the ad valorem rate which is necessary to replace the motor vehicle privilege tax allocations to the school districts' debt service fund. (See Exhibit E.) The bill proposes to delete the language which indicates the motor vehicle tax is allocated to the county; this language is a technicality. Technically, the county is responsible for the handling of the debt service for schools. In reality, the motor vehicle privilege tax, which is attributed to the debt service for schools, is deposited to the school debt service account. He noted Clark County suggested amending the bill on page two to use the 1978-1979 debt service rate as the basis for making future distributions of the motor vehicle privilege tax.

The chairman asked what would happen if the proposed amendment was not added to the bill. Mr. Schorr stated the 1978-1979 or the 1980-1981 tax rate could be used without severely impacting on the schools' budgets. He suggested adding another provision in the bill which would permit those districts which have not established a debt service rate to share in the motor vehicle privilege tax if debt service is required in the future.

Mr. Chuck Neely, representing the Clark County School District, requested that the bill be held until Mr. Ed Greer, Business Manager of the Clark County School District, could present data pertaining to the bill. The chairman stated immediate action was necessary if the bill was to be approved by the legislature at this late date.

The chairman asked what the effect would be if the bill was amended only with the amendments proposed by Clark County at the May 14, 1981 meeting and not with the amendments proposed today. Mr. Schorr said the bill might do harm if some of the school districts don't need the money in the capital projects fund and have a bond issue outstanding. In this case, these school districts may have to raise the ad valorem rate to cover that bond issue. School districts may also want the option to use the revenue either to pay the bond issue or to reduce the revenue in the capital funds.

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The chairman asked Mr. Schorr to clarify his suggestion. Mr. Schorr explained the bill should be amended to require that the revenue be placed in the capital projects fund, but should specify the fund can be used either for capital projects or for debt service.

Senator Getto moved that Senate Bill No. 328 be amended and approved.

Senator Kosinski asked Mr. Neely why Clark County would have to increase its ad valorem tax rate if the money was going to accumulate in the capital projects funds, rather than be spent. Mr. Neely stated Clark County would not be forced to increase its ad valorem rate to pay off its debt services.

Senator Kosinski asked whether Clark County was collecting more ad valorem taxes than was required. Mr. Neely stated the county was trying to pay off its debts earlier than originally intended.

Senator Don Ashworth seconded the motion.

The motion carried. (Senator Kosinski did not vote.)

ASSEMBLY BILL NO. 116

Senator Don Ashworth moved that Assembly Bill No. 116 be approved.

Senator Glaser seconded the motion.

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

Senator Glaser observed amendments were required to conform Assembly Bill No. 116 with Senate Bill No. 69. He requested that amendments be prepared and submitted to the committee for its approval.

Senator Don Ashworth moved to rescind the action whereby Assembly Bill No. 116 was approved.

Senator Glaser seconded the motion.

The motion carried.

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There being no further business, the meeting adjourned at  
12:25 p.m.

Respectfully submitted by:

  
\_\_\_\_\_  
Colleen Crum, Secretary

APPROVED BY:

  
\_\_\_\_\_  
Senator Keith Ashworth, Chairman

DATE: 5-26-81

1981 REGULAR SESSION (61st)

EXHIBIT A

ASSEMBLY ACTION	SENATE ACTION	Senate	AMENDMENT BLANK
Adopted <input type="checkbox"/>	Adopted <input type="checkbox"/>	AMENDMENTS to <u>Senate</u>	
Lost <input type="checkbox"/>	Lost <input type="checkbox"/>	Bill No. <u>687</u>	<del>Joint</del>
Date: <input type="checkbox"/>	Date: <input type="checkbox"/>		Resolution No. _____
Initial: <input type="checkbox"/>	Initial: <input type="checkbox"/>	BDR <u>32-2086</u>	
Concurred in <input type="checkbox"/>	Concurred in <input type="checkbox"/>	Proposed by <u>Committee on Taxation</u>	
Not concurred in <input type="checkbox"/>	Not concurred in <input type="checkbox"/>		
Date: <input type="checkbox"/>	Date: <input type="checkbox"/>		
Initial: <input type="checkbox"/>	Initial: <input type="checkbox"/>		

Amendment N<sup>o</sup> 1088



Amend section 1, page 1, by deleting lines 7 and 8, and inserting:  
"project for the generation, transmission or distribution of  
electricity, or to any other electrical facilities, whose construc-  
tion is commenced on or after January 1, 1982. For the purposes of  
this section, "commencement of construction" has the meaning ascribed  
to it in NRS 704.840."

Amend section 1, page 1, by deleting lines 13 through 20, and insert-  
 ing:  
"the unincorporated area of the county. If it determines that more  
than one county will undergo a substantial increase in the need for  
public services as the result of the construction, the department  
of taxation shall, subject to the approval of the interim legis-  
lative committee on local governmental finance, first apportion the  
collections and payments among those counties according to the  
respective increases in need for public services as so determined,  
and then distribute them within each county as provided in the  
preceding sentence."

Amend section 1, page 1, line 24, by deleting "the other" and  
 inserting "all".

Amend section 1, page 2, line 8, by deleting "and".

Amend section 1, page 2, line 10, by deleting the period and insert-  
 ing "; and".

To: E & E  
 LCB File  
 Journal ✓  
 Engrossment  
 Bill

Drafted by FWD:smc:ml Date 5-19-81

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Amend section 1, page 2, by inserting after line 10:

"(c) The effect which facilities for the generation of electric power have both upon their immediate vicinity and upon the natural resources which belong to all the people of the state."

Amend sec. 2, page 2, line 23, by deleting "3 and 4," and inserting "[3 and 4,] 3, 4 and 5,".

Amend sec. 2, page 2, line 35, by deleting the open bracket.

Amend sec. 2, page 3, line 4, by deleting "successfully" and inserting "successively".

Amend sec. 2, page 3, by deleting lines 12 through 20, and inserting "which such operating unit is located."

Amend sec. 2, page 3, line 21, by deleting "4." and inserting "5.".

Amend sec. 2, page 3, line 22, by deleting "generates or transmits" and inserting:

"generates, transmits or distributes".

Amend sec. 2, page 3, line 23, after "construction" by inserting "whose construction was commenced on or after January 1, 1982, and".

Amend sec. 2, page 3, line 27, by inserting after the period: "For the purposes of this section, "commencement of construction has the meaning ascribed to it in NRS 704.840."

Amend sec. 2, page 3, line 28, by deleting "5." and inserting: "[5.] 6.".

Amend sec. 2, page 3, line 36, by deleting "6." and inserting: "[6.] 7.".

Amend sec. 2, page 3, line 39, by deleting "7." and inserting: "[7.] 8.".

Amend sec. 2, page 3, line 43, by deleting "8." and inserting: "[8.] 9.".

Amend sec. 2, page 3, line 48, by deleting "9." and inserting: "[9.] 10.".

Amend sec. 2, page 4, line 4, by deleting "10." and inserting: "[10.] 11.".

Amend the bill as a whole by adding a new section designated section 2.5, following section 2, to read as follows:

"Sec. 2.5. NRS 361.320 is hereby amended to read as follows:

361.320 1. At the regular session of the Nevada tax commission commencing on the 1st Monday in October of each year, the Nevada tax commission shall establish the valuation for assessment purposes of any

property of an interstate and intercounty nature, which must in

any event include the property of all interstate or intercounty railroad, sleeping car, private car, street railway, traction, telegraph, water, telephone, air transport, electric light and power companies, together with their franchises, and the property and franchises of all railway express companies operating on any common or contract carrier in this state.

This valuation must not include the value of vehicles as defined in NRS 371.020.

2. Except as otherwise provided in subsections 3 and 4, the foregoing must be assessed as follows: The Nevada tax commission

shall establish and fix the valuation of the franchise, if any, and all physical property used directly in the operation of any such business of any such company in this state, as a collective unit; and if operating in more than one county, on establishing such unit valuation for the collective property, the Nevada tax commission shall then determine the total aggregate mileage operated within the state and within its several counties, and apportion the mileage upon a mile-unit basis, and the number of

miles apportioned to any county are subject to assessment in that county according to the mile-unit valuation established by the Nevada tax commission.

3. [Where 75 percent or more of the physical property of an

electric light and power company is devoted to the generation or transmission of electricity for use outside the State of Nevada and the physical property also includes three or more operating units which are not interconnected at any point within the State of Nevada, the Nevada tax commission shall successively:

(a) Determine separately the valuation of each operating unit, using the valuation criteria provided in subsection 2.

(b) Apportion 15 percent of the valuation of each operating unit which generates electricity predominantly for use outside Nevada to each other operating unit within the State of Nevada.

(c) Apportion the valuation of each operating unit, adjusted as required by paragraph (b) upon a mile-unit basis among the counties in which such operating unit is located.

4. Where 75 percent or more of the physical property of an electric light and power company is devoted to the generation or transmission of electricity for use outside the State of Nevada and the physical property also includes two but not more than two operating units which are not interconnected at any point within the State of Nevada, the Nevada tax

commission shall successively:

(a) Determine separately the valuation of each operating unit, using the valuation criteria provided in subsection 2.

(b) Apportion 20 percent of the valuation of each operating unit which generates electricity predominantly for use outside Nevada to each other operation unit within the State of Nevada.

(c) Apportion the valuation of each operating unit, adjusted as required by paragraph (b) upon a mile-unit basis among the counties in

which such operating unit is located.] On establishing the valuation, as a collective unit, of each public utility which generates, transmits or distributes electricity in this state, the Nevada tax commission shall allocate this valuation among all the counties of this state in proportion to their respective populations. The valuation so allocated to each county must be assessed, and taxes levied and collected thereon, at the same rate as other property in the county. The legislature finds and declares that the consumption of electricity is roughly proportionate to population and that this allocation fairly distributes revenues arising from this consumption, and takes fair account of the effect of the generation of power on the natural resources of the state as a whole.

[5.] 4. Before establishing the valuation, as a collective unit, of a public utility which generates, transmits or distributes electricity, the Nevada tax commission must first segregate the value of all property under construction whose construction was commenced on or after January 1, 1982, and which is not yet put to use. This value must be assessed and taxed in the county where it is located, at the same rate as other property. The legislature finds and declares that this segregation fairly reflects the additional burden put upon the public services of the county during its construction.

[6.] 5. The Nevada tax commission shall adopt formulas, and cause them to be incorporated in its records, providing the method or methods pursued in fixing and establishing the full cash value of all franchises and property assessed by it. The formulas must be adopted and may be changed from time to time upon its own motion or when made necessary by judicial decisions, but the formulas must in any event show all the elements of value considered by the Nevada tax commission in arriving at and fixing the value for any class of property assessed by it.

[7.] 6. As used in this section the word "company" means any person, company, corporation or association engaged in the business described.

[8.] 7. In case of an omission by the Nevada tax commission to establish a valuation for assessment purposes upon the property mentioned in this section, the county assessors of any counties wherein the property is situated shall assess it.

[9.] 8. All other property must be assessed by the county assessors, except as provided in NRS 362.100 and except that the valuation of land, livestock and mobile homes must be established for assessment purposes by the Nevada tax commission as provided in NRS 361.325.

[10.] 9.

On or before the 1st Monday in December the department shall transmit to the several county assessors the assessed valuation found on such classes of property as are enumerated in this section, except for private car lines, together with the apportionment of each county of the assessment. The several county assessors shall enter on the roll all such assessments transmitted to them by the department.

[11.] 10.

On or before November 1 of each year the department shall forward a tax statement to each private car line company based on the valuation established pursuant to this section and in accordance with the tax levies of the several districts in each county. The company shall remit the ad valorem taxes due on or before December 15 to the department which shall allocate the taxes due each county on a mile-unit basis and remit the taxes to the counties no later than January 31. The portion of the

taxes which is due the state must be transmitted directly to the

state treasurer. As an alternative to any other method of recovering delinquent taxes provided by this chapter, the attorney general may bring a civil action in a court of competent jurisdiction to recover delinquent taxes due under this subsection in the manner provided in NRS 361.560."

Amend sec. 3, page 4, line 25, by printing "state" in Roman type.

Amend sec. 3, page 4, by deleting lines 32 and 33 and inserting:  
"the generation, transmission or distribution of electricity, or to any other electrical facilities, whose construction is commenced on or after January 1, 1982. For the purposes of this paragraph, "commencement of construction" has the meaning ascribed to it in NRS 704.840. This amount must be".

Amend sec. 3, page 4, line 36, by deleting "the other" and inserting "all".

Amend sec. 3, page 4, line 40, by deleting the period and inserting ", and takes fair account of the effect of the generation of power on the natural resources of the state as a whole."

Amend the bill as a whole by renumbering section 6 as section 7 and adding a new section designated section 6, following section 5, to read as follows:

responsible participant. [Such participant or participants are required to] That participant shall take appropriate action to enforce the obligation, provided for in subsection 4, of the participants in the project. A payment in lieu of taxes [shall] must not be made to the extent that the making of the payment

would cause a deficiency in the money available to the county to make required payments of principal of, premium, if any, or interest on any bonds issued by the county to finance the project or to make required payments to any funds established under the proceedings under which such bonds were issued and secured. No lien attaches upon any property or money of the county or any property or money of the participant or participants mentioned in the first sentence of this subsection by virtue of any failure to pay all or any part of any in lieu of taxes. The participant or participants constructing or operating the project or any other participant in the project may contest the validity of any payment in lieu of a tax to the same extent as if such payment were a payment of the tax itself. The payments in lieu of taxes must be reduced if and to the extent that such contest is successful.

6. So long as a purchaser of capacity of the project is required to make payments pursuant to subsection 4, that purchaser is not required to make any payment of tax pursuant to NRS 361.157 or 361.159 in respect of its interest or rights in that project.

7. The obligations to make payments in lieu of taxes required by this section do not constitute a debt or indebtedness of the county and do not constitute or give rise to a pecuniary liability of the county or a charge against its general credit or taxing powers. "

Amend sec. 6, page 7, line 9, by inserting "1." before "Section".

Amend sec. 6, page 7, by inserting after line 10:

"2. Section 2.5 of this act shall become effective on July 1 next after the Nevada tax commission determines that the full cash value of facilities for the generation, transmission or distribution of electricity whose construction was commenced on or after January 1, 1982, and which have been put to use is at least \$300,000,000."

"Sec. 6. NRS 244A.755 is hereby amended to read as follows:

244A.755 1. If a project is for the generation and transmission of electricity, payments must be made as provided in this section:

(a) In lieu of ad valorem taxes on property owned by the county [;] , and distributed in the same manner as those taxes would be distributed pursuant to NRS 361.320; and

(b) In lieu of the sales and use tax, local school support tax and city-county relief tax on tangible personal property purchased or used [.] , and distributed either pursuant to section 1 of this act or in the same manner as the tax would be distributed pursuant to NRS 374.785, whichever applies.

2. The payments in lieu of taxes specified in paragraph (b) of subsection 1 must be paid on any incident of sale, use, storage or other consumption of property which, pursuant to the Sales and Use Tax Act, Local School Support Tax Law or an ordinance or ordinances adopted pursuant to the City-County Relief Tax Law, would be taxable if the exemptions for counties contained, respectively, in NRS 372.325 and 374.330 were not applicable. No such payment applies to any incident previously subjected to a sales or use tax. Except as otherwise provided in this section and except to the extent that they would be inconsistent with the provisions of this section, the provisions of the Sales and Use Tax Act, Local School Support Tax Law, the City-County Relief Tax Law, any ordinance or ordinances adopted pursuant thereto, [the Multistate Tax Compact] and other laws of the state dealing with taxes on the sale or use of tangible personal property govern the collection, payment, method of protest, exemptions and other matters relating to the payments required in lieu of these taxes.

3. The payments in lieu of ad valorem taxes must [be made to the taxing entity or entities, including the state, within which the project or any part thereof is located, and the amount of such payments must] equal the ad valorem taxes that would have been payable were the project subject to ad valorem taxation and to assessment pursuant to NRS 361.320. This section does not preclude the legislature from changing the method of assessment or allocation of payments in lieu of ad valorem taxes. The due date of payments in lieu of ad valorem taxes to a particular taxing entity and the tax rate with respect to the

portion of the valuation of a project [located in such] allocated to that entity must be determined in the same manner as for property which is subject to ad valorem taxation by that taxing entity.

4. The county shall, in the agreement with each purchaser of capacity require that the purchaser, or all of them collectively, make timely payments, whether or not the capacity is taken or available, sufficient in time and amount, to the extent that such payments are not otherwise provided for from bond proceeds or other funds specifically made available therefor, to provide for the payments in lieu of taxes required by this section. The agreements must provide the method of determining the amount of such payments to be made by each such purchaser.

5. The payments in lieu of taxes required by this section during the construction of the project are the responsibility of the participant who, pursuant to subsection 2 of NRS 244A.741, is constructing the project and the payments in lieu of taxes during the period of operation of the project are the responsibility of the participant who, pursuant to that subsection, is operating the project. The responsibility of making such payments is limited to the extent that there is legally available to the responsible participant, from the payments, proceeds or other funds mentioned in subsection 4, money to make such payments and the obligation of such participant or participants to make such payments in lieu of taxes is not a general obligation or liability of the

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 20

ASSEMBLY BILL NO. 20—ASSEMBLYMEN HAYES,  
BARENGO, ROBINSON AND PRENGAMAN

JANUARY 22, 1981

Referred to Committee on Taxation

SUMMARY—Provides for submission at next general election of question proposing refund of sales and use tax paid on certain mobile homes. (BDR 32-17)

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

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

AN ACT relating to taxation; providing for the submission to the registered voters at the general election in 1982 of the question whether the Sales and Use Tax Act of 1955 should be amended to provide a reduction of those taxes on new mobile homes and an exemption for used mobile homes; contingently creating similar exemptions from certain analogous taxes; and providing other matters properly relating thereto.

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

- 1 SECTION 1. At the general election on November 2, 1982, a pro-  
2 posal shall be submitted to the registered voters of this state to amend the  
3 Sales and Use Tax Act, which was enacted by the 47th session of the  
4 legislature of the State of Nevada and approved by the governor in 1955,  
5 and subsequently approved by the people of this state at the general elec-  
6 tion held on November 6, 1956.
- 7 SEC. 2. At the time and in the manner provided by law, the secretary  
8 of state shall transmit the proposed act to the several county clerks, and  
9 the county clerks shall cause it to be published and posted as provided  
10 by law.
- 11 SEC. 3. The proclamation and notice to the voters given by the  
12 county clerks pursuant to law must be in substantially the following  
13 form:
- 14 Notice is hereby given that at the general election on November  
15 2, 1982, a question will appear on the ballot for the adoption or  
16 rejection by the registered voters of the state of the following pro-  
17 posed act:  
18 AN ACT to amend an act entitled "An Act to provide revenue for

1 the State of Nevada; providing for sales and use taxes; provid-  
2 ing for the manner of collection; defining certain terms; provid-  
3 ing penalties for violation, and other matters properly  
4 relating thereto," approved March 29, 1955, as amended.

5  
6 *The People of the State of Nevada do enact as follows:*

7  
8 Section 1. The above-entitled act, being chapter 397, Statutes  
9 of Nevada 1955, at page 762, is hereby amended by adding thereto  
10 a new section to be designated as section 62, which shall immedi-  
11 ately follow section 61 and shall read as follows:

12 Sec. 62. 1. *The tax imposed by this chapter must:*

13 (a) *When imposed on the privilege of selling a new mobile home,*  
14 *be imposed on the sale of the materials used in constructing the*  
15 *mobile home. For the purposes of this paragraph, the cost of the*  
16 *materials used in constructing a mobile home is 60 percent of*  
17 *the cost of the mobile home.*

18 (b) *Not be collected on the sale of any mobile home if the sale of*  
19 *the mobile home or the materials used in constructing it have been*  
20 *previously taxed pursuant to this chapter.*

21 2. *As used in this section, "mobile home" means a vehicular*  
22 *structure which is:*

- 23 (a) *Built on a permanent chassis;*
- 24 (b) *Designed to be used with or without a permanent foundation*  
25 *as a dwelling when connected to utilities;*
- 26 (c) *Transportable in one or more sections; and*
- 27 (d) *More than 8 feet in body width and more than 32 feet in body*  
28 *length. Neither the width nor the length includes bay windows,*  
29 *porches, drawbars, couplings, hitches, wall or roof extensions or*  
30 *other attachments.*

31 *The term does not include a vehicular structure primarily designed*  
32 *as temporary living quarters for travel, recreational or camping use,*  
33 *which may be self-propelled or mounted upon, or drawn by, a motor*  
34 *vehicle.*

35 Sec. 2. This act shall become effective on January 1, 1983.

36 SEC. 4. The ballot page assemblies and the paper ballots to be used  
37 in voting on the question must present the question in substantially the  
38 following form:

39 Shall the Sales and Use Tax Act be amended to provide for col-  
40 lection of the tax on the materials used in constructing a new mobile  
41 home and to exempt certain used mobile homes from the tax?

42 SEC. 5. The explanation of the question which must appear on each  
43 paper ballot and sample ballot and in every publication and posting of  
44 notice of the question must be in substantially the following form:

45 (Explanation of Question)

46 The proposed amendment to the Sales and Use Tax Act would  
47 provide for collecting the tax on the materials used to construct a  
48 new mobile home and set the cost of materials at 60 percent of the  
49 price of the new mobile home. It would also exempt used mobile



Assembly Bill No. 20 (cont'd)

— 3 —

1 homes from the sales and use tax if a prior sale was taxed in this  
 2 state. If this proposal is adopted, the legislature has provided that  
 3 the Local School Support Tax Law and the City-County Relief Tax  
 4 Law will be amended to provide the same reduction and exemption.  
 5 A "Yes" vote is to provide for collecting the sales and use tax on 60  
 6 percent of the price of new mobile homes and to exempt certain  
 7 used mobile homes. A "No" vote is a vote to maintain the tax on  
 8 the full value of each mobile home each time it is sold.

9 SEC. 6. If a majority of the votes cast on the question is yes, the  
 10 amendment to the Sales and Use Tax Act of 1955 shall become effective  
 11 on January 1, 1983. If a majority of votes cast on the question is no, the  
 12 question shall have failed and the amendment to the Sales and Use Tax  
 13 Act of 1955 shall not become effective.

14 SEC. 7. All general election laws not inconsistent with this act are  
 15 applicable.

16 SEC. 8. Any informalities, omissions or defects in the content or  
 17 making of the publications, proclamations or notices provided for in this  
 18 act and by the general election laws under which this election is held  
 19 must be so construed as not to invalidate the adoption of the act by a  
 20 majority of the registered voters voting on the question if it can be ascer-  
 21 tained with reasonable certainty from the official returns transmitted to  
 22 the office of the secretary of state whether the proposed amendment was  
 23 adopted or rejected by a majority of those registered voters.

24 SEC. 9. Chapter 374 of NRS is hereby amended by adding thereto  
 25 a new section which shall read as follows:

26 1. *The tax imposed by this chapter must:*

27 (a) *When imposed on the privilege of selling a new mobile home, be*  
 28 *imposed on the sale of the materials used in constructing the mobile*  
 29 *home. For the purposes of this paragraph, the cost of the materials used*  
 30 *in constructing a mobile home is 60 percent of the cost of the mobile*  
 31 *home.*

32 (b) *Not be collected on the sale of any mobile home if the sale of the*  
 33 *mobile home or the materials used in constructing it have been previously*  
 34 *taxed pursuant to this chapter.*

35 2. *As used in this section, "mobile home" means a vehicular struc-*  
 36 *ture which is:*

37 (a) *Built on a permanent chassis;*

38 (b) *Designed to be used with or without a permanent foundation as a*  
 39 *dwelling when connected to utilities;*

40 (c) *Transportable in one or more sections; and*

41 (d) *More than 8 feet in body width and more than 32 feet in body*  
 42 *length. Neither the width nor the length includes bay windows, porches,*  
 43 *drawbars, couplings, hitches, wall or roof extensions or other attach-*  
 44 *ments.*

45 *The term does not include a vehicular structure primarily designed as*  
 46 *temporary living quarters for travel, recreational or camping use, which*  
 47 *may be self-propelled or mounted upon, or drawn by, a motor vehicle.*

48 SEC. 10. Sections 1 to 8, inclusive, and this section of this act shall  
 49 become effective on July 1, 1981. Section 9 of this act shall become effec-  
 50 tive on January 1, 1983, only if the question provided for in section 3 of

Assembly Bill No. 20 (cont'd)

1 this act is approved by the voters at the general election on November 2,  
2 1982.

30

**A. B. 298**

ASSEMBLY BILL NO. 298—COMMITTEE ON TAXATION

MARCH 5, 1981

Referred to Committee on Taxation

SUMMARY—Provides alternate form for declaring value of transferred real property. (BDR 32-1191)

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

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

AN ACT relating to the real property transfer tax; providing an alternate form for declaring the value of the property transferred; and providing other matters properly relating thereto.

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

1 SECTION 1. NRS 375.050 is hereby amended to read as follows:  
2 375.050 1. Each deed evidencing a transfer of title which does not  
3 go through escrow [shall] *must* have appended thereon the information  
4 as follows in substantially the following form, using a rubber stamp or  
5 otherwise:

6 Documentary Transfer Tax \$.....  
7  Computed on full value of property conveyed; or  
8  Computed on full value less liens and encumbrances remaining  
9 thereon at time of transfer.

10 Under penalty of perjury:  
11 .....  
12 Signature of declarant or agent  
13 determining tax—firm name.

14 2. *In cases where a declaration of value is made on a form prescribed*  
15 *by the Nevada tax commission, the information in subsection 1 need not*  
16 *appear on the face of the deed.*

*the next page is*  
~~1248~~

S. B. 328

SENATE BILL NO. 328—COMMITTEE ON HUMAN RESOURCES AND FACILITIES

MARCH 2, 1981

Referred to Committee on Human Resources and Facilities

SUMMARY—Alters formula for allocating vehicle privilege tax to school districts and requires use of portion of tax for school construction. (BDR 34-1021)

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

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

AN ACT relating to the financial support of schools; requiring that a portion of the vehicle privilege tax allocated to school districts be used for school construction; altering the formula for allocating that tax from the motor vehicle fund to the school districts; and providing other matters properly relating thereto.

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

1 SECTION 1. NRS 387.328 is hereby amended to read as follows:  
2 387.328 1. The board of trustees of each school district shall estab-  
3 lish a building reserve fund for the purpose of constructing or making  
4 additions to an elementary school, a junior high school or a high school.  
5 2. With the approval of the state board of finance, the board of  
6 trustees [of any school district] may accumulate [a] money in the  
7 building reserve fund for a period [of time] not to exceed 10 years [for  
8 the purpose of constructing or making additions to an elementary school,  
9 a junior high school or a high school,] by the levy of an annual special  
10 tax not to exceed 35 cents on each \$100 of assessed valuation of taxable  
11 property within the school district. Any levy of an annual special tax  
12 authorized by this [section shall] subsection must be included within the  
13 tax levy authorized by NRS 387.195.  
14 [2. All money collected from such special tax shall be placed in a  
15 fund with the county treasurer holding the county school district fund to  
16 be designated as the ..... school district build-  
17 ing reserve fund.]  
18 3. The proceeds from any special tax levied pursuant to subsection  
19 2 and that portion of the vehicle privilege tax whose allocation to the  
20 school district pursuant to NRS 482.180 is based on the amount of the

## Senate Bill No. 328 (cont'd)

— 2 —

1 *property tax levy attributable to its debt service must be deposited in the*  
 2 *county treasury to the credit of the building reserve fund established*  
 3 *under subsection 1.*

4 4. No money in the fund at the end of the fiscal year may revert to  
 5 the county school district fund, nor may [such] the money be a surplus  
 6 for any other purpose than those specified in subsection 1 and for which  
 7 [the] any levies were made.

8 SEC. 2. NRS 482.180 is hereby amended to read as follows:

9 482.180 1. The motor vehicle fund is hereby created as an agency  
 10 fund. All money received or collected by the department must be  
 11 deposited in the state treasury for credit to the motor vehicle fund.

12 2. Any check accepted by the department in payment of vehicle  
 13 privilege tax or any other fee required to be collected under this chapter  
 14 must, if it is dishonored upon presentation for payment, be charged back  
 15 against the motor vehicle fund or the county to which the payment was  
 16 credited, in the proper proportion.

17 3. Money for the administration of the provisions of this chapter  
 18 must be provided by direct legislative appropriation from the state high-  
 19 way fund, upon the presentation of budgets in the manner required by  
 20 law. Out of the appropriation the department shall pay every item of  
 21 expense.

22 4. The department shall certify monthly to the state board of exam-  
 23 iners the amount of privilege taxes collected for each county by the  
 24 department and its agents during the preceding month, and that money  
 25 must be distributed monthly as provided in subsection 5.

26 5. The distribution of the privilege tax within a county must be  
 27 made to local governments, as defined in NRS 354.474, in the same  
 28 ratio as all property taxes were levied in the county in the previous fiscal  
 29 year, but the State of Nevada is not entitled to share in that distribution.  
 30 [The amount attributable to the debt service of each school district must  
 31 be included in the allocation made to each county government.] For the  
 32 purpose of this subsection, the taxes levied by each local government are  
 33 the product of its certified valuation, determined pursuant to subsection  
 34 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.-  
 35 455, except that the tax rate for school districts is the rate established  
 36 pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1978.  
 37 Local governments, other than incorporated cities, are entitled to receive  
 38 no distribution if the distribution to the local government is less than  
 39 \$100. Any undistributed money accrues to the county general fund of the  
 40 county in which the local government is located. The department shall  
 41 make distributions directly to counties, county school districts and incor-  
 42 porated cities or towns. Distributions for other local governments within  
 43 a county must be paid to the counties for distribution to the other local  
 44 governments.

45 6. Privilege taxes collected on vehicles subject to the provisions of  
 46 chapter 706 of NRS and engaged in interstate or intercounty operation  
 47 must be distributed among the counties in the following percentages:

48 Carson City.....	1.07 percent	Lincoln.....	3.12 percent
49 Churchill.....	5.21 percent	Lyon.....	2.90 percent

EXHIBIT D

Senate Bill No. 328 (cont'd)

— 3 —

1	Clark.....	22.54 percent	Mineral.....	2.40 percent
2	Douglas.....	2.52 percent	Nye.....	4.09 percent
3	Elko.....	13.31 percent	Pershing.....	7.00 percent
4	Esmeralda.....	2.52 percent	Storey.....	.19 percent
5	Eureka.....	3.10 percent	Washoe.....	12.24 percent
6	Humboldt.....	8.25 percent	White Pine.....	5.66 percent
7	Lander.....	3.88 percent		

8 The distributions must be allocated among local governments within the  
9 respective counties pursuant to the provisions of subsection 5.

10 7. As commission to the state for collecting the privilege taxes on  
11 vehicles subject to the provisions of this chapter and chapter 706 of  
12 NRS the department shall retain 6 percent from counties having a popu-  
13 lation of 100,000 or more and 1 percent from counties having a popu-  
14 lation of less than 100,000.

15 8. When the foregoing requirements have been met, and when  
16 directed by the department, the state controller shall transfer monthly to  
17 the state highway fund any balance in the motor vehicle fund.

80

MOTOR VEHICLE PRIVILEGE TAX ALLOCATIONS  
TO SCHOOL DISTRICTS DEBT SERVICE FUND  
AND AD VALOREM RATE NECESSARY TO REPLACE IT

## EXHIBIT E

<u>School District</u>	<u>Debt Service Fund FY 1981-82 Budget</u>		<u>FY 1978-79 Debt Service Rate</u>
	<u>M/V Privilege</u>	<u>Equiv. Rate</u>	
Carson	\$ 77,080	.0228	.4300
Churchill	40,000	.0459	.4800
Clark	2,000,000	.0495	.7018
Douglas	130,000	.0242	.6200
Elko	65,185	.0311	.2900
Esmeralda	-0-	-0-	-0-
Eureka	2,000	.0028	.1420
Humboldt	20,937	.0158	.2112
Lander	9,000	.0163	.2075
Lincoln	*	----	.3100
Lyon	48,633	.0357	.5120
Mineral	10,000	.0268	.2627
Nye	**	----	.2300
Pershing	3,600	.0070	.6300
Storey	7,262	.0190	.3169
Washoe	500,000	.0201	.2777
White Pine	-0-	-0-	-0-
	<u>\$2,913,697</u>		

\* No current rate for debt, but anticipate rate for new bond issue.

\*\* Debt service budget incomplete.

**Library Note:**

There is an Exhibit F attached to the meeting. This exhibit is not mentioned in the minutes.

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December 2014



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DRAFT

EXHIBIT F

SENATE BILL NO. 328

Amendment No.

Amend Section 1, Page 1, Line 3 by deleting the term "building reserve fund" and inserting "capitol project fund."

Amend Section 1, Page 1, Line 3 by inserting after "the purpose of" the word "remodeling."

Amend Section 1, Page 1, Line 7 by deleting the term "building reserve fund" and inserting "capitol project fund."

Amend Section 1, Page 2, Line 2 by deleting the term "building reserve fund" and inserting "capitol project fund."

Amend Section 2, Page 2, Line 35 by inserting after "except that the tax rate for school districts" the phrase "including the school districts' debt service portion."

Edward A. Greer  
May 11, 1981