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Mitchell, Lisa

From: Berrum, Bill
Sent: Friday, March 28, 2003 5:15 PM
To: 'breed@co.douglas.nv.us'; Mitchell, Lisa; 'lbf@co.clark.nv.us'
Subject: SB 440...Tax Relief for Economic Hardship

Here is my humble "take" on this proposed legislation. This a draft of my proposed testimony next Tuesday...I will have some specifics relating to our criteria for determining "extenuating circumstances"...but it's getting late tonight...gotta run...I'll clean it up Monday...Bill

When I voted last November in favor of seeking relief for tax payers who have suffered economic hardship, I pictured a large number of the tax payers that I have dealt with over the last several years, and said, yes, we need to put something in statute to help citizens who have fallen on hard times...to; a) keep elderly tax payers who have fixed, minimal, financial resources, from being "taxed out" of their homes, and, b) help tax payers who have fallen on hard times find a way to keep their homes, maintain their dignity, continue to be productive citizens, and be a minimal burden on the rest of the tax payers.

I appreciate the efforts that have gone into this bill and think it is a great start. I would like to propose that we restructure this effort into a two pronged approach.

First I'd like to see this bill focus on assisting those who are starting to lose their ability to keep up with the increases in their tax bills, and FOR THOSE WHO QUALIFY, establish a "cap" or a mechanism to limit the amount of annual increases in real property taxes, until such time as the tax payer terminates residency. At that time the property shall be taxed to the market value of the property. SB 440 offers an excellent start to determine such qualifying criteria which addresses both income and net worth. The application and monitoring processes for establishing such a protective cap would be handled by the Assessor's Office. As is now the practice, the Assessor would turn over the assessed value of the tax role (including the "capped" properties) to the Treasurer who would then calculate, send, and collect, the tax bills.

I believe that it would then be in the best interest of the specific tax payer, the tax payers in general, and the operating side of County Governments, to place the issue of dealing with the economic hardship cases in the hands of each of the County Treasurers. Because that is what we do now. We are the "collection" phase of the tax process. Current statute already gives the Treasurers the discretion to evaluate, levy, and/or adjust penalty and interest charges, subject to appeal to the State Department of Taxation. We already have established criteria to consider extenuating circumstances, and nearly every Treasurer in the State currently administers payment plans for hardship cases.

In my 8 years of experience in Washoe County, not one piece of property for which I have established a payment plan has gone to a tax sale, whether or not the property owner has honored the payment plan. Even those taxpayers who fail to complete their payment obligations have not gone to tax sale because they eventually find a way to get their taxes paid.

This is a win/win for everyone: The "hardship" taxpayer (generally) stays in his/her home and catches up the delinquent taxes, usually paying a "fair" portion of the penalties and interest, which is an attempt to bring them back to par with the "on time" tax payers...tax rolls are brought up current with "old delinquencies" off setting current year delinquencies...and we have saved the expense of the tax sale for that piece of property.

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