

THE THIRTIETH DAY

CARSON CITY (Tuesday), March 8, 2005

Senate called to order at 11:01 a.m.

President pro Tempore Amodei presiding.

Roll called.

All present.

Prayer by the Chaplain, Father Jerry Hanley.

Lord, steer the ship of this Senate and our life to Your quiet harbor where we can be safe from the storms of conflict. Show us the course we should take. Renew in us the gift of discernment so that we can always see the right direction in which we should go.

Give us the strength and the courage to choose the right course even when the sea is rough and waves are high. Knowing that even through enduring hardship, You will bless us and life can be as You would have it—in peace for the good of all.

AMEN.

Pledge of allegiance to the Flag.

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

Motion carried.

REPORTS OF COMMITTEES

Mr. President pro Tempore:

Your Committee on Government Affairs, to which was referred Senate Bill No. 131, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass, and rerefer to the Committee on Finance.

WARREN B. HARDY II, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, March 7, 2005

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Assembly Bills Nos. 55, 71; Assembly Joint Resolution No. 2.

DIANE KEETCH

Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Senator Raggio moved that Senate Bill No. 131 be rereferred to the Committee on Finance.

Remarks by Senator Raggio.

Motion carried.

By Senator Tiffany:

Senate Concurrent Resolution No. 8—Directing the Legislative Commission to conduct an interim study to develop a plan for the deconsolidation of the Clark County School District.

Senator Tiffany moved that the resolution be referred to the Committee on Legislative Operations and Elections.

Motion carried.

Assembly Joint Resolution No. 2.

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

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

By Senator Rhoads:

Senate Bill No. 165—AN ACT relating to the State Department of Agriculture; providing that certain fees and other money may only be used by the State Department of Agriculture to carry out certain provisions relating to weights and measures, public weighmasters and petroleum products; and providing other matters properly relating thereto.

Senator Rhoads moved that the bill be referred to the Committee on Human Resources and Education.

Motion carried.

By Senators Schneider, Beers, Horsford, Wiener, Tiffany, Amodei, Care, Washington; Assemblymen Atkinson, Koivisto and Munford:

Senate Bill No. 166—AN ACT relating to public schools; limiting the enrollment of pupils in new public schools constructed in certain larger school districts; and providing other matters properly relating thereto.

Senator Schneider moved that the bill be referred to the Committee on Human Resources and Education.

Motion carried.

By Senators Carlton, Titus, Horsford; Assemblymen Perkins, Buckley and Ocegüera:

Senate Bill No. 167—AN ACT relating to taxes on retail sales; providing for the submission to the voters of the question whether the Sales and Use Tax Act of 1955 should be amended to authorize the Legislature to prescribe temporary exemptions from sales and use taxes to effect sales tax holidays; contingently authorizing the Legislature to prescribe temporary exemptions from the Local School Support Tax Law and certain analogous taxes; and providing other matters properly relating thereto.

Senator Carlton moved that the bill be referred to the Committee on Taxation.

Motion carried.

Assembly Bill No. 55.

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

Motion carried.

Assembly Bill No. 71.

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

Motion carried.

SECOND READING AND AMENDMENT

Senate Bill No. 46.

Bill read second time and ordered to third reading.

Senate Bill No. 71.

Bill read second time and ordered to third reading.

GENERAL FILE AND THIRD READING

Senate Bill No. 85.

Bill read third time.

Remarks by Senators Washington and Carlton.

Roll call on Senate Bill No. 85:

YEAS—16.

NAYS—Beers, Cegavske, Raggio, Tiffany, Washington—5.

Senate Bill No. 85 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 121.

Bill read third time.

Roll call on Senate Bill No. 121:

YEAS—21.

NAYS—None.

Senate Bill No. 121 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

REMARKS FROM THE FLOOR

Senator Raggio requested that the following remarks be entered in the Journal.

SENATOR RAGGIO:

It has been suggested that I make some remarks about a specific issue today. I wish to offer some information about the status of the Legislature's effort to address the issue of property-tax relief.

A number of our Legislators in both Houses have expressed concern that there is a perception that no real effort is ongoing and that the respective tax committees seem to be making little progress toward crafting an acceptable solution to property-tax relief. Our friends in the media are asking if any progress is occurring. Legislators are receiving e-mails accusing us of not doing anything to foster relief. They do not think we are addressing this issue. This is not the case.

There is an extensive, ongoing effort to deal with this issue. Prior to the beginning of session and since the session began, there have been many requests for bill drafts from many Legislators in both Houses. There have been dozens of requests for legal opinions, fiscal matrixes on many different scenarios and dozens of proposals to deal with this issue. There are, no doubt, as many opinions and suggestions as there are Legislators.

Understandably, each Legislator wants an answer, a response and a draft as soon as possible. These proposals, many of which have been set forth in the media, have included percentages on the limits on which assessed value on land can increase; suggestions for freezes, controls, limitations; reductions on tax rates and reductions on the percentage of assessed value. These are just a few of the suggestions. All of these have been developed by various Legislators as well as by many outside interest groups. Many of these groups have professed to be experts, and they have knowledge that can be helpful.

As soon as the session began, the tax committees held extensive hearings to make certain that the full extent of the problem was understood. Joint hearings between the committees in both Houses were held. Full opportunity was given for public input. Hearings were held both here and in southern Nevada. In addition, our Legal staff explained the status of assessing and taxing real property. They explained what would be necessary for any change in the laws and explained the constitutional requirements for any proposal or law dealing with this issue and that they be "uniform and equal."

The Legal and Fiscal staffs have been overwhelmed with these requests. The numbers have been staggering.

Two weeks ago, the Director of the Legislative Counsel Bureau and our Legislative Counsel requested a meeting with the four legislative leaders consisting of the Speaker of the Assembly, the Majority Leader of the Senate, the Minority Leaders of both Houses and the Chair of the Legislative Commission to discuss the problem. I invited the Chair of our Senate Committee on Taxation to participate. At that meeting, we were told that the staff was unable to be pulled in all directions at once. They could not, at the same time, deal with the backlog of bills needing to be prepared for the session.

Along with the bill draft requests, they have been inundated by proposals for property relief. We are about 100 bills behind where we usually are at this stage of the session for bill introductions. The staff stated that they have tried to sift through the shortfalls and legal problems with many proposals. There are many legal concerns, constitutional issues and fiscal impacts to be considered.

They suggested a plan to be considered that would meet constitutional requirements and would meet objectives they envisioned would be the goals of this Legislature. During the discussion, a modification of the suggested plan was put forth. The leadership participating in the meeting agreed with staff that the Legal and Fiscal Divisions should analyze these proposals in depth and then report back to the same leadership group.

We hoped that the detailed analysis would be given to us within a few days. An additional meeting was held, and at that time, staff requested additional time to complete its analysis. At their request, we directed staff to focus on these proposals. Each leader was asked to inform their respective caucuses of this procedure. The agreement was that we would focus staff in those directions and that they would not deal with other bill draft requests and other tax proposals until the process was completed. Each of the leaders informed their caucuses of the decision. As a result, other bill drafts and requests for information pertaining to tax relief have been held in abeyance until some consensus can be reached.

By the end of this month, it has been decided that three goals will be met.

First, we should restore some normalcy in determining the assessed value of land and to avoid the exorbitant increases in the assessed value that has occurred in recent years. We recognize there have been spikes in some areas that have resulted in double-digit increases in the assessed value of land.

Second, we must recognize that there are needs of local governments. We know the property tax primarily is for local governments consisting of districts, counties and cities. The goal is to minimize the impact on local entities that rely on revenue from property tax and to assure their capability to meet basic needs and services and to deal with the issues of growth. Though these sound simplistic, there was much discussion about these issues.

Third, we must ensure that any solution reached by this legislative body complies with the requirement in the *Nevada Constitution* that any tax or assessment practice must be uniform and equal. The discussion indicated that whatever we did as a body must include a look at a short-term solution addressing the situation between now and next session and a long-term solution that would involve a constitutional amendment. I think I speak for all who participated in the discussions that they recognize that these should be the goals.

I am offering this explanation today at the request of those who feel we need to say something about what the Legislature is doing. We are not at a standstill. Staff is working 24-hours a day, 7 days a week. We need them to focus on the basic issues. We need to understand that there are not any simple solutions. Staff states that some of the solutions being offered seem simple. Some have been 5 percent, 6 percent and 4 percent. But, staff has told us it is not that easy. The issue is more complex. There are individual parcels. Rates must be uniform within districts. It sounds

easy to some, but it is not. We get numerous e-mails offering advice. Whatever we do must be uniform and equal. It must afford the type of relief we feel is appropriate.

We are meeting again this evening with this group. Hopefully, Legal and Fiscal will have completed their analysis. If there is a consensus that comes from this meeting, that is well and good.

I want to let the Senators and the public know that this is an ongoing process, and it is not an exclusive process. Any Legislator has the opportunity to pursue his or her own ideas on the subject.

The consensus opinion in our group was that it did not serve a purpose to make numerous public statements and to do multiple press releases on the issue until we knew what the limitations and the impacts were. The tax committees will give full opportunity to all ideas offered. Leadership recognizes that time is of the essence. The final decision must be reached by the end of the month if possible.

It is my opinion that we do have a common goal. There are many ideas and many approaches. This must not be an issue of who gets the credit. We must use whatever means available to reach a consensus that will meet the demands of the public requirements and that it will have a majority consensus in both the Senate and the Assembly.

You can listen to talk shows. You can read e-mails and letters to the editor, but we must deal with reality and the limitations we face in the Constitution and in our process. We cannot have 63 different proposals being worked on by staff at the same time. The tax committees will deal with this in an expeditious manner. I want to assure everyone that this is an ongoing process.

SENATOR TITUS:

I support the remarks and the position of the Senate Majority Leader. It is important that we work together and try to reach some consensus because the issue is too important to become a political football or be used by someone to try and gain attention. I have been talking about a freeze since last fall, but I have agreed to put it on hold so that the leadership can meet and try to reach a consensus. But, what I do not want to see happen is for a small group to bring a proposal and present it to this body as though it was a "fait accompli." That is not a good way to make policy, and it is what caused all the problems last session. Once the group meets, if there is a consensus, that needs to be vetted; but if there is not, we need to move forward. I believe the Chair of the Committee on Taxation would agree with this and will start to hear some specifics on these different proposals so that everyone is involved in the debate.

SENATOR TOWNSEND:

I could not agree more with both the previous speakers, but more detail on the complexities is necessary. There is only one county in this State that assesses every year. The remainder do it over the spread of five years. There is one vendor in Carson City that provides the software program for 15 counties, and each one of those counties would need to adjust the software program to their specific needs.

In order for anyone to advance a proposal, you need to know all the implications of that request. Someone must draft, design and write a software program that can, in turn, take all the information down to the parcel level so that any proposal by any Legislator may be put into the program.

Our staff has done their job. They have finally received all the information from all counties. They are putting that information into the program now. I do not know when the program will be finished, but when it is done, anyone who presents a proposal that might be different from any of the others can enter the information and find out down to the parcel how their proposal might work. This tax issue is not as easy as it looks. It is very complex, and every taxpayer in the State of Nevada, every city, every county, every General Improvement District, etc., has a right to know whatever impact would be put on them per a particular proposal. This has taken a little more time. It is not something that we have ignored. The process started months ago, and it just takes a long time to perfect.

SENATOR COFFIN:

For about a week and a half, I have been thinking about the group conducting meetings to discuss the property-tax-relief issue. I have attended all the Committee on Taxation meetings and the Joint Taxation Committee meetings this year. It was my belief that we were moving forward not at a point of gridlock regarding this issue.

In the first meeting of the joint committee, I approached Legal Counsel for a procedural opinion on a subject I thought might be useful to the process. Legal Counsel contacted me about a week and a half ago indicating her initial feelings on the opinion. I did not agree with her, and I wanted to do further research. We agreed not to discuss that opinion and that she would not write or release it. Later, I read in the newspaper, the Assembly Minority leader quoted chapter and verse what the Legal Counsel told me in that private telephone conversation. I did not take issue with the remarks because I did not want to make the Legal Counsel feel uncomfortable about it. My perception of what may have happened is that the Legal Counsel was called to a leadership meeting, and leadership may have asked her what she thought of the legislation. She may have shared her thoughts with the leadership group. I do not know for certain. I find it embarrassing to read the results of a private conversation with Counsel in the newspaper. The person who was quoted and who must have obtained the information from this leadership group rejected the idea based on what the Legal Counsel verbalized to the group. It is my opinion the Legal Counsel would not have confided in the Assembly Minority Leader regarding this issue.

There is a danger in attempting to control the flow of legislation when people perceive a problem that may or may not exist. I was surprised to learn the group was meeting since I believed the taxation committees were moving forward. Then the taxation committees stopped meeting. Now, I can see why. If the leadership of both Houses meet, there is a tendency for the committees to slow down. There is a perception that the decision-making could be taken out of their hands.

I have been a member on the Committee on Taxation for 20 out of the 22 years I have served. I know there are going to be problems, and I also have problem-solving experience. I am surprised all this has happened so suddenly. I have no objection to the leadership meeting at anytime, on any subject. Sometimes, meetings such as these are the only way to find solutions to problems we encounter. We had not voted on anything in the Committee on Taxation yet, and we were still in the information gathering stage when these leadership meetings began. When the information I had requested became public and was so easily dismissed, I began thinking there really was no useful purpose served at this point. Others might disagree.

I share the Senate Majority Leader's comments. I cannot disagree. I do not think we will find agreement on any one thing with Legal Counsel that can be determined to be purely constitutional. I think we will have to take some risks and maybe go against legal advice at some point. We do not have a one-size-fits-all plan. Perhaps money can help fix that problem with some counties. That is what money is for. We will worry about the court cases later. I suspect we will need to move forward with something that, theoretically, may not be constitutional not in a radical, harmful sense but, maybe, in a technical sense.

My opinion is that conducting private meetings is dangerous because it excludes Legislators with expertise in the matters being considered. I am certain work is getting done, but the Legislators who heard testimony and are skilled at problem solving are stunted in their efforts.

SENATOR RAGGIO:

I appreciate the previous speaker's remarks. I want to clarify that the meeting was called by the Director of the Legislative Counsel Bureau not by leadership. The Legislative Counsel Bureau said it simply could not handle the volume of work and were overwhelmed. Leadership accepted the suggestions put forth from staff including informing the caucuses to focus on the proposals and develop the ideas into information for constructive consideration. I hope this explains how the meetings were conceived.

GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Amodei, the privilege of the floor of the Senate Chamber for this day was extended to Rosemary Smith.

On request of Senator Carlton, the privilege of the floor of the Senate Chamber for this day was extended to Joseph Perez, Quan Baker, Ricardo Varela, Brandon DeLatorre and Mark Jacoby.

On request of Senator Cegavske, the privilege of the floor of the Senate Chamber for this day was extended to Lidia Hoffman and Joni Reid.

On request of Senator Horsford, the privilege of the floor of the Senate Chamber for this day was extended to Kathy Karjala-Hill and Kimberly Henderson.

On request of Senator McGinness, the privilege of the floor of the Senate Chamber for this day was extended to the following students, chaperones and teacher from the Douglas High School: Alex Whited, Marissa Colbert, Jessica Williamson, Kirsten Pieters, Shanna Coats, David Sturgess, Leah Defalco, Holly Radosevich; chaperones: Nancy Kjeldergaard, Mary Jane Harding and teacher: Kristina Moore.

On request of Senator Nolan, the privilege of the floor of the Senate Chamber for this day was extended to Mignon Pasqualicchio.

On request of Senator Raggio, the privilege of the floor of the Senate Chamber for this day was extended to the following students and faculty members from the Mamie Towles Elementary School: Rudy Aguilar, Natasha Black, Tina-Marie Cortez, Chantel Dufek, Ashlee Floto, Andrea Gerbel, Tayler Goodman, Kellyann Griffin, Hayden Hedrick, Sean Hofmeister, Brian Huynh, Andrew McKinish, Olivia Mello, Matthew Perry, Kaitlin Peterson, Luke Regan, Ashley Renner, Kody Reynolds, Christina Rogne, Zoie Sanchez, Michael Villanueva, Jamie Virrey-Solorio, Cassidy Banks, Jamie Brennan, Cyrus Cappel, Natalie Cartwright, Brian Chavez, Nicholas Cleymaet, Kevin Clifton, Melanie Cook, Deena Devore, Morgan Estes, Casey Higgins, Tyler Jenniges, Nikole Lance, Rachel Lecomte, Michael Manuel, Angelica Martinez, Melanie Martir, Ali McCarthy, Enrique Mejia Soria, Amanda Scott, Brian Tapado Dizon, Kristahna Valverde, Jeremy Youngberg, Clara Arellano, Austin Atkerson, Devan Augustine, Rhiannon Barber, Hailey Brennan, Ashley Carr, Kyle Clanton, Courtney Cunningham, Leilana Fakava, Elle Grunenwald, Mackenzie Harpster, Jacob Huntington, Alyssa Jordan, Thomas Lynch, Kevin Maldonado, Hiroji Nakayu, Dayna Nguyen, Drake Paden, Daljit Singh, Kendrick Taylor, Winnie Voong, Xavier Wells; teachers: Mark Horton, Walter Stucka and Kelly Creighton.

On request of Senator Titus, the privilege of the floor of the Senate Chamber for this day was extended to Zarinah Washington, Gary McCormick and Chari Howard.

On request of Senator Townsend, the privilege of the floor of the Senate Chamber for this day was extended to Thelma Clark.

On request of Senator Wiener, the privilege of the floor of the Senate Chamber for this day was extended to Felicia Borsari.

Senator Raggio moved that the Senate adjourn until Wednesday, March 9, 2005, at 11 a.m.

Motion carried.

Senate adjourned at 11:51 a.m.

Approved:

MARK E. AMODEI
President pro Tempore of the Senate

Attest: CLAIRE J. CLIFT
Secretary of the Senate