

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GROWTH AND INFRASTRUCTURE**

**Seventy-Third Session
March 8, 2005**

The Committee on Growth and Infrastructure was called to order at 1:49 p.m. on Tuesday, March 8, 2005. Chairman Richard Perkins presided in Room 4100 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. Richard Perkins, Chairman
Ms. Chris Giunchigliani, Vice Chairwoman
Ms. Francis Allen
Mr. Bernie Anderson
Mr. Tom Grady
Mr. Lynn Hettrick
Mrs. Marilyn Kirkpatrick
Ms. Sheila Leslie
Mr. David Parks
Ms. Peggy Pierce
Mr. Scott Sibley
Ms. Valerie Weber

COMMITTEE MEMBERS ABSENT:

Mr. Harry Mortenson

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Brenda Erdoes, Legislative Counsel
Susan Scholley, Committee Policy Analyst
Russell Guindon, Deputy Fiscal Analyst
Keith Norberg, Deputy Fiscal Analyst

Gregory Sharpy, Committee Secretary

OTHERS PRESENT:

Al Kramer, City Treasurer, Carson City, Nevada
Dave Dawley, City Assessor, Carson City, Nevada
David Schumann, Vice Chair, Nevada Committee for Full Statehood
Carole Vilardo, President, Nevada Taxpayers Association
Michael Alastuey, Legislative Advocate, representing Clark County
Treasurer's Office, Clark County, Nevada
Chuck Chinnock, Director, Nevada Department of Taxation
Ace Tan, Administrative Services Officer, Nevada Office of Veteran
Services
Darlene Vilicky, Private Citizen, Disabled Veteran

Chairman Perkins:

[Meeting called to order. Roll called.] We have two bills on our agenda today. The first is Assembly Bill 128 from Ms. Weber.

Assembly Bill 128: Requires disclosure of certain information concerning property taxes. (BDR 32-335)

Assemblywoman Valerie Weber, Assembly District No. 5, Clark County:

I am here to present testimony today on Assembly Bill 128, which you should have in front of you. You should also have a copy of my testimony and amendment ([Exhibit B](#) and [Exhibit C](#)). The intent of this bill is to provide taxpayers with critical information in understanding the line items on their tax bill or assessed valuation.

Believe it or not, information in the statement of tax distribution is not readily available, thus prompting the request for this informational bill. At the outset, I would like to thank the Assessors and Treasurers Association and the Nevada Taxpayers Association for their help in improving the language and placement of the language to give it some clarity. No matter how simple a bill is, as far as its intent, sometimes the language will not coincide with the intent.

It is my belief that open transparent government best serves its citizens. Unfortunately, due to a lack of available information, a lack of basic understanding exists about the statement of tax distribution, which is on page 2 of the testimony. With increased awareness of rising property taxes, there must be a method or mechanism by which this information can be easily retrieved.

[Assemblywoman Weber, continued.] Giving out this vital information for those seeking it can help increase the level of taxpayer understanding regarding these statements and the elements of its composition. I received a letter that contained the following question. One of my constituents wrote and asked if the Las Vegas/Clark County library debt service fees were some how related to many uncollected late fees and could these same delinquent library users continue to check out library books? There is a lack of understanding to what this is.

She continued to write that, under the part of the tax statement that says State of Nevada, we are paying a Clark County tax, not a state tax. One of the conclusions that she drew in this scenario was that she was appalled at the increase in her property taxes, and it appears that the prices of their homes are inflated in order to justify a continued increase in their property taxes. In other words, there is a lack of understanding on how to read and interpret the information provided, which can lead some to extraordinary conclusions.

This bill provides for the explanation of each tax component that forms part of the total rate of tax levied upon the property referenced. The explanation must identify this statutory authority pursuant to which the tax is levied, the year in which the tax was first collected, and when it expires for local voter-approved tax levies. This will give the taxpayer needed information with little impact on local governments and none to the State.

As easy as this may sound, it is much harder to come up with the correct language to satisfy the intent; thus, there is an amendment. As written, the bill would require the assessor or treasurer to send the requested tax component information with each tax bill. Not as requested, creating an unequal impact on local government.

To discuss the amendment, we would like you to refer to your handout ([Exhibit C](#)). My friend, Al Kramer, Treasurer of Carson City, will provide discussion on the amendment.

Al Kramer, City Treasurer, Carson City, Nevada:

We looked at the bill and across the board with all the different county treasurers and assessors; we have no problem with giving more information. In fact, having a way to get this information out in a better manner would really stop the number of phone calls that come into our office. It would enable us to increase our efficiency. The impact of having this on the tax bill was something that we could see as having a quite substantial financial aspect due to the growing number of pages. We worked to try and make that information available without having to go into the tax bill.

[Al Kramer, continued.] The impact to assessors is relatively little because they provide most of this information already. Basically, what we are requiring them to do is that they will provide the manner of which to calculate the potential tax liability which is something that they do already. That would be amendment item number one.

Again, on item number two, it says instead of going out every place, we are saying that we should give it to those who ask for it. We did not want someone to be able to ask for every parcel in the county, just on the parcels that they have an ownership in.

The next item was considered to insert a Section 3 which would deal with adding some information to the public notice that goes into the newspaper after the budget is developed. We developed how we could put on a description of the different levies that could describe the information, but in talking to other treasurers after this amendment was done and put out for comment, some of the counties would have a long list.

In Carson we are lucky; I would only have 14, but other counties have up to 80. Just as in this amendment, we are saying that, on the tax bill, there should be a line that says they can find out more about these by going to the website or leave the phone number. We would like to put in that language so that when the public notice comes out, you can find out more about these levies by calling or at the website. That is not currently in this amendment, but I will include it and make it available as you submit it.

As you can see from the second page of the amendment, if people want to know the statutory authority for a given tax levy and they want to know when the local voter approval process is supposed to begin and end, we feel free to give that information and it should be organized in a manner that it could be found easily. From that standpoint, we support what we have. The other items on the amendment speak for themselves.

Assemblyman Anderson:

I appreciate the treasurer from Carson City coming down with Ms. Weber on the bill. In part, I am somewhat protective of the bill drafters in terms of language selection. I don't want you to make the assumption that because this is your language, it will become ours. I always worry about that. In lines 31 through 33 of page 3, subsection 9, "Post the information included in a notice of assessed valuation on any website or other Internet site that is operated or administered by or on behalf of the county or the county assessor." Are you concerned that this would require you to have and keep a website including

assessed valuations? I thought that is what you were suggesting in the latter part of this amendment.

Al Kramer:

There is a difference between what the assessors are required to do and what the treasurers are required to do. We have kept the language for the treasurer's requirements, but in regard to the assessors, they basically include that on their website already. They basically have it on everything they are doing now: how they arrive at their assessment, what the land value is, and what the improved property value is.

Assemblyman Anderson:

I guess that is the question. Why don't we do this and put it into practice so it does not vary within counties? We need a consistency throughout. If that is what you do, why don't we say that is what you do? In the future we can get away from adding 4 1/2 inches of newspaper that no longer needs to be printed. We could then cut the overall cost to government with what you are doing.

Dave Dawley, City Assessor, Carson City, Nevada:

To address Assemblyman Anderson's remarks, the problem is exactly what you expressed. There are many assessors in the State of Nevada that do not have a website; we have one that doesn't even have email. On the assessment notice, they would have to document if they want information on the tax rates, they would have to call the treasurer's office. At that point, the treasurer's office would send out the documentation that has all of the information that Ms. Weber's bill is looking for.

Assemblyman Anderson:

It seems to me that if there are some counties that don't have a website, or even email, maybe we should be giving them the opportunity to publish that material for public access. Since that information should be available on the Internet, why would we not want to put it into statutory requirement? I am trying to figure out where the advantage is in removing this requirement. I don't understand what problem we are creating for the treasurer's office.

Al Kramer:

I think putting it on our website is fine. I think the language, if you look at the last paragraph of the amendment; it has changed from saying, "On behalf of the county or the ex officio tax receiver" to "On behalf of the ex officio tax receiver." In other words, if the county treasurer has a website, they must put this out there; if the county treasurer does not have a website, they should be granted a bye on the website. None of us have a problem with publishing that

where someone can receive it. The issue for the assessors is that there is not a lot of information. There is some information on the websites as to how assessments are done, but the specific information is held by the treasurer on the tax rates. The treasurers are willing to put that out there on our websites.

Chairman Perkins:

Ms. Weber, I think the goal of your bill is to provide more information to the taxpayer and through that information, they can ask questions while dealing with their tax bill. I am confident that we can find some way to accomplish this. I know that the language can sometimes get real technical, but I agree with the drafting language of Mr. Anderson. We defer to our Legal folks, but why don't we have you work with the staff to get the language settled for work session.

Assemblywoman Weber:

Thank you, Mr. Chairman, that was actually our plan. That is the absolute intent.

Chairman Perkins:

Is there a single Internet location where we could put all 17 counties and all the multiples of taxing districts in one spot where a consumer could go to get their own information? If we house it in one location, we will not have to worry about all of the smaller counties that do not have a website. There won't be consistency through all the different counties. If we standardize it and get it all in one spot, it could take it to the next level that you are looking for. Russ just whispered that into my ear.

Assemblyman Hettrick:

I wanted to chime in on Russ's wonderful idea and concur. I think it is a great idea that the Department of Taxation does the website. Then we can put up a link on the legislative website and our folks will love us. I do think it is a good idea and I do not think Chuck's shop will have too much trouble with that. I think this bill is in the right direction. Since the property tax issue has come up, I have gotten too many questions from people wondering why we raised the property tax. We didn't raise the property tax, but people think we raised the property tax. They just don't understand where it comes from and how it is calculated and derived. I think the more information we can get to them, the better we will all be.

David Schumann, Vice Chair, Nevada Committee for Full Statehood:

I am here to speak on behalf of this bill. I think it is a marvelous idea to have this transparency, especially on subsection 6, paragraph b. I think you must include the manner in which the assessed value was determined. That is extremely important to the homeowner. I should say that I am a former licensed

real estate broker and the key way in valuing a property is location. If I see on my tax bill that someone down the street sold his house for \$X, that is very valuable information. I think the homeowners and taxpayers of this state will be very happy that you have done this. Thank you.

Carole Vilardo, President, Nevada Taxpayers Association:

I am here to support the concept of the bill, and I would like to thank Assemblywoman Weber for allowing us to participate in the amended changes.

Michael Alastuey, Legislative Advocate, representing Clark County Treasurer's Office, Clark County, Nevada:

When these offices first saw the bill, they weighed their discussion with their colleagues and have supported the process of the amendments. We are very grateful for the opportunity to refine this bill and we would like to work with the other parties and conclude the amendments as quickly as possible.

Chairman Perkins:

You have a fairly sophisticated web-based information system in Clark County. I would like your input on housing this all in one spot.

Michael Alastuey:

Without having reviewed the pages in recent days, I would say that the webpage of the assessor contains essentially all of the elements contemplated in the bill: determination of taxable value, depreciation factor, et cetera. That said, any page could be made more user-friendly and I think the assessors are working towards that end. There are elements in the bill that the treasurer's offices, all over the state, are probably still working on it all, but I think everyone is working in the same direction for the benefit of the taxpayer.

Chairman Perkins:

We will close the hearing on Assembly Bill 128 and move to Assembly Bill 145.

Assembly Bill 145: Revises provision concerning disabled veterans' exemption from property tax. (BDR 32-384)

Chuck Chinnock, Director, Nevada Department of Taxation:

Perhaps what I can do here, since I submitted the fiscal note, is explain the fiscal note so that there is a full understanding that the amount shown on the fiscal note is the maximum amount that would occur under this. We looked at the assessed valuations that were involved with the disabled veterans. We looked at the total numbers of disabled veterans, and incidentally, the

information provided with the fiscal note shows all of that. We then looked at the individual categories of the veteran exemptions with respect to 100, 80, and 60 percent disability, and we also looked at the surviving spouses. We went ahead and made projections for the future with assessed valuation and also the changes in growth that would occur in exemptions themselves.

[Chuck Chinnock, continued.] What you see is an assumption that if you move every disabled veteran into a higher category for amount of disability, then the amount reflected would show that number. The number is highly inflated as a result of that. For the fiscal year 2006/2007, you see an amount that was \$4,311, and for the revenue to all local governments was just under \$75,000. If you looked at something more akin to what you might imagine, say 10 or 20 percent, it would be an appropriate and similar percentage application to that amount. It is not a lot. That is what I am saying.

Chairman Perkins:

You are also saying that your projection is taking the worst-case scenario?

Chuck Chinnock:

Yes, sir, that is taking the worst-case scenario.

Ace Tan, Administrative Services Officer, Nevada Office of Veterans Services:

I would like to say a few words about the proposed bill. The NRS allows the tax extension to disabled veterans based on the amount of the level of the disability, which is decided by the U.S. Department of Veterans Affairs (VA). Many times, though, a veteran may be suffering from more than one disability and the VA would determine a different level for each individual disability. In some past cases, there has been confusion on the level of disability to be rewarded on the tax exemption, and this proposed change directs that in the case of multiple rewards, the tax exemption will be based on the total of all disability reward, not to exceed 100 percent.

Chairman Perkins:

Was there something specific that created a need for the bill? Is there a reason somebody promoted the bill?

Ace Tan:

An example would be a veteran who may have given a 40 percent disability for loss of use of a limb. Then, 20 years later, the veteran is given an additional 20 percent disability for the effect of a related disability that is discovered at a later date.

There is also confusion as to whether anybody should be rewarded the 40 percent, which is the higher of the two, or the total of 60 percent, or the latest disability which is 20 percent. This bill will seek to clarify that confusion.

Chairman Perkins:

You are not saying that there was a specific case that came up. You just want to be proactive.

Ace Tan:

No. Thank you.

Darlene Vilicky, Private Citizen, Disabled Veteran:

[Introduced herself.] I am a disabled veteran and I commend the person who sponsored this bill because the clarification will help the veterans get what they are due.

Chairman Perkins:

We will close the hearing on Assembly Bill 145. The Committee received a memo from Chuck Fulkerson at the Office of Veterans Services ([Exhibit D](#)). It shows that he is supporting the bill and it explains that it changes subsection 7 of NRS 361.091 and allows a tax exemption to disabled veterans based on the level of disability awarded by the VA. Basically, that is the testimony that we just heard. [Meeting adjourned at 2:19 p.m.].

RESPECTFULLY SUBMITTED:

James S. Cassimus
Transcribing Attaché

APPROVED BY:

Assemblyman Richard Perkins, Chairman

DATE: _____

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