

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON TAXATION**

**Seventy-Fourth Session
March 15, 2007**

The Committee on Taxation was called to order by Chair Kathy McClain at 2:37 p.m., on Thursday, March 15, 2007, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Kathy McClain, Chair
Assemblyman David R. Parks, Vice Chair
Assemblywoman Francis Allen
Assemblyman Morse Arberry Jr.
Assemblyman Mo Denis
Assemblyman Tom Grady
Assemblyman William Horne
Assemblyman John W. Marvel
Assemblyman Harry Mortenson
Assemblyman James Ohrenschall
Assemblywoman Peggy Pierce
Assemblywoman Valerie E. Weber

GUEST LEGISLATORS PRESENT:

Assemblyman Bernie Anderson, Assembly District No. 31

STAFF MEMBERS PRESENT:

Russell J. Guindon, Senior Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Mary Garcia, Committee Secretary
Gillis Colgan, Committee Assistant

Minutes ID: 565



OTHERS PRESENT:

Cindy Kirkland, Major General, Adjutant General, Joint Force
Headquarters, Nevada National Guard
Tim Tetz, Executive Director, Nevada Office of Veterans' Services
Dino DiCianno, Executive Director, Department of Taxation

Chair McClain:

[Meeting was called to order. Roll was called.] We have one bill today,
Assembly Bill 93.

**Assembly Bill 93: Provides exemptions from certain taxes for surviving spouses
of members of the Nevada National Guard who are killed while on active
service in full-time National Guard duty. (BDR 32-42)**

Assemblyman Bernie Anderson, Assembly District No. 31:

[Read from prepared remarks ([Exhibit C](#)).] I give this long litany because I want you to understand that this, recognizing a group within the Guard who are here for us all the time, is a major event. They are our state troops. This bill is an attempt to give the spouses of our state National Guard members who have paid the ultimate price for the State—their lives—recognition on an annual basis for that sacrifice by freeing them from paying either a property tax or a motor vehicle tax. We want to make sure that if the bill, which is a good piece of legislation, is passed, we will be doing the right thing. We will not have to say to our neighbors and our friends, when there is that loss of life, that the State did nothing.

**Cindy Kirkland, Major General, Adjutant General, Joint Force Headquarters,
Nevada National Guard:**

This bill goes a long way in recognizing a part of the Guard family that often is unnoticed or forgotten—the actual families of those individuals who have made the ultimate sacrifice. The families are left behind to deal with life afterward. This bill would mean a lot to help them in some small way in dealing with the financial impacts that usually follow the loss of a major income earner in the family. Every little bit that this bill can contribute to that family is certainly appreciated.

September 11, 2001, changed all of our lives forever, but most significantly, it changed the lives of the members of our Reserve Component and, in particular, the National Guard. Not since the American Revolution have we mobilized and deployed our men and women in uniform at the rate we are today. We are also putting them in positions and sending them to serve in missions that they have

never been asked to do before. The casualties we are seeing today are a result of that. The National Guard, especially in Nevada, has historically been very lucky in that until Operation Iraqi Freedom, the National Guard had only lost one airman due to combat exposure, and that was during the Korean War.

My concern today is that, in our situation since September 11, 2001, we are not only engaging our National Guard members in foreign wars supporting our national security, but on any given day, 365 days a year, seven days a week, 24 hours a day, somewhere in this State there is a guardsman on duty supporting local authorities, a State homeland security, or a disaster response mission.

I would ask that you look at this bill because, as it is written, it will exclude that state duty from the benefit you are trying to offer here. Say, for example, a soldier is placed on state active duty status to help the Las Vegas Metropolitan Police Department in the event of major civil disorder on the Strip. If he is killed in the line of duty, his dependents will not qualify for this benefit. If we make that adjustment it will mean that the family of any member of the entire force who gives his life in support of us, whether within the State or on foreign soil, can receive this benefit.

Chair McClain:

Could you point out what in the bill we need to fix?

Cindy Kirkland:

In Section 1, paragraph 1, lines 5 through 7, it states, "member of the Nevada National Guard who was killed while on active service in full-time National Guard duty as defined in 10 U.S.C. §101(d)(5)." If that reference to United States Code, Title 10, Section 101(d)(5) is simply stricken, it will mean that the families of any National Guardsmen killed in the line of duty will be eligible for this exemption.

Chair McClain:

Does that meet with your approval, Assemblyman Anderson?

Assemblyman Anderson:

My intent was to make sure we were taking care of that and any other places in the bill that might reference that phrase. This situation is one none of us wants to talk about, but these are our troops, they are on duty, and this is what is going to happen for their families.

Assemblyman Horne:

MG Kirkland, would this also cover duty during the monthly training weekends and the two-week annual duty?

Cindy Kirkland:

The way it is currently written, it would cover them on their two-week annual training because that is considered active duty. By striking that reference, it would also include the weekend duty, which is the status we use many times. When we are supporting state operations and cannot really use the state active duty, we use that inactive training status. It would make them eligible if they were killed while in that duty status but in the line of duty, meaning they have to be performing their assigned duty and not out partying after the duty day.

Assemblyman Horne:

I understand. I would support that amendment as well. I appreciate Mr. Anderson bringing forth this legislation. I served in the 221st Armor Battalion in Reserve Officers Training Corps (ROTC) at the University of Nevada, Las Vegas, and at Officer Advanced Camp at Fort Lewis, Washington. What many people miss is that when soldiers or airmen in the reserves are training, much of this training actually puts their lives at risk. People think they are putting their lives at risk only if they are put in a combat zone, and that is just not the case. There was a time when the military took better care of dependents who had lost loved ones in the line of duty. Unfortunately, that support has waned. I would like to see us return to that. This is a small thing that we offer. Do we currently pay for their funeral services?

Cindy Kirkland:

If an individual is on duty status and is killed, there is a provision for a death benefit that helps cover the costs of funeral expenses, but we do not directly pay those expenses.

Assemblyman Horne:

Do you know what the cap is on that?

Cindy Kirkland:

Not off the top of my head.

Tim Tetz, Executive Director, Nevada Office of Veterans' Services:

If killed on active duty, the maximum benefit is up to \$2,000, paid by the U.S. Department of Veterans Affairs to go toward their expenses. If they are buried within a state veterans' cemetery or a national cemetery, there are no interment fees, so that is yet another benefit in that line.

Assemblyman Horne:

I want that on the record to show that we do not provide a lot in that regard. Anyone who has buried a loved one knows that \$2,000 is not a lot. I support this piece of legislation.

Assemblyman Anderson:

According to the National Guard Almanac, that would be a workman's compensation in the State of Nevada. It would be very limited.

Assemblyman Marvel:

Maybe I missed something in your testimony, General, but how many casualties have we had in Nevada?

Cindy Kirkland:

Since September 11, 2001, the Nevada National Guard has had three casualties.

Assemblyman Marvel:

How many before then?

Cindy Kirkland:

One during the Korean War.

Assemblyman Marvel:

If we amend this, would that cover more?

Cindy Kirkland:

To date, we have not had any casualties in state active duty or inactive duty training status, but the benefit is there in case that situation occurred.

Assemblyman Marvel:

The fiscal impact would be very minor. [MG Kirkland concurred.]

Chair McClain:

We certainly hope it is limited to the current three.

Tim Tetz:

I am here to testify in favor of A.B. 93. It has been our mission to try to go through the *Nevada Revised Statutes* (NRS) and clean up references to veterans, national guardsmen, and active duty service members to make certain that wherever it comes up within the NRS, everyone is treated equally and fairly. The airmen or soldiers serving in the Nevada National Guard, no matter where they may be deployed, are certainly no different from their active duty

counterparts. We need to make certain we do not treat them any differently. We are wholeheartedly in support of this bill.

I want to bring to your attention that in Section 6, lines 6 and 7, is another place where we need to strike that 10 U.S.C. §101(d)(5). Those are the only two times I have found where that appears in this bill as written.

Assemblywoman Pierce:

Where is the definition of "bona fide resident?"

Assemblyman Anderson:

I think we are talking about full-time membership in the Nevada National Guard, which would be in Section 1 of the bill. That is probably a question for the Legal Division of the Legislative Counsel Bureau (LCB).

Chair McClain:

I am sure it is defined somewhere else in statute.

Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau:

For the record, "resident" is already defined in NRS 361.040 for property tax. I would venture that there is similar language in NRS Chapter 371. I will check to see if it is there, but it is definitely in statute for the purpose of the property tax.

Assemblyman Parks:

I have two questions. The first question deals with looking at the fiscal notes. I was wondering whether the sponsor of the bill has had an opportunity to look at the fiscal notes or review them. One of them comes from the Department of Motor Vehicles (DMV), indicating it would cost them \$16,200 do some programming. That seems a little questionable.

The other part was that one local government had a relatively significant amount, although most other governments put down a nominal amount.

Chair McClain:

I was hoping someone from DMV would be here because that was my question, also. Since the days before computers, I think people have forgotten the word "manual." I cannot imagine it would take a \$16,000 programming change for three people who might be applying for that exemption. They would probably apply for the property tax exemption before they would the DMV exemption.

Assemblyman Anderson:

The fiscal note has so far not been shared with me even though I request that as a matter of course for every piece of legislation.

Chair McClain:

According to the fiscal notes that we got, it looks like the highest one is from the DMV. The counties did not seem to think it was going to be that bad, with the exception of one county, and maybe they were thinking everyone there is in the National Guard.

Dino DiCianno, Executive Director, Department of Taxation:

We did not receive a request for a fiscal note on this particular bill. What I can tell you, from the property tax side, is that the state debt service impact would be minimal, almost nothing. I think the reason you saw what you did from Churchill County is because of the naval base there, but I am not sure they read the legislation correctly when trying to calculate their fiscal note.

Chair McClain:

We will have our fiscal staff follow up on that. Maybe they can get a more realistic feel for the situation.

Assemblyman Parks:

Regarding the reference to "surviving spouse," the definition of "spouse" is almost nonexistent in Nevada statutes. It is existent in the workers compensation area, but in some of the other areas, especially dealing with health benefits, it is not there. We might want to double-check to make sure we have a valid definition.

Assemblyman Denis:

By the time this bill would get to the Committee on Ways and Means, the DMV would have a better chance to look at what programming changes would be needed. With even a small change to that huge program they use, they need to test the whole system. When they have time to look closely at the situation, perhaps they will be able to lower their fiscal note.

Assemblyman Ohrenschall:

With the federal government offering less and less, the State definitely needs to help out more. If we remove the reference to 10 U.S.C. §101(d)(5), then if a National Guardsman or woman is killed here in this State, if the Governor calls out the National Guard, would the surviving spouse be covered?

Assemblyman Anderson:

The way it is currently written, they would not. In training, the hazard is always there. Looking at the fiscal notes, I think the fear is of the worst case scenario of losing everybody at one time. Depending on the county, that could have a substantial fiscal impact. The reality is, that is probably not going to happen while on active duty. If we make the amendment, those spouses would be covered.

Assemblyman Ohrenschall:

I was hoping it would cover anyone, even stateside.

Assemblyman Anderson:

That is why the amendment is necessary.

Chair McClain:

I agree with Mr. Anderson. In reality, if we had the entire National Guard wiped out, the least of our worries would be property tax relief. Mr. Anderson, thank you for bringing this very laudable piece of legislation. We will process it as fast as we can.

ASSEMBLYMAN HORNE MOVED TO AMEND AND DO PASS
ASSEMBLY BILL 93 WITH THE AMENDMENT TO STRIKE THE
REFERENCE TO 10 U.S.C. §101(D)(5).

ASSEMBLYMAN DENIS SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair McClain:

We will do some investigation into these fiscal notes and get them cleaned up.
If there is no other business, we are adjourned [at 3:09 p.m.].

RESPECTFULLY SUBMITTED:

Mary Garcia
Committee Secretary

APPROVED BY:

Assemblywoman Kathy McClain, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Taxation

Date: March 15, 2007

Time of Meeting: 2:37 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
<u>A.B. 93</u>	C	Assemblyman Bernie Anderson / Assembly District No. 31	Prepared Remarks