

**MINUTES OF THE
SENATE COMMITTEE ON TAXATION**

**Seventy-fourth Session
May 10, 2007**

The Senate Committee on Taxation was called to order by Chair Mike McGinness at 1:47 p.m. on Thursday, May 10, 2007, in Room 2135 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Mike McGinness, Chair
Senator Randolph J. Townsend, Vice Chair
Senator Dean A. Rhoads
Senator Mark E. Amodei
Senator Bob Coffin
Senator Michael A. Schneider
Senator Terry Care

STAFF MEMBERS PRESENT:

Tina Calilung, Deputy Fiscal Analyst
Russell J. Guindon, Senior Deputy Fiscal Analyst
Julie Birnberg, Committee Secretary

OTHERS PRESENT:

Carole A. Vilardo, Nevada Taxpayers Association
Doug Sonnemann, Assessor, Douglas County
Trevor Hayes, Rhodes Homes

CHAIR MCGINNESS:

Assembly Bill (A.B.) 110 came from Assemblyman Jerry D. Claborn; this bill would extend the exemption for the property tax on certain apprenticeship programs. There was no opposition. The only talk of an amendment came from Carole Vilardo who suggested putting in a 15-year sunset on the property tax for the purpose of evaluation as it comes back.

ASSEMBLY BILL 110: Repeals the prospective expiration of the exemption from the property tax levied on the real and personal property of certain apprenticeship programs. (BDR S-75)

SENATOR RHOADS MOVED TO AMEND AND DO PASS AS AMENDED A.B.110.

SENATOR AMODEI SECONDED THE MOTION.

SENATOR CARE:

I will support the motion. My preference would be to not have the amendment, but I do not want to stop the bill.

THE MOTION CARRIED. (SENATOR COFFIN WAS ABSENT FOR THE VOTE.)

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CHAIR MCGINNESS:

We will now look at A.B. 236 from Assemblyman James Settelmeyer. There was no testimony in opposition of the bill; in fact, Dino DiCianno, Executive Director, Department of Taxation, said this would clarify some of their bill amendments that were offered.

ASSEMBLY BILL 236 (2nd Reprint): Makes certain changes regarding the reporting, payment and collection of sales and use taxes. (BDR 32-1096)

SENATOR AMODEI MOVED TO DO PASS A.B. 236.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS COFFIN AND TOWNSEND WERE ABSENT FOR THE VOTE.)

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CHAIR MCGINNESS:

Assembly Joint Resolution (A.J.R.) 16 of the 73rd Session was brought to us by Carole Vilardo. This bill would be a constitutional amendment to provide requirements for enactment of sales tax exemptions.

ASSEMBLY JOINT RESOLUTION 16 of the 73rd Session: Proposes to amend Nevada Constitution to provide requirements for enactment of property and sales tax exemptions. (BDR C-422)

CAROLE A. VILARDO (Nevada Taxpayers Association):

The bill came out of the S.B. No. 253 of the 69th Session committee. This started in 2001 with a constitutional amendment, and there was a change in 2003. It came back in 2005 as what you have before you, A.J.R. 16 of the 73rd Session ([Exhibit C](#), original is on file in the Research Library.). Senator Coffin asked if exemptions in the bill included abatements. I was at all of the meetings and helped prepare an initial exemption report which goes back to 1997. Abatements like the term infrastructure did not appear in statute. The first reference happens in the 1997 Session in one place. As we continued to modify the exemption report for the Committee to evaluate property and sales tax exemptions, we never changed it from exemption. It was assumed to cover anything that forgave any type of tax liability, whether in toto or to an individual, etc. The only reason you have the bill before you is that it represents something the Legislature has to consider before granting other exemptions.

SENATOR AMODEI MOVED TO DO PASS A.J.R. 16 OF THE 73RD-SESSION.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR COFFIN WAS ABSENT FOR THE VOTE.)

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CHAIR MCGINNESS:

Assembly Bill 209 is the assessors' omnibus bill that seems to come around every session about this time, three weeks before the end. Looking at your work session document ([Exhibit D](#)), page 1 and two-thirds of page 2 have

provisions from the assessors, along with some additions Assemblyman Harry Mortenson added as the Archaeological Conservancy. The assessors ask for the requirement that property owners file for judicial review of a decision in their home jurisdiction. Am I to assume that you want to eliminate sections 12 and 13? There was a positive response from Doug Sonnemann. The following wide and diverse amendments were proposed during the hearing. We will start with amendment 1 from Assemblyman Pete Goicoechea on page 2 of [Exhibit D](#).

ASSEMBLY BILL 209 (1st Reprint): Makes various changes regarding the imposition and administration of property taxes. (BDR 32-469)

SENATOR RHOADS MOVED TO ADOPT AMENDMENT 1 TO A.B. 209 IN [EXHIBIT D](#).

SENATOR TOWNSEND SECONDED THE MOTION.

SENATOR CARE:

As a member of the Legislative Committee on Public Lands, I fully appreciate the impetus for the amendment. On the other hand, the assessors' bill is always the candidate everyone wants to jump onto when, in fact, the assessors are just coming up here every other year asking for a fix-it bill. I am going to oppose the bill, but if the motion dies, I am prepared to make another motion.

THE MOTION CARRIED. (SENATORS CARE AND SCHNEIDER VOTED NO. SENATOR COFFIN WAS ABSENT FOR THE VOTE.)

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CHAIR MCGINNESS:

Amendment 2 to A.B. 209 from Anne Loring, Washoe County School District, proposes allowing the 2-percent commission of the assessors to sunset so the money goes back into that pile. Ms. Vilardo talked about extending it another four to six years. Are there any thoughts from the Committee?

SENATOR TOWNSEND:

Could Carole Vilardo refresh our memory on why she wanted it to continue another four to six years, is that all right?

MS. VILARDO:

It was because Anne Loring opposed that provision and asked you to delete it in its entirety. That technology fund is too important to be deleted. I suggest if the Committee is not comfortable having it open-ended, they establish another sunset so you could review it. That is important to get all counties the technology they need to do the best job possible. Eight to nine counties are still not on an annual reappraisal cycle. Having the technology fund will help them get there. An annual reappraisal cycle is much better than every five years.

CHAIR MCGINNESS:

The question is on the proposed amendment 2. If we do nothing, it will stay open-ended; otherwise, we could lift the sunset or put in a four- or six-year sunset.

SENATOR TOWNSEND:

Are the rural areas on a five-year cycle? I know Washoe County is.

DOUG SONNEMANN (Assessor, Douglas County):

Carole Vilardo is correct. Eight or nine of us left are on a five-year cycle, yet we are working to achieve the annual reappraisal.

SENATOR TOWNSEND:

The sunset should be there but allow a few more years to get their technology up to date. It would put them in a position of becoming yearly, which everybody wants. It would be easier on the taxpayer as well as local government. The proposal by Anne Loring was for this to sunset near the end of June. I would give this body another chance to look at this again in another session. If we do sunset this, would it be enough for you?

MR. SONNEMANN:

I would be willing to work with that. A lot of us are trying to get to that annual reappraisal, and some of it is updating existing technology. Clark County is looking at a large expense because of their growth; they are trying to keep up with it from a computer-programming standpoint, so they will need some enhancements in their computer programs. It is an ongoing issue. That would be fine.

SENATOR TOWNSEND MOVED TO ADOPT AMENDMENT 2 TO A.B. 209 IN EXHIBIT D TO EXTEND THE TECHNOLOGY FEE FOR TWO MORE YEARS.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR CARE VOTED NO. SENATOR COFFIN WAS ABSENT FOR THE VOTE.)

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CHAIR MCGINNESS:

Mr. Sonnemann, would the small counties generate enough money to do the technology? I recommend you come back next session with information this Committee can look at to see if we need to give you another two years for technology or address the situation in some rural counties to give them further assistance. We are not ready to do that now, although the next session would be agreeable for us to take a look at it.

MR. SONNEMANN:

In regard to your later reading, we passed out some information on what the various counties did with the funds to give you feedback along that line.

CHAIR MCGINNESS:

Because some examples are rather sketchy, those assessors should say we are not generating enough money to buy any specific program to help do the annual assessments. Amendment 3 on A.B. 209 in Exhibit D on page 3 is on behalf of Rhodes Homes; they want to add a new subsection to provide a procedure for appealing a denial of a real property tax exemption.

SENATOR TOWNSEND:

What problem would require us to give someone an exemption for filing an untimely application? There is no provision in law now, but there is some technical issue. You could appeal that not on the basis of denial but if there was a technical issue.

CHAIR MCGINNESS:

Mr. Hayes, the question on your request for an amendment to provide an appeal concerns your missed deadline or do you want an appeal of a missed deadline?

TREVOR HAYES (Rhodes Homes):

The statute does not prohibit an application for the tax exemption after the dates specified; but because it is not clearly spelled out, how you would apply after the fact. Many have missed that opportunity including the University of Nevada, Las Vegas (UNLV) Foundation, which was the example given by the assessors. The way it is written now, you can appeal, but there is no mechanism prescribed. The addition of subsection 6 would create a way to do it so people like the UNLV Foundation can see if missing the deadline merely enables the assessors to close up their work, close the rolls and move it to the treasurer. It is an administrative deadline.

CHAIR MCGINNESS:

Was the UNLV Foundation amendment put on in the Assembly?

MR. HAYES:

That was put on by the assessors, so I am not sure.

CHAIR MCGINNESS:

Mr. Sonnemann is nodding in the affirmative. They purchased a property on June 22 and wanted to do the exemption. Yours is a little different.

MR. HAYES:

It is. They tried to move the rolls of the treasurers by the beginning of July so the treasurers can get the tax bills out. They asked for the June 15 deadline in order to get their work done, and then they did not move them until the beginning of July; there was that window where they could have changed it before moving it to the treasurer. That is why they extended the date. However, our interpretation of the statute is those deadlines are for the assessors to do their job but not close out the possibility of filing for an exemption.

SENATOR TOWNSEND MOVED TO ADOPT AMENDMENT 3 OF
[EXHIBIT D](#) TO [A.B. 209](#).

SENATOR SCHNEIDER SECONDED THE MOTION.

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SENATOR CARE:

I am opposed to the motion because we are starting to take what was an assessor's bill that deals with property taxes. There is no end to what could happen in the last 48 hours of this Session. I caution my colleagues on the Committee to not continue down this path.

THE MOTION FAILED. (SENATORS AMODEI, CARE AND MCGINNESS VOTED NO. SENATOR COFFIN WAS ABSENT FOR THE VOTE.)

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CHAIR MCGINNESS:

Jason Guinasso, Village League to Save Incline Assets, Inc., is withdrawing amendment 4, [Exhibit D](#). We need to do a motion to amend [A.B. 209](#).

SENATOR TOWNSEND MOVED TO AMEND AND DO PASS AS AMENDED [A.B. 209](#).

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR COFFIN WAS ABSENT FOR THE VOTE.)

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CHAIR MCGINNESS:

[Assembly Bill 585](#) is the treasurers' bill. Their information is on pages 1 and 2 of the work session document ([Exhibit E](#)). Legal Division identified conflicting provisions between [A.B. 585](#) and [Senate Bill \(S.B.\) 375](#) that we passed and sent to the Assembly. On the [Exhibit E](#) mock-up, the conflicting items between [A.B. 585](#) and [S.B. 375](#) are outlined. They fixed this bill to comport with [S.B. 375](#).

[ASSEMBLY BILL 585](#): Makes various changes to provisions governing public financial administration. (BDR 32-336)

[SENATE BILL 375 \(1st Reprint\)](#): Revises provisions governing certain unclaimed property held by a county treasurer (BDR 32-74)

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SENATOR TOWNSEND:

The mock-up includes the legal staff's identification of the conflicting provision with S.B. 375.

SENATOR TOWNSEND MOVED TO AMEND AND DO PASS AS
AMENDED A.B. 585.

SENATOR RHOADS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR MCGINNESS:

There being no further business before the Senate Committee on Taxation, we
are adjourned at 2:13 p.m.

RESPECTFULLY SUBMITTED:

Julie Birnberg,
Committee Secretary

APPROVED BY:

Senator Mike McGinness, Chair

DATE: _____