MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON TAXATION

Seventy-Sixth Session
May 27, 2011

The Committee on Taxation was called to order by Chair Marilyn K. Kirkpatrick at 9:02 a.m. on Friday, May 27, 2011, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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/76th2011/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 Marilyn K. Kirkpatrick, Chair
Assemblyman Harvey J. Munford, Vice Chair
Assemblyman Elliot T. Anderson
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblyman John Ellison
Assemblywoman Lucy Flores
Assemblyman Ed A. Goedhart
Assemblyman Pete Livermore
Assemblywoman Dina Neal
Assemblywoman Peggy Pierce
Assemblyman Lynn D. Stewart
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Michael Nakamoto, Deputy Fiscal Analyst
Mary Garcia, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

None

Chair Kirkpatrick:
[Called the meeting to order at 9:02 a.m. Roll called.] I apologize for being late. It has been a little goofy this morning. With that, I am going to turn the meeting over to Vice Chair Munford so that he can do the work session.

Vice Chair Munford:
Thank you, Madam Chair. We will begin the work session on Assembly Bill No. 572. Mr. Nakamoto will go over it for us.

Assembly Bill 572 (1st Reprint): Revises the use by police departments of certain sales and use tax proceeds in Clark County. (BDR S-1300)

Michael Nakamoto, Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau:
Thank you, Mr. Vice Chair. The Committee members have the work session document in front of them (Exhibit C) for the one bill on today's work session, which is A.B. 572.

This bill was sponsored by the Assembly Committee on Ways and Means and was heard in this Committee on May 24, 2011. The bill revises provisions of the Clark County Sales and Use Tax Act of 2005 which relates to the approval of expenditures of revenue received by a local government from the proceeds of the tax. The bill allows each local government body to approve expenditures from these proceeds if the local government body finds that the amount approved for expenditure by that body for the support of the police department is less in a fiscal year than during the immediately preceding fiscal year, and if the combined revenue from the consolidated tax distribution (CTX) and from property taxes has decreased by more than 2 percent compared to Fiscal Year 2009-2010.

If such a finding is made, the body must adopt a resolution setting forth that finding and the reason for making such a finding. If a finding is not made during a fiscal year, the county or city treasury, as applicable, shall not permit the

expenditure of any proceeds that the local government receives from this tax rate during a fiscal year.

Assembly Bill 572 also transfers currently existing requirements for the receipt of quarterly reports from these local governments of certain information relating to the proceeds and expenditures of the tax from the director of the Legislative Counsel Bureau to the Department of Taxation.

The Chair of this Committee gave the primary testimony in support. You can see some of that is summarized. I am not going to go through all of it. The Committee also received testimony in support from Sheriff Gillespie, Las Vegas Metropolitan Police Department; Ted Olivas, City of Las Vegas; Mike Cathcart, City of Henderson; and Dan Musgrove, City of North Las Vegas. Leonard Cardinale, North Las Vegas Police Supervisor's Association, also testified in support of the bill. Al Noyola, the Interim Finance Director for the City of North Las Vegas, testified in support of the bill and raised some other concerns that he had regarding this entire matter.

Testimony neutral to the bill was given by Christopher Nielsen, Nevada's Department of Taxation, indicating that the Department would be submitting a fiscal note, based on a request that was made by the Fiscal Analysis Division.

There was no testimony in opposition to the bill. No amendments were formally presented at the time of the hearing. The Chair of the Committee has passed out a conceptual amendment which I will go through really quickly.

Essentially, this conceptual amendment (Exhibit D) would add a provision stating that if an entity is not able to receive money because it did not make the proper finding, one of the other entities listed in Section 13, subsection 2, of the Clark County Sales and Use Tax Act that is eligible to receive the "more cops" money—which would be any of the other police departments which are eligible—would be able to apply to the county treasurer for these additional dollars based on the services that office would provide in the event it was called upon to provide services that would have been provided by another agency.

That is all I have for the work session. If anyone has any questions, I would be glad to answer them. Thank you.

Vice Chair Munford:
Does anyone have any questions?

Assemblyman Stewart:
Did we get that fiscal note? What was the fiscal note?

Vice Chair Munford:
I will pass that question on to the Chair.

Assemblywoman Kirkpatrick:
Thank you, Mr. Vice Chair. I know that the Nevada Department of Taxation said they may need one more person to implement this. We have not been able to do that, but I believe that if they do pick it up, it is a prerogative of the Assembly Committee on Ways and Means. At least, for me, this is important. It is the taxpayers' money. For a long time, we have been trying to get—all entities are not currently in compliance, so it is an issue that we have to address. I do not know how to take the fiscal note off at this point because we need a mechanism in there. I am willing to keep working with Mr. Neilsen to see if we can get that fiscal note off.

Assemblyman Ellison:
I was just wondering if the fiscal note could come out of the existing budget.

Assemblywoman Kirkpatrick:
I would like them to say that, but I do not know that they are going to say that to me.

Assemblyman Ellison:
It seems to me it would be the easier and cleaner way to do this. And that way, it would not be putting a burden back on the Nevada Department of Taxation.

Michael Nakamoto:
Mr. Ellison, the only information regarding the fiscal note that I can give you right now is that a request was made to the Department of Taxation. To my knowledge, we have not received the response back yet. They are still within their statutorily allowed time to submit and return that fiscal note. I believe they have until sometime next week to do so. I do not see anyone here from the Department of Taxation this morning unless Mr. Leiser or Mr. Neilsen is hiding in the back. Otherwise, I cannot speak to what they would project their needs would be without actually seeing the fiscal note or whether it is something that they could absorb within their existing resources or budget.

Vice Chair Munford:
Mr. Anderson.

Assemblyman Anderson:
Thank you, Mr. Vice Chair. I feel like everything is up in the air with the budget right now. I think the policy is good. I think what is going to happen is that we

will send it to Ways and Means and they will figure that out over there. In terms of the policy, I think the policy is good. The taxpayers get used to these funds and the local governments have to be in compliance. If the Vice Chair would allow, I would move to do pass as amended.

Vice Chair Munford:
There is another question on the floor. Mrs. Bustamante Adams.

Assemblywoman Bustamante Adams:
Actually, I was going to see if you would entertain a motion to amend and do pass.

> ASSEMBLYWOMAN BUSTAMANTE ADAMS MOVED TO AMEND AND DO PASS ASSEMBLY BILL NO. 572.
>
> ASSEMBLYWOMAN BENITEZ-THOMPSON SECONDED THE MOTION.
>
> THE MOTION PASSED.

Vice Chair Munford:
That closes the hearing on Assembly Bill No. 572. We are now adjourned [at 9:11 a.m.].

RESPECTFULLY SUBMITTED:

Mary Garcia
Recording Secretary

_____
Matthew Baker
Transcribing Secretary

APPROVED BY:

_____
Assemblywoman Marilyn K. Kirkpatrick, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Taxation

Date: May 27, 2011 **Time of Meeting: 8:30 a.m.**

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 572	C	Michael Nakamoto, Deputy Fiscal Analyst	Work Session Document
A.B. 572	D	Assemblywoman Kirkpatrick	Conceptual Amendment