

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

**Seventy-Seventh Session  
May 16, 2013**

The Committee on Taxation was called to order by Chairwoman Irene Bustamante Adams at 2:36 p.m. on Thursday, May 16, 2013, in Room 4100 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 [nelis.leg.state.nv.us/77th2013](http://nelis.leg.state.nv.us/77th2013). In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: [publications@lcb.state.nv.us](mailto:publications@lcb.state.nv.us); telephone: 775-684-6835).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Irene Bustamante Adams, Chairwoman  
Assemblywoman Peggy Pierce, Vice Chairwoman  
Assemblywoman Teresa Benitez-Thompson  
Assemblyman Jason Frierson  
Assemblyman Tom Grady  
Assemblyman Crescent Hardy  
Assemblyman Pat Hickey  
Assemblyman William C. Horne  
Assemblywoman Marilyn K. Kirkpatrick  
Assemblyman Randy Kirner  
Assemblywoman Dina Neal  
Assemblyman Lynn D. Stewart

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

Minutes ID: 1177



**STAFF MEMBERS PRESENT:**

Russell J. Guindon, Principal Deputy Fiscal Analyst  
Michael Nakamoto, Deputy Fiscal Analyst  
Gina Hall, Committee Secretary  
Colter Thomas, Committee Assistant

**OTHERS PRESENT:**

None

**Chairwoman Bustamante Adams:**

We have four bills on the agenda for our work session today. Since the sponsor of the bill is in the room, we will start with Senate Bill 209 (1st Reprint). I will turn it over to our fiscal analyst, Mr. Nakamoto, and open the hearing on S.B. 209 (R1).

**Senate Bill 209 (1st Reprint): Requires the Board of Economic Development to make recommendations regarding a recruiting and marketing effort to attract professionals and businesses to this State. (BDR 18-854)**

**Michael Nakamoto, Deputy Fiscal Analyst:**

The first bill on today's work session is Senate Bill 209 (1st Reprint). The work session document ([Exhibit C](#)) is located in Nevada Electronic Legislative Information System for the members of the public, as well as those listening on the Internet. The members of the Committee also have the work session document in their binders.

Senate Bill 209 (1st Reprint) was sponsored by Senator Hutchison and was heard yesterday by this Committee. The bill requires the Board of Economic Development, as part of the recommendations required to be made to the Executive Director of the Office of Economic Development (GOED) for carrying out the State Plan for Economic Development, to include recommendations regarding the development and implementation of a recruiting and marketing effort to attract professionals and businesses to this state.

Senator Hutchison provided introductory remarks and testified in support, as did Mr. Smithson on behalf of the National Association of Industrial and Office Properties, Southern Nevada Chapter. There was no testimony in opposition or neutral to the bill. During the testimony Assemblywoman Kirkpatrick proposed an amendment to the bill, that would require the regional development authorities in the state to bring plans to the Executive Director regarding the development and enhancement of recruiting and marketing efforts, to attract

professionals and businesses within each regional development authority's jurisdiction, essentially transferring the responsibility for these plans from GOED to the regional development authorities.

If anyone has any questions about the work session document or the amendment, I will answer them at this time.

**Chairwoman Bustamante Adams:**

Are there any questions from the members of the Committee on the work session document?

**Assemblywoman Kirkpatrick:**

I just want to make sure that the bill sponsor is fine with this. I do not believe it puts in a fiscal note, but it is what they are supposed to be doing anyway.

**Chairwoman Bustamante Adams:**

From the discussion yesterday with the bill sponsor, he had agreed to the amendment.

**Chairwoman Bustamante Adams:**

I will entertain a motion to amend and do pass S.B. 209 (R1).

ASSEMBLYWOMAN KIRKPATRICK MOVED TO AMEND AND DO  
PASS SENATE BILL 209 (1ST REPRINT).

ASSEMBLYMAN KIRNER SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN  
BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

**Chairwoman Bustamante Adams:**

I will give the floor statement to Assemblyman Kirner. I will close the hearing on S.B. 209 (R1) and open the hearing on Senate Bill 152 (1st Reprint). I will turn it over to our fiscal analyst, Mr. Nakamoto.

**Senate Bill 152 (1st Reprint): Revises provisions governing the administration of sales and use taxes and related taxes. (BDR 32-877)**

**Michael Nakamoto, Deputy Fiscal Analyst:**

The next bill on today's work session is Senate Bill 152 (1st Reprint). The work session document ([Exhibit D](#)) is located in Nevada Electronic Legislative Information System for the members of the public, as well as those listening on

the Internet. The members of the Committee also have the work session document in their binders.

Senate Bill 152 (1st Reprint) was sponsored by Senator Denis and was heard by this Committee on May 9. The bill allows a retailer who assigns a debt to an entity that is part of an affiliated group that includes the retailer, to claim a deduction or refund of sales and use taxes to which the retailer would otherwise be entitled as a result of the failure to collect the debt that is owed.

These provisions would apply retroactively to a bad debt that, on or after January 1, 2012, was written off in the business records of a retailer, or an entity that is part of an affiliated group which includes the retailer, and that were maintained in the ordinary course of the retailer's or entity's business.

Senator Denis provided introductory remarks on the bill and offered an amendment, which will be discussed. The testimony in support of the bill was given by Mr. Crowell, on behalf of DriveTime Automotive Group, Inc., and Mr. Wachter, on behalf of the Retail Association of Nevada. There was no testimony neutral to or in opposition of S.B. 152 (R1).

The amendment that was proposed by Senator Denis would delete section 4 of the bill. These are the provisions that specify that the provisions of the bill would have applied retroactively to debt that was written off by a retailer on or after January 1, 2012.

If anyone has any questions about the work session document or the amendments, I will answer them at this time.

**Chairwoman Bustamante Adams:**

Are there any questions from the members of the Committee on the work session document? [There were none.] I will entertain a motion to amend and do pass.

ASSEMBLYMAN HICKEY MOVED TO AMEND AND DO PASS  
SENATE BILL 152 (1ST REPRINT).

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYWOMAN  
BENITEZ-THOMPSON WAS ABSENT FOR THE VOTE.)

**Chairwoman Bustamante Adams:**

I will give the floor statement to Assemblyman Hickey. I will close the hearing on S.B. 152 (R1) and open the hearing on Senate Bill 301 (1st Reprint). I will turn it over to our fiscal analyst, Mr. Nakamoto.

**Senate Bill 301 (1st Reprint): Provides for assignment of property tax liens.  
(BDR 32-969)**

**Michael Nakamoto, Deputy Fiscal Analyst:**

The next bill on today's work session is Senate Bill 301 (1st Reprint). The work session document ([Exhibit E](#)) is located in Nevada Electronic Legislative Information System for the members of the public, as well as those listening on the Internet. The members of the Committee also have the work session document in their binders.

Senate Bill 301 (1st Reprint) was heard in this Committee on May 9, and was sponsored by Senator Smith. The bill requires the county treasurer to assign a tax lien against a parcel of real property upon which taxes have become delinquent if the property owner enters into a written agreement with the assignee of the lien. The assignee of the lien must also pay to the county treasurer an amount equal to the delinquent taxes and accrued penalties, interest, fees, and costs.

Senate Bill 301 (1st Reprint) also allows the assignee to bring an action against the owner of the property for the recovery of delinquent taxes, penalties, interest, fees, and costs, if the tax lien is not redeemed by the owner. The assignee may not commence this action before the earliest date upon which an action could be commenced by the district attorney under current law.

Senator Smith provided the introductory remarks on the bill. Mr. Hillerby and Ms. Hough, representing Propel Financial Services, provided the overview of the bill and testified in support. Mr. Hillerby also provided amendments to the bill, which I will discuss. Additional testimony in support of the bill was provided by Mr. Kramer, the Carson City treasurer, on behalf of the Nevada Association of County Treasurers. There was no testimony in neutral or in opposition to the bill.

The amendments to the bill are discussed beginning on page 2 of the amendment, which is page 3 of ([Exhibit E](#)). The first of the amendments, in section 4, subsection 2, paragraph (b), subparagraph (2) of the bill, would be amended to limit the amount of fees that may be collected by the assignee related to recording and other expenses incurred in connection with the

authorization and assignment of the lien to a maximum of \$600, if the property is a single-family, owner-occupied residence.

For the Committee's consideration, the way that Mr. Hillerby has worded this language in his amendment, he uses the words "which may not exceed \$600." The Committee may also consider changing the "may" to a "must" at its discretion, with respect to what language is used.

The second change that Mr. Hillerby proposed is in section 12, subsection 1, paragraph (b). This particular section would be amended to specify that the county treasurer shall assign the tax lien to the assignee upon the payment of the full amount of taxes assessed against the property and any applicable penalties, interest, fees, and costs.

The third change to the bill would be in section 19, which currently requires the issuance of a release of a tax lien to the owner of the property once the lien has been redeemed, additionally to require that the assignee cause a copy of the release to be also sent to the county treasurer, in addition to the requirement that the release be recorded with the office of the county recorder of the county in which the property is located.

If anyone has any questions about the work session document or the amendments, I will answer them at this time.

**Chairwoman Bustamante Adams:**

Are there any questions from the members of the Committee on the work session document? [There were none.] I will entertain a motion to amend and do pass with the additional provision of changing the word "may" to the word "must" in section 4.

ASSEMBLYMAN HARDY MOVED TO AMEND AND DO PASS  
SENATE BILL 301 (1ST REPRINT).

ASSEMBLYMAN STEWART SECONDED THE MOTION.

**Chairwoman Bustamante Adams:**

Are there any questions on the motion?

**Assemblyman Hickey:**

I was just going to say about the amendments that there was discussion in the Committee, because it is a new business concept coming into the state. I think we had very healthy discussions. I personally was reassured to hear from the Carson City treasurer about the benefits and the acceptability of the bill, and

I think that was an important thing to me, and maybe to this Committee. I will be supporting it.

THE MOTION PASSED UNANIMOUSLY.

I will give the floor statement to Assemblyman Stewart. I will close the hearing on S.B. 301 (R1) and open the hearing on Senate Joint Resolution 15 of the 76th Session. I will turn it over to our fiscal analyst, Mr. Nakamoto.

**Senate Joint Resolution 15 of the 76th Session: Proposes to amend the Nevada Constitution to remove the separate tax rate and manner of assessing and distributing the tax on mines and the proceeds of mines. (BDR C-1151)**

**Michael Nakamoto, Deputy Fiscal Analyst:**

The last bill on today's work session is Senate Joint Resolution 15 of the 76th Session. The work session document ([Exhibit F](#)) is located in Nevada Electronic Legislative Information System for the members of the public, as well as those listening on the Internet. The members of the Committee also have the work session document in their binders.

This measure was sponsored by the Senate Committee on Revenue and Economic Development and was heard in this Committee on May 2. Senate Joint Resolution 15 of the 76th Session proposes to amend Article 10, Section 1, of the *Nevada Constitution*, which provides for uniform and equal rates of assessment on taxation, to remove the exception to this provision provided for mines and mining claims which, under current law, shall be assessed and taxed only as provided in Article 10, Section 5, of the *Nevada Constitution*.

Additionally S.J.R. 15 of the 76th Session proposes to repeal Article 10, Section 5 of the *Nevada Constitution*. This section allows the Legislature to impose a tax on the net proceeds of minerals at a maximum rate of 5 percent, prohibits the imposition of any other tax upon a mineral or its proceeds until the identity of the proceeds as such is lost, provides for the distribution of this tax revenue among local governments and school districts, and provides for an exemption from property taxes from patented mines and mining claims where at least \$100 worth of labor has been performed.

An overview of this joint resolution was given by Mr. Powers from the Legislative Counsel Bureau's Legal Division. Testimony in support of the joint resolution was provided by Ms. Turner, Mr. Ginsburg on behalf of the Progressive Leadership Alliance of Nevada, Ms. Ocampo, Mr. Murillo,

Mr. Rocha, Ms. McGill, and Mr. McCarthy. The testimony in opposition was given by Mr. Crowley, Mr. Wadhams, Mr. Brown, Councilman Perry from the City of Elko, Assemblyman Ellison, Mr. Garza on behalf of White Pine County, Superintendent Zander from the Elko County School District, and Assemblyman Hansen. Questions were answered by Ms. Rubald on behalf of the Department of Taxation.

I would also note on this joint resolution that pursuant to Article 16, Section 1, of the *Nevada Constitution* and Chapter 218D of the *Nevada Revised Statutes*, there are provisions contained within this joint resolution which must be approved by the Legislature during the 2011 Session, which it already has, as well as the 2013 Session, followed by voter approval at the general election to be held on November 4, 2014, in order to be ratified and become part of the *Nevada Constitution*.

If anyone has any questions about the work session document, I will answer them at this time.

**Chairwoman Bustamante Adams:**

Are there any questions from the members of the Committee on the work session document?

**Assemblywoman Neal:**

Do you mean questions about the bill, because I have questions about the aftermath, like what is the plan? Is there going to be an interim committee? Those are my questions. I do not know where that falls. I am curious about the tax ideas, and how are we going to handle those tax ideas after the fact?

**Chairwoman Bustamante Adams:**

That would not be a work session, but would be after what we decide as a body that we are going to go ahead and do in the interim.

**Assemblyman Hickey:**

This would only move it along for a vote of the public in November. I do not think we are really authorized to do anything until this is passed and we return to possibly reset something next session. Correct me if I am wrong.

**Chairwoman Bustamante Adams:**

I know there is another bill, Senate Bill 400, that has the provisions of what would happen if this were to go, so I know we need to consider that. That has not come before the Committee yet, and that does have the answers to your questions, Assemblywoman Neal, but not in this work session.



**Assemblywoman Neal:**

I just want to put it out there that it is a yes, but there is some reluctance.

**Chairwoman Bustamante Adams:**

Are there any other questions from the members of the Committee? [There were none.] I will entertain a motion to do pass S.J.R. 15 of the 76th Session.

ASSEMBLYWOMAN PIERCE MOVED TO DO PASS  
SENATE JOINT RESOLUTION 15 OF THE 76TH SESSION.

ASSEMBLYWOMAN KIRKPATRICK SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN GRADY, HARDY,  
HICKEY, KIRNER, AND STEWART VOTED NO.)

**Chairwoman Bustamante Adams:**

I will assign the floor statement to Assemblywoman Pierce, and I will be your backup if you are not able to. I will close the hearing on S.J.R. 15 of the 76th Session.

Are there any in Las Vegas or Carson City who would like to provide public comment? [There was no one.] We are in recess [at 2:53 p.m.] until the call of the Chairwoman.

[The Assembly Committee on Taxation was called back to order at 1:14 p.m. on Monday, May 20, 2013.] The meeting is adjourned [at 1:15 p.m.].

RESPECTFULLY SUBMITTED:

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Gina Hall  
Committee Secretary

APPROVED BY:

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Assemblywoman Irene Bustamante Adams  
Chairwoman

DATE: \_\_\_\_\_

**EXHIBITS**

**Committee Name:** Committee on Taxation

**Date:** May 16, 2013

**Time of Meeting:** 2:36 p.m.

<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
S.B. 209 (R1)	C	Michael Nakamoto	Work Session Document
S.B. 152 (R1)	D	Michael Nakamoto	Work Session Document
S.B. 301 (R1)	E	Michael Nakamoto	Work Session Document
S.J.R. 15*	F	Michael Nakamoto	Work Session Document