

**MINUTES OF THE  
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Seventy-Seventh Session  
March 28, 2013**

The Senate Committee on Revenue and Economic Development was called to order by Chair Ruben J. Kihuen at 1:26 p.m. on Thursday, March 28, 2013, in Room 2134 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 Ruben J. Kihuen, Chair  
Senator David R. Parks, Vice Chair  
Senator Moises (Mo) Denis  
Senator Debbie Smith  
Senator Ben Kieckhefer  
Senator Michael Roberson  
Senator Greg Brower

**GUEST LEGISLATORS PRESENT:**

Senator James A. Settelmeyer, Senatorial District No. 17  
Senator Pat Spearman, Senatorial District No. 1

**STAFF MEMBERS PRESENT:**

Russell Guindon, Principal Deputy Fiscal Analyst  
Joe Reel, Deputy Fiscal Analyst  
Bryan Fernley-Gonzalez, Counsel  
Gayle Rankin, Committee Secretary

**OTHERS PRESENT:**

Josh Wilson, Assessor, Washoe County  
Mary Walker, Carson City  
Cadence Matijevich, Assistant City Manager, City Manager's Office, City of  
Reno  
William Silcox  
John Sande, IV, Thunderbird Lodge Preservation Society

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Bill Watson, Chief Executive and Curator, Thunderbird Lodge Preservation Society  
Michael Fischer  
Lisa Foster, Nevada League of Cities

**Chair Kihuen:**

We will be hearing three bills today. I will open the hearing on Senate Bill (S.B.) 308.

**SENATE BILL 308**: Revises provisions governing certain tax exemptions for veterans. (BDR 32-644)

**Senator Pat Spearman (Senatorial District No. 1):**

The key provisions of S.B. 308 are straightforward. I will review what is now available to veterans and how this bill proposes to expand on that. Nevada provides veterans with exemptions for \$2,000 of assessed value on property taxes and exemptions on the Governmental Services Tax for vehicles. The veteran must be a resident of Nevada who has served a minimum of 90 continuous days on active duty during a specified period of time and is still serving in the Armed Forces of the United States or has received an honorable discharge. Senate Bill 308 extends the period of eligibility for time served on active duty for 90 continuous days to include on or after January 1, 2001. The veteran must meet other qualifying criteria.

I looked at this bill through the lense of the Global War on Terrorism and selected January 1, 2001, because as many of you may know, when the 9/11 terrorist attack happened, there was an immediate stop loss. That means people could not separate or retire from active service; they had to stay on active duty. Most of the people on active duty during September 2001 were on active duty in January 2001. Such a stop-loss request has been made every time we have had a period of conflict. This legislation extends the period of active duty time for the exemption. It is most appropriate to give serious and positive consideration to this because the Global War on Terrorism was an asymmetrical war unlike no other in which we have been involved. The veterans who are coming back from that war deserve our praise and every financial benefit we can give them. I ask for your approval of this bill.

**Chair Kihuen:**

We will open up for questions. What group of veterans does this pick up?

**Senator Spearman:**

This picks up the veterans who have served between 2001 and 2014. We selected 2014 because troops are supposed to be out of Afghanistan by that date. The Global War on Terrorism will be complete December 31, 2014.

**Chair Kihuen:**

We will open up to anyone who wants to speak.

**Senator Brower:**

I want to thank Senator Spearman for bringing this to us. Sometimes it takes a new person in the body to take a fresh look at things and catch something that should be there. Thank you for helping to clean this up.

**Senator Spearman:**

This issue was brought to my attention by one of my constituents. I cannot take full credit for this. As a veteran, I have access to that benefit, and I thought all veterans did. When I learned those veterans who served from 2001 forward did not have access to that tax exemption, I thought it would be a tragedy if we did not correct it.

**Senator Brower:**

I had the same assumption. Shows what happens when you assume too much.

**Senator Smith:**

I appreciate this legislation also. I am trying to figure why some have impacts and some do not. It does not make sense to me there is fiscal impact and a loss of revenue in some counties and not others. Is anyone here from local government to explain?

**Josh Wilson (Assessor, Washoe County):**

It is my understanding that if you serve during an act of conflict after 2001, then you are in fact, qualified. Some people who have served after 2001 are qualified but others are not. This would ensure that everybody after 2001 does qualify. The fiscal note we prepared estimates the fiscal impact will be minimal.

**Senator Smith:**

Washoe is showing zero and Carson City is showing \$40,000 in lost revenue. That is why I wanted some perspective about how we could be that diverse.

**Mary Walker (Carson City):**

I have not received any concerns regarding this bill despite a fiscal note. As Mr. Wilson has said, it is not a large group of people. It is difficult to know.

**Senator Smith:**

I understand, and I want to express my frustration because \$40,000 for this piece is a lot in a small county. This kind of a fiscal note can sideline a bill pretty easily.

**Ms. Walker:**

We are not opposed to the bill.

**Chair Kihuen:**

Are you in support of the bill?

**Ms. Walker:**

My direction from Carson City is we are neutral on the bill. We are fine with it. There was no support or opposition to the bill.

**Cadence Matijevich (Assistant City Manager, Office of the City Manager, City of Reno):**

As requested, we submitted a fiscal note. It shows zero—no impact. Our analysis was similar to that of Mr. Wilson. There are persons who may become eligible for the exemption; however, we did not think they would be a significant impact to us.

**Senator Spearman:**

As you consider this piece of legislation, also consider the fact that two-thirds of the forces that fought in the last two wars were guard and reserve troops. This is the first time a war has been fought with more troops from the National Guard or from the reserve forces. Because of multiple rotations, some of them lost their jobs. Some of them lost opportunities to advance educationally. What this says to these veterans is we care about your economic future. This is designed to help those soldiers. They live among us. Some of them have served three different rotations in Iraq and some of them have served three or four rotations in Afghanistan. Some have served in Afghanistan and Iraq. When they come back—usually for 6 to 9 months—to whatever job they have upon their return, when they are deployed again, they usually lose it. This will make a difference.

**Chair Kihuen:**

We are going to close the hearing on S.B. 308 and open the hearing on S.B. 330.

**SENATE BILL 330:** Allows a person who qualifies as both a veteran and the surviving spouse of a veteran to claim both veterans' exemptions from property taxes and governmental services taxes. (BDR 32-690)

**Senator James A. Settelmeyer (Senatorial District No. 17):**

Senate Bill 330 is a rewrite of an A.B. No. 295 from the 75th Session. This is a result of a letter from one of my constituents who is here today. When I read the letter from Mr. Silcox, I was shocked to learn that under *Nevada Revised Statutes* (NRS) we discriminate in many ways against married couples who are veterans. Senate Bill 330 changes that language. Under NRS 361.090, if you are a veteran, you are allowed a reduction of \$2,000 off your assessed valuation for property tax purposes. If you became disabled while serving, depending on the level of your disability, from 60 percent up to 100-percent service-connected disability, NRS 361.091 allows a reduction of between \$6,250 and \$20,000 of your assessed valuation of property. That reduction depends on the percentage of the disability in the year it was filed. Eligible veterans are honorably discharged from the service and must be Nevada residents. In addition, under this law, a widower or widow of a disabled veteran who is eligible for this exemption at that time of his or her death may also be eligible to receive this exemption as a surviving spouse, but not if he or she was also in the military. This bill tries to correct this. Some people will say this is a concept of stacking. The way I look at it is those individuals who are service-disabled and have done their service for this Nation should be allowed their own exemption and not be told, you do not get your exemption because your spouse does.

Section 1, subsection 8, is where the change in language occurs to ensure nondiscrimination to military members who are married to one another. There are no amendments. The change in the law to solve the discrimination issue appears in two places in S.B. 330.

**William Silcox:**

My wife Eleanor from Fresno, California, was in the service. I was from Taft, California. I enlisted in the Army Air Corps in the summer of 1942 as enlisted reserve and was called to active duty in February 1943. I went through an

aviation cadet program and graduated as a second lieutenant. I flew the Martin B-26 Marauder with the 9th Air Division in France and Belgium. In February 1945, we changed to the Douglas A-26 Invader and flew those until the end of the war. My wife graduated from Queen of Angels Hospital School of Nursing in Los Angeles, California, in 1944 and enlisted in the Army Nurse Corps. She went to basic training in Fort Lewis, Washington. She was assigned to Camp Haan by March Air Force Base in Riverside, California. She worked there with German POWs who had medical experience. The rest of the Germans in that area were picking oranges in those days.

Eleanor went overseas in 1945. She took a boat down to Perth, Australia, and then to India to the China-Burma-India Theater of operations (CBI). She was stationed at a forward base in Myitkyina, Burma, where airplanes flying the Hump would gas up. Eleanor worked in the jungles of Burma. She contracted a disease that I did not understand. When I first heard about it, the theory was she fell in a river and got amoebic dysentery. This disease caused a problem with her lungs. When she got out after World War II, she got a 15-percent service-connected disability for her lungs. She was in the reserve while she had the disability. She waived the disability and was called back to active duty in April 1951. She went on active duty to Lake Charles Air Force Base in Louisiana. It had a B-29 training base, and she worked in the hospital.

I met her in Lake Tahoe in 1948. In 1953, we got married in Tucson, Arizona and 5 days later, I was on a boat going to Korea. I stayed for a year while she stayed on active duty in Lake Charles. I flew C-47 airplanes over there and also went through radar school in Biloxi, Mississippi. I was a radar maintenance officer. After 6 months in Seoul, Korea, we were going to build an aircraft warning and control station on an island off North Korea. We had an early warning station up there, but you could not control with it. They would send their information back to our operations headquarters by Seoul. We gathered up some 18- and 19-year-old kids and a few good sergeants, and we flew up to Cho-do Island. We were allowed to travel by train, but no trains went through North Korea.

Somebody had written a report saying the Chinese and Koreans could not throw cannon shells over to the island of Cho-do. The first day we were there, I hear a big bang, and I knew it was not someone from the shore. It was a rocky island, and I thought someone was putting in a telephone pole. The next thing I heard was a big splash in the water. We knew then they could reach the island. We

built the radar, put it on the air and were controlling fighters and B-29 bombers that came out of Okinawa, Japan. We got on the air after about a month of building the station, and we sent our plots to the big plotting board in Seoul. Just like in the movies, we had a plotting board that we built with a map on it. They would shoot shells at the island and bomb us, but they never went after the radar. All we could figure was—between us, where we were on the island and Seoul where it crossed to North Korea—they did not need to put in a radar, they used ours. We plotted both Russia and our airplanes. They would sit in an airplane and track it, and the Koreans would listen to us with our plots. Pretty soon, they knew just as much as we did. The main thing we did in addition to control was bring back shot-up fighters, and we had a detachment of helicopters on the island. We would go out and pick those people up when they bailed out of their airplanes.

That is what I did in Korea. When I came back, I was supposed to have a year of active duty. They called up to the island and said my time was up. The next day they called up and said we found a piece of paper where you signed up indefinitely. I ended up having another year to go. If I had been in radar another month, then I would have had a year's practical experience. When this happened, I went back to Kimpo Air Base by Seoul, Korea. They had a board and net. I told them I am not pulling from qualified radar yet, so I would like to go to Wilbur Wright Field in Ohio. I still had a year to go. When I got back to the states, my wife was standing on the dock in San Francisco.

I am going to go back a little bit. When she got out of the CBI and came home, the war was over. She was from Fresno, and they were going to release her from active duty. They asked her and her friend where are they from? And they said—New York. So they went to New York instead of Fresno. When they got to New York, they asked what are you girls doing here? They said they did not know, this is where they sent us. They just lied to get there. There was a big hospital on Staten Island. The guys who had been shot up in Europe too bad to come home when the war ended were being brought back and put in that hospital. She was a 22-year-old girl who had a whole ward. It was so crowded, they would write the medications on patients' foreheads. She stayed there for 9 months and then came back to Fresno, got in the reserve and had a job with the Birmingham Veterans Administration Hospital in Van Nuys, California. That is her story.

Her 15-percent disability got progressively worse. We had five kids along the way. We were trying to raise the kids and keep her breathing, but it got worse and worse. We moved around quite a bit to find a place where she could breathe. We were in Apple Valley, California, where the desert air is like Nevada. She was barely able to drive. I took her to a veteran's facility in Los Alamitos and they gave her a 100-percent service-connected disability. That is how she got her exemption. My exemption qualification was from the two wars. She was getting around \$2,000 per month disability payment. We were able to put the kids through college. She passed away in 2002 in California. We still had a house in Nevada, and most of our kids still live in Nevada.

One of the moves we made was to Las Vegas in 1968. All the kids went to Bishop Gorman High School and then on to college. With the help of her disability, they all graduated from college.

I worked for Standard Oil, offshore drilling wells in the water. I was transferred to San Francisco. Eleanor's family roots went back to 1880 in San Francisco. She had a great-grandfather on the Monitor or the Merrimac in the Civil War, and he was a railroad man. When I was transferred to San Francisco, there was no way that she was not going to go. When our youngest son graduated from high school, she came up to San Francisco. She was in and out of the hospitals. We decided to try living at Lake Tahoe where the air is clean and nice. We came up here, and she lived from 1995 until 2002. She passed away at the hospital in San Francisco. She was a Nevada resident. We were paying taxes on the house in Nevada. We were both getting an exemption. When she passed away, we could not both have an exemption. That is what this is all about. I was in two wars and you might as well forget it. We took the bigger exemption which was hers. We tried to allow me to get both exemptions since I got survivor benefits. I got 50 percent of her disability as a survivor. We lost the exemption on the house. My two wars were thrown in the garbage can and forgotten. If she had married a nonvet or a draft dodger or somebody who was not in the service, he would have got the same exemption because of her that I get.

My wife had a 100-percent service-connected disability and passed away because of that disability, and I am a veteran of two wars. I should be able to get her exemption and my exemption. That is why we are here today.



**Chair Kihuen:**

We appreciate your story. Thank you for your service and your wife's service to our Country. Thank you for sharing your war stories with us.

**Senator Brower:**

This has been the most interesting testimony I have heard all day. Thank you for being here. Thank you for your service. We honor veterans like yourself all the time; that is appropriate, and we will continue to do so. We rarely talk about the nurses. I have some fond memories of the Navy's fine nurses. Throughout our history and particularly in World War II and in Vietnam, a lot of young women signed up and served in dangerous and trying circumstances. Once in a while they are mentioned, but not nearly enough. I want to make that part of the record and thank your wife. It is an unheralded part of our military history we do not talk enough about.

**Mr. Silcox:**

While she was out in the jungles in Burma, there was a black fellow who got infantile paralysis. In that hospital, they made an iron lung for him out of a hot water tank and an air compressor, and he survived. When she came back to New York, she and her friend would go into New York City on their days off. They went into this restaurant to have a hamburger, and he was working there flipping hamburgers and these two white girls sat at the counter and talked to him about being in Myitkyina.

**Senator Brower:**

He was not the only service member who was saved by our brave nurses throughout history.

**Mr. Wilson:**

The Assessors' Association of Nevada is neutral on this bill. Our office denied the exemption for Mr. Silcox. On a personal level, I truly support this legislation. There is nothing more heart-wrenching than to not grant this exemption to somebody who served in the military. I do not want to take that away from them. This would help some frustrated people we have had to deny.

**Senator Settlemeyer:**

I appreciate Mr. Silcox's stories. After hearing his compelling story about him and his wife, I hope this body will pass this legislation.

**Chair Kihuen:**

We will close the hearing on S.B. 330. We will open the hearing on S.B. 281.

**SENATE BILL 281**: Exempts certain property from taxation. (BDR 32-975)

**Senator Ben Kieckhefer (Senatorial District No. 16):**

Part of my district includes the historic Thunderbird Lodge on the Nevada shoreline of Lake Tahoe. Built and owned by George Whittell, it is a unique part of Nevada's history that everyone should take the opportunity to visit. It is owned and operated by Thunderbird Lodge Preservation Society. Senate Bill 281 addresses the taxes of that Society. It is tax-exempt as a nonprofit. This bill will try to ease the process of how those taxes are managed.

**John Sande, IV (Thunderbird Lodge Preservation Society):**

Bill Watson is the Executive Director of the Thunderbird Society. The Society qualifies for an exemption; but the problem is how it has to go through the process to get the exemption. The society has to claim the exemption at the end of each year. For a nonprofit to pay an accountant to file exemptions is spending money that could be diverted to other valuable resources.

**Bill Watson (Chief Executive and Curator, Thunderbird Lodge Preservation Society):**

Testimony (Exhibit C) on behalf of the Society explains the annual expensive process leading to a nonprofit determination that results in the laborious process of obtaining a refund.

**Michael Fischer:**

The only thing harder than being in government is being a nonprofit. I am acutely aware of how difficult your time has been and how hard it has been for government with shortfalls in funding and making difficult decisions. A nonprofit like this greatly aids your ability to have those 10,000 people coming here and spending money in our community. We need to keep these things vital. I urge your support on this, allowing the Society to continue providing the service as efficiently as possible for more tourists and more people to support the Thunderbird Lodge and educate children. Whatever small amount of money this would mean to the coffers of Washoe County, it would far more be reduced by the amount of money those 10,000 people did not spend in our state.

**Lisa Foster (Nevada League of Cities):**

The League of Cities is neutral on S.B. 281 as it is on all other tax exemption bills. I have discussed this with Bill Watson from the Thunderbird Lodge, and I left a message with Senator Kieckhefer's office. The League of Cities wants to make the Committee aware of the potential cumulative effects of having these many tax exemptions on the books. We are not opposed, but it is important from the League's perspective as an association to make the statement that there can be a cumulative effect of these bills.

**Chair Kihuen:**

We will close the hearing on S.B. 281. I have a notice that Senator Spearman's S.B. 308 has a fiscal note and needs to be rereferred to the Senate Committee on Finance.

SENATOR SMITH MOVED WITH RECOMMENDATION TO REREFER S.B. 308 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR SMITH MOVED TO REREFER S.B. 472 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR SMITH MOVED TO REREFER S.B. 474 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR SMITH MOVED TO REREFER S.B. 475 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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SENATOR KIECKHEFER MOVED TO DO PASS S.B. 330.

SENATOR SMITH SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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**Chair Kihuen:**

This meeting is adjourned at 2:18 p.m.

RESPECTFULLY SUBMITTED:

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Gayle Rankin,  
Committee Secretary

APPROVED BY:

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Senator Ruben J. Kihuen, Chair

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

<b><u>EXHIBITS</u></b>				
<b>Bill</b>	<b>Exhibit</b>		<b>Witness / Agency</b>	<b>Description</b>
	A	1		Agenda
	B	1		Attendance Roster
S.B. 281	C	2	Thunderbird Lodge Preservation Society	Testimony in support of SB 281