

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

**Seventy-Eighth Session
April 23, 2015**

The Committee on Taxation was called to order by Chairman Derek Armstrong at 1:31 p.m. on Thursday, April 23, 2015, 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 www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Derek Armstrong, Chairman
Assemblyman Randy Kirner, Vice Chairman
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblywoman Olivia Diaz
Assemblywoman Jill Dickman
Assemblyman John Hambrick
Assemblyman Pat Hickey
Assemblywoman Marilyn K. Kirkpatrick
Assemblywoman Dina Neal
Assemblyman Erven T. Nelson
Assemblyman Glenn E. Trowbridge

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator David R. Parks, Senate District No. 7



STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Bryan Fernley, Committee Counsel
Gina Hall, Committee Secretary
Olivia Lloyd, Committee Assistant

OTHERS PRESENT:

Dave Dawley, Assessor, Assessor's Office, Carson City; and representing
Assessors' Association of Nevada
Joshua G. Wilson, Chief Deputy Assessor, Assessor's Office,
Washoe County
Paul Aizley, Private Citizen, Las Vegas, Nevada
Andrew Zaninovich, representing Nevada Conservation League
Dagny Stapleton, Deputy Director, Nevada Association of Counties
Yolanda King, Chief Financial Officer, Department of Finance,
Clark County
Mary Walker, representing Carson City, Douglas County, Lyon County,
and Storey County
Michael E. Clark, Assessor, Assessor's Office, Washoe County
Trevor Hayes, representing Nevada Press Association
Jeff Payson, Deputy Assessor, Assessor's Office, Clark County; and
representing Assessors' Association of Nevada

Chairman Armstrong:

[Roll was called and housekeeping items discussed.] On the agenda today we have two bills, Senate Bill 95 and Senate Bill 377. Senator Parks is here today to present both bills. I will open the hearing on S.B. 95.

Senate Bill 95: Revises provisions governing the publication of property tax rolls. (BDR 32-630)

Senator David R. Parks, Senate District No. 7:

I am here to present Senate Bill 95 for your consideration.

Senate Bill 95 revises provisions governing the publication of annual property tax rolls for all counties in Nevada. Senate Bill 95 will eliminate a costly, antiquated system for notifying the public regarding the assessed values of properties that goes to a very small portion of our communities at a substantial cost to our taxpayers.

You all know how critical the lack of funding has been for the state and its local governments over the last eight years. Recently, in the Senate Committee on Finance, Joni Eastley, Assistant County Manager of Nye County provided a lengthy list of cutbacks that the county has had to implement. As Ms. Eastley described the numerous cuts, I thought about this bill and the costs that counties are mandated to incur for this archaic, wasteful requirement.

Today, in the 21st century, we rely extensively on the Internet for our needed information. Online data retrieval applications make it easier to access a wide variety of information in many different formats effectively maximizing the use of established printed resources. What was once a sole reliance on written documentation has transitioned to easy access to documentation online. One need look no further than one's smartphone.

This bill addresses the problem of declining readership of the local daily newspaper. In Clark County, home delivery of the *Las Vegas Review-Journal* barely exceeds 100,000 daily circulation. With a population of two million in Clark County, this publication reaches less than 10 percent of the population, and if you subtract the home delivery population that is renters, the percent falls much further. That means it generates a very poor return on investment.

The tax roll publication is not user friendly. The unwieldiness of this annual Christmastime document makes it a great candidate for the landfill. I brought with me the copy of the tax roll that was dropped on my driveway last December 27 ([Exhibit C](#)). Some copies may get recycled, but based on southern Nevada's poor recycling record, most copies go straight to the landfill. What makes it especially difficult is this publication's small print, which seniors like myself find hard to read, and the fact that you need to know the property owner's legal name or how their property is titled in order to locate the assessed valuation. User friendly it is not.

I urge you to support this bill and I believe there are others present who will testify in support of this measure. I see former Assemblyman Paul Aizley in the audience in Las Vegas.

Mr. Chairman, this concludes my prepared remarks. I am happy to answer any questions.

Assemblyman Kirner:

As I recall, we had this bill last session, and maybe even before that. It seems to have tripped along the way and I am glad you brought it back. I thought it was a good bill last session, and I think it is a good bill this time.

One of the questions that has been asked is could you require in this bill that the newspapers do some type of full-page ad that says it is available on the website, between these dates, et cetera, just so we can have some level of notification via the local newspapers?

Senator Parks:

I think something like that could be done. There were suggestions that there be multiple notifications made when the bill was heard previously. I think because there is a deadline of January 15 for an individual to appeal their tax levy, sometime immediately prior to that date would be a good time to do it. I also know at least four times per year the county treasurer puts out notices of taxes due. That would be a little different, but in a similar vein. That is a courtesy notification. My hope is to dispense with the unnecessary publication of this document in today's world.

Assemblyman Kirner:

I totally agree with you.

Assemblyman Hickey:

This is a change that is coming. I like the idea of notifying the public in some sort of systematic way in newspapers because it is a rather sudden change. There are some people, probably more elderly than others, who look forward to checking this; it is a reminder. I see we have an amendment ([Exhibit D](#)) that will be heard later. What are your thoughts on possibly giving the kind of notice you referenced in some systematic fashion.

Senator Parks:

I understand the Nevada Press Association is asking for an amendment to this bill, as they did in the Senate. The bill was passed out without an amendment. I think that we pretty well explained that there are already notifications to property owners. I would not be opposed to having some kind of a notice, but I would like to leave it in the hands of the local assessors to recommend what they think would be necessary.

Assemblywoman Neal:

This is a follow-up to Assemblyman Hickey's question. In the amendment, they proposed they want to do a notice, or probably a little more extensive an advertisement in counties with populations of less than 100,000. I do not know if you are familiar with it. It is in section 1, subsection 3, paragraph (c) ([Exhibit D](#)) and states "In a county whose population is less than 100,000, to make not fewer than 10 copies of such list and valuations available...." Then it gives a prescriptive list of requirements.

In looking at the cost broken down by county ([Exhibit E](#)), I wonder if this is a bad idea. It looks like the bulk of the cost comes from Clark County at \$670,000. Carson City is \$9,000, Churchill is \$9,000, and Eureka is \$3,000 just for them to do the tax roll. I am sure that if it is just the notice, or the advertisement in the counties of 100,000 or under, that it will be less money.

Was there any discussion on the Senate side about the cost difference between doing the notice they wanted in their amendment for the counties under 100,000, and the proposed cost if they continued to do the tax roll? Was that a part of the conversation?

Senator Parks:

Yes, that discussion did come up with some of the assessors' offices. For some of the smaller offices, they found that cost might be equal to what they are currently paying, if not more. I think you will hear that testimony from several of the county assessors' offices today.

If I might also add, publishing public notices in the newspaper is very expensive. Whatever rate is established, the rate for local governments is considerably higher than comparable rates established for commercial businesses. I know from the many years I worked in the public sector, public notices were extremely expensive.

Assemblyman Hambrick:

I like the bill and I appreciate the efforts of former Assemblyman Aizley in the past couple of sessions. To play devil's advocate for a moment, are there any real-life examples of who benefits. I just cannot see a senior citizen from some of our jurisdictions, in a mobile home park or a retirement community, sitting down and reading this. They would read the obituaries more than they would read this. Is there any real-life applicability of this to the average member of our community? I hope you say no.

Senator Parks:

My experience has been continually that it is a waste of resources to print such a voluminous document, as well as the fact that seldom do people know how to use it. They might be able to use it to look up their own name and see if it was published, but most people do not know who their next door neighbor is, so they are unlikely to go looking to see if their next door neighbor's assessment is the same as theirs, or comparable in some fashion. We see less publishing of the phone book, and this is in a similar vein, with less demand for the use of this document.

I know of at least six times this bill has been considered by this Legislature, so it has been around for a long time.

Assemblyman Trowbridge:

How frequently do these notices have to be run in the paper, and what would be the content of the notices?

Senator Parks:

I believe there is an amendment ([Exhibit D](#)) here for four times per year. I just had an opportunity to take a look at it. When this bill was heard in the Senate Committee on Revenue and Economic Development there was a request that it be published four times per year, which would then make it quite expensive, especially for the smaller counties. My thinking is if there were to be something published, it should be published within a reasonable period of time prior to the deadline for the property owner to file an appeal of the tax assessment.

Chairman Armstrong:

Are there any other questions? Seeing none, we will move to testimony. Would anyone like to speak in support of S.B. 95?

Dave Dawley, Assessor, Assessor's Office, Carson City; and representing Assessors' Association of Nevada:

I am here representing the Carson City Assessor's Office, as well as the Assessors' Association of Nevada. We would like to thank Senator Parks for bringing this bill forward. This has been a costly issue for the counties, which we believe can easily be avoided.

Earlier today I sent you the links to our websites. I apologize if you did not get a chance to see it because I sent it so late. The goal of our assessors' offices is to be open and transparent and get information out to the taxpayers, so we have been developing our websites. On the Carson City Assessor's Office website you can search historical documentation or current information based on parcel numbers, addresses, or owner's names. You can specifically request certain types of properties, certain ages, sizes, and so forth in geographical areas. You cannot do this with the paper tax roll as it is currently published.

In Carson City, it was noted that \$9,000 was spent last year, but based on the amendment that is going to be proposed ([Exhibit D](#)), in order to put the same amount of information in the newspaper four times per year, we received a quote from the *Nevada Appeal* saying it would cost \$13,000. Because of all the information we provide in there and on the website, it would not fit on just one page; we would actually have to put it on two pages.

Much of the information that is requested in the amendment is actually being published right now, based on the treasurer's notification requirement, so the Assessors' Association of Nevada is asking you to support the bill as is. We believe it is time to move forward.

Chairman Armstrong:

Did you receive any sort of quote if it was one page?

Dave Dawley:

No, we did not get an estimate for just one page, because the information requested in the amendment would not fit on one page. Our paper does not look like the Clark County paper. It is a smaller paper in size, so just the information required in the amendment would not fit.

Assemblywoman Kirkpatrick:

I am one of those geeks who has always read the tax roll, so I have always struggled with this issue. I understand that times have changed; however, it is not as easy to find everything on the Internet as people want to say it is.

When looking at the tax roll, sometimes I would only look by last name as opposed to address. I know my neighbor's last name, but I do not know their particular address.

I find it frustrating that it would cost you the exact same amount to post hundreds of pages as it would a two-page ad. I would like to understand how that works. If that is the case, it would be my opinion we should just let you send it all out, but I know that in past sessions the assessors have testified that it would be cheaper to not do the whole thing. I think at one point in Clark County it was over \$800,000 for printing the whole amount.

I understand giving the money back to the counties, but I do not understand how, in good conscience, anyone can sit at the table and say it is going to cost them the same amount to print all of those sheets of paper as it would be to place an ad in the paper. You are going to have to explain it a little better to me.

Dave Dawley:

The only thing I could do is provide you with the quote we received, and again, we specified exactly what was in the amendment and that is the quote they gave us.

Assemblywoman Kirkpatrick:

I would like to see that.

Dave Dawley:

I would be happy to send that to you. I also wanted to note that on page 3, ([Exhibit D](#)), section 1, subsection 3, paragraph (d), it does actually specify that there is supposed to be a publication or a notice in the paper stating that the publication list is ready and is made available, and the particular website on which the notification can be found.

Chairman Armstrong:

I see on the list ([Exhibit E](#)) that Mineral County does not have a website. Are they looking to do something like that, or do they have another website that is maintained? I know that there was a difference in the bill.

Dave Dawley:

There are a number of counties that mail out the publication. They do not put it in any kind of a newspaper publication, because we are allowed to mail it out, and it is cheaper for them to actually mail it out. I believe Mineral County, Esmeralda County, and Storey County mail them to each property owner.

Assemblyman Hickey:

What is the value of understanding and seeing the tax rolls? We understand people can compare their neighborhood, what the values are, and if they want to check they can see if assessments are fair comparatively. Representing the public, what is the value your offices derive when you look at not how they are published but the information in total? What is it that you derive from this?

Dave Dawley:

That is a very good question, because honestly the major benefit that I receive is lining my child's hamster cage. We get a number of people who actually call and they want to know about the exemption that...

Assemblyman Hickey:

My question is, what is the value to you as an assessor of looking at the total information? It is how you assess property, taxation rates, and how you evaluate them by neighborhoods, correct? Are there certain functions this represents that actually help the public better understand whether they are being taxed fairly?

If this bill were to pass and you no longer have the responsibility of contributing this money in order to comply with this archaic practice, what would those monies be used for? Would they go back into your general fund, or the county general fund? How would that money be redirected in a way that is useful to the public?

Dave Dawley:

For us, the money would go back to the general fund, and it would go back to the county. The county could distribute it how they wanted. We are continually increasing our presence on the website and the information on the website. We use our tech fund to purchase for that. Any money that would be dedicated to this publication would definitely be going back to the Board of Supervisors, so they could do what they want with it.

Assemblywoman Neal:

You have all kinds of information on the Carson City website, such as how your tax is computed and the value of the property. In the amendment it says to explain how property tax rates are determined and explain how property tax abatements are applied.

If a county's current technological way of discussing the tax roll is working, the number of people actually accessing those websites might be a more appropriate argument. Depending on the hits per week on the website, maybe there would be a need for a little more flexibility for those counties in terms of the tax roll. That would make more sense in terms of the debate. You are already doing some of the things they ask for in the amendment, and in other cases you are doing extra. You even talk about the blind and disabled exemptions.

It is hard for me to believe that the cost is going to be extreme, because you have super detailed information on your website. I find it interesting that a \$13,000 fee would be attached to this, because the 10-point bold font looks like the 11-point that you already have on there now.

I just need help understanding that because to me, if you are already doing it, and they are asking for some small tweaks to keep their business model alive, what is the problem?

Dave Dawley:

It is true. We put a whole bunch of information on there because not every veteran qualifies for the veteran's exemption, and they do have to have served within a certain time period. We could put all of this information into one page but it would not be as detailed, so we would be getting a lot more calls, and that is not as transparent as I would like my office to be.

A number of the issues that are in the amendment, such as how the tax rate is calculated, have nothing to do with the assessor's office. We do not collect taxes, so we do not have anything to do with the actual due dates of the taxes. All of that information is currently published in notices sent out by the

treasurer's office. We could actually put it into one page, but we would have to cut down the amount of information we make available to the public.

Assemblywoman Neal:

I understand both sides of the argument. I understand your hamster cage example; however, at the same time, newspapers are still relevant for some people.

When you talk about the smaller counties, 100,000 and under, that particularly may benefit and find comfort in the idea that it exists, along with the idea that the smaller newspapers count on the revenue in terms of their business model, I do not see anything wrong with trying to find middle ground on flexibility.

You are already moving in the technologically savvy way. You already have information on your website. Why is it just "no" on the amendment and not a compromise, because then the newspapers, who are depending on that revenue, who cannot adjust or flex their business model, will then get to publish the notices because it is going to be less. You would then only need to do minor tweaks on your website in order to engage, or do some of the things they are already asking you to do, in an advertisement or notice that could be posted in your office for 60 days. Technically you could print a couple of these pages you have on your website right now, put it in your office for 60 days, and say "Did it, moving on."

Joshua G. Wilson, Chief Deputy Assessor, Assessor's Office, Washoe County:

We are speaking in support of the bill. I would like to give you some historical circulation numbers for Washoe County. When I first took office back in 2007, we were paying to distribute roughly 57,000 papers. This last December we paid to distribute roughly 20,786.

The assessors have always been advocates for transparency and for openness in government. We want everybody to have access to these assessment rolls, as well as access to information.

It is important to note that under the statute we are discussing, when we notify everybody of their annual assessment by December 18 of the year in which we made the assessment, we are required to put on there where they can find the information provided. We are still going to be required to put it in the libraries. We are still required by the retention schedule from the Division of State Library and Archives of the Department of Administration, to retain this information in perpetuity.

The money spent on publishing the tax rolls seems to be an antiquated means of distributing this information, but by no means is this information going to ever go away.

When we looked at the full page ad for the *Reno Gazette Journal*, and we do not make up these rates, this is just what they quoted us. I apologize because I forgot this information back in my office, but depending on the day, from what I recall, it ranged anywhere from \$7,000-plus for the lower circulation days, up to roughly \$9,000 per one page ad on the heavier circulation days.

In Washoe County last year, we paid roughly \$30,000, and I am going to support Assemblywoman Kirkpatrick's observation that if it is going to cost us the same to publish four full-page ads in the paper, we may as well go ahead and continue publishing this assessment list. Our point is, in a county of over 400,000, when this reaches roughly 20,000 households, I just wonder if it is the best use of taxpayer dollars.

Paul Aizley, Private Citizen, Las Vegas, Nevada:

I am a former assemblyman and I want to thank Senator Parks for continuing to bring this issue forward. It has been mentioned several times that this is not a brand new bill that is being presented to you. I will point out that the first time I introduced it was in 2008, and since that time, Clark County has paid \$3 million to publish these papers. Each time these come out, my neighbors and my friends ask me when it is going to stop. It is clearly a waste.

As far as the perpetuity, I am glad to hear that the Archives are doing it, but for the Clark County tax roll, maybe Senator Parks, Assemblywoman Kirkpatrick, and I have the only three copies that are left. On the other hand, the computer is there every day for whoever wants to use it.

The work is already being done. The assessor prepares camera-ready copy and sends it to the newspaper, so in that sense there is no oversight or editing. It is just pasting the thing into the newspaper. There might be some formatting involved.

Most everything I can think of has been mentioned or said before. Just to emphasize the hamster cage example, these rolls end up in the landfill. I know some is recycled, but from an environmental point of view, this is another thing that is being done that should not be done in 2015. The dollars are wasted. The roll does not need to be published, and I just have to wonder why we even consider doing it.

As for giving notice, which might be relevant to the amendment ([Exhibit D](#)), which I have not completely studied, how often does the newspaper advertise in advance that the tax rolls will be published on January 1? I have never seen an announcement, so to put an announcement in the paper once or twice, that they are available on the Internet, you are certainly getting more information than what has been done in the past.

I have heard these arguments before, but I see nothing that is really compelling as to why we should continue to do it.

Andrew Zaninovich, representing Nevada Conservation League:

We are in support of this bill and we would like to echo comments Mr. Aizley made about the environmental impacts of the associated waste.

Dagny Stapleton, Deputy Director, Nevada Association of Counties:

We are in support of this bill and we have supported it in past sessions when it has been brought forward.

The Nevada Association of Counties (NACO) supports open and transparent government, and as we reach almost universal broadband access for all demographics, we do believe it is time for counties to be allowed to provide the tax roll information on the platform upon which the vast majority of the public receives information.

As you can see from our exhibit ([Exhibit E](#)), there would be a significant savings to counties if this bill were passed. As you know, and as Senator Parks mentioned in his testimony regarding a county like Nye, all these dollars do matter.

We wanted to also provide some information to you regarding broadband access, since this has been discussed in the past. The Nevada Association of Counties (NACO) has a seat on the Nevada Broadband Task Force, and is part of the State Broadband Action Plan published in 2014. They compiled data that showed that the percentage of households in Nevada with a broadband download speed of 6 megabytes per second is approximately 95.79 percent.

This bill is enabling, so if passed, counties would still be able to publish in newspapers if they wanted to, but we do think that this bill allows counties to get the information out to their constituents in a more cost-effective manner without compromising transparency or the reach of the information.

We did want to note that as the bill is written, counties that chose to publish their tax rolls online would still have to publish a notice in a newspaper regarding where the public can find the rolls online.

Chairman Armstrong:

I want to ask you a question about the 95.79 percent number. Is that houses that are capable of, or currently have, broadband?

Dagny Stapleton:

As we understand it, that is 95.79 percent of all households, and that is in the Nevada Broadband Task Force's report ["The Nevada State Broadband Action Plan"; <http://www.connectnv.org/broadband-plan>]. We would be happy to get that information to you.

Assemblywoman Kirkpatrick:

I understand it says you are going to have to provide notice, but does that mean that you are going to do that in the classified section, in the little single line that nobody reads in public notices, or is it going to be somewhere where everybody can read it?

What is government envisioning, because I am trying to find some balance here. I understand that times have changed. I understand that the counties would like to use those regular dollars, but there are some people who still want to be able to see this. If nothing else, some of the assessor's information works for people who are buying houses. People look at all the foreclosures. People go back and see actually who is the owner, because not everybody walks around with the assessor's webpage on their smartphone.

What do you envision in that little public notice, because if that is the case I do not know if it is as transparent as I think it should be?

Dagny Stapleton:

The bill states a 10-point font, but this is a question the assessors could provide more information on. It would presumably be in the same manner that any number of required government notices or county notices are published in the paper. We can find out specifically how that would be carried out.

Assemblyman Nelson:

I have seen fiscal notes on some bills showing money being saved, and not one of the counties has done a fiscal note on this showing money to be saved. Is there a reason for that?

Chairman Armstrong:

I will have my staff clarify that information.

Michael Nakamoto, Deputy Fiscal Analyst:

The Fiscal Analysis Division was not required to obtain fiscal notes on the bill because the Legal Division indicated there was no effect on local government, and the statutory definition for an impact on local government, with respect to obtaining a fiscal note, is whether there is an increase in expenditures or a decrease in revenues. Because this would presumably decrease expenditures, there is no statutory requirement for a fiscal note.

Dagny Stapleton:

We did compile the information in a spreadsheet for the savings for each county if this bill was passed ([Exhibit E](#)), and that is available on the Nevada Electronic Legislative Information System (NELIS).

Yolanda King, Chief Financial Officer, Department of Finance, Clark County:

Clark County is in support of S.B. 95. We have the largest part of the expenses that are incurred for the publication in the newspaper. I believe Mr. Dawley mentioned earlier that in the Nevada Press Association's amendment ([Exhibit D](#)) the information they are requesting be posted in a newspaper is actually required through statute. The county treasurer, on or before May 5, is required to note all the information that is presented in the Nevada Press Association's amendment, so that is one publication that is already being published in the newspaper that outlines how the property tax rates are determined and talks about the tax abatements.

I just wanted to put on the record that there is already one notification that I am aware of, that requires publication of that information.

Mary Walker, representing Carson City, Douglas County, Lyon County, and Storey County:

We rise in support of S.B. 95 and thank Senator Parks for bringing this forward. The one thing that has always bothered me about this publication is that what we publish is not the final assessed value. This is published before the final adjustments are made. The information that is being published is not even accurate.

A question was asked as to where the savings would go. Because local governments provide services to taxpayers, it would go to provide services in other areas, or maybe even at the assessor's office. We bring the revenue in, if we have a savings someplace, then those savings go to serve the public in other areas, and perhaps in a more important area.

Michael E. Clark, Assessor, Assessor's Office, Washoe County:

I was not going to testify, but as I sat back and listened to this, you have to go back to the original intent. Why was this first law placed in statute? Back in those days, there was no other way to get this information. You had to get in your car or a horse and buggy, whatever it was, go to the county seat, and look this information up yourself. It made sense in those days to publish this information so people could spend a dime and get a copy of this, but those days are gone.

The problem we have now is people are not reading these newspapers. I still subscribe to the paper, pay for a year in advance, and hope it is still published at the end of the year. That is just the reality of it.

You have to look at this and ask, "What would a prudent person do. Would I spend \$30,000 per year, in my county, to get a message out to people who are not reading it, or could I use that \$30,000 to do something else?" That is what this boils down to.

At the end of the day, is this going to be getting the notices out to the people or is this going to be a subsidy to the newspapers? That is a decision you need to make.

Chairman Armstrong:

Are there any questions? [There were none.] Would anyone else like to speak in support of S.B. 95? Seeing no one, we will move to those who are in opposition to S.B. 95. Would anyone like to speak in opposition?

Trevor Hayes, representing Nevada Press Association:

I will start where the last gentleman left off, with the history. The history of this was that people did not trust what was going on in the local governments almost 100 years ago, and they said they needed to keep a check on them. They initially mailed the tax assessments to every resident in the county. After that, they figured the better technology and the easier and more cost-efficient way was to use the newspaper.

Have we come to a point now where there is a more cost-effective way to get this information to people? That is for you to decide. We have been talking about this for ten years that I have been involved. The assessors have been trying to stop printing these things since the 1970s that I am aware of, long before there was an Internet available to the people.

I have been testifying on this bill and working on this bill since at least 2007. This time I finally got my client to recognize that there are enough people, and enough movement, to come up with a compromise. If people truly believe on this Committee that it is time to stop printing them and sending them out, we would simply request the notices you saw in the amendment ([Exhibit D](#)).

It has been talked about that this information is already posted. Let me talk about what information we are asking for. Here is an example from Mineral County ([Exhibit F](#)). There is no law that requires them to print any of this. There is information on the State Board of Equalization, on how they can make tax payments, and on how they can get their taxes abated. For Carson City, Mr. Dawley asked why would they put anything about how taxes are computed? Well, there it is. In the second paragraph of the notice they put out now (page 2, [Exhibit G](#)), voluntarily, is information they find so important that they spend money they are not required to by law in order to put in the paper. The second one they list is, "How is my tax computed." We pulled those questions we suggested in the amendment straight from the assessment rolls that we found in the state.

I know it is very dramatic to bring the big stack in from Clark County ([Exhibit C](#)) as Mr. Aizley used to do, and now Senator Parks, but let us also take a look at Mineral County ([Exhibit F](#)) and Carson City ([Exhibit G](#)). This is not always the phone-book-sized notice.

To correct a few things that were said earlier, the circulation of the *Las Vegas Review-Journal*, which was mentioned to be 100,000, is actually 178,000 and change. It was also mentioned that the ads for legal notices are the most expensive in the paper when, in fact, they are the opposite. They are the least expensive. Right before the last hearing, the folks from Washoe County and Carson City tried to explain to us what they just explained to you, that the rate would go up to have to advertise the notices we suggest. We told them then that we would look into it and we found out it would not go up. They were given the display ad rate that is charged to local car dealers or furniture stores, and their rates would, in fact, be lower.

Maybe it is my fault for not communicating this to them better, because here we are months later and they still believe that, but we corrected that with them and they were given the wrong rates.

I do not think the rate needs to go in statute. I am not going to guarantee that is going to be the rate forever, but if it went up a couple of percentage points between now and next year, that could be expected. If all of a sudden they came back next year and said they told us it was going to be \$850 and it was \$20,000, I think you guys would get that.

To give you an example of some of the savings we would have under our proposed amendment, in Clark County they estimate they will spend \$641,000 publishing the tax rolls next year. Under our proposed amendment ([Exhibit D](#)) there would be a 93 percent savings at \$48,000. In Washoe County, where they say it would cost more, it would go from \$30,000 down to a little over \$10,000. In Carson City, where they say it would cost more, it would go down to \$850 a page. They mentioned they would need two pages to put in all the information we have requested.

The sad part of this for me is I have worked on lots of bills where it is yes or no and there is no compromise ground, and that is the way this bill had been for the years I have been involved. We came to them this time and asked to find a compromise and it was not well received. We are trying to find a way that would save well over 80 percent of what is spent on publishing the tax rolls. If they simply said, for example, "You are asking for five things and we think these three are important," or "How about we shorten this," that would be fine, but no one ever did that.

Several of them brought up that the treasurers are already required to publish notice. We were only able to confirm that two counties, Elko and Carson City, actually published the notice that is required by statute. The notice for Elko, as I will hold up for you now ([Exhibit H](#)), is about a quarter page and includes none of the information they voluntarily post. It just says the fourth installment of your property tax is due on this date, and that is pretty much it. It tells you where you can find the office. There is a secure entrance from the courtyard side, and it gives directions how to walk there. It is not this robust notice that we already have in the paper now.

All we are asking is for them to keep the thing they voluntarily do now—to give the public adequate notice of how their tax is calculated, how they can appeal, where they can go to appeal, and what the deadlines are.

Why four times per year? Right now we send them a big bulky notice; whether it is the phone-book-sized one from Clark County or something smaller, it has been sent out this way for decades. As I said before, we once found it so important that we mailed it to each individual's home. It is quite an abrupt change from sending things to people's homes on their doorsteps, to a small

notice in the legal section that says, "Oh, it is on the website." If you figure that in Clark County, 178,000 people get the paper and an average of 2.3 people read the paper, we are talking about half a million people having access to it. How many read it is up for debate, but they have access to it. This is an abrupt change.

I think it is important enough that we do it several times a year. As to when we should do it, I would leave that to the discretion of the assessors. I think they would know best when to reach their people.

Assemblyman Nelson:

The way I read the bill in section 1, subsection 3 (pages 2-3), if the counties decide to use the Internet, they also have to do the one publication, correct?

Trevor Hayes:

The way the bill is written?

Assemblyman Nelson:

Yes.

Trevor Hayes:

The way the bill is written, if they publish it on the Internet, they would have to do a notice. My reading of that notice would be instead of getting the phone-book-size in Clark County, or a smaller one, you would have one small notice where you would have to play "Where's Waldo?" to find it. Our proposal is that it be roughly one page. It would stand out. People would say, I see that.

An example I like to give is former State Treasurer Kate Marshall who used to come and testify every session about having a website that gave away free money—the unclaimed property website. It went almost unused all year until twice a year when she would publish a notice in the newspaper saying, "Hey, I have free money, check it out," and then her servers would almost catch on fire they got so busy.

A notice is important. There are things people will go look up on their own, and there are things people need to be notified of and maybe should look up. Whether you are running for office or holding a concert at Mandalay Bay, you do not just put up a website and hope people will find it. When it is important information, you send it out to people and encourage them to look for it. I think putting a little tiny notice in the paper is not enough of an encouragement for something as important as the tax rolls.

Assemblywoman Diaz:

Will it cost the same to publish this notice versus publishing the rolls? Based on what we have heard today, why do we have to put up notice if it is almost going to be equal to the expenditure of publishing the entire rolls? I want to see the quote comparison from before and after. I do not think it should be in the same range. I think it should be significantly lower, because it is only one sheet, one ad. Could you give us some comfort in knowing that it is not going to be the case?

Trevor Hayes:

It would be significantly different. The total statewide would be a more than 80 percent reduction. As mentioned earlier, Clark County's would be a 93 percent reduction, which is the bulk of the spending. The problem we had before, when we heard this in the Senate Committee on Revenue and Economic Development, was that both Washoe County and Carson City said they were quoted rates higher than what it costs to publish the tax rolls. We followed up on that before the hearing, and it turned out the costs had been misquoted. They were given the display ad rate that someone from a car dealership would be given. The legal notice rate is the cheapest rate there is. We followed up and told them that Carson City would be \$850 per page, so doing it four times per year you are talking about \$3,400. I know Mr. Dawley believes it would take two pages, so then we are talking about \$6,800, he is not saving much. That is why I say if there is a way to cut this down and keep it to where it is one page for him, if he thinks it is too much, I am okay with that. In Washoe County, it would go from \$30,000 to \$10,000. Other examples are, and I am just picking these randomly, in Storey County it is \$360 per page four times per year, in Humboldt County it is \$800 per page, and in Eureka County, it is \$560 per page. Multiply any of those by four. It is a huge savings.

I am sorry to see that I must not have communicated the information well enough when we were in the Senate Committee on Revenue and Economic Development. I thought I had and that part of their argument had been allayed. I am sorry that somehow I did not communicate that well enough.

If they want some sort of certainty with this, I could have the publishers from those papers write a letter stating what their current rate is as of today. It would be a substantial savings in every county, the largest of which is Clark County, where it would be almost \$600,000 per year, while still getting the information out to people. I think that is important. This is not about money anymore. We are trying to put out good policy. In Clark County alone they are losing \$600,000 per year to the *Las Vegas Review-Journal*, and they would support this.

We have to put this information out there for the people. It is important to them, information that has been sent to their home by mail or newspaper for almost 100 years.

Assemblywoman Kirkpatrick:

I did get the Elko County quote from Mr. Dawley and it shows that it is about \$10,000 per year. I cannot fathom how running pages of the same newspaper for the tax roll is going to cost the same amount as just one single ad that you put in the paper. I am looking through all the email language that went back and forth on what it is you want. I think there does have to be some clarification on that, because if everybody interprets that differently, that is not helpful either. Whether everyone agrees or disagrees, this is the new way. I am a big believer in history, and I think newspapers are history. You cannot rewrite them. When you can go in and change somebody's status on Wikipedia and make it whatever you want, or you can go in and change things on the Internet and not be able to find it a second time, that always concerns me.

Since I have been in this building, I have heard local governments and the newspapers' arguments about this. I think Senator Parks brought it way before I was even here.

There just has to be a little more clarity within the bill, maybe on where you print it. It already bothers me that in the bill it says you have to print it. If it is going to be in that little section of the newspaper where the public notices are, the classifieds, unless you are looking for a garage sale, you will never find it.

As much as people say everybody does everything on the Internet, there are a lot of us old dogs that like to read the newspaper every single morning, and there are a lot of people who like that historical piece that we know is not going to be changed, just because the website changed.

I think it does have to be a little more specific. It is interesting to see how complicated it got in a short time through this little email chain.

Trevor Hayes:

The estimate we were given from Elko was \$700 per page. All of these estimates we got were based on a bulk rate of four times per year. If you were to go with a different number, it would probably be less. Just like when you buy a soda, it is less to buy the six pack than an individual can. This is based on four instances, so that would be \$2,800, not \$10,000.

Assemblywoman Kirkpatrick:

I understand. I am in sales too. I may sell a croissant one way and Mr. Nakamoto might sell it differently. I think there has to be some specifics to ensure it is not going to cost the same so that no matter who picks up the phone or gets the quote, the conversation is about the same amount. Somehow we have to say it needs to have at least a business bulk rate, or something like that, because in ten years no one on the Committee is going to be here, and we want to ensure what it is.

Trevor Hayes:

We could put in language that says the lowest available rate, or something like that. Another thing I would be more than willing to do is to reach out to all the publishers and have them write a letter and email saying, "our current rate is and here is the person you need to call." I do not think we need to put a rate in statute, but if that changes significantly and in two years the assessors come back and say that I testified it would be \$700 per page and it changed to \$7,000 per page, then you are going to slap me around for that. If it went from \$700 to \$725, inflation happens, but if it goes substantially more, that is something we can talk about.

If the Committee would like me to gather up letters from them, honoring these rates that we had and memorializing them somehow, I am happy to do that.

Chairman Armstrong:

Are there any other questions? Seeing no one, would anyone else like to speak in opposition to S.B. 95? Seeing no one, would anyone like to speak neutral on S.B. 95? Seeing no one, do you have any final comments Senator Parks?

Senator Parks:

Let me add one thing. I believe there are numerous locations within Chapter 361 of *Nevada Revised Statutes* that requires local governments, especially the treasurer, to provide notice to taxpayers as to individual tax bills and the related costs, so with that there are numerous other requirements that are placed on local governments dealing with property taxes.

I am happy to work with the assessors, reevaluate, and hopefully bring something back for your consideration.

Chairman Armstrong:

I will close the hearing on S.B. 95 and open the hearing on Senate Bill 377.

**Senate Bill 377: Revises various provisions relating to the taxation of property.
(BDR 32-542)**

Senator David R. Parks, Senate District No. 7:

Senate Bill 377 makes changes to the administration of taxes on property. Unlike in previous sessions, this bill, which has typically been called the biennial county assessors' cleanup bill, has only two small issues to deal with.

With me this afternoon is Mr. Jeff Payson. He is the Deputy Assessor for Clark County, and with your permission I would like him to take you through the bill.

Jeff Payson, Deputy Assessor, Assessor's Office, Clark County; and representing Assessors' Association of Nevada:

I am the appraisal manager in the Clark County Assessor's Office, and I am speaking on behalf of our Office and the Assessors' Association of Nevada. I would like to thank Senator Parks for giving us the vehicle to get this bill before you. If you have had the pleasure of hearing our assessors' bill in past sessions, you are going to be quite happy, because we only have the two sections this time. It is generally a cleanup of logistical administrative language in existing statutes.

The first section has to do with the appeal deadline to the county board of equalization. Current law requires that an appeal to the county board of equalization be received in our office no later than January 15. It has been the past practice of our office to allow a mailing date of January 15, even though we might not receive that appeal until many days later.

It was pointed out by one of our district attorneys recently that it really does not say that in the law. What we are trying to do is get that codified, and that is what section 2 of the bill is doing, saying you are allowed to postmark the appeal by January 15 and the county board of equalization will accept it as a valid appeal.

Some explanation as to what "postmark" should mean needed to be put in the bill, and that is in section 2, subsections 2 and 3. What we mean by "postmark" is actually just that, a U.S. post office postmark by January 15. We have had some situations where certain agents and taxpayers have bought Internet postage on January 15 and then mailed it the next day, or have reset some postage meters to the date they wanted it to be. So, what we are saying in section 2, subsections 2 and 3, is that it must be a U.S. post office postmark by January 15.

Section 3 of the bill has to do with common elements, and I hate to even use that term because I know it can work everyone's ears up, but it does not have anything to do with the valuation of common elements in common-interest communities, it has to do with the allocation of those common elements. It gets a little complicated, but in essence, it is the way that common elements are valued in a common-interest community. An example would be a subdivision that has a parcel in the middle of it with a pool on it. The way we have to value for statute is to value the improvements using the cost methodology and then for those improvements that sit on that parcel, we allocate them out to all the community units. Community units is just a term, in this case a residence. We have to allocate all these common elements parcels' value out to all of the individual houses as a separate line item valuation. That law was passed in 2005 and changed a little bit in 2007. On the surface it sounds like it is not that big a deal, but what we have found since that time is that the allocation of those common elements is almost impossible for the assessors to get 100 percent accurate. We do not know what belongs to that homeowners' association and who should receive that allocation.

What we are doing in section 3 is trying to get the homeowners' associations to help us out by asking them to submit the information we require, to give us the parcels or the addresses, so we can accurately allocate those common elements out to the proper community units.

As an example, I will use Sun City Summerlin down south where there are probably 25,000 homes. They have a homeowners' association that provides amenities for all of those homes, spread throughout that whole community. We have to take each of those parcels and divide it out into the 25,000 or so community units or residences. Not only does it tend to not be all that accurate, because the number of units can change during the course of the year, but they add parcels and build more homes, and we cannot keep dividing that. The associations of course would have the ability, by not providing us that information, to accept the value on that parcel itself and then allocate it out through their homeowners' dues or such.

That is the total of our bill this session, and I would be happy to answer any questions.

Assemblyman Hambrick:

I appreciate the portion where it says it has to be a U.S. post office postmark rather than a machine. Do you make an exception with an Army Post Office (APO), for our men and women who are deployed to try to meet the requirements? Do you accept the APO as a U.S. post office postmark when they mail it from out of the country?

Jeff Payson:

Yes. We would be flexible. There are also ways to track United Parcel Service deliveries and things like that. It does have to be a U.S. post office postmark or some trackable way that we can confirm it was actually deposited on that date.

Chairman Armstrong:

Are there any other questions? Seeing none, we will move to testimony. Would anyone else like to speak in support of S.B. 377? Seeing no one, we will move to those in opposition. Would anyone like to speak in opposition to S.B. 377? Seeing no one, we will move to those neutral. Is there anyone neutral on S.B. 377? Seeing no one, do you have any final remarks, Senator Parks?

Senator Parks:
No.

Chairman Armstrong:

With that I will close the hearing on S.B. 377 and open it up for public comment. Would anyone like to speak for public comment? Seeing no one, we will close public comment. We are adjourned [at 2:41 p.m.].

RESPECTFULLY SUBMITTED:

Gina Hall
Committee Secretary

APPROVED BY:

Assemblyman Derek Armstrong, Chairman

DATE: _____

EXHIBITS

Committee Name: Assembly Committee on Taxation

Date: April 23, 2015

Time of Meeting: 1:31 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
S.B. 95	C	Senator Parks	2015/2016 Clark County Secured Assessment Roll Listing, <i>Las Vegas Review-Journal</i>
S.B. 95	D	Trevor Hayes, Nevada Press Association	Proposed Amendment
S.B. 95	E	Dagny Stapleton, Nevada Association of Counties	Summary of newspaper publication costs
S.B. 95	F	Trevor Hayes, Nevada Press Association	Mineral County Assessment List
S.B. 95	G	Trevor Hayes, Nevada Press Association	Carson City Secured Assessment Roll
S.B. 95	H	Trevor Hayes, Nevada Press Association	Elko County Notice to Taxpayers