

Present: Hafen, Young, Smith, Tyson, Swackhamer, Espinoza, Getto
Hilbrecht

Absent: Schouweiler

Guests: Senators Gibson and Brown

The meeting was convened by Chairman Hafen at 7:00 am at the
Nugget.

ACR-54

Young moved that the committee introduce and refer to Legislative
Functions; Motion carried. *ACR 54*

AB-744 - Authorizes tax levy for Nevada state museum.

Hafen pointed out thas on this type of bill that the assembly
passed one; the Senate passed one; public resources had one, but
they all deal with county museums; this concerns the State Museum.

Tyson: I still feel that this museum should be making an
admission charge; there are hundreds of people that go through
this museum and it is one of the few that doesn't make a charge.
The people are amazed that they don't have to pay to go through.

Young said that he thought they were planning to charge; Tyson
wondered why they needed this then. Young felt that if the local
government wanted to support it, we shouldn't oppose.

This bill was indefinitely postponed once.

Hafen said that he thought it was his error as he went through
the bills and thought it was county museum but it was not; it
was the State Museum.

Getto said that the only justification for this is that the museum
does bring some business in for the merchants.

No action taken.

AB 545, AB 514, and SB 398.

Hilbrecht: I would like to suggest that we amend AB 514 by
eliminating Section 2 (in conflict with AB-360) of the bill
adding on Page 3 where we're talking about trailers in the
middle of section 4 that we add the last paragraph of AB-545
and insert the words "and/or" for "and", or provide two sentences.

It was recommended to change Section 9, lines 18, 19 from "the first day of each month" to "during the first week of every quarter".

Hilbrecht moved a do pass with amendments; Tyson seconded.

Motion carried unanimously., to amend and do pass AB-514.

AB-545 - provides for taxation of campers in same manner as mobile homes and exempts certain mobile homes from taxation.

Hilbrecht moved to indefinitely postpone; Tyson seconded; motion carried unanimously.

SB-398 - Requires assessors to provide stickers for campers upon which property tax has been paid.

Hilbrecht moved a do pass.

Section 7 is to be amended out.

A \$5.00 flat fee was suggested. The bigger campers are going to get caught on the other deal.

It was agreed that Section 7 should be amended out and a flat fee of \$5.00 be charged.

Tyson seconded; motion carried unanimously.

Taxation Package

Gibson: I might just give an outline. We are pretty well convinced that our major financial problem is aid to the cities. Our dilemma is that not all cities are in the same position. The package that we are attempting to move through the Senate is directed primarily at city relief. It consists of four bills; the major one is a city relief sales tax of 1/2¢ and being imposed similar to the local school tax. It is a local tax and moneys are proportioned to the cities in the counties that choose to impose it; it is the same formula as the cigarette tax is now. The taxes imposed in each of the cities in the counties by majority action of their councils, requires the county commissioners to impose the tax. In Clark County, the four incorporated cities would have to agree. The counties have the broad base of the ad valorem tax; the needs are in the cities.

It could be imposed in a county with no incorporated cities; in Carson City this could be imposed by action by the board of supervisors. If this were imposed statewide, it would bring in about \$7,000,000. In Clark County at the present time 54% of sales taxes raised in Clark County; something over half of that amount would be in Clark County; we have some tables that show this. In addition to this we propose a 3¢ increase in cigarette taxes which would bring in approximately \$2,300,000 and that would be statewide. We are also proposing a 50¢ increase in hard

liquor taxes from \$1.40 to \$1.90; this would still leave us lower than California and would raise approximately 1,200,000 dollars; this would be distributed to the cities on the same method as the cigarette tax formula. It would be effective at option or the first of July.

Last night we voted out an in lieu tax bill for Ormsby County which is based on the percentage of what property valuation has to the total valuation in the counties. We set the level at about 17%. Any property above 17% of the total value of the counties, they will get an in lieu tax payment which would amount to approximately \$100,000 a year and would be a general fund appropriation. Last year we knocked them out of the special school aid when we adopted the new formula.

Brown: The reason why we went to this package rather than the straight one cent tax. In our hearings there was reluctance in going to a one cent tax. It was thought that the taxpayer would be crossing county lines and wouldn't impose the tax. We felt that one-half cent would not pose any problem. No one would actually bother going across state lines for this amount. They also felt that there was a general reluctance in the Governor's office into even going to this source of revenue as it is felt it should be reserved for state use and for schools in the future. The Governor said that if it was the will of the Legislature, he would go along with it. We were trying to reach someplace in the neighborhood of \$12,000,000 to \$13,000,000 that the cities had requested and said that they needed. This is only a means giving them a right to get out of their financial crisis. I feel all of the members in the Senate, as far as the cigarette tax and the hard liquor tax, feel that these were two sources that we could ill afford to pass up for the next couple of years. We are still under the California tax on hard liquor and we didn't get any declining return on the past years. On the table wines and white wines, California is very easy on these two taxes and we are over them at the present time and we felt we shouldn't bother with these. The same applies to the beer tax. The cigarette dealers felt that by adding 3¢ there that there might be some bootlegging, but it shouldn't materialize to any extent.

The cities within the counties, four cities in Clark County, the local council would have to decide to take advantage, and they, by majority vote, petition the county commission which has the authority to put the tax into force. You have to have all of the cities request the enactment of the tax in the counties.

Boulder City is one of the two or three cities that are in fair shape. The amount would relieve the ad valorem tax and this would help the counties. In making up the budgets the counties can come back to the cities and the Tax Commission can reconsider that they will get more money.

There is no provision for an organized opposition to block them. A referendum is still available to the cities and counties.

The Senate has charts that could be reviewed in regard to the other counties.

It was questioned as to what happens to the one-half cent collected out of state. Mr. Nickson was in the meeting in the Senate when we finally came to a decision; he felt that there was no particular problem. It was determined that the Tax Commission has enough authority to set their own rules on that.

Bob Guinn and that group said that they would buck the increase in privilege tax and they want the highway tax. I don't know if there is enough support to get this highway tax. These bills will be held until they see what happens to this.

There was a general discussion on the firemen's petition and the policemen's pay etc.

AB-777 - Enacts Douglas County Lodgers Tax Law

It was felt by some members of the committee that since Douglas County was not up to their \$5.00 limit (approximately \$4.80); that they were against enacting this. It was suggested that they might change to 1¢ and have it go on the general election; and this would take care of the problem two years from now.

Meeting adjourned.