

STUDY OF THE EFFECTS OF CERTAIN TAX
MEASURES, TAXATION OF AIRCRAFT, THE
FUEL USED IN AIRCRAFT AND THE
PROMOTION OF AVIATION
IN NEVADA



Bulletin No. 85-16

LEGISLATIVE COMMISSION
OF THE
LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

August 1984

S T U D Y O F
T H E E F F E C T S O F C E R T A I N T A X M E A S U R E S ,
T A X A T I O N O F A I R C R A F T ,
T H E F U E L U S E D I N A I R C R A F T
A N D
T H E P R O M O T I O N O F A V I A T I O N I N N E V A D A

BULLETIN NO. 85-16

LEGISLATIVE COMMISSION
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LEGISLATIVE COUNSEL BUREAU
STATE OF NEVADA

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Assembly Concurrent Resolution No. 50—Assemblyman Price

FILE NUMBER.....140

ASSEMBLY CONCURRENT RESOLUTION—Directing the legislative commission to study the effects of certain tax measures, the taxation of aircraft, the fuel used in aircraft, and the promotion of aviation in Nevada.

WHEREAS, The 62nd session of the Nevada legislature has responded to the problems of shortages of revenue to operate state and local government and of certain inequities in taxation by enacting several measures for raising revenue and improving equity in taxation; and

WHEREAS, One area of considerable concern lies in the taxation of aircraft, the fuel used in aircraft and the promotion of aviation in Nevada; and

WHEREAS, The legislature must continue to be responsive to the financial condition of government in this state, to concerns over apparent inequities in taxation and to the promotion of aviation in Nevada, and in order to do so must provide itself with accurate and timely information about the effects of the measures which it has enacted or considered; now, therefore, be it

Resolved by the Assembly of the State of Nevada, the Senate concurring, That the legislative commission is hereby directed to study:

1. The effects of measures to raise revenue and improve equity in taxation passed by the 62nd session of the Nevada legislature and the possible effects of measures on those subjects considered by the committees on taxation of that session;

2. The problems of taxation of aircraft, the fuel used in aircraft and other property and activities related to aviation in Nevada; and

3. Appropriate ways to promote aviation in this state;
and be it further

Resolved, That the legislative commission report the results of its study and any recommended legislation to the 63rd session of the Nevada legislature.

REPORT OF THE LEGISLATIVE COMMISSION

TO THE MEMBERS OF THE 63RD SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Assembly Concurrent No. 50 of the 62nd session of the Nevada legislature which directed the legislative commission to study certain tax measures, the taxation of aircraft, the fuel used in aircraft and the promotion of aviation in Nevada.

This report identifies procedures, summarizes testimony and analysis drawn from a large volume of printed material and provides the findings and recommendations of the subcommittee. To conduct the study, the legislative commission appointed a subcommittee with the following members:

Assemblyman Robert Price, Chairman
Senator James H. Bilbray, Vice Chairman
Assemblyman Paul W. May, Jr.
Assemblyman Steve Francis
Assemblyman Barbara Zimmer
Assemblyman James "Jim" Schofield*

*Upon Assemblyman Paul May Jr.'s resignation, Assemblyman James "Jim" Schofield was appointed as a replacement.

Respectfully submitted,

Legislative Commission
Legislative Counsel Bureau
State of Nevada

Carson City, Nevada
August 1984

* * * * *

LEGISLATIVE COMMISSION

Senator James I. Gibson, Chairman

Senator Thomas J. Hickey
Senator Robert E. Robinson
Senator Randolph J. Townsend
Senator Sue Wagner

Assemblyman Louis W. Bergevin
Assemblyman Joseph E. Dini, Jr.
Assemblyman John E. Jeffrey
Assemblyman Michael O. Malone
Assemblyman David D. Nicholas
Assemblyman John M. Vergiels

SUMMARY OF RECOMMENDATIONS

1. The 63rd session of the legislature should adopt legislation which would limit the permissible use of revenues derived from property tax to police and fire protection, libraries, bonded indebtedness, special services related to public health and safety and to the court system.
2. The 63rd session of the legislature should adopt legislation to amend the constitution to prohibit taxation of property for the benefit of the state general fund.
3. The 63rd session of the legislature should adopt legislation to correct inconsistencies and conflicts in assessment standards and practices as a result of the several changes that have taken place in legislation over the last several years.
4. The legislative commission should contract with the University of Nevada or an appropriate consultant to derive accurate projections of potential revenue from the sales tax on services.
5. The tax committees of both houses of the 63rd session should study all goods and property that is currently exempted from sales tax and ad valorem tax respectively and the revenue loss therefrom.
6. The tax committees of both houses of the 63rd session should review the jet fuel tax and consider abolishing the tax or returning the revenues to the airport of origin to offset landing and rental fees and related costs.

REPORT TO THE 63RD SESSION OF THE NEVADA LEGISLATURE
BY THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE
ON TAXATION AND AVIATION

A. INTRODUCTION

The 1983 session of the Nevada legislature adopted Assembly Concurrent Resolution No. 50 directing the legislative commission to study the effects of certain tax measures, the taxation of aircraft, the fuel used in aircraft, and the promotion of aviation in Nevada.

The legislature recognized that it must continue to be responsive to the financial condition of government in this state, the concerns over apparent inequalities in taxation and to the promotion of aviation in Nevada. Therefore, the directive was adopted to study first, the effects of measures passed by the 62nd session of the legislature and the possible effects of measures considered by the committees on taxation of that session. Second, taxation of aircraft, aircraft fuel and other activities related to aviation and third, appropriate methods to promote aviation in the state.

B. SUBCOMMITTEE METHODOLOGY

The legislative commission appointed Assemblyman Robert Price, Chairman, Senator James H. Bilbray, Vice Chairman, Assemblyman Paul W. May, Jr., Assemblyman Steve Francis and Assemblyman Barbara Zimmer as a subcommittee to study taxation and aviation in Nevada. Assemblyman James "Jim" Schofield was later appointed to replace Assemblyman Paul W. May, Jr., who resigned from the state Assembly upon his appointment as a Clark County Commissioner. The legislative commission allocated a budget of \$4,530 to provide for the costs of the meetings and the printing of the final report. The committee considered the broad issue of taxation in Nevada separate from the issue of promotion of aviation in Nevada and treated them separately with the exception of the area of the taxation of aviation and related matters. The issues of taxation and aviation are of concern to Nevadans in every part of the state. Therefore, the chairman decided that of the four meetings approved by the legislative commission, two would be held in the Las Vegas area, one in the Reno/Carson City area and one in central Nevada. The department of taxation was asked to provide status reports on revenue collections compared to projections on an ongoing basis at each of the scheduled meetings.

The first meeting was held on November 17, 1983 in the Clark County Commission Chambers in Las Vegas, Nevada. The subcommittee heard testimony from representatives of the Airplane

Owners and Pilots Association (AOPA) regarding the sales and use tax, property tax, fuel tax (Appendix A) and how they relate to aeronautics. The representative also discussed a comparison (Appendix B) of regulations and registration of aeronautics in five adjoining states to Nevada. The second AOPA representative submitted to the committee the results of a two-year research project (Appendix C) on the taxation of aircraft in the western United States.

The director of the department of taxation gave a report on the state's financial status by comparing current revenues with projections. The subcommittee then questioned the chairman of the Clark County Board of Commissioners regarding two resolutions passed by that board (Appendix D). The first resolution addressed the subject of voter approval for all future property tax increases and the second addressed a system of taxation which would allow for a direct correlation between service delivery and tax rates. The final formal presentation was by the assistant assessor from Clark County regarding assessment regulation promulgated by the Nevada tax commission and the return to fair market value as a basis of assessment standards and practices.

The second subcommittee meeting was held in the Reno City Council Chambers on Friday, February 3, 1984. The use of the revenues from the jet fuel tax was discussed by representatives from the Air Transport Association (ATA) the Reno Airport Authority and the AOPA. The director of the Nevada department of taxation followed with an update of the financial status of the state.

The subcommittee accepted a report (Appendix E) on the possible revenues from a sales tax on services it had requested from the department of taxation. The fiscal analysis division had reviewed the report and presented its analysis. The subcommittee then discussed reported problems regarding items exempted from the sales tax in businesses where exempted products constituted a very low percentage of products sold.

The third meeting of the subcommittee was held in the Clark County Commission Chambers in Las Vegas, Nevada on May 18, 1984. The subcommittee received another update on the state's fiscal status from the executive director of the department of taxation. The subcommittee then heard testimony (Appendix F) regarding problems in obtaining tax exempt status in the state of Nevada from a representative from Nevada Blood Services, Inc.

The use of revenues from the jet fuel tax and the establishment of a Nevada division of aviation was again discussed by the Clark County director of aviation (Appendix G) and a representative from the Nevada department of transportation.

The subcommittee held a discussion regarding the initiative petition being circulated by the Nevadans for Stable Taxes to

have a constitutional amendment requiring voter approval for all tax increases with few exceptions. The legislative counsel first explained the initiative petition (Appendix H) and then outlined its ramifications for the state of Nevada and for local governments. A representative of Nevadans for Stable Taxes then presented the group's philosophy and reasons for circulating the petition (Appendix I). The discussion also included an official statement by representative of the Nevada PTA (Appendix J) in opposition to the initiative petition because of perceived impacts it will have on the state's education system.

The fourth subcommittee meeting and workshop was held at the Northern Nevada Community College in Elko, Nevada on Monday, April 30, 1984. The subcommittee heard public testimony from the residents in the Elko area in attendance and then began a work session. During the work session, the subcommittee considered recommendations on the following issues brought up during previous meetings:

- Assessment Standards and Practices
- Sales Tax on Services
- Itemized Budgets/Tax Bills
- Resolutions/Petitions for Tax Reform
- Taxation of Aircraft and Facilities
- Jet Fuel Tax
- Establishment of Statewide Aviation Agency

The subcommittee came to a consensus on all issues except assessment standards. After a lengthy discussion, the subcommittee determined that there were several technical questions that had to be answered before any recommendations could be made. The chairman agreed to request the legislative commission to approve and fund one more meeting at which the assessors from two rural and two urban counties would be invited to provide necessary technical expertise.

The legislative commission approved the request for an additional worksession and augmented the subcommittee's budget by \$250. The final worksession was held in the Las Vegas City Commission Chambers on May 12, 1984. Several county assessors were in attendance and assessment standards were discussed in detail (Appendix K). The subcommittee also finalized all other recommendations and BDRs prepared as a result of the previous worksession.

C. SUBCOMMITTEE FINDINGS AND RECOMMENDATIONS

The subcommittee considered many major issues in both the areas of taxation and aviation in Nevada. Testimony from many experts and concerned citizens were entertained on each issue and the subcommittee received a great volume of written documentation.

This section will review the major points presented on each issue and identify the subcommittee findings and subsequent recommendations.

1. ASSESSMENT STANDARDS AND PRACTICES

The assistant assessor from Clark County, Nevada and his staff gave testimony and submitted written documentation that Nevada assessors were having serious problems accomplishing equity among property owners because first, fair market value was no longer used as a basis for the assessment of property and second, legislative actions during the 1981 and 1983 sessions and subsequent regulations promulgated by the Nevada tax commission have taken most of the control from the individual county assessors over assessment standards and practices. The Clark County assistant assessor then proposed the following actions to correct the problems he had previously identified:

- a. Return more control of the technical aspects of assessment practices to the individual county assessors.
- b. Allow the assessor more control in equalizing the variations in individual tax bills from year to year caused by legislative changes.
- c. Return to "fair market value" as a basis for assessing property.

The subcommittee at a later meeting requested that the Clark County assistant assessor to submit his proposals in the form of draft legislation to the subcommittee. Prior to the last work session, the assistant assessor submitted draft legislation in two major areas. The first area would return the state back to "fair market value" as a basis for assessment standards. The second area was a "housekeeping" measure addressing inconsistent and outdated sections of the statute resulting from the various changes that have taken place in the last five years. Several of Nevada's county assessors attended the last work session and the Washoe County assessor acting as their spokesman testified that the current method of using market value for land and replacement cost minus depreciation for improvements not only removes the possibility but also the specter of unequal treatment in assessing property. He further testified that although assessors fought the current assessment practices, they are now finding that it is a very workable system and were against any efforts to return the state to "fair market value" as a basis for assessment standards.

The subcommittee rejected the proposal to return the state to "fair market value" but did direct the legislative counsel to incorporate the "housekeeping" measures presented by the Clark County assistant assessor in the form of a bill draft request.

2. SALES TAX ON SERVICES

A limited form of a sales tax on services (A.B. 141) was considered and ultimately rejected by the 1983 session of the legislature. Although the subcommittee was not in favor of proposing a sales tax on services, they felt that since it was an issue in the 1983 session, they should study the matter in terms of its revenue generating potential as information for the members of the 1985 legislature. Therefore, the department of taxation was requested to study the annual revenue generating potential of a generally applied sales tax on services. Inasmuch as, Nevada does not have an income tax and the service industries with few exceptions are not otherwise regulated or monitored by this state, there are no figures from which one could reasonably estimate the revenues in the service sector. The department of taxation, therefore, took the sales on tax on service laws and regulations from the state of New Mexico and the revenues generated therefrom and made adjustments for the demographic and economic differences with the state of Nevada to calculate their estimates. At the chairman's request, the estimates were reviewed by the fiscal analysis division and found to be reasonable within the assumptions made.

The subcommittee determined that although a study of the scope necessary to generate accurate and reliable data regarding the revenue potential of a generally applied sales tax on services was beyond the workload capabilities of the state agencies, it would be of great value to future legislative sessions and should be accomplished.

3. ITEMIZED BUDGETS/TAX BILLS

A representative of the "Citizens for Private Enterprise" testified that the average citizen has very little input with regard to where their tax dollars are being spent because first, it is very difficult, if not impossible for them to read a budget and second, they are not a part of the decision making process when the allocations are made. She proposed that local governments be required to submit "plain language" budget and that local governments be required to mail an itemized tax bill (similar to that required by the original draft of S.B. 230 of the 1983 session) prior to the consideration of any tentative budget. The subcommittee recalled testimony on S.B. 230 of the 1983 session which stated that local governments consider many tentative budgets and the mailing cost alone not including computer and staff time to compile an itemized tax bill for each would be prohibitive.

The subcommittee determined that the matter of the format of local government budgets was being addressed by the study committee on local government financial reporting and rejected

the proposal to require itemized tax bills for each tentative budget.

4. RESOLUTIONS/PETITIONS FOR TAX REFORM

The Clark County commission passed two resolutions requiring legislative action on tax matters. The chairman of the Clark County commission appeared before the subcommittee and explained the two resolutions as follows. The first resolution requested a correlation of service benefit to the attainment of rate parity for property taxes in the unincorporated towns of Clark County. County staff testified that the property tax rate was determined by a formula that considered maximum allowable revenue, city/county relief tax and assessed valuation of the unincorporated town and was not in anyway correlated to the level of service delivered in that town. The second resolution asked for a referendum on the next general election requiring consistency in voter affirmation for property tax increases. The commission chairman stated that inasmuch as the legislature required voter affirmation of local government property tax increases (the negative referendum in A.B. 149) the state should be required to do likewise.

A representative from the "Nevadans for Stable Taxes" also appeared before the subcommittee. The group was successful in getting the required number of signatures on an initiative petition to call for a referendum for a constitutional amendment limiting tax increases for state and local governments. Legislative counsel explained in detail the ramifications of the constitutional amendment and the group's representative presented the philosophy and objective of the referendum drive.

As a result, the subcommittee requested two bill draft requests. The first would limit the permissible use of revenues derived from property tax to police and fire protection, libraries, bonded indebtedness, special services related to public health and safety and to the court system. The second would amend the constitution to prohibit taxation of property for the benefit of the state general fund.

5. TAXATION OF AIRCRAFT AND FACILITIES (GENERAL)

Representatives of the Aircraft Owners and Pilots Association (AOPA), Air Transport Association (ATA) and Reno Cannon and Las Vegas McCarran Airports discussed in detail all of the taxes, fees and other costs associated with both general and commercial aviation. Although most of the issues raised were not within the jurisdiction of the state legislature, the following recommendations were suggested:

- a. Property tax relief for private publicly used airports.

- b. Personal property tax relief/equity for aircraft.
- c. Abolition of county approval for airport G.O./revenue bonds.

The subcommittee determined that these matters were best addressed by the 1985 session.

6. JET FUEL TAX

The above-mentioned representatives also suggested that the jet fuel tax be abolished, however, if the tax was to remain they all agreed that they would like to see the jet fuel tax revenues being used for various aviation related purposes. The AOPA wanted the revenues to be used for rural airports and the establishment of a department of aviation. The ATA wished that the revenues be used to offset landing and rental fees at major airports and the airport representatives suggested that the revenues be used for the acquisition of land around rural and urban airports.

The subcommittee recommended that the matter be reviewed during the 1985 session.

7. ESTABLISHMENT OF A STATEWIDE AVIATION AGENCY

The AOPA representatives suggested that Nevada needed an agency at the state level to deal with aviation related matters. They pointed out that Nevada was one of only two states (Colorado is the other one) in the nation that did not have such an agency. They indicated that an agency would serve as a focal point in dealing with the FAA and provide planning and coordination of statewide aviation activities. The Nevada department of transportation (NDOT) indicated that since they already provide aviation planning, such an agency should be a part of NDOT. However, the AOPA representative suggested that the national trend is to separate aviation agencies from highway related departments of transportation.

The subcommittee determined that current situations may warrant a state level aviation agency and suggested that the matter be brought up before the 1985 session.

8. SUBCOMMITTEE RECOMMENDATIONS

- a. THE 63RD SESSION OF THE LEGISLATURE SHOULD ADOPT LEGISLATION WHICH WOULD LIMIT THE PERMISSIBLE USE OF REVENUES DERIVED FROM PROPERTY TAX TO POLICE AND FIRE PROTECTION, LIBRARIES, BONDED INDEBTEDNESS, SPECIAL SERVICES RELATED TO PUBLIC HEALTH AND SAFETY AND TO THE COURT SYSTEM.

During the subcommittee hearings, it became apparent that the major impediment to voter approval of revenue referendum

was a perception that the taxpayer did not know where the tax dollars were going. Therefore, the above recommendation was made to directly tie ad valorem revenue into those services the taxpayers are most of aware of and perceived the most need for. It was also shown during the hearings that in no local entity in the state does the ad valorem revenue come near funding the services enumerated above so the measure would not limit revenues in other services areas.

- b. THE 63RD SESSION OF THE LEGISLATURE SHOULD ADOPT LEGISLATION TO AMEND THE CONSTITUTION TO PROHIBIT TAXATION OF PROPERTY FOR THE BENEFIT OF THE STATE GENERAL FUND

The recommendation would effectively remove the state of Nevada from the "property tax business" and yet still allow the state to act as a central collection agency for the redistribution of property tax revenues to local entities.

- c. THE 63RD SESSION OF THE LEGISLATURE SHOULD ADOPT LEGISLATION TO CORRECT INCONSISTENCIES AND CONFLICTS IN ASSESSMENT STANDARDS AND PRACTICES AS A RESULT OF THE CHANGES THAT HAVE TAKEN PLACE IN LEGISLATION OVER THE LAST SEVERAL YEARS.

The county assessors from throughout the state testified that due to major changes in laws regarding assessment standards and practices, many of the existing statutes are outdated, inconsistent or otherwise not needed. The suggested "housekeeping" legislation would eliminate these deficiencies.

- d. THE LEGISLATIVE COMMISSION SHOULD CONTRACT WITH UNIVERSITY OF NEVADA OR AN APPROPRIATE CONSULTANT TO DERIVE ACCURATE PROJECTIONS OF POTENTIAL REVENUE FROM THE SALES TAX ON SERVICES.

The subcommittee was not in favor of nor did it consider the imposition of a sales tax on services. However, it was realized because of a lack of existing data it was beyond the scope of normal staff services to compile accurate numbers regarding the potential revenues that could be derived from a general tax on the service industries. Therefore, the subcommittee determined that it would be worthwhile for the deliberations of future legislative sessions to have such accurate information available.

- e. THE TAX COMMITTEES OF BOTH HOUSES OF THE 63RD SESSION SHOULD STUDY ALL GOODS AND PROPERTY THAT IS CURRENTLY EXEMPTED FROM SALES TAX AND AD VALOREM TAX RESPECTIVELY AND THE REVENUE LOSS THEREFROM.

Exemptions for goods and property from taxation in Nevada is granted by the legislature on an individual basis with little consideration given to any exemption policy or to the total revenues involved. Therefore, it was determined that it would be beneficial for the 1985 session of the legislature to address the subject and review the numbers and types of exemptions granted and the total revenue loss realized therefrom.

- f. THE TAX COMMITTEES OF BOTH HOUSES OF THE 63RD SESSION SHOULD REVIEW THE JET FUEL TAX AND CONSIDER ABOLISHING THE TAX OR RETURNING THE REVENUES TO THE AIRPORT OF ORIGIN TO OFFSET LANDING AND RENTAL FEES AND RELATED COSTS.

Although the tax committees of the 1983 Session did not include sunset provisions in the jet fuel tax, the committee members did agree to review the jet fuel tax for possible abolition or dedication of the revenues derived in the next session.

V. PROPOSED LEGISLATION

SUMMARY--Makes changes in methods and procedures for assessment of property. (BDR 32-230)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to taxation; changing the methods and procedures used in the assessment of property; increasing the minimum assessment on real property; providing for the assessment of time shares; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 361 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each time share must be separately assessed to the owner and the tax on each time share constitutes a lien solely thereon.

2. The owner of a time share shall, not later than November 15 of each year, file a declaration of ownership with the county assessor in the county in which the project is located on a form prescribed by the department. The declaration must include the legal description contained in the time-share instrument by which the time share was created.

3. As used in this section, the terms "timeshare" and "time-share instrument" have the meaning ascribed to them in NRS 119A.140 and 119A.150, respectively.

Sec. 2. NRS 361.055 is hereby amended to read as follows:

361.055 1. All lands and other property owned by the state are exempt from taxation, except real property acquired by the State of Nevada and assigned to the department of wildlife which is or was subject to taxation under the provisions of this chapter at the time of acquisition.

2. In lieu of payment of taxes on each parcel of real property acquired by it which is subject to assessment and taxation pursuant to subsection 1, the department of wildlife shall make annual payment to the county tax receiver of the county wherein each such parcel of real property is located of an amount equal to the total taxes levied and assessed against each such parcel of real property in the year in which title to it was acquired by the State of Nevada.

3. [Such payments in lieu of taxes must be collected and accounted for in the same manner as taxes levied and assessed against real property pursuant to this chapter are collected and accounted for.

4. Money] The money received pursuant to this section , when collected and accounted for, must be apportioned [each year] to the counties, school districts and cities wherein each such parcel of real property is located in the proportion that the tax rate of each such political subdivision bears to the total combined tax rate in effect for that year.

Sec. 3. NRS 361.221 is hereby amended to read as follows:

361.221 1. A person shall not perform the duties of an appraiser for purposes of the taxation of property as an employee of or as an independent contractor for the state or any of its political subdivisions unless he holds a valid appraiser's certificate issued by the department.

2. There is established an appraiser certification board consisting of six members, three of whom must be chosen by majority vote of the several county assessors from persons who hold a valid appraiser's certificate issued by the department and three of whom must be appointed by the Nevada tax commission. This board shall:

(a) Advise the department on any matter pertaining to the certification and continuing education of appraisers who are subject to the provisions of this section; and

(b) Perform such other duties as are provided by law.

3. Each member of the board is entitled to the per diem allowance and travel expenses provided for state officers and employees while attending meetings of the board.

4. The department may contract for the development and administration of the appropriate examinations. Except as provided in this subsection, an appraiser's certificate must be issued to an applicant only if he has passed the appropriate examination. The

department may charge each examinee a reasonable examination fee to recover the cost of the examination. An applicant who has a professional designation or certification recognized by the board may, with the approval of the board, be issued an appraiser's certificate without examination.

Sec. 4. NRS 361.230 is hereby amended to read as follows:

361.230 1. No patented land of any description in the State of Nevada owned by any [individual, partnership, association, estate, corporation or otherwise,] person, and no land held under any state land contract, [shall] may be assessed for less than [\$1.25] \$5 per acre by the county assessors of the various counties.

2. If the county board of equalization [shall ascertain] determines that any land within its county has been assessed [upon a valuation of] for less than [\$1.25] \$5 per acre, or has not been assessed at all, the board shall notify the county assessor immediately to pay into the county treasury the taxes due on [such] that land, in such a sum as will yield the full amount of taxes due [upon such] on that land upon its true value, which [valuation shall] must not be less than [\$1.25] \$5 per acre. If a county assessor fails to pay [such] the taxes within 10 days after [such] the notification by the county board of

equalization, the district attorney shall file and prosecute diligently a suit against the county assessor and his surety or sureties on his official bond for the amount of [such] the taxes.

Sec. 5. NRS 361.247 is hereby amended to read as follows:

361.247 [1.] Between July 1 and July 15 of each year, each owner of livestock shall file [with the county assessor of the county in which his principal place of livestock business is located] the statement required by NRS 361.265 [.] with the state department of agriculture. In the statement, the owner shall declare the number, kind and classification of all livestock in the State of Nevada owned by him on the date of the statement.

[2. Nothing in this section limits the right of any county assessor to verify the number of livestock of any owner by any reasonable means, including actual count at any reasonable time.]

Sec. 6. NRS 361.255 is hereby amended to read as follows:

361.255 [Prior to September 1] Before August 1 of each year, the board of county commissioners of each county shall cause to be prepared suitable books or other form of permanent record for the use of the county assessor in which the county assessor shall enter his tax list and assessment roll as provided in this chapter. [There shall] All the taxes levied for county purposes must be assessed and included in the tax list and assessment roll .
[all taxes levied by authority of law for county purposes.]

Sec. 7. NRS 361.265 is hereby amended to read as follows:

361.265 1. [For the purpose of enabling] To enable the county assessor to make assessments, he shall demand from each person or firm, and from the president, cashier, treasurer or managing agent of each corporation, association or company, including all banking institutions, associations or firms within his county, a written statement, signed under penalty of perjury, on forms to be furnished by the county assessor of all the taxable personal property within the county, owned, claimed, possessed, controlled or managed by those persons, firms, corporations, associations or companies.

2. If the owners of any taxable property not listed by another person are absent or unknown, or fail to provide the written statement within 15 days after demand is made therefor, the county assessor shall make an estimate of the value of the property and assess it accordingly. If the name of the absent owner is known to the county assessor, the property must be assessed in his name. If the name of the owner is unknown to the county assessor, the property must be assessed to "unknown owner"; but no mistake made in the name of the owner or the supposed owner of personal property renders the assessment or any sale of such property for taxes invalid.

3. At the end of each month the county assessor shall report

to the district attorney of the county the names of all persons neglecting or refusing to give the statement as required by this section, and the district attorney shall prosecute all persons so offending.

4. If any person, officer or agent neglects or refuses on demand of the county assessor or his deputy to give the statement required by this section, or gives a false name, or refuses to give his name or to sign the statement, he is guilty of a misdemeanor and must be arrested upon the complaint of the county assessor or his deputy.

[5. The provisions of this section apply to owners of livestock or colonies of bees only for the purpose of determining the total number of livestock and colonies of bees in each county in order to collect the special taxes levied pursuant to NRS 571.035 and 575.070.]

Sec. 8. NRS 361.295 is hereby amended to read as follows:

361.295 [1.] When real property is assessed by the county assessors of two counties on territory claimed by both, the [owner of the real estate assessed is authorized to pay the taxes in either county that he may select.

2. In case of suit being brought for the nonpayment of the taxes in the county in which the suit may be brought, the production of a tax receipt for the current year on the property, signed by the proper officer, although in an adjoining county

claiming jurisdiction, of a date prior to the commencement of the action, shall entitle the taxpayer to a dismissal of the suit, free of cost.] department of taxation shall examine the property and determine the county to which the taxes must be paid.

Sec. 9. NRS 361.357 is hereby amended to read as follows:

361.357 [1.] The owner of any property who believes that the full cash value of his property is less than the taxable value computed for the property in the current assessment year, may, before January 15 of the fiscal year in which the assessment was made, appeal to the county board of equalization. If the county board of equalization finds that the full cash value of the property is less than the taxable value computed for the property, the board shall fix a percentage of obsolescence to be deducted each year from the otherwise computed taxable value, to make the taxable value of the property correspond as closely as possible to its full cash value.

[2. No appeal under this section may result in an increase in the taxable value of the property.]

Sec. 10. NRS 361.360 is hereby amended to read as follows:

361.360 1. Any taxpayer aggrieved at the action of the county board of equalization in equalizing, or failing to equalize, the value of his property, or property of others, or a county assessor, may file an appeal with the state board of equalization no later than the 4th Monday of February and present

to the state board of equalization the matters complained of at one of its sessions.

2. All such appeals must be presented upon the same facts and evidence as were submitted to the county board of equalization in the first instance, unless there is discovered new evidence pertaining to the matter which could not, by due diligence, have been discovered before the final adjournment of the county board of equalization. The evidence must be submitted in writing to the state board of equalization and served upon all the other parties to the action not less than 15 days before the hearing.

3. Any taxpayer whose real or personal property placed on the unsecured tax roll was assessed after December 15 but before or on the following April 30 may likewise protest to the state board of equalization, which shall meet before May 31 to hear these protests. Every such appeal must be filed on or before May 15.

4. If the state board of equalization determines that the record of a case on appeal from the county board of equalization is inadequate because of an act or omission of the county assessor, the district attorney or the county board of equalization, the state board of equalization may remand the case to the county board of equalization with directions to develop an adequate record within 30 days after the remand. The directions must indicate specifically the inadequacies to be remedied. If the state board of equalization determines that the record returned from

the county board of equalization after remand is still inadequate, the state board of equalization may hold a hearing anew on the appellant's complaint or it may, if necessary, contract with an appropriate person to hear the matter, develop an adequate record in the case and submit recommendations to the state board. The cost of the contract and all costs, including attorney's fees, to the state or the appellant necessary to remedy the inadequate record on appeal are a charge against the county.

Sec. 11. NRS 361.510 is hereby amended to read as follows:

361.510 [The] Before June 1 of each year, the board of county commissioners of each county shall prepare suitable blank receipts that are sequentially numbered to be issued by the respective county assessors on the payment to them in cash of the taxes on movable personal property. [Such] The blank tax receipts [shall] must be countersigned by the county auditor [.] and delivered to the county assessor who shall give his receipt to the board for the quantity delivered.

Sec. 12. NRS 361.5643 is hereby amended to read as follows:

361.5643 1. Except as provided in subsection 2, upon compliance by the purchaser or reposessor of a slide-in camper or the purchaser or reposessor of a mobile home with the provisions of NRS 361.562, 361.563 or 361.5642 the county assessor shall:

(a) Deliver forthwith to the purchaser or reposessor of a mobile home, as well as annually thereafter upon payment of the

tax, a sticker which must be of a design and affixed in such manner as is prescribed by the department . [;]

(b) Deliver forthwith to the purchaser or reposessor of a slide-in camper, as well as annually thereafter upon payment of the tax, a tax plate or a sticker which must be of a design and affixed in such manner as is prescribed by the department.

2. Upon payment of a quarterly installment, the county assessor shall issue the appropriate decal.

[3. The county assessor shall issue each year to the owner of a camper-shell not subject to taxation under the provisions of this chapter a tax plate or sticker similar to that provided in paragraph (b) of subsection 1, which the owner shall affix to the camper-shell in the manner prescribed by the department.]

Sec. 13. NRS 361.765 is hereby amended to read as follows:

361.765 1. Whenever a clerical or typographical error [or errors appear] appears upon the real or personal property tax roll of any county which [have] has not been corrected by any officer or board vested by law with the duty of correcting such errors, the county assessor of the county upon whose tax roll [such errors appear] the error appears shall make a report thereof to the board of county commissioners of [such] the county.

2. The board of county commissioners shall thereupon examine the error [or errors] so reported, together with such evidence as

may be presented in connection therewith, and, if satisfied that [such errors or any of them are] the error is purely clerical or typographical shall:

(a) By an order entered in the minutes of the board [authorize and] direct the county treasurer to correct the error [or errors so reported so as] reported to conform to the true assessment; and

(b) Serve a copy of [such] the order on the county treasurer, who shall thereupon make the [corrections] correction and change the tax roll or rolls in conformity therewith.

3. Whenever it appears that corrections of mathematical or typographical errors on the tax roll are necessary, the county assessor may, with the concurrence of the county treasurer, make corrections in the assessed valuation of any property within the county. When such corrections are made, the county treasurer shall make such adjustments as are necessary to the tax rolls.

4. If the error is discovered after the county auditor has submitted the statement showing the assessed valuation of the county to the state controller, the board shall send a copy of its order entered pursuant to paragraph (b) of subsection 2 to the state controller. At the end of each fiscal year the county treasurer shall report to the board of county commissioners all corrections made under subsection 3 during [such] the fiscal

year. The board of county commissioners shall approve or disapprove each correction reported. The county treasurer shall make any adjustments to the tax rolls made necessary by the disapproval by the board of county commissioners of any corrections made.

Sec. 14. NRS 375.050 is hereby amended to read as follows:

375.050 [1.] Each deed evidencing a transfer of title which does not go through escrow must have appended thereon the information as follows in substantially the following form, using a rubber stamp or otherwise:

Documentary Transfer Tax \$.....

☐ Computed on full value of property conveyed which is
\$.....; or

☐ Computed on full value less liens and encumbrances remaining thereon at time of transfer [.] which are as follows:

First mortgage \$.....

Second mortgage \$.....

Other encumbrances \$.....

Reason for sale.....

Are the parties related?.....

Under penalty of perjury:

.....

Signature of declarant or agent
determining tax--firm name.

[2. In cases where a declaration of value is made on a form prescribed by the Nevada tax commission, the information in subsection 1 need not appear on the face of the deed.]

Sec. 15. NRS 375.100 is hereby amended to read as follows:

375.100 [1.] The county recorder shall refuse to record any deed or conveyance [upon] :

1. Upon which a tax is imposed by this chapter when the tax has not been paid, except as provided in subsection 2 of NRS 375.030.

2. [A county recorder is responsible for the failure of an escrow holder subsequently to pay the tax pursuant to subsection 2 of NRS 375.030.] That is not accompanied by the properly completed declaration required by NRS 375.050.

Sec. 16. Chapter 119A of NRS is hereby amended by adding thereto a new section to read as follows:

The developer of each time-share project located in this state shall provide to the county assessor of the county in which the project is located a copy of each conveyance of a time share placed by him in escrow for delivery to a purchaser. The developer may comply with the provisions of this section by placing the copy in escrow with the direction that the copy be delivered to the assessor upon the closing.

Sec. 17. NRS 482.545 is hereby amended to read as follows:

482.545 It is unlawful for any person to commit any of the following acts:

1. To operate, or for the owner thereof knowingly to permit the operation of, upon a highway any motor vehicle, trailer or semitrailer which is not registered or which does not have attached thereto and displayed thereon the number of plate or plates assigned thereto by the department for the current registration period or calendar year, subject to the exemption allowed in NRS 482.320 to 482.355, inclusive, 482.385 to 482.395, inclusive, and 482.420.

2. To move upon a highway any slide-in camper [or camper-shell] that does not have affixed on it the tax plate or sticker provided in NRS 361.5643, when such movement is by a vehicle not subject to the exemption allowed in NRS 482.320 to 482.355, inclusive, 482.385 to 482.395, inclusive, and 482.420.

3. To display or cause or permit to be displayed or to have in possession any registration certificate, license plate, certificate of ownership or other document of title knowing the same to be fictitious or to have been canceled, revoked, suspended or altered.

4. To lend to or knowingly permit the use of by one not entitled thereto any registration card or registration number plate issued to the person so lending or permitting the use thereof.

5. To fail or to refuse to surrender to the department, upon demand, any registration card or registration number plate which has been suspended, canceled or revoked as provided in this chapter.

6. To use a false or fictitious name or address in any application for the registration of any vehicle or for any renewal or duplicate thereof, or knowingly to make a false statement or knowingly to conceal a material fact or otherwise commit a fraud in any such application. A violation of this subsection is a gross misdemeanor.

7. Knowingly to operate a vehicle which has an altered vehicle identification number, serial number, motor number, other distinguishing number or identification mark required for registration purposes.

Sec. 18. NRS 571.035 is hereby amended to read as follows:

571.035 1. From the statements submitted [to him] by the owners of livestock, the [county assessor of each county] department shall prepare a statement showing the total number of stock cattle, milk cows, bulls, horses, mules, burros, asses, stallions, jacks, hogs, pigs, goats and poultry in [his] each county

and the ownership and location of [such livestock, and shall forward the statement to the department.

2. Upon receipt of the statement from the county assessor, the] the livestock.

2. The department shall then fix the amount of the annual special tax on each head of the following specified classes of livestock, and not exceeding the following rates per head for each class:

Class	Rate per head
Stock cattle.....	\$0.28
Milk cows.....	.53
Bulls.....	.75
Horses.....	.36
Mules.....	.36
Burros or asses.....	.07
Stallions.....	.75
Jacks.....	.75
Hogs.....	.07
Pigs.....	.035
Goats.....	.06
Poultry.....	.003

3. The department shall send a notice of the special tax on each head of the specified classes of livestock to the department

of taxation and the board of county commissioners of each county before the annual levy of taxes by the board, and, when so notified, the board shall, at the time of the annual levy of taxes, levy the special taxes fixed by the department.

4. Upon the receipt of [any such] the tax and the report thereof by the state controller, the department shall credit the amount of the tax as paid on its records. Any uncollected tax must, annually, be reconciled with each county's tax roll.

5. The special taxes must be collected as other taxes, and transmitted to the state treasurer, who shall deposit the taxes in the livestock inspection fund.

Sec. 19. NRS 361.515 and 361.525 are hereby repealed.

SUMMARY--Limits permissible uses of revenues derived from property tax. (BDR 20-123)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: No.

AN ACT relating to property tax; limiting the permissible uses of revenues derived from an ad valorem property tax; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 244.150 is hereby amended to read as follows:

244.150 [The boards] Each board of county commissioners [shall have power and jurisdiction in their respective counties to] may levy [, for the purposes prescribed by law, such amount of taxes] a tax on the assessed value of [real and personal] property in the county [as may be authorized by law.] for:

1. Police and fire protection;
2. Operation of the district and justices' courts;
3. Libraries;
4. Bonded indebtedness; and
5. Special services related to public health and safety.

Sec. 2. NRS 244.260 is hereby amended to read as follows:

244.260 1. With the approval of the state board of finance,

the board of county commissioners of any county may accumulate a fund, for a period not to exceed 14 years, for the purpose of constructing, making additions to, or repairing any [and all] buildings which by law the board is authorized to build, repair, manage and control . [, by the levy of an annual special tax not to exceed 25 cents on each \$100 of assessed value of real and personal property in the county.]

2. All [moneys collected from the special tax shall] money accumulated for this purpose must be placed with the county treasurer in a fund to be known as the county [surplus building and maintenance reserve fund.] reserve fund for future building and maintenance. Any [moneys] money in the fund at the end of the fiscal year [shall] does not revert to the county general fund but [shall remain] remains in the county [surplus building and maintenance reserve fund] reserve fund for future building and maintenance until earmarked for a specific purpose.

3. Any [moneys] money in the county [surplus building and maintenance reserve fund] reserve fund for future building and maintenance may, from time to time, be invested only in short-term United States Government bonds.

Sec. 3. NRS 244.377 is hereby amended to read as follows:

244.377 1. The board of county commissioners of any county may include in the annual budget of the county items to cover the

expense of maintaining a county museum, art center or historical society.

2. [The expenditures so budgeted may be met by including them in the annual tax levy of the county; but in no case may the tax levy for such purposes in any 1 year exceed 5 cents on each \$100 of the assessed valuation of the property of that county.

3. The proceeds of the tax levy] The money may be paid under contract to a nonprofit historical society, nonprofit museum board or other nonprofit board, committee or organization for their use in paying salaries of museum or art center personnel, in building and maintaining exhibits, in purchasing cabinets, in displaying items and in conducting activities related to a museum or art center, but in no case may such an organization or board make capital improvements without the express approval of the board of county commissioners.

Sec. 4. NRS 244.380 is hereby amended to read as follows:

244.380 1. Annually, the boards of county commissioners of the several counties may include in their respective county budgets items to cover the expense of exploiting, promoting and publishing to homeseekers and the public at large, by any means in their judgment calculated to accomplish this purpose, the agricultural, mining and other resources, progress and advantages of their respective counties.

2. [Such expenditures as may by the board of county commissioners be decided upon shall be met by including them in the annual tax levy of and for that county; provided:

(a) That the tax levy shall not in any 1 year exceed 3 cents on each \$100 of the assessed valuation of the property in that county.

(b) That in counties having a population of 100,000 or more, the county commissioners of those counties may levy a tax of 2 cents on each \$100 of the assessed valuation of property in that county.

(c) That pending the accumulation and setting aside of the fund for the purposes authorized by this section, the boards of county commissioners are authorized and empowered to pledge their respective counties for those purposes to an amount not exceeding the sum to be raised as in this section provided, and to be paid out of the fund raised and set aside therefor as herein authorized.

3.] The boards of county commissioners may enter into contracts with any person, group, corporation, agency or commission to carry out the purposes of this section . [and are authorized to pay over to any such person, group, corporation, agency or commission, pursuant to such contracts, any moneys derived from the tax levy provided for in subsection 2.]

Sec. 5. NRS 244A.343 is hereby amended to read as follows:

244A.343 The board of county commissioners of each county, upon behalf of the county and in its name, without any election, may from time to time [:

1. Acquire,] acquire, improve, equip, operate and maintain one or more street beautification projects . [;

2. Levy assessments against assessable property within the county to defray all or any portion of the cost thereof which is not to be defrayed with money available therefor from the general fund, any special fund, or otherwise; and

3. Cause the assessments so levied to be collected.]

Sec. 6. NRS 244A.539 is hereby amended to read as follows:

244A.539 1. The county, or the state acting through the board, may enforce the collection of service charges made thereby to any public body which fails to pay such charges within 90 days after they become due , [and payable,] in addition to any other remedy fixed by contract or otherwise, by an action in the nature of a writ of mandamus or other action in any court of competent jurisdiction to compel the levy of any tax except an ad valorem tax on property, without limitation as to rate or amount, except

for the limitation in section 2 of article 10 of the Nevada constitution, by the governing body of the public body and the collection of taxes on and against all taxable property therein sufficient in amount to pay such delinquent charges, together with penalties for delinquencies, court costs, reasonable attorneys' fees and other cost of collection.

2. The governing body of the public body may so levy such taxes sufficient for the payment of [such] the charges as they become due . [and payable.] The governing body may also apply for that purpose any other funds that may be in the treasury of the public body and legally available therefor, whether derived from any service charges imposed by the public body for the use of or otherwise in connection with its sewer system, or from any other source.

3. Upon such payments being made, the levy or levies of taxes for the payment of the service charges so imposed by the county or the state may thereupon to that extent be diminished.

4. Except to the extent specified in subsection 3, each such public body shall annually levy taxes as provided in subsection 1 sufficient in amount to pay such service charges of the county or the state promptly as they become due . [and payable.]

Sec. 7. NRS 244A.619 is hereby amended to read as follows:

244A.619 In addition to powers elsewhere conferred, the county fair and recreation board of any county, upon behalf of the

county and in connection with the recreational facilities [herein authorized, is authorized and empowered:

1. To establish,] authorized in this section, may:

1. Establish, construct, purchase, lease, enter into a lease purchase agreement respecting, rent, acquire by gift, grant, bequest, devise, or otherwise acquire, reconstruct, improve, extend, better, alter, repair, equip, furnish, regulate, maintain, operate and manage recreational facilities, including personal property, real property, lands, improvements and fixtures thereon, property of any nature appurtenant thereto or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years.

2. [To insure] Insure or provide for the insurance of any recreational facility against such risks and hazards as the board may deem advisable.

3. [To arrange] Arrange or contract for the furnishing by any person, agency, association or corporation, public or private, of services, privileges, works or facilities for, or in connection with, a recreational facility; and to hire and retain officers, agents and employees, including a fiscal adviser, engineers, attorneys, or other professional or specialized personnel.

4. [To direct] Direct the board of county commissioners, with the concurrence of the board, to acquire by the exercise of the power of eminent domain any real property which the county fair

and recreation board may deem necessary for its purposes under NRS 244A.597 to 244A.655, inclusive, after the adoption by the board of a resolution declaring that its acquisition is necessary for such purposes. This power [shall] must be exercised in the manner provided by any applicable statutory provisions and laws of the State of Nevada. Title to property so acquired [shall] must be taken in the name of the county.

5. [To sell,] Sell, lease, exchange, transfer, assign or otherwise dispose of any real or personal property, or any interest therein acquired for the purpose of NRS 244A.597 to 244A.655, inclusive, including the lease of any recreational facility acquired by the county under the provisions of NRS 244A.597 to 244A.655, inclusive, which is to be operated and maintained as a public project and recreational facility.

6. [To fix,] Fix, and from time to time increase or decrease, rates, tolls or charges for services or facilities furnished in connection with any recreational facility, and to take such action as necessary or desirable to effect their collection . [, and, with the consent of the board of county commissioners, to provide for the levy by the board of county commissioners of ad valorem taxes, the proceeds thereof to be used in connection with the recreational facilities.

7. To receive,]

7. Receive, control, invest and order the expenditure of any

[and all moneys and funds] money pertaining to any recreational facility or related properties, including but not limited to annual grants to the state, the county and incorporated cities in the county for capital improvements for recreational facilities.

8. [To enter] Enter into contracts, leases or other arrangements for commercial advertising purposes with any person, partnership or corporation.

9. [To exercise] Exercise all or any part or combination of the powers [herein] granted to [such] the county, except as [herein] otherwise provided.

10. [To sue] Sue and be sued.

11. [To do and perform any and all] Perform other acts [and things] necessary, convenient, desirable or appropriate to carry out the provisions of NRS 244A.597 to 244A.655, inclusive.

Sec. 8. NRS 266.600 is hereby amended to read as follows:

266.600 The city council may:

1. Control the finances of the corporation.
2. Appropriate money for corporate purposes only, and provide for payment of debts and expenses of the corporation.
3. Levy and collect [taxes] a tax on the assessed value of property within the city [for general and special purposes on real and personal property, as provided by law.] for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety.

4. Borrow money on the credit of the city for corporate purposes, in the manner and to the extent allowed by the constitution and the laws, and issue general obligations therefor, but no city may issue or have outstanding at any time bonds to an amount in excess of 30 percent of the total assessed valuation of the taxable property within [such] the city as shown by the last preceding tax list or assessment roll, nor warrants, certificates, scrip or other evidences of indebtedness, excepting the bonded indebtedness, in excess of 20 percent of the assessed valuation. This subsection does not restrict the power of cities as to taxation, assessment, borrowing money, contracting debts or loaning their credit for procuring supplies of water.

5. Secure additionally the payment of any general obligation securities by a pledge of any revenues (other than tax proceeds) legally available therefor.

6. Divide the city into districts for the purpose of local taxation, or to create districts for that purpose, as occasion may require.

7. Raise revenue by levying and collecting a license fee or tax on any private corporation or business within the limits of

the city, and regulate it by ordinance. All such license fees and taxes must be uniform in respect to the class upon which they are imposed.

8. Fix the amount of licenses and the terms and manner of their issuance.

Sec. 9. NRS 269.115 is hereby amended to read as follows:

269.115 1. Except as provided in subsection 2, in addition to the powers and jurisdiction conferred by other laws, the boards of county commissioners of the counties of this state shall [have the power and duty to] levy a tax, not exceeding 1.5 percent per annum, upon the assessed value of all [real and personal] property, including the proceeds of mines, situated in any unincorporated town or city in their respective counties, made taxable by law for [state and county purposes.] :

(a) Police and fire protection;

(b) Libraries;

(c) Bonded indebtedness; and

(d) Special services related to public health and safety.

2. In addition to the taxes levied in accordance with the provisions of subsection 1, each board of county commissioners shall levy a tax for the payment of interest and redemption of outstanding bonds of the unincorporated town or city issued pursuant to the provisions of NRS 269.400 to 269.470, inclusive.

Sec. 10. NRS 269.127 is hereby amended to read as follows:

269.127 A town board or board of county commissioners may:

1. Make application for and hold any license required to provide television broadcast translator signals.

2. Contract with any person, corporation or association to provide the equipment, facilities and services necessary to furnish television broadcast translator signals for a period not to exceed 10 years.

3. Enter into contracts for the purposes of this section that extend beyond the term of office of any member of the board or commission.

[4. Levy and collect a tax upon the assessed value of property within an unincorporated town to cover the costs of providing television broadcast translator signals to that town.]

Sec. 11. Section 8.010 of the charter of the City of Caliente, being chapter 31, Statutes of Nevada 1971, as amended by chapter 282, Statutes of Nevada 1971, at page 502, is hereby amended to read as follows:

Sec. 8.010

1. The city council shall annually, at the time prescribed by law for levying taxes for state and county purposes, levy a tax not exceeding 2 percent upon the

assessed value of all [real and personal] property
within the city [,] for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety,

except as otherwise provided in the Local Government Securities Law and the Consolidated Local Improvements Law .
[, as amended from time to time.] The taxes so levied
[shall] must be collected at the same time and in the
same manner and by the same officers, exercising the
same functions, as prescribed in the laws of the State
of Nevada for collection of state and county taxes. The
revenue laws of the state [shall,] are, in every
respect not inconsistent with the provisions of this
charter, [be] applicable to the levying, assessing and
collecting of the municipal taxes.

2. In the matter of the equalization of assessments, the
rights of the city and the inhabitants thereof [shall]
must be protected in the same manner and to the same
extent by the action of the county board of equaliza-
tion as are the state and county.

3. All forms and blanks used in levying, assessing and

collecting the revenues of the state and counties [shall,] must, with such alterations or additions as may be necessary, be used in levying, assessing and collecting the revenues of the city. The city council shall enact all such ordinances as it may deem necessary and not inconsistent with this charter and the laws of the state for the prompt, convenient and economical collecting of the revenue.

Sec. 12. Section 8.010 of the charter of the City of Carlin, being chapter 344, Statutes of Nevada 1971, at page 618, is hereby amended to read as follows:

Sec. 8.010

1. The board of councilmen shall annually, at the time prescribed by law for levying taxes for state and county purposes, levy a tax not exceeding 3 percent upon the assessed value of all [real and personal] property within the city [,] for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety,

except as otherwise provided in the Local Government Securities Law and the Consolidated Local Improvements Law .

[, as amended from time to time.] The taxes so levied [shall] must be collected at the same time and in the same manner and by the same officers, exercising the same functions, as prescribed in the laws of the State of Nevada for collection of state and county taxes. The revenue laws of the state [shall,] are, in every respect not inconsistent with the provisions of this charter, [be] applicable to the levying, assessing and collecting of the municipal taxes.

2. In the matter of the equalization of assessments, the rights of the city and the inhabitants thereof [shall] must be protected in the same manner and to the same extent by the action of the county board of equalization as are the state and county.
3. All forms and blanks used in levying, assessing and collecting the revenues of the state and counties [shall,] must, with such alterations or additions as may be necessary, be used in levying, assessing [,] and collecting the revenues of the city. The board of councilmen shall enact all such ordinances as it may deem necessary and not inconsistent with this charter and the laws of the state for the prompt, convenient and economical collecting of the revenue.

Sec. 13. Section 8.010 of the charter of Carson City, being chapter 213, Statutes of Nevada 1969, as last amended by chapter 425, Statutes of Nevada 1983, at page 1061, is hereby amended to read as follows:

Sec. 8.010

1. The board shall annually, at the time prescribed by law for levying taxes for state and county purposes, levy taxes at the appropriate rates upon the assessed value of all [real and personal] property within Carson City [.] for:

(a) Police and fire protection;

(b) Operation of the municipal and justices' courts;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety.

The taxes so levied must be collected at the same time and in the same manner and by the same officers, exercising the same functions, as prescribed and provided in the revenue laws of the state for the collection of state and county taxes. The revenue laws of the state are, in every respect not inconsistent with the provisions of this charter, applicable to the levying, assessing and collecting of the municipal taxes.

2. For the purposes of the equalization of assessments, the rights of Carson City and the inhabitants thereof must be protected in the same manner and to the same extent by the action of the board of equalization as are the state and the several counties.
3. Whenever or wherever practicable and expedient, all forms and blanks used in levying, assessing and collecting the revenues of the state and the several counties must, with such alterations or additions as may be necessary, be used in levying, assessing and collecting the revenues of Carson City. The board shall enact all such ordinances as it may deem necessary and not inconsistent with this charter and the laws of the state for the prompt, convenient and economical collecting of the revenue.

Sec. 14. Section 8.010 of the charter of the City of Elko, being chapter 276, Statutes of Nevada 1971, at page 492, is hereby amended to read as follows:

Sec. 8.010

1. The board of supervisors shall annually, at the time prescribed by law for levying taxes for state and county purposes, levy a tax not exceeding 3 percent

upon the assessed value of all [real and personal]
property within the city [,] for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety,

except as provided in the Local Government Securities Law

and the Consolidated Local Improvements Law . [, as
amended from time to time.] The taxes so levied [shall]
must be collected at the same time and in the same man-
ner and by the same officers, exercising the same func-
tions, as prescribed in the laws of the State of Nevada
for collection of state and county taxes. The revenue
laws of the state [shall,] are, in every respect not
inconsistent with the provisions of this charter, [be]
applicable to the levying, assessing and collecting of
the municipal taxes.

2. In the matter of the equalization of assessments, the
rights of the city and the inhabitants thereof [shall]
must be protected in the same manner and to the same
extent by the action of the county board of equaliza-
tion as are the state and county.

3. All forms and blanks used in levying, assessing and

collecting the revenues of the state and counties
[shall,] must, with such alterations or additions as
may be necessary, be used in levying, assessing and
collecting the revenues of the city. The board of
supervisors shall enact all such ordinances as it may
deem necessary and not inconsistent with this charter
and the laws of the state for the prompt, convenient
and economical collecting of the revenue.

Sec. 15. Section 8.010 of the charter of the City of Gabbs,
being chapter 265, Statutes of Nevada 1971, at page 400, is
hereby amended to read as follows:

Sec. 8.010

1. The board of councilmen shall annually, at the time
prescribed by law for levying taxes for state and
county purposes, levy taxes at a rate not exceeding 3
percent upon the assessed value of all [real and per-
sonal] property within the city [,] for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety,

except as otherwise provided in the Local Government Securi-
ties Law and the Consolidated Local Improvement Law .

[, as amended from time to time.] The taxes so levied [shall] must be collected at the same time and in the same manner and by the same officers, exercising the same functions, as prescribed in the laws of the State of Nevada for collection of state and county taxes. The revenue laws of the state [shall,] are, in every respect not inconsistent with the provisions of this charter, [be] applicable to the levying, assessing and collecting of the municipal taxes.

2. In the matter of the equalization of assessments, the rights of the city and the inhabitants thereof [shall] must be protected in the same manner and to the same extent by the action of the county board of equalization as are the state and county.
3. All forms and blanks used in levying, assessing and collecting the revenues of the state and counties [shall,] must, with such alterations or additions as may be necessary, be used in levying, assessing and collecting the revenues of the city. The board of councilmen shall enact all such ordinances as it may deem necessary and not inconsistent with this charter and the laws of the state, for the prompt, convenient and economical collecting of the revenue.

Sec. 16. Section 8.010 of the charter of the City of Henderson, being chapter 266, Statutes of Nevada 1971, at page 420, is hereby amended to read as follows:

Sec. 8.010

1. The city council shall annually, at the time prescribed by law for levying taxes for state and county purposes, levy a tax not exceeding 3 percent upon the assessed value of all [real and personal] property within the city for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety,

except as provided in the Local Government Securities Law and the Consolidated Local Improvements Law . [, as amended from time to time.] The taxes so levied [shall] must be collected at the same time and in the same manner and by the same officers, exercising the same functions, as prescribed in the laws of the State of Nevada for collection of state and county taxes. The revenue laws of the state [shall,] are, in every respect not inconsistent with the provisions of this charter, [be]

applicable to the levying, assessing and collecting of the municipal taxes.

2. In the matter of equalization of assessments, the rights of the city and the inhabitants thereof [shall] must be protected in the same manner and to the same extent by the action of the county board of equalization as are the state and county.

3. All forms and blanks used in levying, assessing and collecting the revenues of the state and counties [shall,] must, with such alterations or additions as may be necessary, be used in levying, assessing and collecting the revenues of the city. The city council shall enact all such ordinances as it may deem necessary and not inconsistent with this charter and the laws of the state for the prompt, convenient and economical collecting of the revenue.

Sec. 17. Section 9.010 of the charter of the City of Las Vegas, being chapter 517, Statutes of Nevada 1983, at page 1434, is hereby amended to read as follows:

Sec. 9.010

1. The city council shall annually, at the time which is prescribed by law for the levying of taxes for state and county purposes, levy a tax upon the assessed value

of all [of the real and personal] property within the city which is made taxable by law [.] for:

- (a) Police and fire protection;
- (b) Operation of the municipal court;
- (c) Libraries;
- (d) Bonded indebtedness; and
- (e) Special services related to public health and safety.

The taxes which are levied must be collected at the same time, in the same manner and by the same officers, exercising the same functions, as are prescribed and provided in the revenue laws of the state for the collection of state and county taxes. Except as is provided in this section, the revenue laws of the state, in every respect which is not inconsistent with the provisions of this charter, apply to the levying, assessing and collecting of the city taxes. The city treasurer may, however, upon approval of the board of county commissioners of the county, collect taxes which are levied for the redemption of bonds which were issued pursuant to section 6.020 of this charter.

2. Except with respect to any tax which is levied to pay the principal of or interest on any indebtedness which is incurred by the city pursuant to section 7.020 of this charter, the city council may divide the city into

districts for the purpose of local taxation, or may create districts for that purpose, as occasion may require.

3. In the matter of the equalization of assessments, the rights of the city and its inhabitants must be protected in the same manner and to the same extent by the action of the county board of equalization as are the rights of the state and county.
4. Whenever and wherever it is practicable and expedient, all of the forms and blanks which are used in levying, assessing and collecting the revenues of the state and county must, with such alterations or additions as may be necessary, be used in levying, assessing and collecting the revenues of the city.

Sec. 18. Section 8.010 of the charter of the City of North Las Vegas, being chapter 573, Statutes of Nevada 1971, at page 1227, is hereby amended to read as follows:

Sec. 8.010

1. The city council shall annually, at the time prescribed by law for levying taxes for state and county purposes, levy a tax not exceeding 3 percent upon the assessed value of all [real and personal] property within the city [,] for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety,

except as provided in the Local Government Securities Law

and the Consolidated Local Improvements Law . [, as amended from time to time.] The taxes so levied [shall] must be collected at the same time and in the same manner and by the same officers, exercising the same functions, as prescribed in the laws of the State of Nevada for collection of state and county taxes. The revenue laws of the state [shall,] are, in every respect not inconsistent with the provisions of this charter, [be] applicable to the levying, assessing and collecting of the municipal taxes.

2. In the matter of the equalization of assessments, the rights of the city and the inhabitants thereof [shall] must be protected in the same manner and to the same extent by the action of the county board of equalization as are the state and county.

3. All forms and blanks used in levying, assessing and collecting the revenues of the state and counties [shall,] must, with such alterations or additions as

may be necessary, be used in levying, assessing and collecting the revenues of the city. The city council shall enact all such ordinances as it may deem necessary and not inconsistent with this charter and the laws of the state for the prompt, convenient and economical collecting of the revenue.

Sec. 19. Section 8.010 of the charter of the City of Reno, being chapter 662, Statutes of Nevada 1971, as amended by chapter 561, Statutes of Nevada 1977, at page 1397, is hereby amended to read as follows:

Sec. 8.010

1. The city council shall annually, at the time prescribed by law for levying taxes for state and county purposes, levy a tax not exceeding 2 percent upon the assessed value of all [real and personal] property within the city for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety,

except as otherwise provided in the Local Government Securities Law and the Consolidated Local Improvements Law .
[, as amended from time to time.] The taxes so levied

Sec. 20. Section 8.010 of the charter of the City of Sparks, being chapter 470, Statutes of Nevada 1975, at page 740, is hereby amended to read as follows:

Sec. 8.010

1. The city council shall annually, at the time prescribed by law for levying taxes for state and county purposes, levy a tax not exceeding 1 3/4 percent upon the assessed value of all [real and personal] property within the city [,] for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety,

except as provided in the Local Government Securities Law and the Consolidated Local Improvements Law . [, as amended from time to time.] The taxes so levied [shall] must be collected at the same time and in the same manner and by the same officers, exercising the same functions, as prescribed in the laws of the State of Nevada for collection of state and county taxes. The revenue laws of the state [shall,] are, in every respect not inconsistent with the provisions of this charter, [be]

[shall] must be collected at the same time and in the same manner and by the same officers, exercising the same functions, as prescribed in the laws of the State of Nevada for collection of state and county taxes. The revenue laws of the state [shall,] are, in every respect not inconsistent with the provisions of this charter, [be] applicable to the levying, assessing and collecting of the municipal taxes.

2. In the matter of the equalization of assessments, the rights of the city and the inhabitants thereof [shall] must be protected in the same manner and to the same extent by the action of the county board of equalization as are the state and county.
3. All forms and blanks used in levying, assessing and collecting the revenues of the state and counties [shall,] must, with such alterations or additions as may be necessary, be used in levying, assessing and collecting the revenues of the city. The city council shall enact all such ordinances as it may deem necessary and not inconsistent with this charter and the laws of the state for the prompt, convenient and economical collecting of the revenue.

applicable to the levying, assessing and collecting of the municipal taxes.

2. In the matter of the equalization of assessments, the rights of the city and the inhabitants thereof [shall] must be protected in the same manner and to the same extent by the action of the county board of equalization as are the state and county.
3. The city council shall enact all such ordinances as it may deem necessary and not inconsistent with this charter and the laws of the state for the prompt, convenient and economical collecting of the revenue.
4. The city may, however, upon the approval of the county commissioners of Washoe County, collect taxes levied for the redemption of bonds provided for in sections 6.010 to 6.030, inclusive.

Sec. 21. Section 8.010 of the charter of the City of Wells, being chapter 275, Statutes of Nevada 1971, at page 473, is hereby amended to read as follows:

Sec. 8.010

1. The board of councilmen shall annually, at the time prescribed by law for levying taxes for state and county purposes, levy a tax not exceeding 3 percent upon the assessed value of all [real and personal] property within the city [,] for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety,

except as otherwise provided in the Local Government Securities Law and the Consolidated Local Improvements Law .
[, as amended from time to time.] The taxes so levied
[shall] must be collected at the same time and in the
same manner and by the same officers, exercising the
same functions, as prescribed in the laws of the State
of Nevada for collection of state and county taxes. The
revenue laws of the state [shall,] are, in every
respect not inconsistent with the provisions of this
charter, [be] applicable to the levying, assessing and
collecting of the municipal taxes.

2. In the matter of the equalization of assessments, the
rights of the city and the inhabitants thereof [shall]
must be protected in the same manner and to the same
extent by the action of the county board of equaliza-
tion as are the state and county.

3. All forms and blanks used in levying, assessing and
collecting the revenues of the state and counties

[shall,] must, with such alterations or additions as may be necessary, be used in levying, assessing and collecting the revenues of the city. The board of councilmen shall enact all such ordinances as it may deem necessary and not inconsistent with this charter and the laws of the state for the prompt, convenient and economical collecting of the revenue.

Sec. 22. Section 8.010 of the charter of the City of Yerington, being chapter 465, Statutes of Nevada 1971, at page 915, is hereby amended to read as follows:

Sec. 8.010

1. The city council shall annually, at the time prescribed by law for levying taxes for state and county purposes, levy taxes at the appropriate rate upon the assessed value of all [real and personal] property within the city [,] for:

(a) Police and fire protection;

(b) Operation of the municipal court;

(c) Libraries;

(d) Bonded indebtedness; and

(e) Special services related to public health and safety,

except as provided in the Local Government Securities Law and the Consolidated Local Improvements Law . [, as amended from time to time.] The taxes so levied [shall]

must be collected at the same time and in the same manner and by the same officers, exercising the same functions, as prescribed in the laws of the State of Nevada for collection of state and county taxes. The revenue laws of the state [shall,] are, in every respect not inconsistent with the provisions of this charter, [be] applicable to the levying, assessing and collecting of the municipal taxes.

2. In the matter of the equalization of assessments, the rights of the city and the inhabitants thereof [shall] must be protected in the same manner and to the same extent by the action of the county board of equalization as are the state and county.
3. All forms and blanks used in levying, assessing and collecting the revenues of the state and counties [shall,] must, with such alterations or additions as may be necessary, be used in levying, assessing and collecting the revenues of the city. The city council shall enact all such ordinances as it may deem necessary and not inconsistent with this charter and the laws of the state for the prompt, convenient and economical collecting of the revenue.

Sec. 23. The provisions of this act become effective on July 1, 1985, to be applied for the levy of taxes for fiscal year 1986-1987.

SUMMARY--Amends constitution to prohibit taxation of property for benefit of state general fund. (BDR C-122)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

JOINT RESOLUTION--Proposing to amend section 2 of article 9 of the constitution of the State of Nevada, relating to finance and state debt, to prohibit the legislature from levying an ad valorem tax on property for the benefit of the state general fund and prohibiting the use of revenue derived from an ad valorem tax on property to replace money which would otherwise be appropriated from the state general fund.

RESOLVED BY THE AND THE OF THE STATE OF
NEVADA, JOINTLY, That section 2 of article 9 of the constitution of the State of Nevada be amended to read as follows:

Sec. 2. The legislature shall provide by law for [an annual tax] taxes sufficient to defray the estimated expenses of the state for each fiscal year; and whenever the expenses of any year shall exceed the income, the legislature shall provide for [levying a tax] taxes sufficient, with other sources of income, to pay the deficiency, as well as the estimated expenses of such ensuing year or two years. The legislature shall not levy an ad valorem tax on property for the benefit of the state general fund or provide for the use of revenue derived from an ad valorem tax on property to replace money which would otherwise be appropriated from the state general fund. Any moneys paid for the purpose of

providing compensation for industrial accidents and occupational diseases, and for administrative expenses incidental thereto, and for the purpose of funding and administering a public employees' retirement system, shall be segregated in proper accounts in the state treasury, and such moneys shall never be used for any other purposes, and they are hereby declared to be trust funds for the uses and purposes herein specified.

VI. APPENDICES

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APPENDIX A

Summary, from the Airplane Owners and Pilots
Association (AOPA) Regarding the Sales
and Use Tax, Property Tax, Fuel Tax
and How They Relate to
Aeronautics

REGULATION AND TAXATION OF AERONAUTICS
BY THE STATE OF NEVADA

INTRODUCTION

This report is intended as a summary in review of the regulation and the taxation of aeronautics by the State of Nevada. This is for general information purposes only and is intended to acquaint anyone contemplating the aeronautical laws of Nevada as to their scope and effect on aeronautics. It is not intended that this report is definitive in the interpretation of the available information or that it is complete in every detail. This report describes the laws of Nevada which regulate and tax aviation and its activities, the revenues that are derived from such taxation and a comparison of this information to the laws of the states that surround Nevada. In order to fully acquaint any one with all phases of regulation and taxation of aeronautics in Nevada, a knowledge of the federal regulations and taxation of aeronautics is necessary and must be integrated into this study.

SUMMARY

Regulation of aeronautics in Nevada is provided by Title 44, "Aeronautics", of the Nevada Revised Statutes (NRS). In Chapter 493 of the laws of Nevada, "Aeronautics Generally", the uniform laws for the regulation of aircraft and aircraft operators are given. These laws, by reference, conform to federal licensing and regulations. Nevada has no requirements for state licensing or for fees for aircraft or aircraft operators and Nevada has no governmental agency directly charged with the responsibility for carrying out an aeronautical policy. The only promotion of aviation by Nevada is under the office of the department of economic development by the publication of an aeronautical chart that encompasses the State of Nevada.

Other chapters of Title 44 of the NRS cover the laws concerning airports and aeronautical facilities. Chapter 494, "Airports Act", segregates un-refunded aviation gasoline taxes collected from aircraft useage and provides that after a distribution of \$30,000 annually to the Nevada Civil Air Patrol, the balance goes to the county governments for airport use only. Public air transportation regulation rests with the Nevada public service commission under the laws of Chapter 704 of the NRS. The public service commission has no published regulations for inter-state, intra-state or for charter air operators.

Taxation of aircraft in Nevada is not specifically addressed by the laws of Nevada. However, by the general provisions of Title 32 of the NRS, "Revenue and Taxation", aircraft and their useage are considered subject to taxation. Taxes are levied by Nevada on aircraft and their activities under three different conditions;

First, a sales or use tax is imposed at the state and county levels and collected by the retail dealer on the purchase of an aircraft and also on any equipment or repair parts. For aircraft and related purchases outside the state, the buyer is subjected to the same tax on the basis of the use of such property and it is the responsibility of the user to declare and pay this use tax under penalty of the law.

Second, a property tax is imposed annually at the county level and collected by the county treasurer on aircraft as personal property. This tax, based on the assessed value of the aircraft, is determined by the tax rate of the county in which the aircraft is located. Subject to state regulations, the assessed valuation of aircraft is based on cost of replacement, less depreciation. Public air transportation companies are centrally assessed and this assessment allocated to the counties that they overfly.

Third, a fuel tax is imposed at the state and county levels and collected

by the distributor on all aviation fuel. For aviation gasoline usage, the 12¢ to 16¢ per gallon tax is refundable to the user by the state under the limitations of purchases of a minimum of 200 gallons within a six months period. Until 1983 fuel for jet aircraft was specifically exempt from a state fuel tax in Nevada. In 1983, in order to provide tax revenues for general purposes and that would assist in industrial development promotion, a tax was imposed at the state level of 1¢ per gallon and is not refundable.

The tax revenues derived within Nevada directly from aircraft and aeronautical activities may be estimated to be as much as \$3 million. Approximately 10% of this revenue may be estimated to come from sources outside the state. Of this amount of aviation revenue, over \$1.5 million is expected to be generated for the state general fund through the enactment of the jet aviation fuel tax. Of the remaining \$1.5 million of tax revenues, all except approximately 10% reverts to the county and other local entity governments for general purposes. Less than \$400,000 of all the taxes imposed by Nevada on aviation are allocated for aeronautical purposes. These are the taxes remaining from the unrefunded portion of the aviation gasoline taxes and they are segregated and specifically used only for airport purposes.

Charts depicting the valuations and revenues since 1969 of the Nevada assessed valuation of aircraft, the assessed valuation of airline property, and the aviation gasoline unrefunded tax revenues are included in the appendix to this report.

A digest of the regulation and taxation of aeronautics for each of the five states that surround Nevada; California, Arizona, Idaho, Oregon and Utah, has been included on a state-by-state basis. The only area in which there is great similarity between the six states is in the recognition of the federal standards for certification of aircraft and aircraft operators. Of the six states only Nevada has no aviation authority charged with the promotion, co-ordination and the interfacing with the federal agencies for the aviation activities throughout the state. In Nevada this responsibility rests solely with the counties and their local governmental authorities with no coordination from the state. Nevada has no program to encourage general aviation for tourism and other private aeronautical development.

Three states have registration fees or licensing laws in lieu of a personal property tax and all states except Nevada and Utah provide for uniform taxation without regard to where the aircraft is based in the state. Three states provide for the reduction in sales taxes on the purchase of aircraft for the value of a trade-in and all states exempt from the sales tax "occasional sales" between individuals not in business. All states have a fuel tax. The fuel tax vary from a full refund on aviation gasoline taxes in Nevada to a tax of 4¢ per gallon on all aviation fuel in Utah. Only California applies a sales tax on fuel and then only on jet aircraft fuel.

A comparison of the regulation and taxation by Nevada and its five surrounding states is shown in an abbreviated form in charts contained in the appendix to this report. These charts are divided into four sections; regulation and registration, sales and use taxation, property taxation, and fuel taxation. These charts briefly cover the major considerations to which one would be subjected to by the statutes of each state and the differences that might be encountered with aviation related activities. Since travel and commerce by air, even in non-commercial airplanes is becoming commonplace, the comparisons in this report should be expanded to encompass all states and particularly to reflect the federal government information in order to form a complete understanding and comparison of Nevada aeronautical regulation and taxation. All of this comparative information requires verification as to its currency and application through a thorough research of the present practices in each state.

APPENDIX B

Report, from the Airplane Owners and Pilots
Association (AOPA) Which is a Comparison
of Regulations and Registration of
Aeronautics in Five Adjoining
States To Nevada

PRELIMINARY REPORT OF THE REGULATION AND TAXATION
OF AERONAUTICS BY THE STATE OF NEVADA IN
COMPARISON TO ITS SURROUNDING STATES

INTRODUCTION

This report is intended as a summary in review of the regulation and taxation of aeronautics in the states that surround Nevada in comparison to those in effect in the State of Nevada. The information contained in this report, with regard to states other than Nevada, has been obtained by a perusal of the statutes of each state as were available at this time. None of this information has been verified to be up-to-date or to be the actual practice at this time. The information for Nevada is condensed from "Preliminary Report of Regulation and Taxation of Aeronautics by the State of Nevada" which contains the essence of the laws of Nevada and the manner in which they are applied at this time.

SUMMARY

Regulation and taxation of aeronautics for the five surrounding states of Nevada, which are Arizona, California, Idaho, Oregon and Utah, as a comparison is shown in an abbreviated form in ~~the following charts~~. *Charts are given in the appendices to this report* These charts have been divided into four sections; regulation and registration, sales and use taxation, property taxation, and fuel taxation. The charts briefly cover the major considerations to which an individual would be subjected to by the statutes of each state and the differences that might be encountered

with aviation-related activities across the borders of each state in which Nevada has direct contact. Since travel and commerce by air, even in noncommercial airplanes is becoming more prevalent, the comparisons made in this report should be expanded to encompass all states and particularly with reference to the Federal Government in order to form a complete understanding and comparison of Nevada aeronautical regulation and taxation. All of this information requires verification as to its currency and application through a thorough research of the present practices in each state.

A digest of the regulation and taxation of aeronautics for Nevada and for each of the surrounding states: Arizona, California, Idaho, Oregon and Utah, has been included on a state-by-state basis. The only area in which there is great similarity between six states is the recognition of federal standards for the certification of aircraft and aircraft operators. All states require all aircraft and operators, by reference, to conform to federal law and regulations. Of the six states, only Nevada has no aviation authority charged with the promotion and coordination of aeronautics and the interfacing with the federal agencies in the aviation-related activities throughout the state. In Nevada this responsibility rests solely with the counties and other local governmental authorities to coordinate their efforts with federal programs and other groups. Nevada has no program to encourage privately owned aviation for tourism and other commercial development. Three of the states have registration fees or licensing taxes in lieu of a personal property tax, and all states except Nevada and Utah provide for uniform taxation without regard to location of where the aircraft is based in the state. Three of the states provide for a reduction in sales taxes on the purchase of aircraft

for the value of a trade-in, and all states exempt from the sales tax the "occasional sale" between individuals not in business. All states exempt fuel from their sales tax, and all states have a fuel tax. The fuel taxes vary from a full refund allowed in Nevada to ^{a tax of} four cents per gallon ~~tax~~ in Utah. CALIFORNIA APPLIES SALES TAX TO JET AIRCRAFT FUEL (PRICE BEFORE TAXES) ONLY.

COMPARISON OF REGULATIONS AND REGISTRATION OF AERONAUTICS

	NEVADA	ARIZONA	CALIFORNIA	IDAHO	OREGON	UTAH
AERONAUTICAL AUTHORITY	None (Local)	Division of Aeronautics	Department of Transportation	Aeronautics and Public Transportation Advisory Board	Aeronautics Division	Aeronautics Operations Division
STATE AGENCY	None	Department of Transportation	Transportation Commission	Transportation Department	Department of Transportation	Department of Transportation
REGULATION OF AERONAUTICS	Requires Federal Licensing of Aircraft and Operators	Requires Federal Licensing of Aircraft and Operators	Requires Federal Licensing of Aircraft and Operators	Requires Federal Licensing of Aircraft and Operators	Requires Federal Licensing of Aircraft and Operators	Requires Federal Licensing of Aircraft Operators
AIRCRAFT REGISTRATION AND FEES	None	Within 60 Days & Annually Thereafter: \$5 Registration and 1% of Fair Value License Tax	None	Annual Registration: 2 1/2% Per lb. of Useful Load to \$100 Maximum	Annual Registration: \$20 to \$125 Depending on Type and Age	None
AIRCRAFT FEE USE	-	For Airports	-		To Aeronautics Division	-
OPERATOR REGISTRATION AND FEES	None	None	None	Annual Registration: \$2	Annual Registration Required: \$2 Initially, then \$4 for 2 Years	None
OPERATOR FEE USE	-	-	-	Search & Rescue	Search & Rescue	-
OTHER MISC. AVIATION REGULATIONS	-	Dealer Registration & Surety Bond Req.; Comm. Oper. Lic. and Insurance Req.	Financial Responsibility or Insurance Req. for Operation of Aircraft		\$100 Aircraft Dealer License Covers All Aircraft in Stock	
NONRESIDENT EXEMPTION		90 Days		3 Months	60 Days	

COMPARISON OF SALES AND USE TAXES IMPOSED ON AERONAUTICS

	NEVADA	ARIZONA	CALIFORNIA	IDAHO	OREGON	UTAH
SALES AND USE TAX (Normal Amt.)	5 3/4% to 6%	4%	6% to 7%	3%	None	4%
APPLIED ON	Gross Sales of Tangible Property	Net Sales of Tangible Property Less Trade-in Value	Gross Sales of Tangible Property <i>4 3/4% on Jet Fuel</i>	Net Sales of Tangible Property Less Trade-in Value	-	Net Sales of Tangible Property and Services Less Trade-in
EXEMPTIONS	Occasional Sales	Casual Sales Between Indi- viduals	Occasional Sales	Occasional Sales	-	Occasional Sales
	Motor Fuel	Motor Fuel	GASOLINE Motor Fuel	Motor Fuel	-	Motor Fuel
	Labor & Services	Labor and Per- sonal Services	Labor & Services	Labor and Per- sonal Services	-	
		Sales of Airline Aircraft	Sales of Common Carriers Air- craft	Use Tax if More Sales Tax Paid in Another State		
USE OF TAXES	General Funds	General Funds	General Funds	General Funds	-	General Funds

79.

COMPARISON OF PROPERTY TAXES IMPOSED ON AERONAUTICS

	NEVADA	ARIZONA	CALIFORNIA	IDAHO	OREGON	UTAH
ASSESSMENT	By County Assessor to State Tax Department Guidelines	None in Lieu of State Registration and License Tax	By County Assessor to Aero-Department Valuations	None in Lieu of State Registration Fee	None in Lieu of State Registration Fee	By County Assessor
VALUATION	35% of Taxable Value (Cost of Replacement Less Depreciation)	-	Market Value	-	-	20% of Reasonable Fair Cash Value
RATE	At County Tax Rates (State-wide Average of 1.7%)	-	1.5%	-	-	At County Tax Rates
USE OF TAXES	General Funds	-	General Funds	-	-	General Funds

COMPARISON OF FUEL TAXES IMPOSED ON AERONAUTICS

	NEVADA	ARIZONA	CALIFORNIA	IDAHO	OREGON	UTAH
FUEL TAX, BASIS	ON AIRCRAFT FUEL On All Gasoline	On All Motor Fuel Other Than Kerosene Used as Aircraft Fuel	On All Gasoline, with Jet Fuel Specially Taxed AND SUBJECT TO SALES TAX	On All Fuel for Aircraft Use	On All Fuel for Aircraft with Special Tax on Turbine Fuel	On All Fuel Sold for Aircraft Use
TAX RATE	12¢ to 16¢ Per Gallon Depending on County Options 1¢ PER GALLON ON JET FUEL	10¢ Per Gallon	9¢ Per Gallon on Gasoline; 2¢ Per Gallon on Jet Fuel	2 1/2¢ Per Gallon	3¢ Per Gallon on Aircraft Fuel Except 1/2¢ Per Gallon on Turbine Fuel	4¢ Per Gallon
REFUND	Total Tax (Less 2% of Tax Amt.) on Minimum of 200 Gallons Within 6 Months of Purchase for Aircraft Use FOR GASOLINE NO REFUND ON JET FUEL	All Refundable Except 1¢ Per Gallon for Aircraft Use. Limited to One Refund for Less Than 200 Gallons Within 6 Months	5¢ Per Gallon on Gasoline for Aircraft Use	None	Refund on 8¢ Tax for Motor Vehicle Fuel to the 3¢ and 1/2¢ Level. Refunds of All Fuel Taxes for Flights Directly Outside the U.S.	None
USE OF TAXES	Unrefunded Taxes Returned to County of Origin After \$30,000/YR to CAP for Airport Use Only	All Unrefunded Taxes to Aviation Fund	All Unrefunded Taxes for Aeronautical Purposes Only	All Taxes to State Aeronautics Fund	To Carry Out Aeronautic Laws	All to Aeronautics Department with 75% Returned to Counties for Airports and 25% for Dept. Operation Promotion and Airports
EXEMPTIONS	Jet Engine Fuel	Kerosene Used As Aircraft Fuel	Common Carriers, Aircraft Manufacturers and Repairers			

DIGEST OF THE REGULATION AND THE TAXATION
OF AERONAUTICS FOR NEVADA AND ITS
FIVE SURROUNDING STATES

NEVADA

Regulation of aeronautics in Nevada is provided by Title 44 of NRS, "Aeronautics." Federal licensing for aircraft and aircraft operators is required in Nevada and, by reference, conforms to the federal law and regulations. Nevada law has no provision for a central aeronautical authority and has no requirements for state licensing of aircraft or aircraft operators. Local municipal authorities and the counties are permitted the full responsibility for airports. They work directly with the federal agencies for airport funding and approval.

Taxation of aeronautics is covered in Nevada by the general provisions of Title 32 of NRS, "Revenue and Taxation." A sales or use tax from 5 3/4 to 6 percent is applied to the initial purchase of aircraft and subsequent repair parts and equipment that are purchased. Labor and services are exempt from the sales and use tax. This tax is applied without reference to any trade-in reduction in purchase price. However, "occasional sales" as well as fuel are exempt from the sales and use tax. Personal property taxes are imposed and collected annually on all aircraft at the county level. This property tax is based on the state-regulated assessed taxable value. Taxable value is defined as the cost of replacement less depreciation. None of these sales and property taxes are segregated for aeronautical purposes. Jet aircraft fuel is specifically exempt from all fuel taxes. Gasoline for aircraft use is taxed at the same rate

as automotive gasoline and varies from 12 cents to 16 cents per gallon depending on the county in which it is purchased, but this tax is refundable. The refund is allowable for aircraft use on a minimum of 200 gallons within a 6-month period. The refund is for the full amount of the taxes paid except for 2 percent of the tax amount as a collection fee. The unrefunded aircraft gasoline taxes are distributed back to the counties specifically for airport use.

ARIZONA

Regulation, licensing and taxation of aviation in Arizona is provided by Title 28, "Transportation," Chapter 12, "Aviation in General," of the Arizona Revised Statutes. A Division of Aeronautics of the Department of Transportation was created in 1974 to cooperate with local, state and federal organizations for the purpose of encouraging and advancing the safe and orderly development of aviation in Arizona. It is to assemble and distribute to the public information relating to aviation and to accept federal funds made available for the advancement of aviation. It is to represent the state in commercial airline regulation, to accept federal and other funds for airports, to facilitate regional airport development and to adopt rules and regulations for the best interests of aviation in Arizona that do not conflict with federal rules and regulations. Federal licensing of aircraft and aircraft operators is required in Arizona and by reference conforms to federal law and regulations. Registration of aircraft based in Arizona is required within 60 days, and a license fee of \$5 and license tax of 1 percent of fair market value, as determined by the Division of Aeronautics, must be paid annually. This licensing tax is in lieu of personal property tax.

Taxation of the transactions of all businesses in Arizona results in a sales tax equivalent and is covered in Title 42, Chapter 8, "Taxation," of the Arizona Revised Statutes. This transaction tax, together with a special education excise tax as well as a use tax, results in a tax of 4 percent that is applied to all purchases of tangible property. This tax is applied to the gross price after consideration of the reduction due to a trade-in. Labor and services as well as fuel are exempt from this tax. Casual sales between individuals who are not in business are exempt. The licensing tax on aircraft is in lieu of a personal property tax. Fuel taxation is covered in Title 28, Chapter 9, "Taxes," of the Arizona Revised Statutes. All motor fuel is taxed at 10 cents per gallon until July 1983 when it goes to 12 cents per gallon and, in July 1984, to 13 cents per gallon. However, a refund of all of the fuel tax, except 1 cent per gallon, on application to the motor vehicle division is allowed. Only one application for refund of less than the tax on 200 gallons is permitted in any 6-month period. Kerosene used as aircraft fuel is not considered to be motor vehicle fuel for tax purposes and, therefore, is exempt from fuel taxes. The aircraft licensing tax and the unrefunded gasoline taxes are allocated to the Division of Aeronautics for appropriation for aeronautical purposes.

CALIFORNIA

Regulation of aeronautics in California is contained in Division 8 of the California Public Utilities Code. The Department of Transportation under the California Transportation Commission is vested with all the duties and powers of the former State Aeronautics Board that was first created in 1947. The California Transportation Commission is charged with encouraging aeronautics in the state and the establishment of airports and air navigation facilities. It

is to cooperate with and assist the federal government, political subdivisions of the state and others in the development of aeronautics. Certification and licensing are necessary within California under the requirements of the United States for all aircraft and aircraft operators. California has a Uniform Financial Responsibility Act which requires \$50,000/100,000 bodily injury and \$50,000 property damage insurance to avoid security deposits in case of an accident.

Taxation of aeronautics in California is covered in the California Revenue and Taxation Code. A sales and use tax is imposed on the sale of tangible personal property on the gross receipts of the sale without regard to any allowance for a trade-in. The tax is made up of $4\frac{3}{4}$ percent for state purposes, $1\frac{1}{4}$ percent for county purposes, and may also include a city tax of up to 1 percent for a total sales or use tax of from 6 to 7 percent. Motor vehicle fuel for aircraft and aircraft for common carrier use are exempt from the sales taxes. Aircraft sold by a retailer or person who is not in the business of selling aircraft is exempt from the sales taxes. *JET FUEL IS SUBJECT TO THE $4\frac{3}{4}\%$ SALES + USE TAX,*

Personal property tax on aircraft is covered in Part 10 of the Property Taxation section of the California Code. It is specially covered with the intent of having a uniform countywide system of taxation regardless of where the aircraft is based. Aircraft are to be assessed by the county assessor in the county in which the aircraft is based, and a personal property tax imposed annually at $1\frac{1}{2}$ percent of the market value. This tax is in lieu of all other local property taxes. A listing of all aircraft is required from all airport operators, and the assessors are required to

report the assessments to the aeronautics department. Fuel taxes on gasoline for motor vehicle uses are imposed at the rate of 9 cents per gallon, beginning in 1983. This tax is fully refundable for airlines, aerial spraying, and for manufacturers and repairers of aircraft. For all other aircraft, 5 cents per gallon of the 9 cents tax is refundable under claims for the refund made within 13 months from the date of purchase. A net tax on jet aircraft fuel of 2 cents per gallon is imposed on all jet fuel except that used by common carriers and manufacturers and repairers. Of all the taxes imposed by California, only the unrefunded fuel taxes are allocated for aeronautical purposes through the Department of Transportation.

IDAHO

Regulation of aeronautics in Idaho is contained in Title 21 of the Idaho Code, "Aeronautics." Idaho has an Advisory Board for Aeronautics and Public Transportation to advise the Idaho Transportation Department on aeronautical matters. There has been general supervision over aeronautics since 1947. The department is empowered to develop aeronautics, airports, and air navigation facilities. It is to cooperate and assist the federal government and local municipalities in aeronautical activities. Certification by the United States is required for aircraft and aircraft operators. A registration fee for all aircraft operators of \$2 is imposed annually and is allocated to search and rescue for downed aircraft. An aircraft registration fee, not to exceed \$100, of 2 1/2 cents per pound of useful load of the aircraft is imposed annually by the department, which fee is in lieu of all personal property taxes. The fee for dealers and manufacturers is \$40 with an additional fee of \$1 each for all

aircraft. Nonresident aircraft not used for commercial purposes and certificated airline aircraft are exempt from aircraft and operator registration.

Taxation of aeronautics is covered in Title 63, of the Idaho Code, "Revenue and Taxation." A sales and use tax of 3 percent is imposed on the net sales price of all tangible property less the trade-in value. Labor and services are exempt from the sales and use tax as are occasional sales. Purchases subject to the motor fuels tax are also exempt from the sales and use tax. Sales taxes paid in another state that are equal or greater than those of Idaho relieve the imposition of the use tax. Personal property taxes on aircraft are exempt in lieu of the annual registration fee. Aircraft engine fuel is subject to a privilege tax in lieu of the tax on motor fuels and is at the rate of 2 1/2 cents per gallon. The proceeds of all these taxes and fees, except the sales and use tax, are allocated to carry out the aeronautical laws for Idaho.

OREGON

Regulation of aeronautics in Oregon is contained in Title 40 of the Oregon Revised Statutes, "Aeronautics." Oregon has an Aeronautics Division within the Oregon Department of Transportation. The division is to have a definite plan for airports, airways, aircraft industries and aviation generally. It is to cooperate with and assist the Federal Government and the municipalities of the state. Federal licensing of aircraft and aircraft operators is required. A state registration for pilots is required on entry into the state or on any change of rating and annually thereafter.

The fee for the initial registration is \$2 and then \$4 annually. These fees are allocated to aeronautical search and rescue. Aircraft are required to be registered annually at a fee that is dependent on the type and age of the aircraft. The fee ranges from a minimum of \$20 for homebuilt aircraft to \$125 for new turbojet aircraft. This fee is in lieu of all personal property taxes. These fees are paid to the Aeronautics Division.

Taxation of aeronautics in Oregon is given in Title 29 of the Oregon Revised Statutes, "Revenue and Taxation." Oregon has no sales or use taxes, and the aircraft registration fee is imposed in lieu of personal property taxes. Aircraft engine fuel usage as well as all motor vehicle fuel is subject to a tax of 8 cents per gallon. However, aircraft fuel dealers may compute the tax at 3 cents per gallon, except for aircraft fuel delivered into the tanks of turbine aircraft which is taxed at 1/2 cent per gallon. If the full motor vehicle fuel tax has been paid, a refund of all except the 3 cents or the 1/2 cent per gallon of tax may be obtained. The aircraft fuel taxes are allocated to carrying out the state aeronautical laws.

UTAH

Regulation of aeronautics in Utah is contained in Title 2 of the Utah Code. An aeronautical committee within the department of transportation determines aeronautics policy within the State of Utah. The committee is to adopt rules and regulations for airports, air navigation facilities and aeronautical instruction. Licensing of pilots is required, but no Utah license is required if a license from the United States has been obtained.

Taxation of aeronautics in Utah is covered in Title 59 of the Utah Code, "Revenue and Taxation." Tangible property, including aircraft, is taxable in the county in which the owner is domiciled unless usually used and kept in another taxing unit. Assessment is to be at 20 percent of its reasonable fair cash value. A sales and use tax of 4 percent is imposed on all retail sales of tangible personal property. Allowance for a trade-in value is made, and only the net difference is taxable. Labor, repairs and services are taxable at the rate of 4 percent. Motor fuels are exempt from the sales tax as are isolated or occasional sales by persons not regularly engaged in business.

Taxation of motor fuels is covered in Title 41 of the Utah Code, "Motor Vehicles." Motor fuel used exclusively in airplanes is taxed at 4 cents per gallon. These motor fuel tax funds are restricted to the aeronautical operations of the Utah department of transportation. Allocation of these funds is to be 75 percent for airports and distributed in proportion to the fuel delivered to each airport. The remaining 25 percent is to be expended by the aeronautical operations department for the promotion and regulation of aeronautics and for airports.

APPENDIX C

Chart, Showing Comparison of Regulations and
Registration of Aeronautics from the
Airplane Owners and Pilots
Association (AOPA)

COMPARISON OF REGULATIONS AND REGISTRATION OF AERONAUTICS

	NEVADA	ARIZONA	CALIFORNIA	IDAHO	OREGON	UTAH
AERONAUTICAL AUTHORITY	None (Local)	Division of Aeronautics	Department of Transportation	Aeronautics and Public Transportation Advisory Board	Aeronautics Division	Aeronautics Operations Division
STATE AGENCY	None	Department of Transportation	Transportation Commission	Transportation Department	Department of Transportation	Department of Transportation
REGULATION OF AERONAUTICS	Requires Federal Licensing of Aircraft and Operators	Requires Federal Licensing of Aircraft and Operators	Requires Federal Licensing of Aircraft and Operators	Requires Federal Licensing of Aircraft and Operators	Requires Federal Licensing of Aircraft and Operators	Requires Federal Licensing of Aircraft Operators
AIRCRAFT REGISTRATION AND FEES	None	Within 60 Days & Annually Thereafter: \$5 Registration and 1% of Fair Value License Tax	None	Annual Registration: 2 1/2¢ Per lb. of Useful Load to \$100 Maximum	Annual Registration: \$20 to \$125 Depending on Type and Age	None
AIRCRAFT FEE USE	-	For Airports	-		To Aeronautics Division	-
OPERATOR REGISTRATION AND FEES	None	None	None	Annual Registration: \$2	Annual Registration Required: \$2 Initially, then \$4 for 2 Years	None
OPERATOR FEE USE	-	-	-	Search & Rescue	Search & Rescue	-
OTHER MISC. AVIATION REGULATIONS	-	Dealer Registration & Surety Bond Req.; Comm. Oper. Lic. and Insurance Req.	Financial Responsibility or Insurance Req. for Operation of Aircraft		\$100 Aircraft Dealer License Covers All Aircraft in Stock	
NONRESIDENT EXEMPTION		90 Days		3 Months	60 Days	

COMPARISON OF SALES AND USE TAXES IMPOSED ON AERONAUTICS

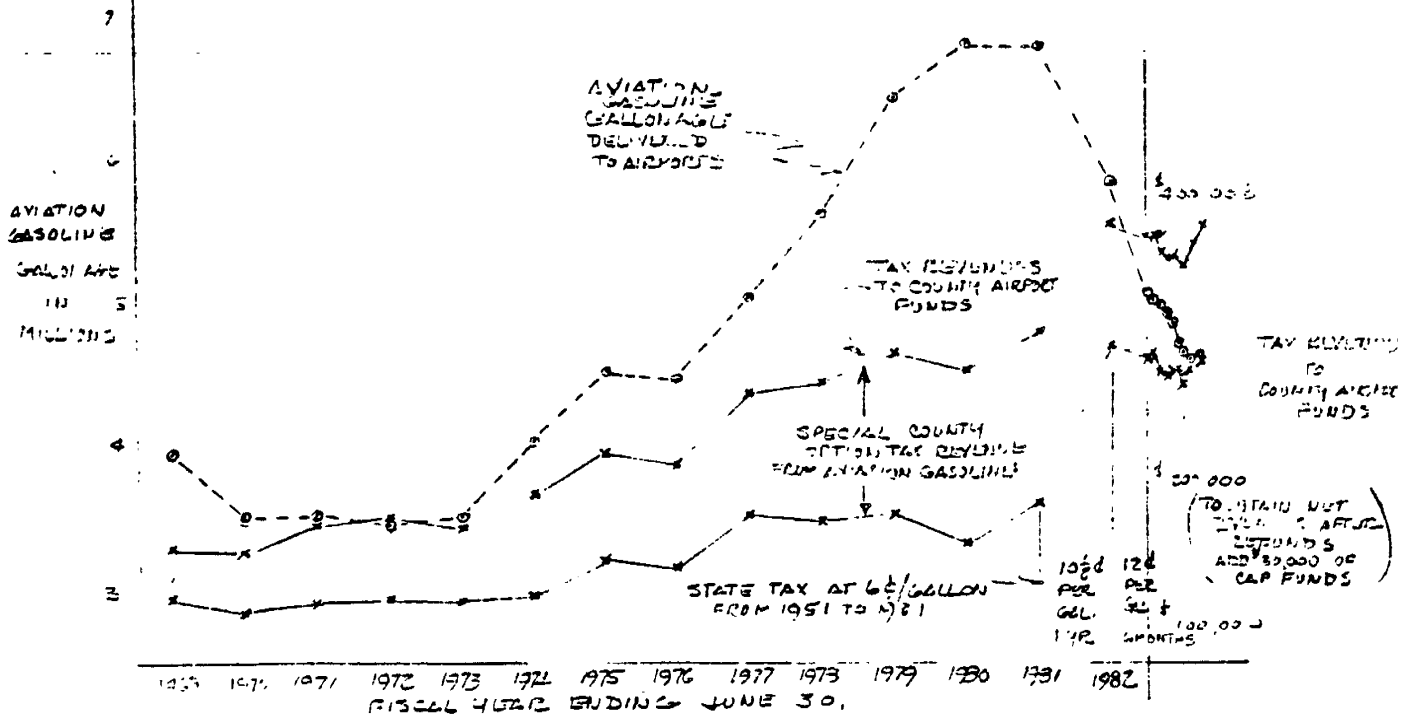
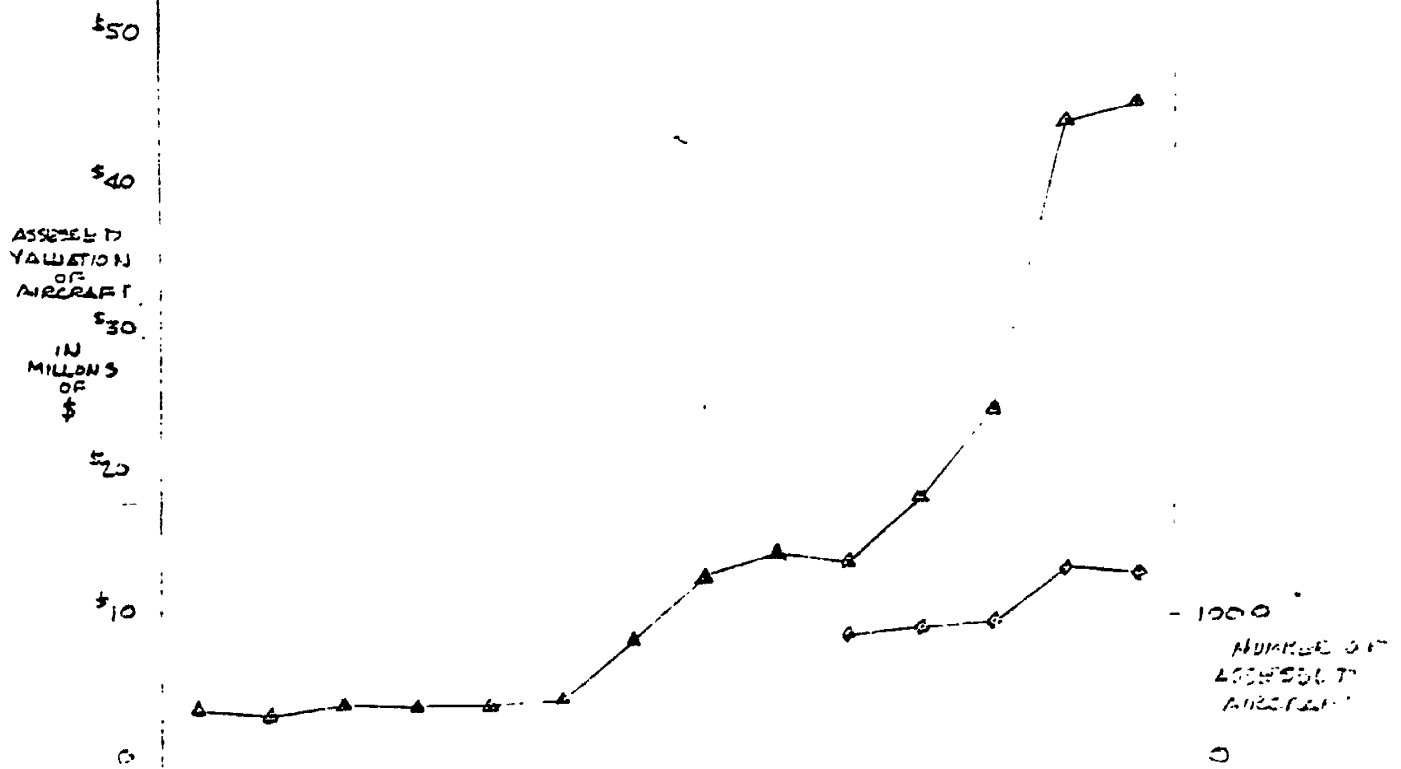
	NEVADA	ARIZONA	CALIFORNIA	IDAHO	OREGON	UTAH
SALES AND USE TAX (Normal Amt.)	5 3/4% to 6%	4%	6% to 7%	3%	None	4%
APPLIED ON	Gross Sales of Tangible Property	Net Sales of Tangible Property Less Trade-in Value	Gross Sales of Tangible Property <i>4 3/4% on JET FUEL</i>	Net Sales of Tangible Property Less Trade-in Value	-	Net Sales of Tangible Property and Services Less Trade-in
EXEMPTIONS	Occasional Sales Motor Fuel Labor & Services	Casual Sales Between Indi- viduals Motor Fuel Labor and Per- sonal Services Sales of Airline Aircraft	Occasional Sales GASOLINE Motor Fuel Labor & Services Sales of Common Carriers Air- craft	Occasional Sales Motor Fuel Labor and Per- sonal Services Use Tax if More Sales Tax Paid in Another State	-	Occasional Sales Motor Fuel
USE OF TAXES	General Funds	General Funds	General Funds	General Funds	-	General Funds

COMPARISON OF PROPERTY TAXES IMPOSED ON AERONAUTICS

	NEVADA	ARIZONA	CALIFORNIA	IDAHO	OREGON	UTAH
ASSESSMENT	By County Assessor to State Tax Department Guidelines	None in Lieu of State Registration and License Tax	By County Assessor to Aero-Department Valuations	None in Lieu of State Registration Fee	None in Lieu of State Registration Fee	By County Assessor
VALUATION	35% of Taxable Value (Cost of Replacement Less Depreciation)	-	Market Value	-	-	20% of Reasonable Fair Cash Value
RATE	At County Tax Rates (State-wide Average of 1.7%)	-	1.5%	-	-	At County Tax Rates
USE OF TAXES	General Funds	-	General Funds	-	-	General Funds

COMPARISON OF FUEL TAXES IMPOSED ON AERONAUTICS

	NEVADA	ARIZONA	CALIFORNIA	IDAHO	OREGON	UTAH
FUEL TAX, BASIS	ON ALL MOTOR FUEL On All Gasoline	On All Motor Fuel Other Than Kerosene Used as Aircraft Fuel	On All Gasoline, with Jet Fuel Specially Taxed AND SUBJECT TO FUEL TAX	On All Fuel for Aircraft Use	On All Fuel for Aircraft with Special Tax on Turbine Fuel	On All Fuel Sold for Aircraft Use
TAX RATE	12¢ to 16¢ Per Gallon Depending on County Options 1¢ PER GALLON ON JET FUEL	10¢ Per Gallon	9¢ Per Gallon on Gasoline; 2¢ Per Gallon on Jet Fuel	2 1/2¢ Per Gallon	3¢ Per Gallon on Aircraft Fuel Except 1/2¢ Per Gallon on Turbine Fuel	4¢ Per Gallon
REFUND	Total Tax (Less 2% of Tax Amt.) on Minimum of 200 Gallons Within 6 Months of Purchase for Aircraft Use FOR GASOLINE NO REFUND ON JET FUEL	All Refundable Except 1¢ Per Gallon for Aircraft Use. Limited to One Refund for Less Than 200 Gallons Within 6 Months	5¢ Per Gallon on Gasoline for Aircraft Use	None	Refund on 8¢ Tax for Motor Vehicle Fuel to the 3¢ and 1/2¢ Level. Refunds of All Fuel Taxes for Flights Directly Outside the U.S.	None
USE OF TAXES	Unrefunded Taxes Returned to County of Origin After \$30,000/YR to CAP For Airport Use Only	All Unrefunded Taxes to Aviation Fund	All Unrefunded Taxes for Aeronautical Purposes Only	All Taxes to State Aeronautics Fund	To Carry Out Aeronautic Laws	All to Aeronautics Department with 75% Returned to Counties for Airports and 25% for Dept. Operation Promotion and Airports
EXEMPTIONS	Jet Engine Fuel	Kerosene Used As Aircraft Fuel	Common Carriers, Aircraft Manufacturers and Repairers			



VALUES AS REPORTED BY THE NEVADA DEPARTMENT OF TAXATION FOR AERONAUTICAL ACTIVITIES IN NEVADA

(DEPARTMENT OF TAXATION)

DATA FROM NEVADA TAX COMMISSION ANNUAL REPORTS

FOR FISCAL YEAR JULY 1 THRU JUNE 30,

YEAR	CAROLINE GALLONS	REFUND TOTAL	NET ON 10-2 TAX	SPECIAL + 14-4	TOTAL FUEL TAX TO COUNTIES	NO. AIRCRAFT ASSESSED	ASSESSED VALUE	AIRL. ASSETS
1981-1982	5,853,277	\$277,672	\$297,399	\$113,905	\$411,304	1291	\$4667,448	\$33,007
1980-1981	6,772,097	212,176	186,023	120,024	306,047	1320	44,889,202	
1979-1980	6,811,488	241,983	158,533	119,464	277,997	931	24,666,769	
1978-1979	6,401,684	196,882	179,539	112,392	291,931	899 EST 1079	18,140,227	
1977-1978	5,641,591	145,583	175,553	97,844	273,402	839	13,545,804	
1976-1977	5,140,005	126,978	180,119	82,204	262,323	-	14,370,065	
1975-1976	4,488,917	123,421	140,543	72,903	213,451	1139	12,512,712	
1974-1975	4,528,151	117,565	148,699	74,026	222,725	932 APPROX	8,141,499	
1973-1974	4,138,617	118,976	124,159	66,932	191,121	-	4,048,049	
1972-1973	3,516,915	86,997	119,671	54,084	173,756	-	3,394,117	
1971-1972	3,479,152	84,168	120,819	55,344	176,164	-	3,307,949	
1970-1971	3,574,603	92,169	118,018	56,026	174,104	-	3,412,015	
1969-1970	3,553,563	97,459	110,902	40,924	151,826	-	2,691,598	
1968-1969	3,937,739	-	123,215	30,073	153,288	-	3,042,438	
1967-1968	-	-	-	-0-	144,496	-	2,212,868	
1966-1967	-	-	-	-	159,435	-	-	
1965-1966	-	-	-	-	141,477	-	-	
1964-1965	-	-	-	-	123,641	-	-	
1963-1964	-	-	-	-	132,235	-	-	
1961-1962	-	102,916	84,586	-0-	84,586	-	876,419	
1951-1952	-	-	-	-	-	-	172,300	
1950-1951	-	58,786	21,079	-0-	21,079	-	230,118	

12 MONTHS TO DATE DATA ON MONTHLY BASIS OF
AIRCRAFT GASOLINE TAXES COLLECTED IN NEVADA

FOR MONTH ENDING	GALLONS OF AIRCRAFT GAS DELIVERED	BASIC TAX COLLECTED	TAXES REFUNDED TO USERS	NET BASIC TAX AVAILABLE	DEPOSIT TO CIVIL AIR FUND	PLUS COUNTY OPTION TAX COLLECTED	NET DISBURSED TO COUNTIES
JUNE 30, 1982	5,853,277	\$575,070.51	\$ 278,171.72	\$296,898.79	\$30,000.00	\$113,904.48	\$381,303.27
JULY 31, 1982	5,706,121	587,199.78	295,580.46	291,579.32	30,000.00	113,731.99	375,089.31
AUG 31, 1982	5,515,117	574,606.74	300,861.54	273,745.20	30,000.00	112,763.59	356,508.79
SEPT 30, 1982	5,381,540	569,494.88	298,320.68	271,174.20	30,000.00	112,905.47	354,079.67
OCT 31, 1982	5,215,482	559,728.73	294,365.30	264,843.43	30,000.00	112,708.19	347,551.62
NOV 30, 1982	5,171,069	561,572.22	271,288.92	290,283.30	30,000.00	113,774.41	374,052.71
DEC 31, 1982	5,032,726	557,831.98	263,290.29	288,541.69	30,000.00	112,836.07	371,377.76
JAN 31, 1983	5,003,263	552,504.51	261,713.43	290,791.08	30,000.00	113,201.56	373,992.64
FEB 28, 1983	4,999,446	557,267.82	265,848.30	291,489.52	30,000.00	113,388.56	374,808.08
MAR 31, 1983	4,881,180	548,581.95	270,673.72	277,908.23	30,000.00	111,304.66	359,212.89
APR 30, 1983	4,809,029	545,031.73	269,271.15	275,760.58	30,000.00	109,345.84	355,106.42
MAY 31, 1983	4,749,262	543,833.06	266,380.23	277,457.83	30,000.00	112,006.54	359,464.37
JUNE 30, 1983	4,661,571	541,270.26	274,684.98	266,585.28	30,000.00	115,596.60	352,181.88
JULY 31, 1983	4,648,102	546,600.33	267,040.21	279,560.12	30,000.00	120,333.36	369,893.41
AUG 31, 1983	4,712,227	554,157.89	269,072.72	285,085.17	30,000.00	127,229.50	382,314.67
SEPT 30, 1983							
OCT 31, 1983							
NOV 30, 1983							
DEC 30, 1983							

MONTHLY DATA OF AIRCRAFT GASOLINE
TAXES IN NEVADA.

JUNE 30, 1982	526,847	\$54,212.55	\$20,071.46	\$2,500.00	11,442.77	43,083.84
JULY 31, 1982	470,341	48,398.08	30,464.86	2,500.00	10,526.85	25,960.00
AUG 31, 1982	483,079	56,810.09	26,858.82	2,500.00	10,751.78	38,203.00
SEPT 30, 1982	587,293	69,065.65	31,718.04	2,500.00	12,972.58	47,820.13
OCT 31, 1982	464,029	54,569.69	30,342.37	2,500.00	11,013.43	32,740.71
NOV 30, 1982	470,312	55,308.69	24,000.43	2,500.00	10,639.37	39,447.63
DEC 31, 1982	305,790	35,961.96	18,759.46	2,500.00	6,830.97	21,533.41
JAN 31, 1983	252,991	29,737.04	14,530.39	2,500.00	5,783.93	18,490.58
FEB 28, 1983	350,754	41,248.67	16,398.59	2,500.00	8,248.67	30,598.75
MAR 31, 1983	236,986	27,869.56	18,574.62	2,500.00	5,629.00	12,423.94
APR 30, 1983	263,665	31,005.24	15,398.23	2,500.00	6,008.43	19,115.44
MAY 31, 1983	337,167	39,650.84	19,262.96	2,500.00	12,153.79	30,041.61
JUNE 30, 1983	439,156	57,644.75	28,376.21	2,500.00	15,032.78	35,801.32
JULY 31, 1983	456,872	53,728.15	22,820.09	2,500.00	15,243.61	43,671.67
AUG 30, 1983	547,204	64,367.65	28,891.33	2,500.00	17,647.92	50,618.24

MONTHLY JET FUEL TAXES IN NEVADA

AUG 30, 1983 14,649,221 \$143,562.37

APPENDIX D

Two Resolutions from Clark County
Board of Commissioners

THALIA M. DONDERO
CHAIRMAN



Board of County Commissioners

CLARK COUNTY BRIDGER BUILDING
225 BRIDGER AVENUE
LAS VEGAS, NEVADA 89155
702 383-3500

December 9, 1983

Mr. Arthur J. Palmer, Director
Legislative Council Bureau
Legislative Building
Capitol Complex
Carson City, NV 89710

Dear Mr. Palmer:

At their meeting of November 1, 1983, the Board of Clark County Commissioners unanimously adopted two resolutions which are attached for your information. The first resolution expresses support for citizens' efforts to place a referendum on the next general election ballot requiring consistency in law making relative to the application of the policy providing for voter affirmation of ad valorem tax increases. The second endorses legislative action which would provide for ad valorem rate parity among Clark County's unincorporated towns. As you review these, I think it is important for you to understand the impetus for our consideration and final adoption of these resolutions.

During the last session of the Nevada Legislature, AB 449 was the vehicle which comprehensively addressed local government taxation efforts. As you are well aware, a petition process was included which triggered an election to provide for voter affirmation of the one time maximum allowable rate sought by any local government. With some exceptions, the story was virtually the same state-wide - no increases. The Board of County Commissioners does not quarrel with this voter mandate.

However, during the period prior to the election in Clark County, two facts became painfully clear -- the voters did not understand that the 30¢ increase in the ad valorem rate to support state government and schools which was also mandated by the Legislature last session was not levied to benefit Clark County. In addition, the apparent dichotomy in allowing a vote at the local level for smaller increases and not allowing it at the state level for a larger increase both confused and agitated the citizenry.

Mr. Arthur J. Palmer, Director
December 9, 1983
Page Two

This consternation has prompted a citizens' effort within our County to seek consistency through a ballot referendum which we feel compelled to support in fairness to the taxpayer. If the Legislature determines that ad valorem tax increases should be subject to voter affirmation, then this policy should be applied to such new increases at all levels of government.

As a note of explanation for the second resolution, you will recall that the 1981 tax scenario enacted by the Legislature provided a formula which standardized the calculation of ad valorem tax rates in each taxing district including countywide tax rates and those for the individual unincorporated towns within a county. Fiscal year 1980-81 was selected as the base year from which future tax rates would be calculated. Therefore, any disparity in proportionate property tax revenue levels among the various towns which existed in that base year became 'locked in' to the formula for future calculations.

In addition, two factors were made part of the formula to provide for reasonable growth in revenues to cover anticipated costs, namely the Consumer Price Index (CPI) and new property added to the tax rolls. As a uniformly applied factor, the CPI performs well. However, variances in new property growth rates further compound the disparities created at the onset.

The unincorporated towns of Winchester and Paradise are prime examples of this phenomenon. Winchester is a well established town which has virtually reached its maximum potential growth. Paradise, on the other hand, is still growing at a considerable rate. The level of services received by these towns is the same.

In 1980-81 the price paid for these services was essentially the same. Today, this package of services, which is still the same for both towns, costs the resident in Winchester a property tax rate of .4299 cents and the resident in Paradise a rate of .3335 cents. In other words, Winchester pays a rate 29% higher than that of Paradise.

The reason for this disparity is that the increased assessed value in Paradise created by the large amount of new property on the Paradise tax rolls has caused the rate to decrease in this town. Winchester, conversely, has not experienced the same addition of new property. This fact, coupled with the decreased value of the older property, has resulted in a decrease in the assessed value of Winchester and hence, an abnormal increase in the tax rate.

Mr. Arthur J. Palmer, Director
December 9, 1983
Page Three

If we are to rely on the formula to determine tax rates in these districts, then some mechanism, e.g., a range of acceptable rates, is needed to provide for better parity. As this would require action by the Nevada Legislature, the Board of Commissioners deemed it appropriate to encourage and support consideration of this matter by our lawmakers during the 1985 session. During the interim, we also will conduct in-house research to provide whatever suggestions or support is needed from Clark County.

In conclusion, may I iterate that the Board of County Commissioners seeks to promulgate a continuing cooperative relationship with the Legislature. Serving our constituency in a fair and equitable manner remains the primary goal of this Board and is one we share with our distinguished legislators.

Sincerely,

A handwritten signature in dark ink, appearing to read "Thalia M. Dondero". The signature is fluid and cursive, with a large loop at the end of the last name.

THALIA M. DONDERO
Chairman

TMD/pjn
attachments

R E S O L U T I O N

WHEREAS, the residents of our community have voiced their dissatisfaction with increased taxation without voter affirmation; and

WHEREAS, the Clark County Board of Commissioners encourages citizen participation in the local government decision-making process; and

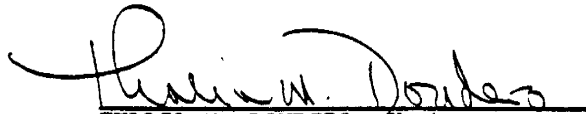
WHEREAS, legislative precedent has been established to allow citizens to affirm a proposed increase in local property taxes; and

WHEREAS, recent legislation imposed an increased state property tax without a provision for voter affirmation.

NOW, THEREFORE, WE, the Board of Commissioners of Clark County, Nevada, do hereby resolve to endorse citizens' efforts to place a referendum on the next general election ballot requiring consistency in lawmaking relative to the policy of voter affirmation of increased property taxes at both the state and local levels.

PASSED, ADOPTED and APPROVED this 1st day of November, 1983.

BOARD OF COUNTY COMMISSIONERS
Clark County, Nevada


THALIA M. DONDERO, Chairman

ATTEST:


LORETTA BOWMAN, County Clerk

RESOLUTION

WHEREAS, the Clark County Board of Commissioners shares the concern of community residents regarding the issue of local property tax parity in the unincorporated towns of Clark County; and

WHEREAS, the current property tax laws of the State of Nevada prescribe a methodology for the computation of local property tax rates which does not facilitate the correlation of service benefit to the attainment of rate parity among local tax efforts.

NOW, THEREFORE, WE, the Board of County Commissioners of Clark County, Nevada, do hereby resolve to endorse and support legislative action which would facilitate the correlation of service benefit to the attainment of rate parity for property taxes in the unincorporated towns of Clark County.

BOARD OF COUNTY COMMISSIONERS
Clark County, Nevada


THALIA M. DONDERO 11/1/83
Chairman

ATTEST:


LORETTA BOWMAN, County Clerk

/km

APPENDIX E

Report, from the Department of Taxation
Addressing the Possible Revenues from
a Sales Tax on Services

Tax on Services

The Fiscal Analysis Division, Research Division and the Department of Taxation provided analysis of various aspects of a "sales tax on services" during legislative hearings on "A.B. 147--imposes tax on certain labor and services" in the 1983 Session. Summaries are included in your backup for agenda item #4.B.1 for the November 17, 1983 committee meeting.

Attached is the most recent study completed by the Department of Taxation applying the gross receipt tax on services in New Mexico to Nevada. The estimates appear reasonable, however, they are higher than the estimates for A.B. 157 because A.B. 157 applied to "personal services provided by humans" only.

ACR50N

PRELIMINARY ANALYSIS OF THE "TAX ON SERVICES" CONCEPT

NEVADA DEPARTMENT OF TAXATION
JANUARY, 1984

The Legislative Counsel Bureau asked for a preliminary analysis of the "tax on services" concept to be considered in the interim between the 1983 and 1985 legislative sessions. The following primary questions were asked:

- (1) How much revenue, in approximate terms, might a "tax on services" generate; and
- (2) What is the preliminary thinking as to the magnitude of additional administrative cost to implement a "tax on services" program?

We believe that the data provided by New Mexico is the best available source of possible answers to the above questions. While other states tax services in some fashion and those states have been contacted, those states either provide no useful quantitative data or data of questionable merit. We have met with representatives of New Mexico's Department of Taxation and Revenue to verify certain elements of that state's data base.

We have relied on a calculation of New Mexico revenues by category for calendar 1982 (1983 data might be available soon) to weight the estimated relative contributions of services and goods to a tax base. Due to the obvious potential economic and demographic differences between New Mexico and Nevada, we obviously believe that using New Mexico data as a means of preliminary evaluation of the revenue implications should be seen only as an approximation.

Three separate discussions follow under separate exhibits:

Exhibit A - Estimated Revenue Implications

Exhibit B - Administrative Cost Implications

Exhibit C - A Summary of Certain Rulings on Taxability Under New Mexico Law

EXHIBIT A

Estimated Revenue Implications

(A) BASE REVENUE ASSUMPTIONS

	<u>New Mexico</u>		<u>Nevada</u>
Total Tax Revenue from Goods and Services at Average 4% Rate (Calendar 83)	\$450 M	Total Estimated Tax Revenue from Goods Only at State Sales and Use Tax Rate of 2% (Approximated FY 84)	\$140 M
Revenue per 1% of Rate	\$112.5 M	Revenue per 1%	\$ 70 M

(B) COMPARISON OF REVENUE BASES -
ESTIMATED % CONTRIBUTIONS

<u>New Mexico</u>		<u>Nevada</u>
0.2%	Agricultural Services	0%
13.8%	Building & Trade Contractor Services	0%
1.9%	All Transportation Services	0%
	All Utility Services	
8.3%	(Telephone, Electric, Water, Sewer, Gas)	0%
1.7%	Banking, Finance & Real Estate Services	0%
3.2%	Medical Services	0%
1.1%	Legal Services	0%
1.1%	Engineering and Architectural Services	0%
	Hotel, Motel, Trailer Park and Lodging Services	
1.5%	(Exclusive of Separate Room Tax)	0%
0.7%	Services to Governments	0%
<u>0.3%</u>	Radio and TV Broadcasting	<u>0%</u>
33.8%	Subtotal - Services	0%
<u>66.2%</u>	Balance Attributed to Goods	<u>100%</u>
<u>100.0%</u>	Total	<u>100%</u>

(C) COMPARISON OF ESTIMATED CONTRIBUTIONS
TO TAX BASES FOR NEW MEXICO AND NEVADA

	<u>New Mexico</u>	<u>Nevada</u>
Each 1% Rate on Goods Only Would Produce About	\$ 74.5 M	\$ 70.0 M
Each 1% Rate on All Services Only (Including Medical, Utilities, Construction, Etc.) Would Produce About	\$ 38.0 M	\$ 35.7 M
Each 1% Rate On Goods And Services Would Produce About	\$112.5 M	\$105.7 M

(D) IF NEVADA TAXED ALL SERVICES (NO EXEMPTIONS FOR MEDICAL, UTILITIES, CONSTRUCTION, TRANSPORTATION, ETC.) WITH THE EXISTING 5-3/4% RATE STRUCTURE, WHAT IS THE ESTIMATED ADDITIONAL REVENUE PRODUCED?

2.0 %	State Share	=	\$ 71.4 M	
1.5 %	School Share	=	\$ 53.5 M	
2.25%	City/County Relief Share	=	<u>\$ 80.3 M</u>	
	Total		\$205.2 M	Estimated Additional Revenue By Taxing All Services At 5-3/4%

EXHIBIT B

Administrative Cost Implications

The major problems in implementing a program to tax services as well as goods involve the following:

- (1) A major upfront task in registering firms and individuals to pay tax is involved. Currently, there are about 25,000 registered businesses for the tax on goods only. New Mexico shows 57% of its registrants pay tax on services, while 43% of its registrants pay on goods. If a similar ratio developed in Nevada, registration of at least 30,000 to 35,000 new firms or individuals would be expected. This is probably a conservative estimate. Such an increase in registration leads to several considerations noted below.
- (2) A new mainframe computer dedicated to tax would be a likely necessity. Current computer space is limited and sometimes cannot handle the existing volume easily.
- (3) Substantial increases in postage costs and processing systems other than computer records may be expected.
- (4) Substantial increases in revenue, auditing, and support services personnel may be expected. Increased emphasis on audit talent would be needed since the auditing of receipts for services requires greater investigative work than auditing transactions involving tangible goods of an identifiable nature.

Conclusion: Assuming an increase in accounts over more than 100%, the Department of Taxation's operating budget would be expected to jump, and perhaps double, even assuming certain economies of scale. Initial investments in both hardware and software would be fairly large. Rough calculations assume that an initial capital and systems costs could approach \$1 million. Ongoing annual operating cost increases might be expected to amount to \$2 million or more. Additionally, other agencies would require enhanced capabilities, such as the Treasurer, Controller, and Central Data Processing.

A minimum of six months lead time would be preferable between any authorization and actual implementation. A shorter time frame would probably be chaotic for businesses as well as government.

EXHIBIT C

Specific New Mexico Rules on Taxability

- (1) CONSTRUCTION FIRMS BUY MATERIALS TAX FREE
- (2) MEDICAL COSTS ARE TAXABLE
- (3) ADVERTISING BY RADIO, TV, OR NEWSPAPERS ARE TAXABLE, EXCEPT IF AD PLACED BY AN ADVERTISING AGENCY, ADVERTISING AGENCY MAY BE SUBJECT TO TAX ON ITS CHARGES AND RADIO, TV, OR NEWSPAPER MAY EXCLUDE TAX
- (4) DAY CARE SERVICES ARE TAXABLE
- (5) ANY HOTEL, MOTEL, RESTAURANT MANDATORY GRATUITIES ARE TAXABLE
- (6) ALL PAYMENTS FROM A CONSTRUCTION COMPANY SUBSEQUENTLY TRANSFERRED TO A REAL ESTATE BROKER ARE TAXABLE
- (7) ALL ENTERTAINERS MUST PAY TAX FOR PAYMENTS RECEIVED AND ALL MANAGERS AND AGENTS PAY TAX ON COMMISSIONS
- (8) WATER HOOKUP FEES FOR PRIVATE UTILITIES ARE TAXABLE; PUBLIC UTILITIES HOOKUP FEES ARE NOT TAXABLE; BUT ALL OTHER PRIVATE AND PUBLIC UTILITY SERVICE CHARGES ARE TAXABLE
- (9) CONSTRUCTION BY NON-INDIAN ON A RESERVATION TAXABLE
- (10) REFUNDABLE DEPOSIT PROCEEDS ARE TAXABLE
- (11) SALES OF COMMERCIAL PAPER FULLY TAXABLE
- (12) INSURANCE SETTLEMENTS ARE NOT TAXABLE
- (13) RECEIPTS OF AGENTS, I.E., AMWAY, ARE TAXABLE ON THE COMMISSION OF THE AGENT
- (14) SELLERS MUST PAY TAX ON ANY DELIVERY CHARGES, WHETHER OR NOT SEPARATELY INVOICED - BUYER MAY EXCLUDE TAX IF BUYER PAYS COST FOR OWN DELIVERY
- (15) PAYMENTS TO A SPECULATIVE BUILDER BY A LOAN COMPANY WHICH INCLUDE TITLE INSURANCE, LEGAL FEES, ESCROW FEES, AND REAL ESTATE COMMISSION DEDUCTIONS HAVE TAX COMPUTED TO BUILDER FOR ALL SAID FEES. ONLY PREPAID FINANCE CHARGES OR DISCOUNTS ARE NOT INCLUDED IN BUILDER'S TAX BASE
- (16) ALL BILLBOARD ADVERTISING IS TAXABLE
- (17) ALL CONNECTION AND INSTALLATION CHARGES BY PRIVATE UTILITIES ARE TAXABLE; SUCH CHARGES BY PUBLIC UTILITIES ARE NOT
- (18) ALL FLORIST RECEIPTS, EVEN ON TRANSFERS TO OTHER FLORISTS, ARE TAXABLE
- (19) ALL COMPUTER SOFTWARE IS TAXABLE WHERE PURCHASER TAKES POSSESSION
- (20) STORAGE OF PROPERTY FOR PURPOSES OTHER THAN ORDINARY RESALE IN AN ONGOING BUSINESS IS TAXABLE

- (21) DIRECT "COMPS" OR PROMOTIONAL GIFTS GIVEN WITHOUT REQUIRING A CONCURRENT PURCHASE A TAXABLE
- (22) JET FUEL IS TAXABLE AS "GROSS RECEIPTS" - NOT UNDER "GAS" TAX
- (23) EXECUTORS AND ADMINISTRATORS FEES FOR ESTATES OR TRUSTS ARE TAXABLE
- (24) "RETURNABLE" CONTAINERS ARE TAXABLE; NONRETURNABLE CONTAINERS ARE NOT TAXABLE
- (25) CABLE TV HOOKUP CHARGES ARE TAXABLE
- (26) ALL TELEPHONE AND ALARM SERVICE CHARGES ARE TAXABLE
- (27) GARBAGE COLLECTION SERVICES ARE TAXABLE IF PERFORMED BY A PRIVATE COMPANY
- (28) SALE OF "SERVICES" TO A GOVERNMENTAL UNIT ARE TAXABLE, SALES OF "TANGIBLE PERSONAL PROPERTY" ARE NOT TAXABLE. CONSTRUCTION FOR A GOVERNMENTAL UNIT IS TAXABLE
- (29) SALES OF "SERVICES" TO BANKS OR OTHER FINANCIAL INSTITUTIONS ARE TAXABLE AS ARE SALE OF CONSTRUCTION MATERIALS TO SUCH INSTITUTIONS
- (30) RECEIPTS OF WIRE SERVICES, COLUMNISTS, AND CARTOONISTS FROM SERVICES IN STATE ARE TAXABLE
- (31) REGULARLY PUBLISHED NEWSPAPER SALES ARE NOT TAXABLE, BUT SALES OF ADVERTISING SPACE IN SUCH NEWSPAPERS IS TAXABLE
- (32) SALES OF CREDIT REPORTS ARE TAXABLE
- (33) "RACING FORMS" ARE NOT CONSIDERED NEWSPAPERS AND ARE TAXABLE
- (34) TRADE-INS ARE NOT COUNTED AS DEDUCTIONS FROM THE TAX BASE OF THE NEW ITEM BEING PURCHASED
- (35) LICENSED MEDICAL PRACTITIONERS MAY ACQUIRE PROSTHETIC DEVICES OR EYEWEAR WITHOUT TAX - BUT SUBSEQUENT SALE TO CLIENTS IS TAXABLE
- (36) DENTAL MATERIALS ARE TAXABLE BOTH IN THE ORIGINAL AND SUBSEQUENT TRANSACTIONS

APPENDIX F

Letter, from United Blood Services
Regarding Tax Exempt Status



UNITED BLOOD SERVICES

of Southern Nevada

810 S. Casino Center Blvd. / P. O. Box 7530 / Las Vegas, NV 89125-2530 / Phone (702) 385-375

HOSPITAL SERVICES AND FEES

ORDERING OF BLOOD AND COMPONENTS

The use of the following terminology in placing orders will facilitate the delivery of blood to your hospital:

AS SOON AS POSSIBLE (ASAP):

These orders will be delivered as promptly as possible. It will be helpful in the coordination and scheduling of deliveries in this category if an hour is specified by which delivery is to be made to the hospital.

STAT:

These orders are given priority over all other orders in terms of delivery. Orders in this category should be restricted to emergency situations in which any delay in delivery would endanger the life of a patient.

RETURN PRIVILEGES

Full service hospitals may return whole blood and red blood cells for full credit provided:

1. They were stored between 1° to 6°C while in the hospital's possession.
2. They are accompanied by Hospital Report of Returned Blood (Form BS 113) which has been completed by designated staff members in the hospital.

SERVICE FEES (as of January 1, 1984)

STANDARD—RETURNABLE

Red Blood Cells (Human)	
Prepared by United Blood Services	\$33.00
Whole Blood (Human)	36.00

Return privileges are not extended to hospitals served on a supplementary basis.

SPECIAL—NOT RETURNABLE FOR CREDIT

Washed Red Blood Cells (Human)	\$ 60.00
Frozen Red Blood Cells (Human)	120.00
Platelet Concentrate (Human)	22.00
Whole Blood - Multiple Plastic Bags Requested	
One Satellite Plastic Bag	41.00
Two Satellite Plastic Bag	46.00
Three Satellite Plastic Bag	51.00
Single Donor Plasma (Human) Fresh Frozen, 225 ml ± 22	22.00
Cryoprecipitated Antihemophilic Factor (Human)	9.00

APPENDIX G

Selected Data-Year 1983, from Air Transport
Association (ATA)

NEVADA
SELECTED DATA-YEAR 1983
(000)

	<u>TOTAL</u> ^{1/}
1. RENTALS	\$ 13,923
2. LANDING FEES	9,672
3. PROPERTY TAXES	540
4. SALES & USE TAXES	225
5. OTHER TAXES (BUSINESS LICENSE, ETC.)	93
6. JET FUEL (GALLONS PURCHASED)	149,376
7. COST OF JET FUEL	135,681
8. NUMBER OF EMPLOYEES*	1,650
9. ANNUAL PAYROLL	58,000
10. OTHER GOODS & SERVICES	42,354

^{1/}

BASED ON ACTUAL DATA PROVIDED BY MOST CARRIERS AND ESTIMATES
FOR THOSE WHO DID NOT RESPOND OR ARE NOT MEMBERS OF THE
"AIR TRANSPORT ASSOCIATION"

* NUMBER OF EMPLOYEES NOT ROUNDED

APPENDIX H

Letter, Dated May 4, 1984 from Frank W. Daykin
Legislative Counsel Responding to Certain
Questions Concerning the Possible
Effects of the Initiative to Limit
Taxes in Specific Situations

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU
LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627
JAMES I. GIBSON, *Senator, Chairman*
Arthur J. Palmer, *Director, Secretary*
INTERIM FINANCE COMMITTEE (702) 885-5640
ROGER BRENNER, *Assemblyman, Chairman*
Daniel G. Miles, *Fiscal Analyst*
Mark W. Stevens, *Fiscal Analyst*

ARTHUR J. PALMER, *Director*
(702) 885-5627

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-5627
JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5622
DONALD A. RHODES, *Research Director* (702) 885-5637

May 4, 1984

Assemblyman Robert E. Price
Chairman of the Legislative Commission's
Subcommittee to Study the Effects of
Certain Tax Measures, etc.
1809 Renada Circle
North Las Vegas, Nevada 89030

Dear Bob:

As you requested, following are my answers to your questions concerning possible effects of the proposed initiative to limit taxes, in specific situations.

1. A few years ago in one area of Washoe County, where property had not been reassessed for many years, assessed valuations were greatly increased. If such a situation in the future has a substantial effect on the total assessed valuation of any local government as a whole, the tax rate for that local government would be reduced, for the initiative limits total revenues from taxes ad valorem.

2. A particular property may have its taxable value reduced because of obsolescence resulting from economic conditions, and afterward when those conditions improve, be restored to normal taxable value. If this property were an isolated case, the taxes on it would increase in proportion to the change in taxable value, for the initiative does not propose to affect properties or taxpayers individually. If there were enough such properties within the territory of one local government, the increase in taxable value would be partly offset by a decrease in rate, for the reason explained under Question 1.

3. The legislature or a local governing body may wish to reduce or abolish a tax or fee, and then wish to restore it. If the tax or fee abolished is one which existed on January 1, 1984, it appears that the legislature or local governing body could reimpose it at the same or a lower rate

Assemblyman Robert E. Price
May 4, 1984
Page two

by ordinary legislative action, but if the tax or fee is one imposed after January 1, 1984, a two-thirds vote of the body proposing it and approval by vote of the people would be required to reimpose it. To increase any tax or fee, whenever first imposed and whether or not previously reduced, the initiative appears to require the votes described above, except for property taxes where revenue rather than rate is limited.

4. The tax paid on retail sales is made up of at least three components: the 2-cent sales and use tax, the 1.5-cent local school support tax, and the 2.25-cent city-county relief tax. The initiative appears to require that each of these be treated separately; the rate of either the local school support tax or the city-county relief tax could of course be reduced by ordinary legislative action, but that would not authorize an increase in the other. The 2-cent sales and use tax could be reduced or increased only by vote of the people, because it is a referred measure. I do not believe the basic and supplemental city-county relief tax need to be treated separately, for they are but elements of a single tax.

5. I earlier expressed an oral opinion that individual fees would not need separate approval by the people for their imposition new or for their increase. This was wrong: it was based on a faulty recollection of the proposed initiative. (Crow tastes delicious!)

6. New local governments could be formed which would have the power to levy taxes ad valorem or to impose fees or charge for services, but it appears that any such tax, fee or charge would be new and would require a two-thirds vote of the body proposing it followed by a favorable vote of the people. Imposition of a tax, fee or charge by a new local government would not affect those previously or afterward imposed by others.

Very truly yours,



Frank W. Daykin
Legislative Counsel

FWD:lm

APPENDIX I

Letter, from William H. Heinrich, Nevadans
for Stable Taxes, Which Explains the
Groups' Philosophy and Reasons for
Circulating the Initiative
Petition

2303 E. Sahara Avenue
Las Vegas, NV 89104
May 18, 1984

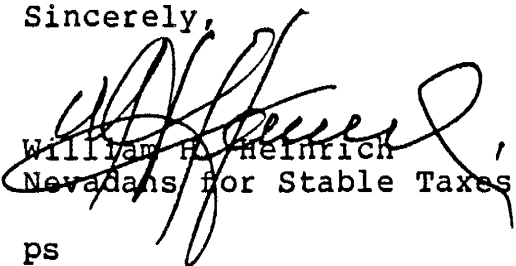
The Interim Study Committee on
Taxation and Aviation
Clark County Commission Chambers
225 Bridger Avenue
Las Vegas, NV 89101

Gentlemen:

By means of this letter, I would like to thank the committee for the invitation to make a presentation and explain our meaning of the tax petition. I apologize for not being in attendance, but a previous commitment has me away from Clark County.

The attached explanation should assist the committee, and I hope it will answer any questions they might have wished to address me.

Sincerely,



William R. Heinrich
Nevadans for Stable Taxes

ps

The Meaning of the Tax Petition

May 18, 1984

The tax petition to amend the Nevada Constitution stabilizes taxes at all levels of government. It requires new revenue measures, regardless of their names, to be proposed by a two-third's vote of the governing body and approved by a simple majority of the electorate. New revenue measures enacted after January 1, 1984, could not remain in effect after November 25, 1986, unless approved according to the Amendment.

Since no refund is required, none should be made for new revenues enacted between January 1, 1984, and November 25, 1986, which have not been properly approved according to the Amendment.

Property tax revenues (excluding debt) may not increase more than five percent each year of the amount levied in FY 1983-84 as the base year. On July 1, 1987, commencing with the 1987-88 fiscal year, the limitation becomes effective. Should property tax revenues (excluding debt) be above the limit in FY 1987-88 then the property tax levy must be either reduced to conform to the Amendment or the voters may be asked to approve the excess amount.

Taxes and fees, excluding property taxes and debt service, existing on November 25, 1986, may not be increased unless approved according to the Amendment. Increases enacted prior to that date are not subject to any limitation by the Amendment.

Service charges commencing November 25, 1986, may be increased as they are now approved without limitation so long as the increase is needed to cover the increased cost of the service.

There is neither a direct limitation nor is there an implied limitation on revenue for debt service through January 1, 1987. After that date, debt may be authorized by either a simple majority of the voters in the affected jurisdiction or by a two-third's vote of the legislature. The legislature may approve debt for the state or any creature of state government such as a school district, city, county, or special district.

APPENDIX J

Statement, from Nevada Parent Teachers
Association (PTA) in Opposition to
the Initiative Petition

"Whereas, Nevada PTA has historically opposed any legislation which handicaps educational funding for the youth of our state; and

Whereas Nevada finds itself currently ranked among the lowest states in the union in federal school services; and

Whereas in order to maintain and improve current standards of education in Nevada, more money must be brought into state coffers to pay for education.

Whereas, these caps and prerequisites for tax increases would cause an impossible burden of providing adequate funding for education and other government services; and

Whereas this initiative petition would require special elections which incur additional cost to each government entity; and

Whereas this initiative petition destroys the concept and practice of representative government and that each taxation issue approved by the elected representatives must be taken back to the effected community; and

Whereas the current petition drive to amend article 10, Sections 2, 4, 5 and 6 of the constitution would eliminate the concept of majority rule by significantly limiting any increase in taxes or fees except by a two-third vote of the governing body and the majority approval of the public; and

Whereas the Nevada Legislature has a long history of fiscal responsibility and does not deserve this restrictive action.

Therefore, be it resolved that the Nevada PTA opposed the initiative petition that proposes a constitutional amendment which limit the right of the state and local governments to impose taxes or increase existing taxes; and

Be it further resolved that the Nevada PTA in concert with other organizations will oppose any attempt either through petition or legislation to limit the ability of representative governments to provide services or to operate in the effective manner; and

Be it further resolved that the Nevada PTA strongly opposes the removal of the constitutional protections inherent in the rule by the majority which may ascertain by the few."

APPENDIX K

Suggested Legislation, from Clark County
Assessor's Office



clark county assessor's office

CLARK COUNTY COURTHOUSE
309 SOUTH THIRD STREET • LAS VEGAS, NEVADA 89155
(702) 383-7534



JEAN E. DUTTON, *County Assessor*

DONALD R. BEACH, CAE, SPA, *Assistant County Assessor*

June 20, 1984

RECEIVED

JUN 21 1984

Kevin Welsh
Deputy Fiscal Analyst
Legislative Counsel Bureau
Legislative Building
Capitol Complex
Carson City, Nevada 89710

LEGISLATIVE COUNSEL BUREAU
FISCAL ANALYSIS DIVISION

Dear Kevin:

This is the suggested legislation that I spoke to you about. It has been reviewed by members of our staff and by Mr. Dutton and they concur that this covers most of the areas that need consideration in the next session.

We would be glad to meet with you at anytime to discuss amendments or to give you additional explanations concerning our reasons for the suggested revisions.

We will be at your meeting on July 2 to add any comments that we feel would be beneficial.

Sincerely,

Donald R. Beach
Assistant County Assessor

DRB:cp

Enclosures

360.215

- (1) Repeal
- (2) 1. Consult with and assist County Assessors to develop standards of assessment procedure to be applied and used in all counties of the state and ascertain that all rules and regulations of the State Tax Commission are followed so that the assessment of property by the County Assessors are made equal with all counties in this state.
- (3) 2. Visit and appraise a cross section of assessable properties within the various counties to ascertain the reliability of rules and standards to be applied by the Assessors of each county. Where inequities or inequalities exist, they shall work in cooperation with the County Assessor to correct such defects and shall ascertain that such corrections are placed on the tax roll.
- (4) 3. Carry on a continuing study, the object of which is the equalization of property values between counties.
4. If defects are found in the assessment roll as a result of the Assessor's failure to follow rules and regulations of the Nevada Tax Commission, the Department shall notify the Assessor in writing that such defects exist and if within 60 days of such notice, such corrections as are necessary to assure equalization in the various counties have been made, then the Department must correct such errors and bill the county for its services in the same

360.215 continued

manner as in paragraph 8 of the section.

5. Same
6. The staff of the Department shall prepare a complete written report to each session of the Legislature. Such report shall include all its activities and findings as well as all recommendations which it has made to the several County Assessors and the extent to which such recommendations have been followed.
7. Same
8. Same

Comment: The changes recommended are not critical, however they would change the position of the Department from an adversary position to one of supervision and technical assistance. The Department needs more technical and appraisal staff.

360.280

- (2) When it has been determined by the Department of Taxation that a computer assisted assessment program is required in the County Assessor's office, the Board of Commissioners shall supply funding to accomodate this service.

Comment: Many of the problems of statewide equalization are the results of small counties not following Department of Taxation guidelines. This is due to lack of computerization. Recent legislation requiring immediate change could not be completed in a single year.

Most County Assessor offices not computerized are not funded for any type of automated billing or updating partly by choice of the Commissioners.

361.055

3. Repeal

- (4) 3. Money received pursuant to this section when collected and accounted for must be apportioned each year to the counties, school districts and cities wherein such parcel of real property is located in the proportion that the tax rate of each political subdivision bears to the total combined rate in effect for that year.

Comment: Due to the fact that assessments on this type property cannot be increased, it is difficult to maintain the value in a system factored each year. If the payment is handled as a "special assessment", which it is, it can be calculated with little effort on the part of the Assessor and Treasurer. This deletion allows that.

361.111

Add: Exemptions contained in 361.080, 361.085, 361.086, 361.090 and 361.091 which provide for relief in dollars. Such amount shall be factored by the weighted average increase in the same manner as the assessment upon such property in each county under provisions of NRS, but exemptions, if factored, may only be applied in relief in real property.

361.111 continued

Comment: One concern of the Legislature has been the increase of taxes on the elderly. If the exemptions were factored, then they would continue to receive the same percentage of exemption. For example, the average factor for Clark County is 6% on improvements and 20% on land for 1984-85. Buildings represent 80% of the value. The weighted average increase is:

$$80\% \times 6\% = 480$$

$$20\% \times 20\% = \frac{400}{8.8\%}$$

The weighted avg. is

The \$1,000 exemption would increase to \$1,080 for this tax year.

361.210

Amend

When an owner of land has furnished any map or plat not duly filed and approved according to law, and such map or plat contains information clearly to legally describe such land before a division is made and to legally describe each portion after subdividing and it is properly identified and filed with the County Assessor, etc.

Comment: This is not critical, however, many so-called unofficial maps identify a property as "part of the Northwest quarter of the Northwest quarter of a section". This does not locate which part of a

361.210 continued

160 acre tract. It has to be a description
which is legal in terms of sale.

361.221

Amend

Add: (5) The cost of conducting meetings of this
Board shall be borne by the Nevada Tax Commission.
Each member of the Certification Board shall be
reimbursed for itemized expenses for transportation,
meals and lodging necessary to conduct the business of
said board.

Comment: There is not sufficient funding to send employees
from Clark County to 2 or 3 meetings in Carson City
on business that benefits the State as a whole.
It should be funded by State money.

361.227

Any person determining the taxable value of real property
shall appraise:

1. The market value of:

- A. All land considering the uses to which
it may lawfully be put, any legal or
physical restriction upon those uses, the
character of the terrain, and the existing
uses of land in the general area.
- B. Any improvement placed on the land through
use of standard appraisal methods and techniques.

361.227 continued

This may include:

- a. By the use of current replacement cost less normal depreciation based on the effective age of the property together with any additional allowances made for obsolescence.
 - b. By comparing the property under appraisal with sales of similar properties located in the general area.
 - c. By capitalizing the indicated economic rent unit into an indication of value.
2. The value for tax purposes of a possessory interest for the purpose of NRS 361.157 and 361.159 on other personal property shall be appraised in the same manner as all other real property.
 3. The appraised value of any property must not exceed its market value. A County Assessor is required to reduce the value determined in this section only if the owner calls to his attention facts warranting such reduction but may reduce it by his own action if he discovers such facts by his own investigation.
 4. The Nevada Tax Commission shall provide uniform standards for the appraisal of all property by regulation, however, such standards shall be based on accepted appraisal methods and techniques.

361.227 continued

5. The County Assessor shall, upon written request of the owner, furnish within 15 days a copy of the most recent appraisal of the property.

Comment: This section is the crux of the total problem. Ninety percent (90%) of the states assess at market value or some percentage thereof. The method allows the taxpayer to receive some degree of equitable treatment. There is no method that is absolutely fair in every case, however, where equalization exists to some recognizable standard, there are other methods of relief. Cap the tax rate, reduce the percentage of assessment, cap spending limits or find new sources of revenue. Sales of property are the heart of market value studies and the requirements of reporting sales amounts could be broadened to include motivation and financing which affect the integrity of sales. Market value is used by all appraisers as an indication of worth. It can be defined from many text books which are accepted standards of the whole profession. I believe that the problem is not with the market value but rather the percentage of assessment. There is no necessity for separating possessory interest under a market value concept. Changing paragraph #4 to accepted standards precludes regulations affecting value from the whims of an individual. For example, regulating

361.227 continued

percentage of obsolescence on a worthless improvement.
It requires appraisal judgement.

361.229

Delete

361.230

Amend the dollar amount to be \$5.00 in sections (1) and
(2).

Comment: The cost of rendering a bill is not covered even by
a \$5.00 minimum, but at least on a 100 acre tract, the
county would break even.

361.242.1

Add:

1. Developer. "Developer" means any person or entity
which is in the business of creating or which is in
the business of selling its own time-share intervals
in any time-share program. This definition does not
include a person acting solely as a sales agent.
2. Development. "Development", "project", or "property"
means all of the real property subject to a project
instrument and containing more than one unit.
3. Person. "Person" means one or more natural persons,
corporations, partnerships, associations, trust, other
entities or any combination thereof.

4. Project Instrument. "Project instrument" means one or more recordable documents applicable to the whole project by whatever name denominated, containing restrictions or covenants regulating the use, occupancy or disposition of an entire project, including any amendments in the document, but, excluding any law, ordinance, or governmental regulation.
5. Purchaser. "Purchaser" means any person other than developer or lender who acquires an interest in a time-share interval.
6. Sales Agent. "Sales agent" means a person who sells or offers to sell for compensation "time-share intervals" in a "time-share program" to a purchaser, except a person who acquired a time-share interval for the person's own occupancy and later offers it for sale.
7. Time-share estate. "Time-share estate" means an ownership or leasehold estate in property devoted to a time-share fee (tenants in common, time span ownership, interval ownership) and a time-share lease.
8. Time-share Instrument. "Time-share instrument" means any document by whatever name denominated, creating or regulating time-share programs, but excluding any law, ordinance or governmental regulations.
9. Time-share Interval. "Time-share interval" means a time-share estate or a time-share use.

361.242.1 continued

10. Time-share Program. "Time-share program" means any arrangement for time-share intervals in a time-share project whereby the use, occupancy, or possession of real property has been made subject to either a time-share estate or time-share use whereby such use, occupancy, or possession circulates among purchasers of the time-share intervals according to a fixed or floating time schedule on a periodic basis occurring annually over any period of time in excess of one year in duration.
11. Time-share Project. "Time-share project" means any real property that is subject to a time-share program.
12. Time-share use. "Time-share use" means any contractual right of exclusive occupancy which does not fall within the definition of a "time-share estate", including, without limitation, a vacation license, prepaid hotel reservation, club membership, limited partnership or vacation bond.
13. Time-share Unit. "Time-share unit" means the real property or real property improvement in a project divided into time-share intervals.

Comment: Time-share is already a problem to the larger counties. We need legislation before we have a major problem. For example, a 100 room hotel could create 5,200 bills which could amount to a 25% or more increase

361.242.1 continued

in the number of tax bills in a small county.

361.242.2

Assessment of Time Share Interval; Tax Lien

Whenever any real estate has been divided into time-share intervals, whether it be time-share use or time-share estate, each such interval shall be assessed and a tax bill shall be rendered to the agent designated in the affidavit filed as required in 361.242.3, paragraph 5. Tax on each time-share interval shall constitute a lien solely thereon.

361.242.3

When a time-share interval is created, the developer shall file the following documents and records with the County Assessor of said county wherein such interval exists:

1. The legal description, street address or other description sufficient to identify the real property subject to the time-share program.
2. Proposed duration and date of the time-share intervals.
3. Identification of the time-share estate or estates and the method whereby additional time-share estates may be created.

361.242.3 continued

4. Any restrictions on the use, occupancy, alterations or alienations of time-share intervals.
5. A copy of any proposed instrument, including without limitation articles of incorporations, by-laws, covenants and restrictions of any owners' association formed to administer the time-share program, and an affidavit containing the name and address of the person or entity to whom assessment notices, tax bills, and other official notices are to be served.
6. Two copies of site plan, building plans, building elevations, parking layout, landscaping plan, and other descriptive drawings as required.
7. A marketing plan.
8. A preliminary maintenance and management plan.
9. Any other information that the County Assessor deems reasonably necessary for making an assessment.

361.242.4

On or before November 15 of each year after the original filing of the documents and records required under Section 361.242.3, the developer, association or other individual entity responsible for the payment of taxes on the time-share interval shall file with the County Assessor an affidavit required as part of 361.242.3, paragraph 5 stating the name and address of the individual or entity to whom assessment notices, tax bills and other official notices are to be

361.242.4 continued

sent for the next lien period commencing July 1 thereafter. Failure to file such affidavit timely shall constitute a waiver of notice as required under NRS 361.300, paragraph 5.

Comment: Time share and common elements of condo ownership create an interest in real property which create the same problems. Namely, the problems of identifying ownership on the tax roll and accounting for value in relationship to such owners. The basic requirement of law is that we assess property to an owner of record. Solving the problem of identifying 100 or more individuals who may own some part of the bundle of rights of a hotel or apartment building is easy, but finding space on the computer file or on a typed roll for all the names is next to impossible except through the use of the term "etal".

Condos in most states having horizontal regime acts are broken into identifiable units and a fractional ownership in the common element is added to that unit. For example: Unit A Building 2 is listed in the recorded regime and the % of common element is included in a filed declaration of % of common element supplied by the subdivider at the time permission is granted to establish the regime. Where ownership of a condo is only an interest to occupy, then the total property is assessed as a single property and is vested

361.242.4 continued

in a manner similar to time-share.

Time-share may identify a specific unit within a building containing 100 units to be shared or may be only a share of a corporation which may involve properties in other states and countries which are available for use upon request. In the first instance, a plot of some type must be filed to identify the units in exactly the same manner as a condo. In the second case, the owner is a corporation left to its own devices to determine where liability for taxes lie.

Chapter 117 of the Nevada Revised Statutes provides for the assessment of condos. Although it protects the right of a purchaser of a unit, it does little to identify the ownership received where fractional interest are involved in land under the improvement and addition interests conveyed on other lands. Amendments should be made in 117.010 to list additional terms and in 117. to require the filing of a declaration of fractional interests. NRS 117.120 should be amended to require a subdivision on all condos regardless of size.

Legislation is needed in time-share to identify terms, interest in property and a declaration of ownership as tenancy and other interests in fee. Again, ownership,

361.242.4 continued

as to fractions of fees, need only be addressed by the assessor on an individual basis. Corporate shares or other devices suffice as a corporate name or John Doe Etal on the tax roll. Legislation granting protection to a purchaser of time-share would be similar to condo legislation where title to real property is acquired. Sale of stock is already covered in the sales of securities and stocks under the code.

NRS 117.110 should be amended for these definitions:

Limited Common Element - a common element which is common only to one unit in a condominium subdivision or on a portion of common element limited to use to a single unit.
Declaration - a statement of percentages of interest in a common element controlled or owned by a titleholder of each identified unit.

In addition to the definitions, the chapter should contain the requirements for filing a declaration. Where the condominium is sold on the basis of time-share, the owner first listed on the declaration shall be listed on the tax roll together with the term and others percentage of interests.

361.255

Amend

Prior to August 1 of each year the County Commission of each county shall cause to be prepared suitable books or

361.255 continued

other materials.

Comment: The Assessor who uses books needs them before September 1. In automated counties, the assessment is on computer paper.

361.260

Amend

1. Between January 1 and December 1 in each year, the County Assessor, except as otherwise required by a particular statute, shall ascertain by diligent inquiry and examination all real and secured personal property in his county subject to taxation and also the names of all persons, corporations, associations, companies or firms owning the property. He shall then determine the taxable value of all such property and he shall then list and assess it to the person, firm, corporation, association or firm owning it. He shall take the same action in regard to unsecured personal property except he shall assess and bill it upon discovery at any time within the fiscal year.
2. Same
3. In addition to the examination required in section 1, for any property not physically inspected in the current assessment year, the County Assessor shall determine its taxable value for that year by applying to the previous tax value factors which will provide an equal relationship

361.260 continued

between taxable and market value on all property assessed within the county. These factors, when determined by the County Assessor, shall be submitted to the Nevada Tax Commission before August 1 of each assessment year for their approval. Such factors must be approved by the Commission by October 1 and placed in their regulations to be used for the following assessment roll. The county shall make a physical inspection of each property at least once in a five year period and shall establish a new appraisal value at market value for each property so inspected.

Comment: If the value is to be updated annually, then the relationship under a market value concept will change. Inspection of a property is not always a necessity to reappraise. The inspection is not an appraisal, it only verifies characteristics which when placed in the computer, create a new value.

361.263

Amend

1. Same
2. Add: Failure to comply with written direction contained in the subpoena shall be a gross misdemeanor and shall be prosecuted in the same manner as all other gross misdemeanors.

361.265

1. Same
2. Add: If the statement required by this section indicates the personal property owned by such corporation, association or company does not have a value more than \$250 assessed value, or if in the judgement of the Assessor, the assessed value of that property does not exceed \$250, no tax shall be due. The Assessor will maintain a listing of such corporations, associations or companies indicating the reason that no tax was collected. Nothing in this section shall prohibit the Assessor from verifying the information received or from re-examining the property to determine if the assessed value does, in fact, exceed \$250.

- (2) 3. Same
- (3) 4. Same
- (4) 5. Repeal

Delete and amend 571.035:

1. The owners of livestock shall annually submit to the Department of Agriculture a statement showing the number of stock cattle, milk cows, bulls, horses, mules, burros, asses, stallions, jacks, hogs, pigs, goats and poultry and the location of such livestock in each county.
2. Upon receipt of the statement from the owners of livestock,

Comment: The assessor is no longer responsible for personal property on livestock and bees, but by law has the

361.265 & 571.035 continued

responsibility for accepting statements for the Department of Agriculture for a special tax. All of the monies go to the State. Either the Department should collect the data relative to location and number or pay the counties on a per statement basis for collection.

361.295

1. When real property is assessed by the County Assessors of two counties on territory claimed by both, the Department of Taxation shall make a diligent examination of the property and determine its situs. Such property shall remain or be placed on the rolls of the county having jurisdiction of the situs.
2. In the case of a suit being brought for non-payment of taxes in the non-situs county, a receipt showing taxes paid at a date prior to commencement of the suit shall entitle the taxpayer to a dismissal of the suit, free of cost.

Comment: The procedure is far more difficult under present law and leaves options open that confuse the issue. A choice of where the taxpayer prefers to pay does not solve the situs issue.

361.320

Amend

361.320 continued

- (5) Add: ...but at no time shall they pass rules or regulations that will allow the burden of taxation to fall on this class of property at a rate lower than all other classes of property.

Comment: At the present time, there is disparity between types of utilities and locally assessed property. This, at least, tells the commissioners consider the burden of tax.

361.333

1. Not later than May 1 of each year, the Department of Taxation shall analyze the assessments for each type or class of property for which the County Assessor has the responsibility of assessing. A report showing the ratio of assessment to taxable value of each class or type of property in each county analyzed compared to the ratio between assessed value and taxable value of all other counties analyzed in the same year shall be mailed to all county assessors and boards of county commissioners in this State.
2. The ratio study must be conducted in at least 8 counties in each year with the same combinations of counties being tested in alternate years.

Comment: There is no equalization in the present system, so the ratio study is a determination of how the cost manual was applied. The Department of Taxation

361.333 continued

is less capable of determining motivation and financing than the local assessor, and since it is only a sampling, the ratio study is subject to a greater inequity.

361.355

Amend

2. Any person, firm, company, association or corporation wishing to protest the valuation of personal property placed on the unsecured tax roll for the current year shall likewise appear before the County Board of Equalization.

361.357

Repeal Sections 2 and 3.

361.360

Amend

Add to Section 2: Evidence discovered after the County Board of Equalization has finally adjourned shall be submitted to the State Board in writing before a time may be set for hearing. Copies of such evidence shall be submitted to the County Assessor in the county wherein the property is located at least 15 days prior to the hearing.

June 8, 1984
22.

361.360 continued

Comment: At least half of the people who appear at the County and State Boards of Equalization bring no written proof of value. The Assessor must bring all his records to the County Board and give them to the taxpayer. The taxpayer then gives to the State Board a repeat or amendment of the statements he made without telling anyone he is using different information. The appeal is to be based on the written record from the County Board plus new facts. Now the new facts are still not documented.

361.471

Amend

Add: If after the completion of the tax roll and statement of levy is made to the State Controller, an error is determined in the assessment or levy, then a certificate of error signed by the county official responsible for the accuracy of the roll or levy, the Chairman of the County Board and the District Attorney of that county shall be forwarded to the County Auditor and to the taxpayer of record. Such error shall be corrected on the records of the county. A correction shall not change the lien of other property contained on the tax roll for which a levy has been made.

361.471 continued

Comment: There is no legal remedy for correcting errors after the Boards of Equalization have completed their work.

361.480

Amend

Add to paragraph C: A fee may be charged for preparing a statement when the tax due is less than the cost of issuing the tax statement. In no case shall the fee exceed \$2.00.

Comment: Many dollars are lost from the county as a result of sending tax bills where the cost is greater than the dollar realized. Some method is needed to offset this loss.

361.510

Amend

On or before June 1 of each year, the Board of County Commissioners of each county shall prepare suitable numbered receipts to be issued by the respective county assessors on the cash payment to them of the taxes on movable personal property. Such blank receipts shall be countersigned by the County Auditor.

361.515

Repeal

361.525

171.

Repeal

June 8, 1984
24.

361.5643

(3) Repeal

Comment: There are no taxes due on a camper shell yet we spend thousands of dollars to buy and mail 5,000 decals that are not required by law for any reason other than to designate the difference between a slide-in camper and a shell. The difference is obvious if you look.

361.790

Acquisition of legal interest in parcel of real estate part of a larger parcel; procedure for paying taxes on smaller parcel.

1. Whenever a person has acquired a legal interest in a parcel of real property, which is a part of a larger parcel upon which there are delinquent taxes, and such person offers to tender to the county treasurer, in the county where the real estate is located, his prorated share of the tax on the larger parcel, covering the parcel in which he has acquired title, then the county treasurer shall make a report of such offer to the board of county commissioners of such county.
2. The board of county commissioners shall then examine the report of the county treasurer as to the relative tax of each parcel together with such other evidence as may be presented in connection therewith. If, after reviewing such report and evidence, the board of county commissioners is satisfied that the person offering to tender payment of the taxes due has a legal interest in the smaller parcel only, it shall:
 - (a) Determine what proportion of the tax on the entire parcel affected shall be attributed to the smaller parcel.
 - (b) Enter an order in the minutes of the board, directing:
 - (1) Each officer who has custody of the tax roll for the year for which the offer to tender has been made

June 13, 1984

Page 2.

and for each subsequent year to prorate the tax accordingly.

- (2) The county treasurer to accept the prorated tax when tendered and apply it to the proper parcel. If the smaller parcel has, at any time prior thereto, been conveyed to the county treasurer pursuant to NRS 361.585, the board shall enter a further order directing the county treasurer to issue and deliver a deed conveying the property to the person who has tendered the tax upon payment to the county treasurer of the cost, penalties and interest chargeable against the prorated tax for each fiscal period for which the tax remains unpaid until the time of such conveyance.

- (c) Direct the clerk of the board to mail a copy of such order to the person offering to tender payment.

3. If the board of county commissioners issues the orders pursuant to subsection 2, the county treasurer shall issue a receipt to the person when he tenders payment of taxes, which receipt shall be conclusive evidence for the payment of all taxes assessed against the particular property for which the payment of tax is tendered, and shall be a complete defense to any action for taxes due on such parcel which may be brought for the period covered by the receipt.
4. The provisions of this section apply to delinquencies which occurred either before or after April 20, 1967.

(Added to NRS by 1967, 1208; A 1969, 198, 936)

June 13, 1984

375.050

Declaration of value: Deeds not going through
escrow; information required

Documentary transfer tax \$ _____

1. ____ Computed on full value of property
conveyed which is \$ _____
2. ____ Computed on full value less liens and
encumbrances remaining thereon at time of
transfer which are as follows:

Liens \$ _____

1st Mortgage \$ _____

2nd Mortgage \$ _____

Other Notes \$ _____

3. Reason for Sale _____
4. Are parties related? _____

Under penalty of perjury

Signature of Declarant or Agent
determining tax - Firm name

2. Repeal

375.090

- (9) Repeal and renumber

375.100

1. Add at . . . when the tax has not been paid or
the form required in 375.050 (1) has not been
completed.

June 13, 1984

375.050

One of the most important tools used to determine market value is the transfer tax declaration. This record is also used by the Department of Taxation to conduct sales ratio studies. The additional questions would help to determine the terms and motivation which greatly affect the amount of the sale. We mail questionnaires but receive less than 40% return.