



## CITY OF CALIENTE

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February 6, 2002

Governor's Task Force on Tax Policy in Nevada  
c/o Legislative Counsel Bureau  
401 South Carson Street  
Carson City, NV 89701-4747

Dear Sirs,

Comments have been solicited concerning the effect of current tax policy on our municipal government.

For some time, the City of Caliente has been operating at the maximum tax level (tax cap) in order to provide basic municipal services. With such a small percentage of Lincoln County and the environs of the City of Caliente in private hands (98.2% of Lincoln County is under federal and/or state supervision), increasing local income is particularly difficult.

As the County Commissioners have to raise revenues to provide services within the rest of the County, they have ceased to "buy back" funds essentially confiscated from the City to provide County services. Without additional "tax cap" latitude, the City of Caliente cannot make up the difference in income.

We respectfully request that the Task Force address the revenue inequity between small rural cities and the counties within which they are located. Funds are typically distributed to the cities through the county organization. This process may or may not ensure that the cities continue to receive at least the same amount within categories previously funded, or that all receive the same level of reduction as the other entities within the county. Such equity is no longer in evidence in Lincoln County.

Sincerely,

Kevin J. Phillips  
Mayor

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