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Board of County Commissioners

COUNTY OF ELKO
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February 11, 2002

Mr. Guy Hobbs, Chairman
Governor's Task Force on Tax Policy in Nevada
Legislative Counsel Bureau
401 South Carson Street
Carson City, NV 89701-4747

Dear Chairman Hobbs and Members of the Committee:

Elko County is in receipt of your "Solicitation for Comments" regarding the Governor's Task Force on Tax Policy in Nevada. We appreciate this opportunity to provide our comments to the Committee.

The Board of County Commissioners at their regular meeting of February 7, 2002 discussed your letter dated January 9, 2002 and proposed the following items for your review:

Mining Regulations:

Recent years has resulted in drastic changes to State and Federal laws related to the mining industry. Certain rural portions of the State rely on revenues derived from these mining operations. The Federal 3809 regulations in addition to proposed hard rock mineral taxes and opening of the 1872 mining act has a direct and negative impact to the State and County's with mining activity. Also, the Nevada Legislature has impacted State and Local Governments through the legislative process by changes in the net proceeds of mining tax. If certain regulations are reduced in scope perhaps the mining industry would expand services within the State.

Agriculture:

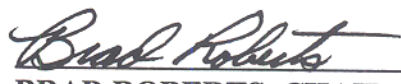
Historically, agricultural business activities was the primary resource in rural communities. Studies have indicated that one agricultural dollar has an economic impact of 8 to 1. Recent years has seen ever increasing regulatory control over agricultural pursuits thereby limiting resources available to the State and Local Governments. As an example Elko County currently has approximately 450,000 suspended "animal grazing units" (AUM's). Should these units be released for livestock grazing the economic condition of this region would improve.

Yucca Mountain:

Consideration should be given to tax policy concerning the nuclear fuel storage facility at Yucca Mountain. At this time It appears the Federal Government's direction is to designate Yucca Mountain as the Federal Depository for spent nuclear fuel regardless of the stance taken by our State and Federal Legislative Delegations on this issue. If this occurs the State should be prepared to treat this Depository as any other major industry in the State and establish taxing policies consistent with its needs and uses. These taxing policies should benefit State and Local Governments.

We appreciate this opportunity to respond to the Committee. Should you have any questions do not hesitate to contact us.

Very truly yours,



BRAD ROBERTS, CHAIRMAN
Elko County Commission

cc: Board of County Commissioners
Assemblyman John Carpenter
Senator Dean Rhodes