

# STUDY OF FUNDING OF COUNTIES AND CITIES



*Bulletin No. 87-29*

LEGISLATIVE COMMISSION  
OF THE  
LEGISLATIVE COUNSEL BUREAU  
STATE OF NEVADA

August 1986



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FOR COUNTIES AND CITIES

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SENATE CONCURRENT RESOLUTION—Directing the legislative commission to study the funding of counties and cities in Nevada.

WHEREAS, The counties and cities of this state have limited means by which to raise revenue to pay the costs of the services they provide; and

WHEREAS, The system of assessment and collection of taxes by counties, cities and other political subdivisions is confusing; and

WHEREAS, Counties and cities very rarely have sufficient reserves to cushion the effects of an unanticipated expenditure; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the legislative commission is hereby directed to conduct a comprehensive study of the methods of funding for counties and cities; and be it further

RESOLVED, That the study should include, but not be limited to:

1. Identifying the sources of revenue and the amounts derived from each source.
  2. Examining the required expenditures of the cities and counties.
  3. Evaluating the costs of the services required to be provided and the sources of revenue used to pay those costs.
  4. Considering the manner in which the funds of the counties and cities are administered;
- and be it further

RESOLVED, That this study must not include matters relating to the funding of the public schools; and be it further

RESOLVED, That the results of the study and any recommended legislation be submitted to the 64th session of the legislature.



LEGISLATIVE SUBCOMMITTEE TO STUDY THE METHODS  
OF FUNDING COUNTIES AND CITIES (S.C.R. 53)

SUMMARY OF RECOMMENDATIONS

1. THE LEGISLATIVE COMMISSION SHOULD FORWARD THE FOLLOWING LIST OF BILL DRAFT REQUESTS PREPARED AT THE REQUEST OF THE CITIES AND COUNTIES IN THE STATE OF NEVADA FOR CONSIDERATION BY THE 64TH SESSION OF THE NEVADA LEGISLATURE WITHOUT COMMITTEE RECOMMENDATION.



REPORT OF THE LEGISLATIVE COMMISSION  
TO THE MEMBERS OF THE 64TH SESSION OF THE NEVADA LEGISLATURE:

This report is submitted in compliance with Senate Concurrant Resolution No. 53 of the 63rd session of the Nevada legislature which directed the legislative commission to study the methods of funding for counties and cities. (File No. 122 Statutes of Nevada 1985)

In order to conduct this study, the legislative commission, under the auspices of the joint committee on taxation appointed a subcommittee to recommend appropriate action to the 1987 session of the legislature. The legislative members of the subcommittee were:

Assemblyman John Marvel, Chairman  
Assemblyman Charles W. Joerg, Vice Chairman  
Senator Raymond Shaffer  
Senator Alan Glover  
Senator Kenneth K. Redelsperger\*

\* Senator Kenneth K. Redelsperger was appointed to replace Senator Glover upon his resignation.

The legislative commission accepts the subcommittee's report with the suggested legislation and transmits the report to the members of the 1987 legislature for their consideration and appropriate action.

Respectfully submitted,

Legislative Commission  
Legislative Counsel Bureau  
State of Nevada

Carson City, Nevada  
August 1986

\* \* \* \* \*

LEGISLATIVE COMMISSION

Assemblyman Louis W. Bergevin, Chairman

Senator James H. Bilbray	Assemblyman Bob L. Kerns
Senator Helen A. Foley	Assemblyman Robert M. Sader
Senator Lawrence E. Jacobsen	Assemblyman James W. Schofield
Senator Kenneth K. Redelsperger	Assemblyman Danny L. Thompson
Senator Sue Wagner	Assemblyman Barbara A. Zimmer





## A. HISTORICAL REVIEW

The adoption of Senate Concurrent Resolution No. 53 (File No. 122, Statutes of Nevada 1985), which directed the Legislative Commission to study the funding of counties and cities in Nevada, was primarily a result of the fiscal limitations on local governments first enacted by the 1979 Nevada Legislature. At that time, the Legislature reduced property taxes and imposed expenditure limitations on all local governments that received taxes or license fees<sup>1</sup>.

The expenditure controls on local government, enacted in 1979, proved to be ineffective. As a result, the 1981 Nevada Legislature, in response to continued public pressure to control property taxes<sup>2</sup> and government spending adopted a three-bill tax reform package<sup>2</sup>. The tax reform reduced local property taxes and increased the sales and use tax resulting in a substantial shift of the local government revenue base. The legislation also replaced the expenditure limitations on local governments enacted in 1979 with a much more stringent and comprehensive program of revenue limitations (revenue caps).

Maximum combined allowable revenue (MCAR), the most important of the revenue caps, is based on the property tax revenues in fiscal year 1980-81. It is calculated each year by a complicated formula that uses growth factors based on the new property added to the assessment roll and inflation as determined by 80 percent of the change in the Consumer Price Index. The MCAR limits the revenue a local government may receive from property taxes and the supplemental city/county relief tax (SCCRT). Ad valorem revenue from property on the prior year's tax roll is limited to a maximum increase of 4.5 percent per year.

The 1981 Legislature included in the tax reform package provisions by which local entities may exceed maximum combined allowable revenue in certain circumstances, particularly those of an unforeseen nature such as lawsuits and natural disasters. These provisions allow additional revenue if it results from a grant from the SCCRT reserve fund, an amount approved by the legislature to offset the cost of an expense required by legislative enactment or any increase approved by the electorate. However, local government representatives have maintained since 1981 that the "revenue caps" are much too restrictive and the provisions for overrides are unnecessarily cumbersome.

<sup>1</sup>Zuend (1984)

<sup>2</sup>A.B. 369, S.B. 69, S.B. 411.

Local government representatives realized very early in the 1985 Legislative Session that the legislature was not going to substantially relax the "revenue caps." Therefore, local government representatives began to investigate several other areas in which the legislature could give the local governments financial relief. To fully consider these proposals, the 1985 Legislature adopted Senate Concurrent Resolution No. 53. The Legislative Commission appointed a subcommittee to accomplish the study. The members were:

Assemblyman John Marvel, Chairman  
Assemblyman Charles Joerg, Vice Chairman  
Senator Kenneth K. Redelsperger\*  
Senator Ray Shaffer

\*Senator Kenneth Redelsperger was appointed to replace Senator Glover upon his retirement from the senate.

S.C.R. 53 mandated that the study should include, but not be limited to, the following items:

1. Identifying the sources of revenue and the amounts derived from each source.
2. Examining the required expenditures of the cities and counties.
3. Evaluating the costs of the services required to be provided and the sources of revenue used to pay those costs.
4. Considering the manner in which the funds of the counties and cities were administered.

#### B. SUBCOMMITTEE METHODOLOGY

The subcommittee held three meetings and two workshops in Carson City, Fallon, Minden and Las Vegas, Nevada during the interim. At the first meeting in Carson City on August 21, 1985, the subcommittee heard testimony from the counties, cities, the Nevada Association of Counties (NACO), the Nevada League of Cities (NLOC) and a representative of private industry. After a lengthy discussion, the subcommittee adopted a methodology that included local government representatives as an integral component of the process. The counties, represented by the Nevada Association of Counties, and the cities, represented by the Nevada League of Cities, were each to appoint a study committee of their membership. The study committees were then to work with the legislative subcommittee and legislative counsel bureau staff to identify common fiscal concerns and specific actions that could be taken by the legislature to alleviate those concerns.

The subcommittee accepted an invitation from local government representatives to schedule the next meeting as part of the programs at both the annual convention of the Nevada Association of Counties and the annual convention of the Nevada League of Cities. The subcommittee directed staff to prepare a draft letter that would be sent to all elected and appointed executive county and city officials in the state soliciting input regarding their respective fiscal concerns. Included with the letter was to be a general analysis of the concerns brought out in the testimony heard to date.

The second meeting was held on two consecutive days in conjunction with the annual conference of the Nevada League of Cities held in Fallon, Nevada on September 19, 1985, and the annual conference of the Nevada Association of Counties in Minden, Nevada on September 20, 1985. The letter to be sent to all elected and appointed executive local government officials in the state soliciting input regarding their respective fiscal concerns (Appendix A) was approved by the committee. The general analysis of the issues presented to date was presented and the participants agreed to define the scope of the study as shared fiscal concerns in the area of revenue, expenditures and fiscal administration (Appendix A; Response letters - Appendix B). Local government representatives then provided the subcommittee with written and verbal preliminary testimony (Appendix C).

The subcommittee and study committees held two workshops--one in Las Vegas on January 24, 1986, and one in Carson City on May 28, 1986. At these workshops the two study committees identified and discussed specific concerns in the general areas of revenues, expenditures and fiscal administration (Appendix D). Revenue concerns included the methods and formula components used in the calculation of maximum combined allowable revenue and the formulation of a less cumbersome means to accomplish overrides to the maximum combined allowable revenue. Expenditure concerns focused on collective bargaining and legislative mandates to provide services without a corresponding appropriation or revenue-generating authority. Concerns regarding fiscal administration included the elimination of publishing and reporting requirements that are not necessary to maintain a responsive government. The study committees further worked with legislative counsel bureau staff to have these actions articulated in the form of bill draft requests.

The resulting 16-bill legislative package was presented to the subcommittee at its final meeting on June 23, 1986, held in Carson City (Appendix E). After deliberations, the study committees requested that BDR 31-108 be withdrawn from the legislative package and replaced by BDR 31-94. The legislative package was then accepted by the subcommittee.

### C. SUBCOMMITTEE FINDINGS AND RECOMMENDATIONS

#### 1. Funding of Counties and Cities

The subcommittee entertained a great deal of verbal and written testimony from the two study committees representing Nevada's cities and counties. The subcommittee then worked with the study committee and legislative counsel bureau staff to identify specific areas of concern, specific corrective actions that could be accomplished by the legislature and to have these actions articulated in the form of bill draft requests. As a result of these deliberations, a 16-bill legislative package was produced.

#### 2. The Legislative Package

The 16-bill legislative package forwarded to the 1987 Session by the subcommittee consisted of six bills regarding local government revenues, seven bills regarding local government expenditures and three bills pertaining to fiscal administration.

It came as no surprise that five of the six revenue related bills concern the calculation of overrides to maximum combined allowable revenue.

BDR 31-100 provides for the authorization for local governments to levy a tax ad valorem outside of the revenue caps for the support of certain programs and services mandated by the federal government if federal revenue sharing is reduced below the level of those funds received in the 1984-85 entitlement period. It further provides that the new tax will be included in the calculation of maximum allowable combined revenue in subsequent years.

BDR 31-94 corrects an oversight in the calculation of maximum combined allowable revenue that caused the net proceeds of mines to be applied to the formula inconsistently.

BDR 31-111 provides for a change in the basis of the calculation of the annual increase of the limit upon revenue from taxes ad valorem by deleting revenue received and inserting maximum allowable revenue into the statutory language of NRS 354.59811.

BDR S-109 provides that the overrides and other additional revenue granted to a local government will be used in the calculation of a maximum combined allowable revenue in subsequent years.

BDR 31-103 authorizes the local governments to raise permits for building and zoning.

The remaining revenue bill, BDR 32-106 provides that the 5 cents per pack cigarette tax now going to the state general fund will be distributed back to the local governments.

Four of the seven expenditure related bills are designed to limit the fiscal effect on local governments of collective bargaining.

BDR 23-93 provides that nonrecurring revenue, enterprise funds, and internal service funds cannot be considered by a factfinder in determining the financial ability of a local government.

BDR 23-101 defines the factors that may be considered by a factfinder.

BDR 23-102 provides for a revised definition of "collective bargaining" by referring to the matters within the scope of mandatory bargaining.

BDR 23-107 provides for removal of the designation of an elected official as the proper person to negotiate for local government.

Other expenditure related bills include:

BDR 43-90 which provides that the state will pay the cost of replacing an officer in the field when that officer is receiving Peace Officers Standards and Training.

BDR 18-104 provides that the Governor must give public notice of a designated legal holiday before March 1 preceding the fiscal year in which the holiday falls.

BDR 28-105 repeals revisions regarding prevailing wage for urban renewal and public works projects.

The last three bills in the legislative package pertain to local government fiscal administration.

BDR 31-96 sets back the timetables for the preparation of budgets by local governments.

BDR 32-97 reduces the number of installments on payments of taxes from quarterly to semi-annually.

BDR 20-99 removes requirements for the publication of certain information by counties.

The subcommittee determined that the bill drafts should be heard by the legislature as a whole. Therefore, all 16 bill drafts were forwarded to the 1987 Session for consideration without subcommittee recommendation.

3. Subcommittee Recommendations

THE LEGISLATIVE COMMISSION SHOULD FORWARD THE FOLLOWING LIST  
OF BILL DRAFT REQUESTS PREPARED AT THE REQUEST OF THE CITIES  
AND COUNTIES IN THE STATE OF NEVADA FOR CONSIDERATION BY THE  
64TH SESSION OF THE NEVADA LEGISLATURE WITHOUT SUBCOMMITTEE  
RECOMMENDATION.

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SUMMARY---Exempts nonrecurring revenues and certain funds of local governments from consideration for collective bargaining. (BDR 23-93)

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

AN ACT relating to collective bargaining; exempting nonrecurring revenues and the money in certain types of funds of local governments from consideration by factfinders and arbitrators; 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 288.200 is hereby amended to read as follows:

288.200 Except in cases to which NRS 288.205 and 288.215 apply:

1. If:

(a) The parties have participated in mediation and by August 1, have not reached agreement; or

(b) The bargaining unit represented by the employee organization contains fewer than 30 persons,

either party to the dispute, at any time up to September 20, may submit the dispute to an impartial factfinder for his findings and recommendations. His findings and recommendations are not binding on the parties except as provided in subsections 5, 6 and 9. The mediator of a dispute may also be chosen by the parties to serve as the factfinder.

2. If the parties are unable to agree on an impartial factfinder within 5 days, either party may request from the American Arbitration Association or the Federal Mediation and Conciliation Service a list of seven potential factfinders. If the parties are unable to agree upon which arbitration service should be used, the Federal Mediation

and Conciliation Service must be used. The parties shall select their factfinder from this list by alternately striking one name until the name of only one factfinder remains, who will be the factfinder to hear the dispute in question. The employee organization shall strike the first name.

3. The local government employer and employee organization each shall pay one-half of the cost of factfinding. Each party shall pay its own costs of preparation and presentation of its case in factfinding.

4. A schedule of dates and times for the hearing must be established before October 20 and the factfinder shall report his findings and recommendations to the parties to the dispute within 30 days after the conclusion of the factfinding hearing.

5. The parties to the dispute may agree, before the submission of the dispute to factfinding, to make the findings and recommendations on all or any specified issues final and binding on the parties.

6. If the parties do not agree on whether to make the findings and recommendations of the factfinder final and binding, either party may request the formation of a panel to determine whether the findings and recommendations of a factfinder on all or any specified issues in a particular dispute which are within the scope of subsection 9 are to be final and binding. The determination must be made upon the concurrence of at least two members of the panel and not later than August 10 unless that date is extended by the commissioner of the board. Each panel shall, when making its determination, consider whether the parties have bargained in good faith and whether it believes the parties can resolve any remaining issues. Any panel may also consider the actions taken by the parties in response to any previous factfinding between these parties, the best interests of the state and all its citizens, the potential fiscal effect both within and outside the political subdivision, and any danger to the safety of the people of the state or a political subdivision.

7. Except as provided in subsection 8, any factfinder, whether his recommendations

are to be binding or not, shall base his recommendations or award on the following criteria:

(a) A preliminary determination must be made as to the financial ability of the local government employer based on all existing available revenues as established by the local government employer, and with due regard for the obligation of the local government employer to provide facilities and services guaranteeing the health, welfare and safety of the people residing within the political subdivision.

(b) Once the factfinder has determined in accordance with paragraph (a) that there is a current financial ability to grant monetary benefits, he shall use normal criteria for interest disputes regarding the terms and provisions to be included in an agreement in assessing the reasonableness of the position of each party as to each issue in dispute and he shall consider whether the board found that either party had bargained in bad faith.

The factfinder's report must contain the facts upon which he based his determination of financial ability to grant monetary benefits and his recommendations or award.

8. [Any] Nonrecurring revenue and any sum of money which is maintained in an enterprise fund, an internal service fund, a trust and agency fund, a self-insurance fund or a fund whose balance is required by law to be:

(a) Used only for a specific purpose other than the payment of compensation to the bargaining unit affected; or

(b) Carried forward to the succeeding fiscal year in any designated amount, to the extent of that amount,

must not be counted in determining the financial ability of a local government employer and must not be used to pay any monetary benefits recommended or awarded by the factfinder.

9. The issues which may be included in a panel's order pursuant to subsection 6 are:

(a) Those enumerated in subsection 2 of NRS 288.150 as the subjects of mandatory bargaining, unless precluded for that year by an existing collective bargaining agreement between the parties; and

(b) Those which an existing collective bargaining agreement between the parties makes subject to negotiation in that year.

This subsection does not preclude the voluntary submission of other issues by the parties pursuant to subsection 5.

SUMMARY---Establishes criteria for determining recommendations and awards by factfinders in disputes between local governments and their employees. (BRD 23-101)

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

AN ACT relating to collective bargaining by local governments; establishing the criteria to be used by a factfinder in making recommendations and awards; 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 288.200 is hereby amended to read as follows:

288.200 Except in cases to which NRS 288.205 and 288.215 apply:

1. If:

(a) The parties have participated in mediation and by August 1, have not reached agreement; or

(b) The bargaining unit represented by the employee organization contains fewer than 30 persons,

either party to the dispute, at any time up to September 20, may submit the dispute to an impartial factfinder for his findings and recommendations. His findings and recommendations are not binding on the parties except as provided in subsections 5, 6 and 9. The mediator of a dispute may also be chosen by the parties to serve as the factfinder.

2. If the parties are unable to agree on an impartial factfinder within 5 days, either party may request from the American Arbitration Association or the Federal Mediation and Conciliation Service a list of seven potential factfinders. If the parties are unable to agree upon which arbitration service should be used, the Federal Mediation

and Conciliation Service must be used. The parties shall select their factfinder from this list by alternately striking one name until the name of only one factfinder remains, who will be the factfinder to hear the dispute in question. The employee organization shall strike the first name.

3. The local government employer and employee organization each shall pay one-half of the cost of factfinding. Each party shall pay its own costs of preparation and presentation of its case in factfinding.

4. A schedule of dates and times for the hearing must be established before October 20 and the factfinder shall report his findings and recommendations to the parties to the dispute within 30 days after the conclusion of the factfinding hearing.

5. The parties to the dispute may agree, before the submission of the dispute to factfinding, to make the findings and recommendations on all or any specified issues final and binding on the parties.

6. If the parties do not agree on whether to make the findings and recommendations of the factfinder final and binding, either party may request the formation of a panel to determine whether the findings and recommendations of a factfinder on all or any specified issues in a particular dispute which are within the scope of subsection 9 are to be final and binding. The determination must be made upon the concurrence of at least two members of the panel and not later than August 10 unless that date is extended by the commissioner of the board. Each panel shall, when making its determination, consider whether the parties have bargained in good faith and whether it believes the parties can resolve any remaining issues. Any panel may also consider the actions taken by the parties in response to any previous factfinding between these parties, the best interests of the state and all its citizens, the potential fiscal effect both within and outside the political subdivision, and any danger to the safety of the people of the state or a political subdivision.

7. Except as provided in subsection 8, any factfinder, whether his recommendations

are to be binding or not, shall base his recommendations or award on the following criteria:

(a) A preliminary determination must be made as to the financial ability of the local government employer based on all existing available revenues as established by the local government employer, and with due regard for the obligation of the local government employer to provide facilities and services guaranteeing the health, welfare and safety of the people residing within the political subdivision.

(b) Once the factfinder has determined in accordance with paragraph (a) that there is a current financial ability to grant monetary benefits, he shall use [normal criteria for interest disputes] the following criteria regarding the terms and provisions to be included in an agreement in assessing the reasonableness of the position of each party as to each issue in dispute [and he shall consider whether the board found that either party had bargained in bad faith.] :

(1) The prevailing practices, including those regarding wages and benefits, of comparable public and private employers in the same geographical area.

(2) The skill, training and responsibility required for the particular positions of employment in dispute.

(3) Any increase or decrease in the Consumer Price Index (All Items) during the preceding year.

(4) The level of unemployment in the area.

(5) The productivity of the local governmental entity.

(6) The regularity of the availability of employment in the area.

(7) The frequency of the local government employer's need to replace its employees.

(8) Whether the board found that either party had bargained in bad faith.

(9) Other criteria normally used for similar disputes.

The factfinder's report must contain the facts upon which he based his determination of financial ability to grant monetary benefits and his recommendations or award.

8. Any sum of money which is maintained in a fund whose balance is required by law to be:

(a) Used only for a specific purpose other than the payment of compensation to the bargaining unit affected; or

(b) Carried forward to the succeeding fiscal year in any designated amount, to the extent of that amount,

must not be counted in determining the financial ability of a local government employer and must not be used to pay any monetary benefits recommended or awarded by the factfinder.

9. The issues which may be included in a panel's order pursuant to subsection 6 are:

(a) Those enumerated in subsection 2 of NRS 288.150 as the subjects of mandatory bargaining, unless precluded for that year by an existing collective bargaining agreement between the parties; and

(b) Those which an existing collective bargaining agreement between the parties makes subject to negotiation in that year.

This subsection does not preclude the voluntary submission of other issues by the parties pursuant to subsection 5.



SUMMARY---Revises definition of "collective bargaining" for provisions governing relations between local governments and their employees. (BDR 23-102)

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

AN ACT relating to collective bargaining by local governments; revising the definition of "collective bargaining"; 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 288.033 is hereby amended to read as follows:

288.033 "Collective bargaining" means a method of determining conditions of employment by negotiation between representatives of the local government employer and employee organizations, entailing a mutual obligation of the local government employer and the representative of the local government employees to meet at reasonable times and bargain in good faith with respect to:

1. [Wages, hours and other terms and conditions of employment;] The matters specified in subsection 2 of NRS 288.150;

2. The negotiation of an agreement;

3. The resolution of any question arising under a negotiated agreement; or

4. The execution of a written contract incorporating any agreement reached if requested by either party,

but this obligation does not compel either party to agree to a proposal or require the making of a concession.



SUMMARY---Removes designation of proper person to negotiate on behalf of local government in collective bargaining. (BDR 23-107)

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

AN ACT relating to collective bargaining; removing designation of proper person to negotiate on behalf of local government; 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 288.150 is hereby amended to read as follows:

288.150 1. Except as provided in subsection 4, it is the duty of every local government employer to negotiate in good faith through a representative or representatives of its own choosing concerning the mandatory subjects of bargaining set forth in subsection 2 with the designated representatives of the recognized employee organization, if any, for each appropriate bargaining unit among its employees. If either party so requests, agreements reached [shall] must be reduced to writing. [Where any officer of a local government employer, other than a member of the governing body, is elected by the people and directs the work of any local government employee, such officer is the proper person to negotiate, directly or through a representative or representatives of his own choosing, in the first instance concerning any employee whose work is directed by him, but may refer to the governing body or its chosen representative or representatives any matter beyond the scope of his authority.]

2. The scope of mandatory bargaining is limited to:

- (a) Salary or wage rates or other forms of direct monetary compensation.
- (b) Sick leave.

- (c) Vacation leave.
  - (d) Holidays.
  - (e) Other paid or nonpaid leaves of absence.
  - (f) Insurance benefits.
  - (g) Total hours of work required of an employee on each workday or work week.
  - (h) Total number of days' work required of an employee in a work year.
  - (i) Discharge and disciplinary procedures.
  - (j) Recognition clause.
  - (k) The method used to classify employees in the bargaining unit.
  - (l) Deduction of dues for the recognized employee organization.
  - (m) Protection of employees in the bargaining unit from discrimination because of participation in recognized employee organizations consistent with the provisions of this chapter.
  - (n) No-strike provisions consistent with the provisions of this chapter.
  - (o) Grievance and arbitration procedures for resolution of disputes relating to interpretation or application of collective bargaining agreements.
  - (p) General savings clauses.
  - (q) Duration of collective bargaining agreements.
  - (r) Safety of the employee.
  - (s) Teacher preparation time.
  - (t) Procedures for reduction in work force.
3. Those subject matters which are not within the scope of mandatory bargaining and which are reserved to the local government employer without negotiation include:
- (a) The right to hire, direct, assign or transfer an employee, but excluding the right to assign or transfer an employee as a form of discipline.

(b) The right to reduce in force or lay off any employee because of lack of work or lack of [funds.] money, subject to paragraph (t) of subsection 2.

(c) The right to determine:

(1) Appropriate staffing levels and work performance standards, except for safety considerations;

(2) The content of the workday, including without limitation work load factors, except for safety considerations;

(3) The quality and quantity of services to be offered to the public; and

(4) The means and methods of offering those services.

(d) Safety of the public.

4. Notwithstanding the provisions of any collective bargaining agreement negotiated pursuant to this chapter, a local government employer is entitled to take whatever actions may be necessary to carry out its responsibilities in situations of emergency such as a riot, military action, natural disaster or civil disorder. Such actions may include the suspension of any collective bargaining agreement for the duration of the emergency. Any action taken under the provisions of this subsection shall not be construed as a failure to negotiate in good faith.

5. The provisions of this chapter, including without limitation the provisions of this section, recognize and declare the ultimate right and responsibility of the local government employer to manage its operation in the most efficient manner consistent with the best interests of all its citizens, its taxpayers and its employees.

6. This section does not preclude, but this chapter does not require the local government employer to negotiate subject matters enumerated in subsection 3 which are outside the scope of mandatory bargaining. The local government employer shall discuss subject matters outside the scope of mandatory bargaining but it is not required to negotiate such matters.

7. Contract provisions presently existing in signed and ratified agreements as of May 15, 1975, at 12 p.m. shall remain negotiable.

SUMMARY---Revises method of calculating maximum allowable revenue from taxes ad valorem for local governments. (BDR 31-94)

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

AN ACT relating to local financial administration; removing net proceeds of mines from the basis for the annual increase of the limit upon revenue from taxes ad valorem; changing the basis for determining excess revenue received from taxes ad valorem; 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 354.59811 is hereby amended to read as follows:

354.59811 For each fiscal year beginning on or after July 1, 1983, the revenue of the local government from taxes ad valorem, except those levied for debt service, must not exceed the amount calculated as follows:

1. The rate must be set so that when applied to the current fiscal year's assessed valuation of all property which was on the preceding fiscal year's assessment roll , excluding net proceeds of mines, it will produce 104.5 percent of the revenue received from taxes ad valorem , excluding net proceeds of mines, in the preceding fiscal year.

2. This rate must then be applied to the total assessed valuation, excluding net proceeds of mines but including new real property, possessory interests and mobile homes, for the current fiscal year [.] to determine the amount which must not be exceeded.

Sec. 2. NRS 354.5982 is hereby amended to read as follows:

354.5982 1. The local government may exceed the respective limits imposed by NRS

354.59805, 354.59811 and 354.59816 upon combined amounts received and upon calculated receipts from taxes ad valorem only if its governing body proposes to its registered voters an additional levy ad valorem, specifying the amount of money to be derived, the purpose for which it is to be expended, and the duration of the levy, and the proposal is approved by a majority of the voters voting on the question at a general election or a special election called for that purpose. The governing body may discontinue the levy before it expires and may not thereafter reimpose it in whole or in part without following the procedure required for its original imposition.

2. To the maximum combined revenue otherwise allowable under NRS 354.59805, 354.59811 and 354.59816 to a local government, the executive director of the department of taxation shall add any amount approved by the legislature for the cost to that local government of any substantial program or expense required by legislative enactment.

3. Distributions of the supplemental city-county relief tax must not be changed because actual collections of taxes ad valorem are greater or less than calculated when those taxes were levied, but any actual revenue received from taxes ad valorem, excluding net proceeds of mines and delinquent payments of taxes, in excess of the [maximum allowable from the combined sources] amount upon which the calculation of the rate of the levy was based must not be expended during the fiscal year in which collected, and must be subtracted from the result obtained under subsection 2 of NRS 354.59805 to reduce the maximum amount of revenue which may be derived from taxes ad valorem in the [ensuing] next fiscal year [.] for which the tax rates are certified.

4. For the purposes of this section, a fire district organized pursuant to chapter 473 of NRS is a local government.

Sec. 3. This act becomes effective upon passage and approval.



SUMMARY---Revises restrictions on time for preparation of budgets by local governments and assessment and payment of taxes on mines. (BDR 31-96)

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

AN ACT relating to financial administration; revising restrictions on time for the preparation of budgets by local governments; revising restrictions on time for the assessment and the payment of taxes on the proceeds of mines; 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 354.596 is hereby amended to read as follows:

354.596 1. On or before [March] April 15 of each year, the officer charged by law shall prepare, or the governing body shall cause to be prepared, on appropriate forms prescribed by the department of taxation for the use of local governments, a tentative budget for the ensuing fiscal year. The tentative budget and a copy of the local government's report of its proposed expenditures for the following fiscal year must be submitted to the county auditor and filed for public record and inspection in the office of:

- (a) The clerk or secretary of the governing body; and
- (b) The county clerk.

The report must be written in the same detail as its chart of accounts. The total amount of the expenditures contained in this report equal the total amount of expenditures contained in its tentative budget for each department and fund listed in that budget.

- 2. At the time of filing the tentative budget, the governing body shall give notice

of the time and place of a public hearing on the tentative budget and shall cause a notice of the hearing to be published once in a newspaper of general circulation within the area of the local government not more than 14 nor less than 7 days before the date set for the hearing. The notice of public hearing must state:

- (a) The time and place of the public hearing.
- (b) That a tentative budget has been prepared in such detail and on appropriate forms as prescribed by the department of taxation.
- (c) The places where copies of the tentative budget are on file and available for public inspection.

3. Budget hearings must be held:

- (a) For county budgets, on the [3rd] third Monday in [April;] May;
  - (b) For cities, on the [3rd] third Tuesday in [April;] May;
  - (c) For school districts, on the [3rd] third Wednesday in [April;] May; and
  - (d) For all other local governments, on the [3rd] third Thursday in [April;] May,
- except that the board of county commissioners may consolidate the hearing on all local government budgets administered by the board of county commissioners with the county budget hearing.

4. On or before [March] April 15, a copy of the tentative budget and notice of public hearing must be submitted:

- (a) To the department of taxation; and
- (b) In the case of school districts, to the state department of education.

5. The department of taxation shall examine the submitted documents for compliance with law and with appropriate regulations and shall submit to the governing body at least 3 days before the public hearing a written certificate of compliance or a written notice of lack of compliance. The written notice must indicate the manner in which the submitted documents fail to comply with law or appropriate regulations.

6. Whenever the governing body receives from the department of taxation a notice

of lack of compliance, the governing body shall forthwith proceed to amend the tentative budget to effect compliance with the law and with the appropriate regulation.

7. If any change which results in an increase in the amount of revenue required from property taxes is made in a tentative budget after it has been submitted to the county auditor pursuant to subsection 1, the amended tentative budget must be submitted to the county auditor at least 30 days before it may be adopted as the final budget.

Sec. 2. NRS 354.598 is hereby amended to read as follows:

354.598 1. At the time and place advertised for public hearing, or at any time and place to which the public hearing is from time to time adjourned, the governing body shall hold a public hearing on the tentative budget, at which time interested persons must be given an opportunity to be heard.

2. At the public hearing, the governing body shall indicate changes, if any, to be made in the tentative budget, and shall adopt a final budget by the favorable votes of a majority of all members of the governing body. The final budget must be adopted on or before [May] June 1 of each year. Should the governing body fail to adopt a final budget that complies with the requirements of law and the regulations of the department of taxation on or before the required date, the budget adopted and approved by the department of taxation for the current year, adjusted as to content and rate in such a manner as the department of taxation may consider necessary, automatically becomes the budget for the ensuing fiscal year. When a budget has been so adopted by default, the governing body may not reconsider the budget without the express approval of the department of taxation. If the default budget creates a combined ad valorem tax rate in excess of the limit imposed by NRS 361.453, the Nevada tax commission shall adjust the budget as provided in NRS 361.455.

3. The final budget must be certified by a majority of all members of the governing body and a copy of it, together with an affidavit of proof of publication of the notice

of the public hearing, must be transmitted to the Nevada tax commission. If a tentative budget is adopted by default as provided in subsection 2, the clerk of the governing body shall certify the budget and transmit to the Nevada tax commission a copy of the budget, together with an affidavit of proof of the notice of the public hearing, if that notice was published. Certified copies of the final budget must be distributed as determined by the department of taxation.

4. Upon the adoption of the final budget or the amendment of the budget in accordance with NRS 354.606, the several amounts stated in it as proposed expenditures are appropriated for the purposes indicated in the budget.

5. No governing body may adopt any budget which appropriates for any fund any amount in excess of the budget resources of that fund.

Sec. 3. NRS 354.59805 is hereby amended to read as follows:

354.59805 Except as otherwise provided in NRS 354.59816, the maximum amount of money which a local government, except a school district, a district to provide a telephone number for emergencies, or a redevelopment agency, is permitted to receive from taxes ad valorem, other than those levied for the payment of bonded indebtedness and interest thereon incurred as a general or short-term obligation of the issuer, or for the payment of obligations under a capital lease executed before April 30, 1981, must be calculated by:

1. First multiplying the tax rate certified for that local government for the fiscal year ending on June 30, 1981, by its assessed valuation as equalized for the collection of taxes during the fiscal year beginning on July 1, 1981. For the purposes of this subsection:

(a) A county whose actual tax rate, for purposes other than debt service, for the fiscal year ending on June 30, 1981, was less than 50 cents per \$100 of assessed valuation is entitled to the use of a rate not greater than 80 cents per \$100 of assessed valuation.

(b) A fire district in such a county whose tax rate was more than 50 cents per \$100 of assessed valuation is entitled to the use of a rate not greater than \$1.10 per \$100 of assessed valuation.

2. Then subtracting the estimated amount to be received by that local government from the supplemental city-county relief tax for the fiscal year for which the tax ad valorem is to be levied. For the fiscal years beginning on and after July 1, 1982, the executive director of the department of taxation shall provide this estimate to the local government on or before [February] March 15 preceding the fiscal year to which it applies. A local government may, on or before [March] April 1 preceding the fiscal year to which the estimate applies, appeal in writing to the Nevada tax commission, which may increase or decrease the estimate as it finds the facts warrant.

3. Then reducing the amount resulting from subsections 1 and 2 if necessary to bring it within any applicable limit provided in NRS 354.59811 or 354.59816.

Sec. 4. NRS 361.454 is hereby amended to read as follows:

361.454 1. Upon receipt of the tentative budgets submitted pursuant to NRS 354.596, the county auditor shall ascertain, separately for each property owner whose property taxes are affected by one or more of the tentative budgets, the following information:

- (a) The assessed valuation of his property for the current and ensuing fiscal years;
- (b) The combined tax rate which applied to his property in the current fiscal year and the proposed combined tax rate for the ensuing fiscal year;
- (c) The percentage of increase or decrease, if any, of the combined tax rate for his property proposed for the ensuing fiscal year as compared to the combined tax rate for the current fiscal year;
- (d) The amount of tax collected on his property in the current fiscal year and the

amount of tax to be collected on his property for the ensuing fiscal year, computed on the basis of the proposed combined tax rate;

(e) The respective amounts of his taxes which will be disbursed to each local government, for debt service and to any other recipient of the tax revenue, presented so as to show the distribution of the total amount of the taxes to be collected from him; and

(f) The percentage of increase or decrease, if any, of each amount shown pursuant to paragraph (e) as compared to the corresponding amount for the current fiscal year.

2. For the purposes of subsection 1, the county auditor shall apply the information contained in each tentative budget to the assessment roll to determine the tax rate necessary to produce the revenue required for each budget and compute a proposed combined tax rate for each property owner. He shall use the tax rate for the current fiscal year for any tentative budget which was not submitted. For each property owner, he shall make available upon request the information ascertained for each of paragraphs (a) to (d), inclusive, and paragraph (f) of subsection 1, and for paragraph (e) an itemized list whose total equals the amount for the ensuing year under paragraph (d).

3. The county auditor shall deliver the information required pursuant to this section to the ex officio tax receiver:

(a) On or before [~~March~~] April 25 of each year; and

(b) Within 10 days after the receipt of an amended tentative budget.

Sec. 5. NRS 361.4545 is hereby amended to read as follows:

361.4545     1. On or before [~~April~~] May 5 of each year or within 5 days after receiving the projections of revenue from the department, whichever is later, the ex officio tax receivers shall prepare and cause to be published in a newspaper of general circulation in their respective counties, a notice which contains at least the [information required by paragraphs (a) to (e), inclusive:] following information:

(a) A statement that the notice is not a bill for taxes owed but an informational notice. The notice must state:

(1) That public hearings will be held on the dates listed in the notice to adopt budgets and tax rates for the fiscal year beginning on July 1;

(2) That the purpose of the public hearings is to receive opinions from members of the public on the proposed budgets and tax rates before final action is taken thereon; and

(3) The tax rate to be imposed by the county and each political subdivision within the county for the ensuing fiscal year if the tentative budgets which affect the property in those areas become final budgets.

(b) A brief description of the limitation imposed by the legislature on the revenue of the local governments.

(c) The dates, times and locations of all of the public hearings on the tentative budgets which affect the taxes on property.

(d) The names and addresses of the county assessor and ex officio tax receiver who may be consulted for further information.

(e) A brief statement of how property is assessed and how the combined tax rate is determined.

The notice must be displayed in the format used for news and must be printed on at least one-half of a page of the newspaper.

2. Each ex officio tax receiver shall prepare and cause to be published in a newspaper of general circulation within the county a notice, displayed in the format used for news and printed in not less than 8- point type, disclosing any increase in the property taxes as a result of any change in the tentative budget. This notice must be published within 10 days after the receipt of the information pursuant to NRS 354.596.

Sec. 6. NRS 361.455 is hereby amended to read as follows:

361.455 1. Subsequent to the approval of the final budgets for the various local governments as defined in NRS 354.474 and their submission to the department, for examination and approval, the Nevada tax commission shall certify to the board of county commissioners of each of the several counties the combined tax rate necessary to produce the amount of revenue required by the approved budgets, and shall certify that combined rate, to each of the boards of county commissioners.

2. Immediately upon adoption of the final budgets, if the combined tax rate together with the established state tax rate exceeds the limit imposed by NRS 361.453, the chairman of the board of county commissioners in each county concerned shall call a meeting of the governing boards of each of the local governments within the county for the purpose of establishing a combined tax rate that conforms to the statutory limit. The chairman shall convene the meeting no later than [May] June 5 of each year.

3. The governing boards of the local governments shall meet in public session and the county clerk shall keep appropriate records, pursuant to regulations of the department, of all proceedings. The costs of taking and preparing the record of the proceedings, including the costs of transcribing and summarizing tape recordings, [shall] must be borne by the county and participating incorporated cities in proportion to the final tax rate as certified by the department. The chairman of the board of county commissioners or his designee shall preside at the meeting. The governing boards shall explore areas of mutual concern so as to agree upon a combined tax rate that does not exceed the statutory limit.

4. The governing boards shall determine final decisions by a unanimous vote of all entities present and qualified to vote, as defined in this subsection. No ballot may be cast on behalf of any governing board unless a majority of the individual board



is present. A majority vote of all members of each governing board is necessary to determine the ballot cast for that entity. All ballots must be cast not later than the day following the day the meeting is convened. The district attorney [shall be] is the legal adviser for such proceedings.

5. The county clerk shall immediately thereafter advise the department of the results of the ballots cast and the tax rates set for local governments concerned. If the ballots for the entities present at the meeting in the county are not unanimous, the county clerk shall transmit all records of the proceedings to the department within 5 days after the meeting.

6. If a unanimous vote is not obtained and the combined rate in any county together with the established state tax rate exceeds the statutory limit, the department shall examine the record of the discussions and the budgets of all local governments concerned. On [May] June 25 or, if [May] June 25 falls on a Saturday or Sunday, on the Monday next following, the Nevada tax commission shall meet to set the tax rates for the next succeeding year for all local governments so examined. In setting the tax rates for the next succeeding year the Nevada tax commission shall not reduce that portion of the proposed tax rate of the county school district for the operation and maintenance of public schools.

7. Any local government affected by a rate adjustment, made in accordance with the provisions of this section, which necessitates a budget revision shall file a copy of its revised budget by [June] July 30 next after the approval and certification of the rate by the Nevada tax commission.

8. A copy of the certificate of the Nevada tax commission sent to the board of county commissioners [shall] must be forwarded to the county auditor.

Sec. 7. NRS 361.465 is hereby amended to read as follows:

361.465 1. Immediately upon the levy of the tax rate the county clerk shall

inform the county auditor of the action of the board of county commissioners. The county auditor shall proceed to extend the tax roll by:

- (a) Applying the tax rate levied to the total assessed valuation;
- (b) Ascertaining the total taxes to be collected from each property owner; and
- (c) Itemizing, separately for each property owner, the rate of tax applicable to him which is levied for each local government, debt service and any other recipient of the tax revenue so that the distribution of the total rate of tax levied upon his property is shown.

2. When the tax roll has been so extended, and not later than [June 15] July 1 of each year, the county auditor shall deliver it, with his certificate attached, to the ex officio tax receiver of the county.

Sec. 8. NRS 362.130 is hereby amended to read as follows:

362.130 1. When the department determines the net proceeds of any mine or mines, the Nevada tax commission shall prepare its certificate of the amount of the net proceeds of the mine or mines in triplicate and shall file one copy of the certificate with the department, one copy with the county assessor of the county in which the mine or mines are located, and shall send the third copy to the person, corporation or association which is the owner of the mine, operator of the mine, or recipient of the royalty payment, as the case may be.

2. Upon the filing of the copy of the certificate with the county assessor and with the department, the assessment [is] must be made in the amount fixed by the certificate of the Nevada tax commission ; [, and taxes thereon at the rate established are immediately due.] The certificate of assessment must be filed and mailed not later than [May] June 25 immediately following the month of February during which the statement was filed.

3. The taxes due must be established on June 25 and the assessment must be mailed on or before the first Monday in July. The taxes are due on the date on which the

first installment of taxes paid pursuant to NRS 361.483 are due. If a person's appeal of the certification is pending, he must pay the tax under protest in a timely manner.

Sec. 9. NRS 362.135 is hereby amended to read as follows:

362.135 Any person dissatisfied by any certification of the Nevada tax commission may appeal that determination to the state board of equalization . [after payment of taxes under protest.] The appeal [shall] must be filed within 30 days after the certification is sent to the taxpayer.

Sec. 10. NRS 362.160 is hereby amended to read as follows:

362.160 If the amount of the tax is not paid within 30 days after [the filing of the certificate of assessment with the executive director and the county assessor, the same shall be thereupon] it is due it is delinquent and [shall] must be collected as other delinquent taxes are collected by law, together with the penalties provided for the collection of delinquent taxes.

Sec. 11. The amendatory provisions of sections 1 to 7, inclusive, of this act apply to the preparation of a local government's budget for the fiscal year 1986-87.

Sec. 12. This act becomes effective upon passage and approval.



SUMMARY---Authorizes levy by local governments of taxes ad valorem for support of certain programs if federal revenue sharing is reduced or eliminated. (BDR 31-100)

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

AN ACT relating to local financial administration; authorizing a levy of taxes ad valorem to recover lost revenue for certain programs and services when federal revenue sharing is reduced or eliminated; providing an exemption from the limit upon revenue from taxes ad valorem; including the amount of the levy within the maximum allowable combined revenue for future calculations; 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 354 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A local government may, if:

(a) The money received from federal revenue sharing pursuant to 31 U.S.C. §§ 6701 et seq., which is allocated by the local government for the support of any existing long-term programs or services which the local government is required by the state or the Federal Government to provide, is less than the amount received for the entitlement period which began on October 1, 1984; or

(b) The payment of money from federal revenue sharing to the local government which is allocated to those programs or services is discontinued,  
levy a tax ad valorem for the support of those programs or services at a rate which is calculated to raise sufficient revenue to equal the difference between the amount of money that the local government received from federal revenue sharing for the entitlement period beginning October 1, 1984, and allocated to those programs and

services and the amount of money, if any, that the local government currently receives and allocates to those programs and services from federal revenue sharing.

2. The proceeds of this tax must be deposited in a special account established by the local government for those programs and services and must be used only for the support of those programs and services.

3. The tax must be collected in the same manner as other taxes collected by the local government.

4. This levy is not subject to the limits on revenue imposed by NRS 354.59805, 354.59811 and 354.59816.

5. The amount levied must be included in the calculation of the maximum combined revenue allowed for that local government in any subsequent year.

Sec. 2. NRS 354.470 is hereby amended to read as follows:

354.470 NRS 354.470 to 354.626, inclusive, and section 1 of this act may be cited as the Local Government Budget Act.

SUMMARY---Permits increase in fee for building or zoning permit equal to cost of issuing permit. (BDR 31-103)

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

AN ACT relating to fees for building and zoning permits; permitting an increase necessary to meet the cost of issuing the permit; 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 354 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 2, a local government must submit any proposal to increase a fee for a building or zoning permit to the executive director of the department of taxation for approval, and the local government or any person who may be required to pay the fee may, within 30 days after the executive director makes his decision, appeal from his decision to the Nevada tax commission. A local government must submit any proposal to impose a new fee for a building or zoning permit to the Nevada tax commission for its approval.

2. A local government may increase a fee for a building or zoning permit to the extent necessary to meet the actual expense of issuing such a permit, including the administrative costs, without complying with subsection 1.

3. An ordinance or resolution enacted by a local government in violation of the provisions of this section is void.

Sec. 2. NRS 354.5989 is hereby amended to read as follows:

354.5989 1. A local government shall not increase any fee for a license or permit or adopt a fee for a license or permit, including without limitation every license or permit issued for revenue or regulation or both, such as business licenses, liquor licenses [,] and gaming licenses, [and building and zoning permits,] except as permitted by this section. This prohibition does not apply to fees for building or zoning permits or fees imposed by hospitals, county airports, airport authorities, convention authorities, the Las Vegas Valley Water District or the Clark County Sanitation District.

2. The amount of revenue derived by the local government from all fees except those excluded by subsection 1, for the fiscal year ended on June 30, 1982, is the base from which the maximum allowable revenue from such fees must be calculated for subsequent years. To the base must be added the sum of the amounts respectively equal to the product of the base multiplied by:

(a) Eighty percent of the proportionate increase in the Consumer Price Index from January 1, 1982, to January 1 next preceding the fiscal year for which the calculation is made; and

(b) The quotient of the assessed value of the new real property, possessory interests and mobile homes added to the assessment rolls since July 1, 1982, divided by the total assessed valuation, for the fiscal year next preceding the one for which the calculation is made, of all property except that new property added.

3. A local government may not increase any fee for a license or permit which is calculated as a fraction or percentage of the gross revenue of the business if its total revenues from such fees have increased during the preceding calendar year by 80 percent or more of the increase in the Consumer Price Index during that preceding calendar year.



4. A local government may submit an application to increase its revenue from fees beyond the maximum allowable under this section to the Nevada tax commission, which may grant the application only if it finds that under the circumstances a special distribution could be made from the reserve fund for the supplemental city-county relief tax and only to the extent that these circumstances are not relieved by such a distribution.

5. The provisions of this section apply to any license or permit for any purpose regardless of the fund to which the revenue from it is assigned. An ordinance or resolution enacted by a local government in violation of the provisions of this section is void.



SUMMARY---Changes basis for annual increase of limit upon revenue received by local governments from taxes ad valorem. (BDR 31-111)

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

AN ACT relating to local financial administration; changing the basis for the annual increase of the limit upon revenue from taxes ad valorem; 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 354.59811 is hereby amended to read as follows:

354.59811 For each fiscal year beginning on or after July 1, 1983, the revenue of the local government from taxes ad valorem, except those levied for debt service, must not exceed the amount calculated as follows:

1. The rate must be set so that when applied to the current fiscal year's assessed valuation of all property which was on the preceding fiscal year's assessment roll it will produce 104.5 percent of the [revenue received] maximum revenue allowable from taxes ad valorem [in] for the preceding fiscal year.

2. This rate must be applied to the total assessed valuation, including new real property, possessory interests and mobile homes, for the current fiscal year.

Sec. 2. This act becomes effective upon passage and approval.



SUMMARY---Revises distribution of proceeds from taxes on cigarettes. (BDR 32-106)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to taxes on cigarettes; revising the distribution of the proceeds; 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 370.260 is hereby amended to read as follows:

370.260 1. All taxes and license fees imposed by the provisions of NRS 370.001 to 370.430, inclusive, less any refunds granted as provided by law, must be paid to the department in the form of remittances payable to the department.

2. The department shall:

(a) As compensation to the state for the costs of collecting the taxes and license fees, transmit each month such sum as the legislature specifies from the remittances made to it pursuant to subsection 1 during the preceding month to the state treasurer for deposit to the credit of the department. The deposited money must be expended by the department in accordance with its work program.

(b) [From the remittances made to it pursuant to subsection 1 during the preceding month, less the amount transmitted pursuant to paragraph (a), transmit each month the portion of the tax which is equivalent to 2.5 mills per cigarette, but not less than 5 cents for each package, to the state treasurer for deposit to the credit of the account for the tax on cigarettes in the state general fund.

(c)] Transmit the balance of the payments each month to the state treasurer for deposit to the credit of the cigarette tax account in the intergovernmental trust fund.

[(d)] (c) Report to the state controller monthly the amount of collections.

3. The money in the cigarette tax account in the intergovernmental trust fund is hereby appropriated to Carson City and to each of the counties in proportion to their respective populations. The amount in the account which was collected during the preceding month must be apportioned by the department and distributed by the state controller as follows:

(a) In [counties having a population of] a county whose population is 5,000 or more:

(1) If there are no incorporated cities within the county, the entire amount must go into the county treasury.

(2) If there is one incorporated city within the county the money must be apportioned between the city and the county on the basis of the population of the city and the population of the county excluding the population of the city.

(3) If there are two or more incorporated cities within the county, the entire amount must be apportioned among the cities in proportion to their respective populations.

(b) In [counties having a population of] a county whose population is less than 5,000:

(1) If there are no incorporated cities or unincorporated towns within the county, the entire amount must go into the county treasury.

(2) If there is one incorporated city or one unincorporated town within the county the money must be apportioned between the city or town and the county on the basis of the population of the city or town and the population of the county excluding the population of the city or town.

(3) If there are two or more incorporated cities or unincorporated towns or an incorporated city and an unincorporated town within the county, the entire amount

must be apportioned among the cities or towns in proportion to their respective populations.

(c) In Carson City the entire amount must go into the city treasury.

4. For the purposes of this section, "unincorporated town" means only those towns governed by town boards organized pursuant to NRS 269.016 to 269.019, inclusive.





SUMMARY---Reduces number of installments for payment of property taxes.  
(BDR 32-97)

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

AN ACT relating to property taxes; reducing the number of installments in which taxes may be paid; establishing the time for payment and the penalties for late payment; 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 361.483 is hereby amended to read as follows:

361.483 1. Except as provided in subsection 4, taxes assessed upon the real property tax roll and upon mobile homes as defined in NRS 361.561 are due on the [3rd Monday of July.] first Monday of August.

2. Taxes assessed upon the real property tax roll may be paid in [four] two equal installments.

3. In any county [having a population of] whose population is 100,000 or more, taxes assessed upon a mobile home may be paid in [four] two equal installments if the taxes assessed exceed \$100.

4. If a person elects to pay in [quarterly] semiannual installments, the first installment is due on the [3rd Monday of July.] first Monday of August and the second installment on the [1st] first Monday of [October, the third installment on the 1st Monday of January, and the fourth installment on the 1st Monday of March.] February.

5. If any person charged with taxes which are a lien on real property fails to pay:

(a) [Any one quarter] One-half of such taxes on or within 10 days [following the day such taxes become due, there must be added thereto a penalty of 4 percent.

(b) Any two quarters of such taxes, together with accumulated penalties, on or within 10 days following the day the later quarter of taxes becomes due,] after the first Monday of August, there must be added thereto a penalty of 5 percent of the [two quarters due.

(c) Any three quarters of such taxes, together with accumulated penalties, on or within 10 days following the day the latest quarter of taxes becomes due, there must be added thereto a penalty of 6 percent of the three quarters due.

(d)] semiannual payment due.

(b) The full amount of such taxes, together with accumulated penalties, on or within 10 days [following the 1st] after the first Monday of [March,] February, there must be added thereto a penalty of 7 percent of the full amount of such taxes.

6. Any person charged with taxes which are a lien on a mobile home as defined in NRS 361.561, who fails to pay the taxes within 10 days after the [quarterly] semiannual payment is due is subject to the following provisions:

(a) The entire amount of the taxes are due . [;]

(b) A penalty of 10 percent of the taxes [due;] must be added.

(c) An additional penalty of \$3 per month or any portion thereof [,] must be added until the taxes are paid . [; and]

(d) The county assessor may proceed [under] pursuant to NRS 361.535.

Sec. 2. 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,] an installment as provided in NRS 361.483, the county assessor shall issue the appropriate decal.

Sec. 3. NRS 361.770 is hereby amended to read as follows:

361.770 1. If real property is overlooked or not assessed on the secured assessment roll for any year and the roll has been closed or accounted for, the county assessor of any county wherein the property is located may assess the property as personal property and give his receipt for the taxes paid thereon in the amount received by him. If the amount of the taxes exceeds \$100, they may be paid in [quarterly] installments as provided in NRS 361.483.

2. An assessment may be made at any time within 1 year after the time when the property would normally have been assessed on the real property roll, and the receipt issued by the county assessor must specify the description of the property, together with the year for which the tax is paid.

3. The receipt issued by the county assessor is conclusive evidence for the payment of all taxes against the property described for the year named on the receipt and is a complete defense to any action for taxes which may be brought for the period covered by the receipt.

Sec. 4. NRS 474.510 is hereby amended to read as follows:

474.510 1. The board of fire commissioners shall prepare a budget for each district organized in accordance with NRS 474.460, estimating the amount of money

which will be needed to defray the expenses of the district [, and to] and meet unforeseen [fire] emergencies and [determine] determining the amount of [a fire protection] tax sufficient to raise [such sums.] that amount.

2. At the time of making the levy of county taxes for the year, the board of county commissioners shall levy the tax provided by subsection 1 [,] upon all property, both real and personal, subject to taxation within the boundaries of the district, including the net proceeds of mines. Any tax levied on interstate or intercounty [telephone lines, powerlines and other public utility] lines of a public utility as authorized in this section [shall] must be based upon valuations established by the Nevada tax commission pursuant to the provisions of NRS 361.315 to 361.330, inclusive.

3. The amount of tax to be collected for the purposes of this section [shall] may not exceed [,] in any [1 year,] year 1 percent of the value of the property described in subsection 2.

4. If levied, the tax [shall] must be entered upon the assessment roll and collected in the same manner as state and county taxes. Taxes may be paid in [four equal] installments at the times specified in NRS 361.483 and the same penalties as specified in NRS 361.483 [shall] must be added for failure to pay [such] the taxes.

5. For the purposes of NRS 474.460 to 474.550, inclusive, the county treasurer shall keep two separate funds for each [such] district, one to be known as the district fire protection operating fund and one to be known as the district fire emergency fund. The sums collected to defray the expenses of any district organized pursuant to NRS 474.460 [shall] must be deposited in the district fire protection operating fund, and the sums collected to meet unforeseen emergencies [shall] must be deposited in the district fire emergency fund. The district fire emergency fund [shall] must be used solely for emergencies and [shall] must not be used for regular operating expenses . [and shall] The total amount of money in the district fire emergency fund may not exceed [the sum of] \$50,000.

Sec. 5. This act becomes effective on July 1, 1988.

SUMMARY---Requires peace officers' standards and training committee to reimburse local government for certain costs of training officers. (BDR 43-90)

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

AN ACT relating to peace officers; requiring reimbursement by the peace officers' standards and training committee to a local government for a person employed to replace an officer during training; requiring the committee to pay the officer a per diem allowance and travel expenses; 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 481 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If a peace officer employed by a local government is required to attend training pursuant to NRS 481.053 and it is necessary to employ a person to replace the peace officer while he is attending the training, reimbursement for the cost of replacement must be paid by the peace officers' standards and training committee.

2. A peace officer employed by a local government is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally while he is attending training pursuant to NRS 481.053. The allowance and expenses must be paid by the peace officers' standards and training committee.

3. To receive payment pursuant to subsections 1 and 2, a local government must submit a claim to the committee.



SUMMARY---Requires governor to give notice before certain date of any legal holidays he intends to declare. (BDR 18-104)

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

AN ACT relating to holidays; requiring the governor to give public notice before a certain date of any legal holidays he intends to declare; 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 223.130 is hereby amended to read as follows:

223.130 1. The governor [shall have the power to] may issue proclamations designating certain days or weeks as holidays or legal holidays for purposes of celebration or otherwise. The governor may not designate a day as a legal holiday unless he gives public notice of the intended designation before March 1 preceding the fiscal year in which the day to be designated as the holiday will occur. The governor shall not declare more than two legal holidays in any 1 calendar year.

2. All days declared by the governor to be legal holidays [shall] must be observed by the closing of all offices of the state and subdivisions thereof, the courts, the University of Nevada System [,] and the public schools, unless all or part thereof are specifically exempted.

3. All days declared by the governor to be holidays [only] may be observed throughout the state by appropriate exercises in the public schools, or may be restricted to certain counties, cities or districts within the state.

Sec. 2. This act does not apply to the designation of legal holidays before fiscal year 1988-89.





SUMMARY---Makes provisions governing rates of wages for employment on public works apply only in certain counties. (BDR 28-105)

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

AN ACT relating to public works; making the provisions governing the rates of wages paid to employees apply only in a county whose population is 100,000 or more; 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 338 of NRS is hereby amended by adding thereto a new section to read as follows:

The requirements of NRS 338.020 to 338.090, inclusive, and 338.135 do not apply in a county whose population is less than 100,000.

Sec. 2. NRS 279.500 is hereby amended to read as follows:

279.500 In any county whose population is 100,000 or more:

1. Before awarding any contract for [such work to be done in a project, the] work which must be done by contract after competitive bids, an agency shall ascertain the general prevailing rate of per diem wages in the locality in which the work is to be performed, for each craft or type of workman needed to execute the contract or work, and shall specify in the call for bids for the contract and in the contract [such] that rate and the general prevailing rate for regular, holiday and overtime work in the locality, for each craft or type of workman needed to execute the contract [.] ; and

2. The contractor to whom the contract is awarded and any subcontractor under him shall pay not less than the specified prevailing rate of wages to all workmen employed in the execution of the contract.

Sec. 3. NRS 279.502 is hereby amended to read as follows:

279.502 [As a penalty to the agency which awarded the contract,] In any county whose population is 100,000 or more, the contractor shall forfeit , as a penalty to the agency which awarded the contract, \$10 for each calendar day or portion thereof for each workman paid less than the stipulated prevailing rates for any public work done under the contract by him or by any subcontractor under him. A stipulation to this effect [shall] must be included in the contract.

SUMMARY---Authorizes annual increase of amounts added by legislature to maximum allowable combined revenue of certain local governments. (BDR S-109)

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

AN ACT relating to local financial administration; authorizing an annual increase of amounts added by the legislature to the maximum allowable combined revenue of certain local governments; 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. Section 16 of chapter 425, Statutes of Nevada 1983, at page 1062, is hereby amended to read as follows:

Sec. 16. 1. The following amounts are approved by the legislature to be added to the maximum combined revenue otherwise allowable under NRS 354.5982 to the respective local governments, for the cost of programs required by enactments of the 61st session of the legislature:

Clark County.....	\$15,337,898
Douglas County.....	506,650
Elk Point Sanitation District.....	21,799
Humboldt County.....	57,950
Lander County.....	53,900
Nye County.....	21,825
Pershing County.....	28,975
Washoe County.....	624,130

Fire districts organized pursuant to chapter 473 of NRS in the following

counties:

Carson City.....	\$71,104
Clark (Mt. Charleston).....	74,286
Douglas.....	115,261
Washoe.....	476,195

2. Except as otherwise provided in this subsection, these amounts must be cumulatively increased by the same percentage as the maximum allowable combined revenue of the local government increased from the preceding year and added each year. The amount for Elk Point Sanitation District must not be increased annually and continues only until its general obligation bonds outstanding on April 1, 1983, are paid. For the fiscal year beginning on July 1, 1983, the amount for Douglas County is \$276,650. For the fiscal year beginning on July 1, 1983, the amount for Clark County is \$10,256,063. For the fiscal year beginning July 1, 1984, the amount for Clark County is \$15,337,898 minus the difference, if any, between \$2,080,836 and the amount actually spent during the fiscal year beginning on July 1, 1984, for the increase in the cost of operating its jail which results from the decree of the United States District Court.

3. The following amounts of maximum allowable combined revenue are established for the following unincorporated towns which did not receive revenue from taxes ad valorem, unless for debt service, for the fiscal year ending June 30, 1981:

Amargosa (Nye County).....	\$65,000
Laughlin (Clark County).....	36,583

4. For Clark County Fire Service Area:

(a) For the fiscal year beginning on July 1, 1983, the maximum allowable combined revenue is \$8,257,317.

(b) For the fiscal year beginning on July 1, 1983, the assessed valuation is \$2,894,315,390.

(c) For the fiscal years beginning on and after July 1, 1983, the tax rate, in cents per \$100 of assessed valuation, used to compute the basic ad valorem revenue pursuant to NRS 377.057 is 27.58.

(d) For the fiscal year beginning on July 1, 1984, the amount of \$410,603 is approved by the legislature to be added to the maximum combined revenue otherwise allowable under NRS 354.5982.

Sec. 2. This act becomes effective upon passage and approval.



SUMMARY---Removes requirements for publication of certain information by counties. (BDR 20-99)

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

AN ACT relating to publication of notices; removing requirements for publication of certain information by counties; 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 244.225 is hereby amended to read as follows:

244.225 The board of county commissioners shall [publish] prepare quarterly a statement of the receipts and expenditures of the 3 months next preceding, and the accounts allowed. [Publications shall be made by making one insertion of the statement in a newspaper published in the county, but if no newspaper be published in the county, then such publication shall be made by posting a copy of the statement at the courthouse door and at two other public places in the county.] The statement must be filed with the county clerk and retained by him for public inspection.

Sec. 2. NRS 244A.549 is hereby amended to read as follows:

244A.549 1. Until paid , all service charges of the county or the state [, as the case may be,] charged to any person owning or occupying real property in the county constitute a perpetual lien against the property served, superior to all liens, claims and titles other than liens for general taxes and special assessments. This lien is not extinguished by the sale of any property on account of nonpayment of any other lien, claim or title, including liens for general taxes and special assessments.

2. A lien for unpaid service charges may be foreclosed in the same manner as provided [by the laws of the State of Nevada] for the foreclosure of mechanics' liens. Before any such lien is foreclosed the board shall hold a hearing thereon after notice thereof [by publication and] by registered or certified first-class mail, postage prepaid, addressed to the last known owner at his last known address according to the records of the county in which the property is located.

Sec. 3. NRS 354.210 is hereby amended to read as follows:

354.210 [1. Except as provided in subsection 3, the] The board of county commissioners shall cause the amount of all bills allowed by it, together with the names of the persons to whom such allowances are made and for what such allowances are made, to be [published in some newspaper published in the county.

2. The amount paid for such publication shall not exceed the statutory rate for publication of legal notices, and the publication shall not extend beyond a single insertion.

3. Where no newspaper is published in a county, the board of county commissioners may cause to be published, in some newspaper having a general circulation within the county, the allowances provided for in subsection 1, or shall cause the clerk of the board to post such allowances at the door of the courthouse.] posted by the clerk of the board at the courthouse.

Sec. 4. NRS 354.602 is hereby amended to read as follows:

354.602 1. Within 45 days after September 30, December 31 [,] and March 31 and within 90 days after June 30 of each year, the governing board of each local government shall [cause to be published] prepare a report in the form prescribed by the department of taxation showing, for each item of detailed estimate required by NRS 354.600, the amount estimated and the amount actually received or expended. Any approved budget augmentation or short-term financing received [shall] must be



included and briefly explained in a footnote. A copy of such report [shall] must be filed immediately:

- (a) With the department of taxation;
- (b) In the case of school districts, with the state department of education;
- (c) With any employee organization upon the written request of the employee organization recognized by [such] the local government; and
- (d) In the office of the clerk or secretary of the governing body, as a public record available for inspection by any interested person.

2. The governing board of each local government employer shall also supply, upon request by any organization entitled to request a report pursuant to paragraph (c) of subsection 1, a copy of each preliminary budget report or other fiscal report pertaining to the financial status of the local government, as such reports are prepared for use and consideration by the local government in the preparation of the budget or its amendments. The contents of such reports [shall] must be superseded as to the period covered by any final budget or amendment thereof.

Sec. 5. NRS 361.565 is hereby amended to read as follows:

361.565 1. Within 30 days after the [1st] first Monday in March of each year, in all cases where the tax is delinquent, the tax receiver of the county shall give notice in the manner and form provided in this section.

2. [The notice must be published in the newspaper which publishes the list of taxpayers pursuant to NRS 361.300 at least once a week from the date thereof for 4 consecutive weeks. If there is no newspaper in the county, the notice must be posted in at least five conspicuous places within the county.

3. The cost of publication in each case must be charged to the delinquent taxpayer, and is not a charge against the state or county. The publication must be made at not more than legal rates.

4. When the delinquent property consists of unimproved real estate assessed at a

sum not exceeding \$25, the notice must be given by posting a copy of the notice in three conspicuous places within the county without publishing the notice in a newspaper.

5.] The notice must be given by posting a copy of the notice in at least three conspicuous places within the county.

3. The notice must state:

- (a) The name of the owner, if known.
- (b) The description of the property on which the taxes are a lien.
- (c) The amount of the taxes due on the property and the penalties and costs as provided by law.
- (d) That if the amount is not paid by the taxpayer or his successor in interest the tax receiver will, on the [1st] first Monday in May of the current year at 5 p.m. of that day, issue to the county treasurer, as trustee for the state and county, a certificate authorizing him to hold the property, subject to redemption within 2 years after date thereof, by payment of the taxes and accruing taxes, penalties and costs, together with interest on the taxes at the rate of 10 percent per annum from date due until paid as provided by law and that redemption may be made in accordance with the provisions of chapter 21 of NRS in regard to real property sold under execution.

[6.] 4. The notice must be mailed in the following manner:

(a) At the same time that the tax receiver first [publishes the notice or posts the notice, as the case may be,] posts the notice he shall send a copy of the notice by first-class mail, in the case of each respective property as taxed to:

- (1) The owner or owners of the property;
- (2) The person or persons listed as the taxpayer or taxpayers on the tax rolls, at their last known addresses, if the names and addresses are known; and
- (3) Each holder of a recorded security interest if the holder has made a request in writing to the tax receiver for the notice, which identifies the secured property

by the parcel number assigned to it in accordance with the provisions of NRS 361.189.

Upon mailing the original notice of delinquency, the tax receiver shall issue his personal affidavit to the board of county commissioners affirming that due notice had been mailed in respect to each parcel. The affidavit must recite the number of letters mailed, the number of letters returned, and the number of letters finally determined to be undeliverable. Detailed records must be maintained by the tax receiver in support of his affidavit, in such content as the department may prescribe, until the period of redemption has expired.

(b) A second copy must be sent by certified mail, not less than 60 days before the expiration of the period of redemption as stated in the notice.

(c) The cost of each mailing must be charged to the delinquent taxpayer at the rate of \$1 each.

Sec. 6. NRS 293.557 is hereby repealed.



## E. APPENDICES

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2SCR53/a



**APPENDIX A**  
**Letter From Subcommittee**





September 11, 1985

¶to¶

Dear ¶who¶:

The Nevada Legislature, during the 1985 (63rd) Session, passed Senate Concurrent Resolution No. 53 directing the Legislative Commission to form a subcommittee to study the funding of counties and cities in Nevada. Subcommittee members met with city officials at the Nevada League of Cities' annual convention and county officials at the Nevada Association of Counties' annual convention and discussed the study.

The city and county officials indicated that there was much the legislature could do by repealing outdated and unnecessary laws, modifying existing laws, and by drafting new legislation to relieve the fiscal problems encountered by Nevada's cities and counties.

The subcommittee agreed to allow the individual cities and counties to provide input regarding their own unique fiscal situation. Therefore, I invite you to respond to this subcommittee by indicating your suggestions for legislative change

in the areas of revenue, expenditures and fiscal administration. I have included a list of subject areas suggested by local government officials for your information. Please have this information to the subcommittee by \_\_\_\_\_. Please send your response to:

Kevin D. Welsh, Deputy Fiscal Analyst  
Fiscal Division  
Legislative Counsel Bureau  
Capitol Complex  
Carson City, NV 89710

If you have any further questions, please call me at \_\_\_\_\_ or call Kevin at 885-5640.

Sincerely,

Assemblyman John Marvel, Chairman  
S.C.R. 53 Subcommittee

KDW/ca  
SCR53/FL

FUNDING OF COUNTIES AND CITIES (S.C.R. 53)

Revenue:

Sales Tax Distribution  
Service Charges  
Tax Exemptions (Property Tax)  
Alternate Revenue Sources

Expenditures:

Insurance  
Capital Expenditures  
Mandated Expenditures  
Privatization

Fiscal (Administration):

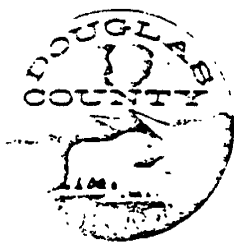
Labor Relations (Binding Arbitration)  
Publication and Reporting Requirements  
Outdated (Unnecessary) Procedures.

SCR53/HO



**APPENDIX B**  
**Local Government Responses**





BOARD  
OF  
COUNTY  
COMMISSIONERS

ROBERT S. HADFIELD  
County Manager

(702) 782-9421

COMMISSIONERS

Robert L. Pruett  
Chairman

John J. Bland  
Vice-Chairman

Barbara J. Cook  
R. A. Oswald  
Herbert P. Watt

November 22, 1985

RECEIVED

NOV 27 1985

LEGISLATIVE COUNSEL BUREAU  
FISCAL ADMINISTRATION DIVISION

Kevin D. Welsh, Deputy Fiscal Analyst  
Fiscal Division  
Legislative Counsel Bureau  
Capitol Complex  
Carson City, Nevada 89710

Dear Mr. Welsh:

I am herein presenting the Douglas County response to the October 2, 1985, S.C.R. 53 Sub-Committee request regarding legislation in the area of local government finances. I have indicated our concerns in a format utilizing your categories of revenue, expenditures and fiscal administration.

As you can see by carefully reviewing the material presented, combined with our previous presentation to the Committee during the annual conference of the Nevada Association of Counties, we are very concerned regarding the apparent and unjustified creation of a dual system of laws regulating the manner in which revenues, expenditures and fiscal administration are administered on a state vs county level. We have attempted to identify the problem as we see it, and the appropriate statute citation whenever possible.

On behalf of the Board of Douglas County Commissioners, I thank you for the opportunity to express our concerns and we urge you to carefully review our proposals.

Sincerely,

Robert S. Hadfield  
County Manager

RSH/tk

N.R.S. 354.210 - PUBLICATION -  
POSTING OF AMOUNT OF BILLS

PROBLEM:

It has been argued that the public has a right to know the expenses of the County. I agree. However, a notice in the paper stating that the claims were approved and are available for review in the Auditor's Office would suffice and cut down on the publishing costs. The present publishing costs are about \$5,000 a year. This does not include the cost to our department or data processing to prepare the reports for publication.

The other problem I have with this bill is the fact that it discriminates against county government. Cities, school districts and the State of Nevada are not required to publish their bills, only county government. Apparently, citizens of the State of Nevada only have a right to know what their county spends, not the other public agencies.

The law should be repealed if it is not going to apply to the State. At a minimum, a notice in the paper stating the claims have been approved and are available for review in the Auditor's Office would provide the public with any information they may require.



within 6 years from and after the original allowance of such demand, then such indebtedness shall not be reallocated by the board of county commissioners and the payment thereof shall be forever barred.

4. Nothing in this section shall be so construed as to affect or repeal any law providing for the redemption or funding of the indebtedness of any county.

[1:15:1881; BH § 2018; C § 2171; RL § 1536; NCL § 1969]

**354.200 Payment of warrants in order of issuance.**

1. All warrants or certificates of indebtedness issued by a county auditor shall be paid in the order in which they are issued.

2. Whenever any county warrant or certificate of indebtedness shall not be presented for payment within 6 months after notice shall have been given that the warrant or certificate is payable, the money held for payment of such warrant shall be paid out as other county funds, but whenever any warrant shall thereafter be presented the same shall be deemed then due and payable.

3. Nothing in this section shall be so construed as to prevent the transfer of money from one county fund to another, as provided by law.

[1:98:1885; BH § 2178; C § 2339; RL §§ 1563, 1582; NCL §§ 2044, 2063]

**354.210 Publication, posting of amount of bills allowed.**

1. Except as provided in subsection 3, the board of county commissioners shall cause the amount of all bills allowed by it, together with the names of the persons to whom such allowances are made and for what such allowances are made, to be published in some newspaper published in the county.

2. The amount paid for such publication shall not exceed the statutory rate for publication of legal notices, and the publication shall not extend beyond a single insertion.

3. Where no newspaper is published in a county, the board of county commissioners may cause to be published, in some newspaper having a general circulation within the county, the allowances provided for in subsection 1, or shall cause the clerk of the board to post such allowances at the door of the courthouse.

[1:5:1893; A 1927, 33; NCL § 1977] + [2:5:1893; A 1949, 155; 1943 NCL § 1978]—(NRS A 1957, 364)

**REFUNDS**

**354.220 Cases in which applications for refunds may be made.** NRS 354.220 to 354.250, inclusive, shall apply in making applications for refund of moneys which have been paid into the county treasuries in cases where:

1. Through mistake or inadvertence, a county and school district tax for any 1 tax year has, by reason of the assessment of the same

N.R.S. 433A.670 - PAYMENT OF CERTAIN  
COSTS BY COUNTY; RECOVERY OF  
AMOUNTS PAID.

PROBLEM:

The State of Nevada has over the years transferred the costs of providing certain services to the county. Several years ago the state required the county to assume the responsibility for psychiatric evaluations. No adjustment is allowed in our revenue cap for such inappropriate measures which allow the state to save money at local government expense.

The solution would be legislation providing that the cost of any new state mandated programs be added to the revenue cap and a funding source identified. Further the revenue already funding such a service at the state level should be given to the local entity if the responsibility is remanded to the county.

Medicaid, social security, medical insurance benefits, retirement programs, annuity plans, government benefits or any other financially responsible third parties. The administrative officer of a division mental health facility may accept payment for cost of a client's treatment from the client's insurance company, Medicare or Medicaid and other similar third parties.

(Added to NRS by 1975, 1614)

**433A.660 Collection of fees charged by legal action, other collection efforts.**

1. If the client, his responsible relative or guardian neglects or refuses to pay the cost of treatment to the division mental health facility rendering service pursuant to the fee schedule established by NRS 433.404, the state is entitled to recover by appropriate legal action all sums due, plus interest.

2. Prior to such legal action, the division mental health facility shall demonstrate efforts at collection, which may include contractual arrangements for collection through a private collection agency.

(Added to NRS by 1975, 1615)

**433A.670 Payment of certain costs by county; recovery of amounts paid.**

1. The expenses of hospitalization of:

(a) A mentally ill person prior to court-ordered admission; or

(b) A person who is admitted to a hospital pursuant to this chapter and released without court-ordered admission, shall be paid by the county in which such person resides, unless voluntarily paid by such person or on his behalf.

2. The county may recover all or any part of the expenses paid by it, in a civil action against:

(a) The person whose expenses were paid;

(b) The estate of such person; or

(c) A relative made responsible by NRS 433A.610, to the extent that financial ability is found in such action to exist.

(Added to NRS by 1975, 1615)

**433A.680 Payment of costs of outside medical services.** The expense of diagnostic, medical and surgical services furnished to a client admitted to a division mental health facility by persons not on the staff of the facility, whether rendered while the client is in a general hospital, an outpatient of a general hospital or treated outside any hospital, shall be paid by the client, the guardian or relatives responsible for his care, or, in the case of an indigent client or a client whose estate is inadequate to pay such expenses, shall be a charge upon the county from which the admission to the division facility was made, if the client had, prior to admission, been a resident of such county. The expense of such medical and surgical services shall not in any case be a charge against or paid by the State of Nevada, except when in the

N.R.S. 338.160 - PUBLIC WORKS PROJECT  
PROGRESS PAYMENTS

PROBLEM:

The county is required to pay interest on retention funds for public works projects.

The problem with this statute is that the contractor is awarded for not completing a project as the interest earned by the county would normally exceed interest rates earned only on retention amounts. The construction industry can address their retention problems in the bid process. Further this only adds to the county's administration overhead.

This provision should be repealed.

after award of the contract for submission of data substantiating a request for a substitution of "an equal" item.

(Added to NRS by 1967, 929; A 1975, 540)

**338.145 Contractor to be licensed; award of contract to next lowest bidder if contractor unlicensed or contract exceeds license.**

1. A public body awarding a contract for a public work shall not award the contract to any person who, at the time of the bid, is not licensed under the provisions of chapter 624 of NRS or if the contract would exceed the limit of his license.

2. If, after awarding the contract, the public body discovers that the person to whom the contract was awarded is not licensed, or that the contract would exceed his license, the public body shall reject the bid and may accept the next lowest bid for that public work from a responsive and responsible bidder without requiring that new bids be submitted.

(Added to NRS by 1983, 913)

#### ARBITRATION OF DISPUTES

**338.150 Arbitration of disputes between owner and contractor.**

1. Any agency of this state and any political subdivision, municipal corporation or district and any public officer or person charged with the drafting of specifications for the construction, alteration or repair of public works, shall include in the specifications a clause permitting arbitration of a dispute arising between the agency and a contractor if the dispute cannot otherwise be settled.

2. Any dispute requiring arbitration must be handled in accordance with the industry's arbitration rules as administered by the American Arbitration Association.

3. The provisions of subsection 1 do not require the department of transportation to include such a clause in any contract entered into by the department.

(Added to NRS by 1969, 618; A 1971, 621; 1979, 1796)

#### PROGRESS PAYMENTS

**338.160 Progress payments to contractor; payment of amounts withheld and interest.**

1. Except as provided in subsection 5, a public body and its officers or agents awarding a contract for the construction, alteration or repair of public works shall authorize partial payments of the amount due under the contract at the end of each calendar month, or as soon thereafter as practicable, to the contractor if the contractor is satisfactorily performing the contract. Not more than 90 percent of the calculated value of any work may be paid until 50 percent of the work required by the contract has been performed. Thereafter the public body may pay any of the remaining installments without retaining additional funds if, in

the opinion of the public body, satisfactory progress is being made in the work.

2. Except as provided in this section, the public body shall retain the amount withheld under any such contract until the contract is satisfactorily completed and finally accepted. When a project is sufficiently completed to be placed into service, the public body shall reduce the retained percentage and retain only such sum as it may determine to be sufficient to complete the contract.

3. Except as otherwise provided in this subsection, the public body shall pay to the contractor at the end of each quarter the interest earned on the amount withheld under the contract during the quarter. The rate of the interest to be paid must be the same as that earned during the quarter from the investment of money in the general fund of the public body. If the amount due to a contractor pursuant to this subsection for any quarter is less than \$50, the public body may hold the interest until:

(a) The end of a subsequent quarter after which the amount of interest due is \$50 or more;

(b) The end of the fourth consecutive quarter for which no interest has been paid to the contractor; or

(c) The amount withheld under the contract is due pursuant to subsection 4, whichever occurs first.

4. Except as provided in subsection 5, the amount withheld under any such contract is due within a reasonable time following the filing of a notice of completion as provided in NRS 108.228 or upon other proper evidence of satisfactory completion of the contract.

5. If the labor commissioner has reason to believe that an employee has a valid and enforceable claim for wages against a contractor, he may require the public body to withhold from any payment due the contractor under this section and pay the labor commissioner instead, an amount equal to the amount claimed by the employee. This amount must be paid to the employee if the claim is resolved in his favor, otherwise it must be returned to the public body for payment to the contractor.

(Added to NRS by 1973, 1159; A 1977, 1035; 1981, 552; 1983, 1591)

**338.170 Progress payments by contractor to subcontractor; payment of amounts retained and interest.**

1. When a public body and a contractor enter into a contract for the construction, alteration or repair of public works, the contractor may withhold 10 percent from the amount of any partial payment under a subcontract which is made before 50 percent of the work has been completed under the subcontract. Thereafter the contractor shall pay any additional installments due under the subcontract without retaining any additional funds if, in the opinion of the contractor, satisfactory progress is being made in the work under the subcontract, and the payment must be equal to that paid by the public body to the contractor for the work performed by the subcontractor.

N.R.S. 374-785 - SALES TAX  
N.R.S. 377.050 - SCCRT  
N.R.S. 377A.050- MASS TRANSPORTATION

PROBLEM:

FISCAL ADMINISTRATION

The county by statute is responsible for assessing and collecting taxes for all units of local government and the school district. In addition the county must pay interest on the funds to the entities until the funds are apportioned.

The county should be allowed to collect an administration fee for all such collections like the state does when they deduct up to 1% for collecting sales tax (374.785  $\frac{1}{2}$ %), (SCCRT 377.050  $\frac{1}{2}$ %), (Mass Transportation 377A.050 1%). In addition N.R.S. 372.370 allows businesses to deduct 1.5% to reimburse for their collecting. In all 2 to 2.5% is allowed to be charged for the collection process.

The state statute should be amended to provide an administrative fee of 2.5% to be charged by the county to help offset the cost of collecting and apportioning money for other entities.

**374.770 Penalty for other violations.** Any violation of this chapter, except as otherwise provided, is a misdemeanor.  
(Added to NRS by 1967, 920)

**374.775 Statute of limitations.** Any prosecution for violation of any of the penal provisions of this chapter shall be instituted within 3 years after the commission of the offense.  
(Added to NRS by 1967, 920)

**374.780 Application of res judicata doctrine.** In the determination of any case arising under this chapter, the rule of res judicata is applicable only if the liability involved is for the same period as was involved in another case previously determined.  
(Added to NRS by 1967, 920; A 1981, 293)

#### MISCELLANEOUS

**374.785 Sales and use tax account: Remittances; deposits; transfers.**

1. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid to counties under this chapter must be paid to the department in the form of remittances payable to the department.

2. The department shall deposit the payments in the state treasury to the credit of the sales and use tax account in the state general fund.

3. The state controller, acting upon the collection data furnished by the department, shall, each month, from the sales and use tax account in the state general fund:

(a) Transfer one-half of 1 percent of all fees, taxes, interest and penalties collected in each county during the preceding month to the appropriate account in the state general fund as compensation to the state for the costs of collecting the tax for the counties.

(b) Determine the amount of money equal to the taxes and any fees, interest and penalties which relate to the operation of each project for the generation, transmission or distribution of electricity, or to any other electrical facilities, whose construction is commenced on or after January 1, 1982. For the purposes of this paragraph, "commencement of construction" has the meaning ascribed to it in NRS 704.840. This amount must be apportioned:

(1) Ten percent to the county in which the project is located; and

(2) The remainder among all counties of the state in proportion to their respective populations.

The legislature finds and declares that the consumption of electricity is roughly proportionate to population and that this apportionment fairly distributes revenues arising from this consumption, and takes fair account of the effect of the generation of power on the natural resources of the state as a whole.

(c) Determine for each county the amount of money equal to the fees, taxes, interest and penalties collected in the county pursuant to this chapter



during the preceding month less the amount transferred pursuant to paragraph (a) of this subsection and the sum of any amounts determined pursuant to paragraph (b).

(d) Transfer the total amount of taxes collected pursuant to this chapter during the preceding month from out-of-state businesses not maintaining a fixed place of business within this state to the state distributive school fund.

(e) Transfer the amount owed to each county to the intergovernmental trust fund and remit the money to the credit of the county school district fund.

4. For the purpose of the distribution required by this section, the occasional sale of a vehicle shall be deemed to take place in the county to which the privilege tax payable by the buyer upon that vehicle is distributed.

(Added to NRS by 1967, 920; A 1971, 649, 2088; 1975, 1739; 1981, 259, 294, 303, 304, 1778; 1983, 2062)

**374.790 Remedies of county are cumulative.** The remedies of a county provided for in this chapter are cumulative, and no action taken by the department, the attorney general or a district attorney constitutes an election by the county to pursue any remedy to the exclusion of any other remedy for which provision is made in this chapter.

(Added to NRS by 1967, 920; A 1975, 1740)

**374.795 Department's authority to act for counties.** In all proceedings under this chapter the department may act for and on behalf of the counties of the State of Nevada.

(Added to NRS by 1967, 920; A 1975, 1740)

**The next page is 14041**

**377.010 Short title.** This chapter may be cited as the City-County Relief Tax Law.

(Added to NRS by 1969, 1135; A 1975, 28)

**377.020 Definitions.** As used in this chapter, unless the context requires otherwise:

1. "Basic city-county relief tax" means that portion of the tax which is levied at the rate of 0.5 percent.
2. "City" means an incorporated city or incorporated town.
3. "County" includes Carson City.
4. "Supplemental city-county relief tax" means the remainder of the tax after subtracting the basic city-county relief tax.

(Added to NRS by 1969, 1135; A 1975, 1740; 1981, 294)

**377.030 County ordinance imposing city-county relief tax: Enactment; date of imposition of tax.**

1. The board of county commissioners shall enact an ordinance imposing a city-county relief tax.
2. The ordinance enacted pursuant to this section must provide that the city-county relief tax be imposed on the first day of the first month following the effective date of the ordinance.

(Added to NRS by 1969, 1135; A 1971, 130; 1981, 294)

**377.040 County ordinance imposing city-county relief tax: Mandatory provisions.** The city-county relief tax ordinance enacted under this chapter must include provisions in substance as follows:

1. A provision imposing a tax upon retailers at the rate of 2.25 percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed, in a county.
2. Provisions substantially identical to those of the Local School Support Tax Law, insofar as applicable.
3. A provision that all amendments to the provisions of the Local School Support Tax Law subsequent to the date of enactment of the ordinance, not inconsistent with this chapter, automatically become a part of the city-county relief tax ordinance of the county.
4. A provision that the county shall contract before the effective date of the city-county relief tax ordinance with the department to perform all functions incident to the administration or operation of the city-county relief tax.

(Added to NRS by 1969, 1135; A 1975, 1740; 1981, 295)

**377.050 Remittances to department; deposits in sales and use tax account; transfers.**

1. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid to counties under this chapter must be paid to the department in the form of remittances made payable to the department.

2. The department shall deposit the payments with the state treasurer for credit to the sales and use tax account in the state general fund.

3. The state controller, acting upon the collection data furnished by the department, shall monthly transfer from the sales and use tax account one-half of 1 percent of all fees, taxes, interests and penalties collected in each county during the preceding month to the appropriate account in the state general fund as compensation to the state for the cost of collecting the tax for the counties.

(Added to NRS by 1969, 1136; A 1971, 130, 2089; 1973, 35; 1975, 1740; 1981, 259, 295, 1243)

**377.053 Distribution of collections and payments relating to construction or operation of electrical facilities.**

1. The department shall account separately for all taxes and any fees, interest and penalties collected under the City-County Relief Tax Law, and all payments made in lieu of taxes under that law, which relate to the construction or operation of a project for the generation, transmission or distribution of electricity, or to any other electrical facilities, whose construction is commenced on or after January 1, 1982. For the purposes of this section, "commencement of construction" has the meaning ascribed to it in NRS 704.840.

2. Except as otherwise provided in this subsection, those collections and payments which relate to the construction of such a project must be paid over to the county in which the project is located and to each city in that county, in proportion to the respective populations of each city and the unincorporated area of the county. If it determines that more than one county will undergo a substantial increase in the need for public services as the result of the construction, the department of taxation shall, subject to the approval of the Nevada tax commission, first apportion the collections and payments among those counties according to the respective increases in need for public services as so determined, and then distribute them within each county as provided in the preceding sentence.

3. Those collections and payments which relate to the operation of the project must be apportioned:

(a) Ten percent to the county in which the project is located; and

(b) The remainder among all counties of the state in proportion to their respective populations.

Money so apportioned to each county must be paid over to the county and to each city therein according to the respective populations of each city and the unincorporated area of the county.

4. The legislature finds and declares that the distributions of the city-county relief tax required by subsections 2 and 3 respectively take fairly into account:

(a) The additional burden put upon public services during the construction of such a project;

## **377A.040 MASS TRANSPORTATION OR TOURISM**

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**377A.040 Mandatory provision of ordinance amending ordinance imposing tax.** Any ordinance amending the taxing ordinance must include a provision in substance that the county shall amend the contract made under subsection 4 of NRS 377A.030 by a contract made between the county and the state acting by and through the department before the effective date of the amendatory ordinance, unless the county determines with the written concurrence of the regional transportation commission or the county fair and recreation board that no such amendment of the contract is necessary or desirable.

(Added to NRS by 1981, 1649; A 1983, 1600)

**377A.050 Remittances to department; deposit in sales and use tax account; distribution to counties.**

1. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid to the counties under this chapter must be paid to the department in the form of remittances payable to the department.

2. The department shall deposit the payments with the state treasurer for credit to the sales and use tax account in the state general fund.

3. The state controller, acting upon the collection data furnished by the department, shall monthly:

(a) Transfer from the sales and use tax account 1 percent of all fees, taxes, interest and penalties collected in each county during the preceding month to the appropriate account in the state general fund as compensation to the state for the cost of collecting the tax.

(b) Determine for each county an amount of money equal to any fees, taxes, interest and penalties collected in that county pursuant to this chapter during the preceding month, less the amount transferred to the state general fund pursuant to paragraph (a).

(c) Transfer the amount determined for each county to the intergovernmental trust fund and remit the money to the county treasurer.

(Added to NRS by 1981, 1649; A 1983, 392)

**377A.060 Redistributions by department.** The department may redistribute any fee, tax, penalty and interest to the county entitled thereto, but no such redistribution may be made as to amounts originally distributed more than 6 months before the date on which the department obtains knowledge of the improper distribution.

(Added to NRS by 1981, 1649)

**377A.064 County fund for promotion of tourism: Deposit of net tax proceeds; use.**

1. The county treasurer shall deposit money received from the state controller pursuant to NRS 377A.050 for promotion of tourism in the county treasury for credit to a fund to be known as the county fund for promotion of tourism.

the property at the time of such use, and the cost of the property to him shall be deemed the gross receipts from such retail sale.

[67.1:397:1955]

#### RETURNS AND PAYMENTS

**372.355 Due date of taxes.** Except as provided in NRS 372.380, the taxes imposed by this chapter are payable to the department monthly on or before the last day of the month next succeeding each month.

(Added to NRS by 1979, 415; A 1981, 287)

**372.360 Return: Time for filing; persons required to file; signatures.**

1. On or before the last day of the month following each reporting period, a return for the preceding period must be filed with the department in such form as the department may prescribe.

2. For purposes of the sales tax a return must be filed by each seller. For purposes of the use tax a return must be filed by each retailer maintaining a place of business in the state and by each person purchasing tangible personal property, the storage, use or other consumption of which is subject to the use tax, who has not paid the use tax due to a retailer required to collect the tax.

3. Returns must be signed by the person required to file the return or by his authorized agent but need not be verified by oath.

(Added to NRS by 1979, 416; A 1981, 287)

**372.365 Contents of return.**

1. For the purposes of the sales tax, the return must show the gross receipts of the seller during the preceding reporting period. For purposes of the use tax, in case of a return filed by a retailer, the return must show the total sales price of the property sold by him, the storage, use or consumption of which property became subject to the use tax during the preceding reporting period.

2. In case of a return filed by a purchaser, the return must show the total sales price of the property purchased by him, the storage, use or consumption of which became subject to the use tax during the preceding reporting period.

3. The return must also show the amount of the taxes for the period covered by the return and such other information as the department deems necessary for the proper administration of this chapter.

(Added to NRS by 1979, 416)

**372.370 Reimbursement to taxpayer for collection of tax.** The taxpayer shall deduct and withhold from the taxes otherwise due from him 1.5 percent of it to reimburse himself for the cost of collecting the tax.

(Added to NRS by 1979, 416; A 1981, 288)

school district buildings and sites fund as provided for in this chapter, except when the board of trustees of a county school district has elected to establish and administer a separate account under the provisions of NRS 354.603.

[124:32:1956]—(NRS A 1965, 324; 1971, 1347; 1975, 1809)

**387.185 Payment of apportionments from state distributive school fund to county school districts.**

1. All school money due each county school district must be paid over by the state treasurer to the county treasurer on August 1, November 1, February 1 and May 1 of each year or as soon thereafter as the county treasurer may apply for it, upon the warrant of the state controller drawn in conformity with the apportionment of the superintendent of public instruction as provided in NRS 387.124.

2. No county school district may receive any portion of the public school money unless that school district has complied with the provisions of this Title and regulations adopted pursuant thereto.

[125:32:1956]—(NRS A 1967, 196, 892; 1979, 1589)

**387.195 Tax levies for support of county school districts.**

1. Each board of county commissioners shall levy a tax of 75 cents on each \$100 of assessed valuation of taxable property within the county for the support of the public schools within the county school district.

2. In addition to any tax levied in accordance with subsection 1, each board of county commissioners shall levy a tax for the payment of interest and redemption of outstanding bonds of the county school district.

3. The tax collected pursuant to subsection 1 and any interest earned from the investment of the proceeds of that tax must be credited to the county's school district fund.

[127:32:1956]—(NRS A 1979, 1244; 1981, 301; 1983, 1635, 1950)

**387.205 Authorized uses of money in county school district fund.**

1. Moneys on deposit in the county school district fund or in a separate account, if the board of trustees of a school district has elected to establish such an account under the provisions of NRS 354.603, must be used for:

- (a) Maintenance and operation of public schools.
- (b) Payment of premiums for Nevada industrial insurance.
- (c) Rent of schoolhouses.
- (d) Construction, furnishing or rental of teacherages, when approved by the superintendent of public instruction.
- (e) Transportation of pupils, including the purchase of new buses.
- (f) Programs of nutrition for children, if such expenditures do not curtail the established school program or make it necessary to shorten the school term, and each pupil furnished lunch whose parent or guardian is financially able so to do pays at least the actual cost of such lunch.
- (g) Membership fees, dues and contributions to the Nevada interscholastic activities association.

N.R.S. 463-395 - LIMITATION ON  
AMOUNT, RATE OF LICENSE FEE OR  
TAX IMPOSED BY LOCAL GOVERNMENT.

PROBLEM:

Under existing statutes, county government is not allowed to change the rate or method of collecting a tax on gaming. Unlike the State, Douglas County does not have a gross gaming which provides an equitable means of generating revenue based on the economy. Our standard fee has been fixed since 1981 with no allowance for increases. The State should not pre-empt local government from a method of taxation considered fair and appropriate by the State for a major revenue base.

The law should be amended to provide a uniform county gross gaming fee formula which would be consistent with existing State revenue policy.

(d) A license fee of \$50 per month, payable at the time of the application prorated to the end of the calendar quarter during which the application is made, and thereafter payable for 3 months in advance, must be paid to the sheriff or county license department for each license issued for a game or device except for slot machines and games as otherwise provided for in this section. For each money slot machine the license fee is \$10 per month, payable at the time of the application prorated to the end of the calendar quarter during which the application is made, and thereafter payable for 3 months in advance. When a combination of units are operated by one handle, the license fee is \$10 per month, payable at the time of the application prorated to the end of the calendar quarter during which the application is made, and thereafter payable for 3 months in advance, for each unit paying in identical denominations operated thereby.

(e) The license entitles the holder to carry on or operate the specific slot machine, game or device for which the license is issued in the particular room and premises described therein, but not any other slot machine, game or device than that specified therein, or the specified slot machine, game or device in any other place than the room and premises so described, for a period of 3 months next succeeding the date of issuance of the license.

2. The licensee is entitled to operate two or more slot machines, games or devices in the same room by paying the license fee provided for in this section for each slot machine, game or device and otherwise complying with the terms of this section.

[2:99:1931; A 1939, 95; 1931 NCL § 3302.01] + [Part 10ee:99:1931; added 1947, 734; A 1949, 114; 1955, 760]—(NRS A 1959, 454; 1967, 1037, 1373; 1969, 192; 1979, 739, 1405)

**463.395 Limitation on amount, rate of license fee or tax imposed by local government.** The license fee or tax imposed by a local government for conducting, carrying on or operating any gambling game, slot machine or other game of chance must not exceed:

1. The amount, if charged per person, establishment, game or machine; or

2. The rate, if charged according to revenue, which was in effect for that purpose on April 27, 1981. If on that date the local government was collecting a fee or tax which is afterward held to be invalid, the local government may impose a new fee or tax no greater in amount of estimated revenue to be derived than the fee or tax held invalid.

(Added to NRS by 1981, 568)

**463.400 Penalties for willful evasion of payment of license fees and other acts and omissions.** [Effective until January 1, 1984.] Any person who willfully fails to report, pay or truthfully account for and pay over the license fees imposed by NRS 463.370, 463.373 to 463.385,



## N.R.S. 354.5989 - LIMITATIONS UPON FEES FOR LICENSES AND PERMITS

### PROBLEM:

#### REVENUE

The revenue caps imposed by the legislature on local government effectively precludes local entities from apportioning the cost of services to those who create the demand. In the case of licenses or permits, the local entity is limited to increases allowed in N.R.S. 354.5989. This cap does not realistically deal with the issue of equity and under Subsection 4, no additional increase is allowed.

In reality, the State of Nevada should not be in the business of telling local government what fees they can charge. During the last session of the Legislation, the counties were given the responsibility for cable television, yet the fee caps do not allow realistic franchise agreements to be negotiated. Local government needs the flexibility to set fees in response to local needs and priorities.

This section of the Nevada Revised Statutes should be repealed.

any local government the supplemental city-county relief tax otherwise distributable to it exceeds the combined amount allowable to it from the supplemental city-county relief tax and taxes ad valorem. Money in this fund must not be used for any purpose other than distribution to local governments pursuant to this section. The interest earned upon the money in the fund must be added to the principal of the fund.

2. The money in this fund must be used to increase the distribution to local governments when the actual receipts from the supplemental city-county relief tax are less than the estimates previously made by the director of the department of taxation. Whenever the money in the fund at the beginning of any fiscal year exceeds 10 percent of the actual revenues from the supplemental city-county relief tax in the preceding fiscal year, this excess must be distributed to local governments in the following fiscal year in the same proportion as current receipts are distributed for that fiscal year. This distribution must be included in the executive director's estimate of money to be received by each local government from the supplemental city-county relief tax.

3. The Nevada tax commission may direct the state controller to make a special distribution from the fund if it determines that unforeseen or uncontrollable conditions, existing or imminent, substantially impair the financial capacity of a local government to provide the basic services for which it was created. In making such a determination, the tax commission shall consider the recommendation of the executive director of the department of taxation. The executive director and the tax commission shall consider, without limitation, the effect of a sudden and unusual change in population served, the construction of major public works and facilities, a significant decrease in one or more revenues from sources other than property taxes, excessive increases in the unit cost of providing services, whether present or probable, and events of an uncommon nature, such as judgments and other uninsured losses or natural disasters. The tax commission shall consider the general economic condition of the community and of the state and the effect of each proposal on the taxpayer, and make written findings of the facts supporting the distribution.

(Added to NRS by 1981, 308; A 1983, 1052)

**354.5989 Limitations upon fees for licenses and permits.**

1. A local government shall not increase any fee for a license or permit or adopt a fee for a license or permit, including without limitation every license or permit issued for revenue or regulation or both, such as business licenses, liquor licenses, gaming licenses, and building and zoning permits, except as permitted by this section. This prohibition does not apply to fees imposed by hospitals, county airports, airport authorities, convention authorities, the Las Vegas Valley Water District or the Clark County Sanitation District.

2. The amount of revenue derived by the local government from all fees except those excluded by subsection 1, for the fiscal year ended on June 30, 1982, is the base from which the maximum allowable revenue from such fees must be calculated for subsequent years. To the base

must be added the sum of the amounts respectively equal to the product of the base multiplied by:

(a) Eighty percent of the proportionate increase in the Consumer Price Index from January 1, 1982, to January 1 next preceding the fiscal year for which the calculation is made; and

(b) The quotient of the assessed value of the new real property, possessory interests and mobile homes added to the assessment rolls since July 1, 1982, divided by the total assessed valuation, for the fiscal year next preceding the one for which the calculation is made, of all property except that new property added.

3. A local government may not increase any fee for a license or permit which is calculated as a fraction or percentage of the gross revenue of the business if its total revenues from such fees have increased during the preceding calendar year by 80 percent or more of the increase in the Consumer Price Index during that preceding calendar year.

4. A local government may submit an application to increase its revenue from fees beyond the maximum allowable under this section to the Nevada tax commission, which may grant the application only if it finds that under the circumstances a special distribution could be made from the reserve fund for the supplemental city-county relief tax and only to the extent that these circumstances are not relieved by such a distribution.

5. The provisions of this section apply to any license or permit for any purpose regardless of the fund to which the revenue from it is assigned. An ordinance or resolution enacted by a local government in violation of the provisions of this section is void.

(Added to NRS by 1981, 308; A 1981, 1254; 1983, 1053)

**354.59895 Limitation upon service charges.**

1. A local government may increase any service charge which was in effect on July 1, 1981, or whose imposition was approved after that date pursuant to this section, to the extent:

(a) Necessary to comply with any covenant relating to securities to whose repayment revenue from the service charge is pledged; or

(b) Reasonably necessary to meet the actual expense of providing the service, including the upkeep of any property so used.

2. A local government must submit any other proposal to increase a service charge to the executive director of the department of taxation for approval, and the local government or any person who may be required to pay the charge may, within 30 days after the executive director makes his decision, appeal from his decision to the Nevada tax commission. A local government must submit any proposal to impose a new service charge to the tax commission for its approval.

(Added to NRS by 1983, 1055)

**354.599 Amended budgets: Incorporation of additional or reduced revenues, expenditures resulting from legislative action.**

1. In any year in which the legislature by law increases or decreases

## NO SPECIFIC N.R.S. REFERENCE

### PROBLEM:

The county is required to pay interest on funds collected for other entities while the state collects funds for us with no credit for the interest earned on the money while under the custody of the state.

As you can see when interest earned is layered on top of administrative fees the problem becomes even more significant given the restrictions on local government revenue. County government should be allowed to receive interest on funds collected and held by the state. The county is required to do it for the school district. (N.R.S. 387.195).

N.R.S. 361 - SECTIONS 2 & 3  
PROPERTY TAX COLLECTION PROCEDUR

PROBLEM:

Over the past several years the Legislature has amended the laws regulating the responsibility of counties, resulting in an expensive over-regulated process. Each time the Legislature creates new requirements, it results in increased cost to the county in personnel and computer programming and services.

N.R.S 361, Sections 2 and 3, require the county to provide additional noticing of budgeted tax rates. This law should be repealed, as it only increases the cost to the counties and the information required is already available by means of enquiry.

N.R.S. 361.483

Further, property tax collectors should be changed from quarterly installments to semi-annual installments. This would reduce workload, improve cash flows and reduce delinquency accounting. It already costs the county \$10,000 annually to publish the delinquent tax list, which is an ineffective and inefficient way of collecting taxes.

just and reasonable, having due regard to due process of law and to all the rights of the respective parties and to public convenience and necessity.

7. *The commission may allow a duplication of service by public utilities in an area if:*

- (a) *The service provided is related to telecommunication; and*
- (b) *It finds that the competition should occur and that any duplication of service is reasonable.*

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Assembly Bill No. 240—Committee on Ways and Means

CHAPTER 361

AN ACT making an appropriation to the contingency fund; and providing other matters properly relating thereto.

[Approved May 31, 1985]

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

Section 1. There is hereby appropriated from the state general fund to the contingency fund created pursuant to NRS 353.266 the sum of \$4,297,616.

Sec. 2. This act becomes effective upon passage and approval.

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Senate Bill No. 430—Senator Raggio

CHAPTER 362

AN ACT relating to driver's licenses; excepting persons in the military service from a penalty for late renewal; and providing other matters properly relating thereto.

[Approved May 31, 1985]

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

Section 1. NRS 483.386 is hereby amended to read as follows:

483.386 All persons whose licenses have expired may be required by the department, whenever good cause appears, to take all or part of the regular examinations as set forth in NRS 483.330 . . . , and all] All persons whose licenses have expired for a period of 30 days or more shall pay to the department the penalty provided in NRS 483.410 in addition to the cost of renewing the license except that the following persons are exempt from this penalty:

- 1. A person who has not driven a motor vehicle after the expiration of his Nevada driver's license and who submits an affidavit stating that fact;

N.R.S. 513 - AB 11 - SECTION 2.8

PROBLEM:

Section 2.8 requires County Recorders to compare records of survey to the county mining map and ascertain whether the location of the claim is accurate according to the record of survey. The County Surveyor would be better qualified and equiped than the County Recorder to detect and evaluate inaccuracies or discrepancies between the county mining claim map and record of survey. Per N.R.S. 255.110, the County Surveyor is to prepare a county mining claim map which shall accurately reflect the location of such claims. I have attached a newspaper article with more items along this same line. The highlighted items relate to these and the points are valid.

The State Director of Minerals should be directed to work with County Recorders to revise this bill.

# LEGISLATIVE VIEW TAKEN OF MINING LAW CHANGE

(Editor's note: The Nevada legislature recently made a number of changes in Nevada mining laws and filing requirements. A detailed explanation of the various changes by the Nevada mining association's executive director Bob Warren as well as comments by Reno attorney Earl Hill appeared in the association's most recent bulletin. They follow in full.)

Nevada miners, geologists and prospectors should be aware that state laws governing location and recordation of mining claims on the public lands were substantially changed during the 1985 session of the Nevada state legislature.

Assembly bill 11, the product of an 18-month interim legislative study committee, including numerous hearings by the 1985 legislature updated and improved the workability of some sections of Nevada revised statutes chapter 513 which spell out requirements for location and recordation of mining claims in Nevada.

However, prominent Reno mining law attorney Earl Hill points out that some of the amendments also create "ambiguities" which to lawyers are "practically the same as money in the bank" and which to miners "more closely resemble the symptoms associated with saddle sores."

(See adjoining story below.) A summary of the important amendments to NRS chapter 513 covered in AB 11 follows:

-Directs the state department

of minerals to prepare a "suggested form for each certificate or other document required to be recorded to locate or maintain a mining claim, millsite or tunnel right." Use of the word "suggested" means a prospector or miner is free to use his own forms as he has in the past. If widely used by the mining industry, the forms prepared by the department of minerals will help, however, to clarify and standardize the content and format of the confusing variety of forms now used in the industry for location and recordation of mining claims.

-Directs the department of minerals to adopt regulations which will ensure that all maps required for location and identification of mining claims be "prepared in a similar manner." County recorders and surveyors, then, will be mandated to adopt similar formats and contents for the preparation of claim maps. This will provide for uniformity among counties in the appearance, size, content and maintenance of mining claim maps. Note: assembly bill 274, which was enacted during the 1985 legislature requires that all maps - including claim maps - be 24 by 36 inches in size.

-Expands the requirement that separate notices of location shall be both posted and filed for lode mining claims.

-Continues funding for the state department of minerals. The funding is based upon collection by county recorders of \$0.75 per claim for each filing of a mining claim document (other than claim maps). This includes lode and placer mining claims, millsites, tunnel rights, amended locations, intent to hold forms and affidavits of annual assessment work.

The 100 per cent funding by the mining industry was made permanent, unless a future legislature decides to contribute state general fund monies to the department's revenues. When the department was created in 1983, the legislature reserved the right to reconsider (amend) the budget during the 1985 session. The " sunset" provision was dropped in favor of permanent funding by the industry.

-Requires county recorders to determine whether claims are accurately located on the county-wide claim maps. The bill states:

"1. When a record of survey filed with the county recorder by a registered land surveyor shows the location of a mining claim, the county recorder shall compare that record of survey to the county map of mining claims and ascertain whether the location of the claim is accurate according to the record of survey.

"2. If the county map inaccurately shows the location of the claim, the county recorder shall propose a change to the county map and mail a notice to all persons whose claims would be affected by the proposed change.

"3. The notice must include: (a) A description of the proposed change; and

(b) A statement advising the owner of the claim that the proposed change will be made unless he makes a written request to the county recorder for a hearing within 30 days.

"4. If a request for a hearing is not received by the county recorder for a hearing within 30 days after he mailed the notice, the county recorder shall make the proposed change to the coun-

ty map.

"1. Upon receipt of a request for a hearing the county recorder shall request the board of county commissioners to hold a hearing on the proposed change.

"2. Upon receipt of such a request the board of county commissioners shall, after notifying the county recorder and the owner of the mining claim at least 30 days in advance, hold a hearing and determine whether the proposed change is to be made."

-Requires county recorders to distinguish patented claims from unpatented claims on the county map of mining claims. (See Hill's comments in the next article.)

"1. The county recorder shall include all patented mining claims in a manner which clearly distinguishes the patented claims from the unpatented claims.

"2. When a record of survey filed with the county by a registered surveyor shows the location of a patented mining claim, the county recorder shall conform the county map to the record of survey if there is any discrepancy between the two maps concerning the location of the claim."

-Extends time limits on erection of claim boundary posts; liberalizes use of materials for monuments.

Time for completion of monumentation (posting) of lode and tunnel claims was extended from 30 to 60 days after posting of the notice of location.

Size of wooden posts was reduced from four inches to 3 and one half inches in diameter. Length of the posts was reduced from four feet to 3 and one half feet set one foot in the ground.

Durable plastic pipe was approved. The pipe must be at least three inches in diameter by four feet in length and set one foot in the ground.

Metal posts were approved, at least two inches in diameter by four feet in length and set one foot in the ground.

Stone monuments remain at two and one half feet in height; but the diameter of the mound was reduced from four feet to three feet.

-Abolishes requirement for "claim location markers." The act deletes a requirement that claims which have not been tied to a survey point must be tied to a "claim location marker." Such markers - because they were not tied to a definite and identifiable survey point - were of no value to county surveyors in preparation of county claim maps.

Instead, the act requires that the description of lode claims be tied by course and distance to a "natural landmark or readily available artificial landmark which is customarily shown on the map, including, without limitation, a benchmark or a point at which two roads intersect."

-Permits mine waste, as well as tailings, unworked for 10 consecutive years and abandoned on the public domain to be located as a placer claim.

-Liberalizes recordation of "notice of location." The act deletes the requirement that the locator of a mining claim must complete boundary monumentation before recording a notice of location. Such notice will constitute prima facie evidence of the first location of the claim. This benefit is also extended to millsites and tunnel rights.

-Changes deadline for recording evidence of annual assess-

ment work. Previous law required a mine owner to file a proof of labor "within 60 days after the performance of labor or making improvements." Many miners have failed to file within 60 days their evidence of completion of work, presuming, instead, they could file within 60 days after Sept. 1, the statutory deadline for completion of annual assessment work. The new act states the recording deadline is November first of each year.

-R. Warren

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An amendment by the 1985 legislature of Nevada's mining and recordation laws has resulted not only in "positive improvements" and clarification of the historic mining statutes but in certain provisions which will have an impact on miners which "more closely resemble saddle sores."

According to prominent Reno mining attorney Earl Hill (Hill, Camas de Lujan and Erwin), one amendment in particular is "well calculated to promote full employment of lawyers and surveyors."

Attorney Hill was referring to section 2.3 of A.B. 11 which requires that county recorders compare newly filed mining claims with the county claim map. If there appears to be a discrepancy in the location of the claim, the county recorder must correct the map so it will "accurately reflect the location" of the claims.

The entire text of Mr. Hill's comment follows.

The procedure prescribed by section 2.3 for bringing the county map into conformity with records of survey is well calculated to promote full employment of lawyers and surveyors. The use of the phrase "the location" in subsections one and two creates a serious ambiguity. "Location" is a statutory term and a word of art in federal and state mining law. In that sense, it means the series of acts (discovery, posting notice, monumentation of boundaries, etc.) performed by the claimant to appropriate the land and the minerals it contains pursuant to the federal mining law. That meaning may have been what the bill drafter and the legislature had in mind because some "inaccuracies" or discrepancies of "location" in that technical sense might be reflected on a record of survey map.

On the other hand, the bill drafter may have been using "location" to refer to the geographic position or configuration of the claim on the ground.

In a given case, the difference could produce significant consequences. To lawyers, such ambiguities are practically the same as money in the bank. To miners, they more closely resemble the symptoms associated with saddle sores.

It seems regrettable that this statute imposes what may prove to be rather technical mapping responsibilities upon the county recorder, rather than the county surveyor. This is especially so in view of the 1971 act which requires the county surveyor to "obtain maps of existing claims, millsites and tunnel rights filed with the county recorder and prepare a county mining claim map which shall accurately reflect the location of all such claims." NRS 513.110 (1) (d) (1979).

Clearly, the county surveyor, by virtue of his training and ex-

perience, would be much better qualified than the county recorder to detect and evaluate inaccuracies or discrepancies between mining claim maps and records of survey. Thus, the issue this responsibility of recorder seems both ill and unfair to the recorder.

Far worse is the establishment of the board of county assessors as a tribunal to adjudicate issues of discrepancy in mining surveys and in

section 2.3 contemplated (the recorder is required to mail notices to all persons whose claims would be affected by proposed change); this unreasonable burden recorder - a skilled mining man - cannot reliably discharge unless he is given access without investigation in the field through title examination maps before the county assessors to "determine" if the proposed change to the county mining claim record of survey is to be made.

Here we have a new bureaucracy, with the board of county commissioners as a tribunal to decide issues of public land technicalities of surveying mapping. In this, I see a potential bonanza for lawyers and surveyors.

As a constitutional docket and agenda of county commissioners meeting - furnished with many such maps - I doubt that much resolved at these hearings party disinterested with the of the county commissioners. They seek judicial review then burdening the already taxed docket of our courts.

If I have not already pointed out, it is my opinion that section 2.3 is devoid of merit.

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Mr. Hill also warns also problems with the section requires inclusion of patented claims on county maps. He states:

Section 2.3 of the act in upon the county recorder to of including all patented claims on the county claim map "in a manner clearly distinguishing them from the unpatented claims. This will prove to be a formidable task if the result is to be any utility in the text."

The U.S. department of the Interior, which approved the mineral surveys and issued mineral patents, would be put to map accurately the older potential claims.

County assessors in Nevada historically have been distinguished between patented claims and unpatented claims which are subject of U.S. surveys but not yet patented would expect the county recorders to experience difficulties.

The same section also requires county recorder to con the county map to record survey - reflecting "location" of a patented mining claim. The objectives of this vision appear desirable by my opinion, these procedures should be carried out by the county surveyor rather than the county recorder for the reasons forth above. In the discussion section 2.3, section 27 of the requires completion of this by July 1, 1987.

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N.R.S. 293.55 and 293.545  
ELECTIONS - PUBLICATIONS

PROBLEM:

This provision, 293.557, requires counties with less than 100,000 population to publish a list of registered voters. Douglas County has over 10,000 registered voters and this publication has generated less than ten responses since the last publication. The statute should be amended to repeal the requirement for counties less than 100,000 population to provide for the option for all counties.

293.545 provides for mailed notification of canceled affidavit of registration. Over 2,500 such notices were mailed following the last election with three responses.

This provision should be repealed.

7. At the request of the person registered.
8. When any registered voter fails to vote in any general election.
9. When he has discovered an incorrect registration pursuant to NRS 293.530.

(Added to NRS by 1960, 275; A 1961, 295; 1967, 862)

**293.543 Reregistration after cancellation of registration for certain grounds.**

1. If an affidavit of registration is canceled under subsection 5 or 6 of NRS 293.540, the elector may reregister immediately.
2. If an affidavit of registration is canceled under subsection 7 of NRS 293.540, after the close of registration, the elector may not reregister until after the primary election.

(Added to NRS by 1960, 276)

**293.545 Procedure for cancellation of registration after general election.**

1. Immediately after the county commissioners of a county canvass the general election vote, the county clerk shall compare the registrar of voters' register for each precinct or district in the county with the list of registered voters who voted at the election in each precinct or district as shown by the pollbook or roster returned by the precinct or district election board and the absent ballot central counting board, if one has been appointed, to the county clerk, and he shall remove from the registrar of voters' register and from the election board register by January 1 of the year following the election the affidavits of registration of all electors who have failed to vote at the election.

2. If the affidavit of registration of an elector is canceled pursuant to the provisions of subsection 1, the county clerk shall mail by March 15 of the year following the general election a notice stating that the elector's affidavit of registration has been canceled because of his failure to vote in the last general election.

3. An absent voter whose ballot is voted and mailed on or before the date of the general election but which arrives too late to be cast and counted must not be considered as having failed to vote under subsection 1.

(Added to NRS by 1960, 276; A 1971, 447; 1973, 350, 870; 1975, 220; 1979, 1394; 1981, 117)

**293.547 Written challenges.**

1. After the 30th day but not later than the seventh day prior to any election, a written challenge may be filed with the county clerk. Such challenge shall be signed and verified by a registered voter and name the person whose right to vote is challenged and the ground of the challenge.

2. The county clerk shall file the challenge in the registrar of voters' register and attach a copy thereof to the challenged registration in the election board register.

(Added to NRS by 1960, 276; A 1973, 350; 1975, 943)

**293.550 Registration of electors enlisted or inducted into Armed Forces of United States: Appearance before county clerk, deputy registrar.** Any elector of this state who has not registered to vote in this state, or who has registered but whose registration has been canceled, and who contemplates enlisting in, or has been inducted into, the Armed Forces of the United States may, at any time, appear before the county clerk of the county of his residence or the deputy registrar thereof and register as a voter in the manner provided by law.

(Added to NRS by 1960, 276)

**293.553 Registration of electors in service of United States: Application by mail, telephone, telegram.** Any elector of this state who is in the service of the United States and by reason thereof is beyond the boundaries of this state, and who has not theretofore registered or whose registration has been canceled, may, at any time, request from the county clerk of the county of such elector's residence by mail, telephone or telegram an affidavit of registration. The county clerk, if satisfied that the elector is eligible for registration, shall forward the affidavit immediately. The county clerk shall, upon receipt of the completed affidavit, file it in the manner provided by law.

(Added to NRS by 1960, 277; A 1961, 298)

**293.555 Registration of spouse, dependent of elector who is in service of United States.** If the spouse or a dependent of an elector referred to in NRS 293.553 is an elector of this state but has not been registered, or his registration has been canceled, and such spouse or dependent of the elector is required, by reason of the elector's being in the service of the United States, to reside beyond the boundaries of this state, such spouse or dependent may register in the manner provided by NRS 293.553.

(Added to NRS by 1960, 277; A 1961, 298)

**293.557 Publication of list of registered voters.**

1. The county clerk shall cause to be published in counties having a population under 100,000 and may cause to be published in counties having a population of 100,000 or more, once in each of the newspapers circulated in different parts of the county a list of all registered voters, segregated by precincts or districts, within the circulation area of each newspaper, or cause to be published once in a newspaper circulated in the county a segregated listing for the entire county:

(a) At least 75 days before any primary election.

(b) After each primary election and not less than 2 weeks before the close of registration for the ensuing general election.

2. The county may not pay more than 10 cents per name for six-point or seven-point type or 15 cents per name for eight-point type or larger to each newspaper publishing the list.

3. The list of registered voters must not be printed in type smaller than six-point.

(Added to NRS by 1960, 277; A 1967, 851; 1971, 448; 1973, 351, 896; 1975, 943; 1979, 534)

**293.560 Close of registration: Time; publication of notice.**

1. Registration must close at 9 p.m. of the fifth Saturday preceding any primary election, at 9 p.m. of the fifth Saturday preceding any general election and at 9 p.m. of the third Saturday preceding any recall or special election.

2. Registration offices must be open from 9 a.m. to 5 p.m. and from 7 p.m. to 9 p.m., including Saturdays, during the last days before the close of registration, according to the following schedule:

(a) In counties which have a population less than 100,000, registration offices must be open during the last 3 days before registration closes;

(b) In all other counties, registration offices must be open during the last 5 days before registration closes.

3. Except for a special election held pursuant to chapter 350 of NRS:

(a) The county clerk of each county shall publish in a newspaper having a general circulation in the county a notice signed by him indicating the day that registration will be closed. If no such newspaper is published in the county, then the publication may be made in a newspaper of general circulation published in the nearest Nevada county.

(b) The notice must be published once each week for 4 consecutive weeks next preceding the close of registration for any election.

(Added to NRS by 1960, 277; A 1963, 1376; 1964, 3; 1967, 862; 1971, 448; 1973, 351, 896; 1975, 943; 1977, 914; 1979, 268, 534; 1981, 959)

**293.563 Official precinct or district election board registers: Preparation and delivery.**

1. During the time intervening between the closing of registration and 5 days before the election, the county clerk shall prepare for each precinct or district a binder or binders containing in alphabetical order the original affidavits of registration of the electors in the precinct or district, and such binder or binders shall be the election board register.

2. Each election board register shall be delivered or caused to be delivered by the county clerk to an election officer of the proper precinct or district prior to the opening of the polls.

(Added to NRS by 1960, 277)

**293.565 Sample ballots: Mailing; notice of location of polling place.**

1. At least 10 days before any election, the county clerk shall cause to be mailed to each registered voter in the county a sample ballot for his precinct with a notice informing the voter of the location of his polling place.

2. The cost of mailing sample ballots for elections which are not

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LEGISLATIVE COUNSEL BUREAU  
CAPITOL COMPLEX  
CARSON CITY, NEVADA

VYTAS VAITKUS  
DIRECTOR OF FINANCE

December 3, 1985

Mr. Kevin Welsh  
Legislative Counsel Bureau  
Capitol Complex  
Carson City, Nevada 89710

Dear Mr. Welsh:

I met recently with Marvin Leavitt, Steve Hanson, and Bob Boyer, the finance directors of Las Vegas, Henderson, and Boulder City, respectively, to discuss John Marvel's letter of October 2 inviting us to respond to the SCR 53 Subcommittee with specific suggestions for legislative change in the areas of revenue, expenditure, and fiscal administration.

Whatever changes the legislature adopts must be tempered by our need for flexibility. We do wish to convey that Nevada does not have the multitude of tax bases which exist in other states and any effort to constrain local governments from providing essential services is counterproductive. There is also the effect of pending Federal legislation which will significantly affect budgets for expenses not previously incurred: Social Security or Medicare (only) would increase North Las Vegas' personnel costs, for example, by \$1,000,000 or \$200,000 respectively. Against this background, we offer the following thoughts for consideration.

- Return all, or a portion, of the newly increased cigarette tax which the State now receives to cities and counties; hitherto, cigarette tax had been exclusively for those local governments and was not a revenue source for State government.
- While no change in the formula for maximum allowable revenue appears to be necessary, because no local governments appear to be close to the maximums established for each, there should be recognition of the fact that costs of local government rise faster than the Consumer Price Index and increases on a basis other than the CPI might be more appropriate.

Mr. Kevin Welsh  
Legislative Counsel Bureau  
December 3, 1985  
Page Two

- Fees from licenses and permits should be left at local discretion.
- Consider an increase in sales tax and the elimination of local business licenses which are based on gross receipts; local governments might elect to continue with nominal flat fee license.
- Eliminate the controls on service charges and allow local governments to assess fees based on costs of service to those benefited by those services.
- Aid in and encourage the establishment of pools among local governments for liability insurance; North Las Vegas, for instance, faced a nine-fold increase in premium for one-third the liability insurance coverage.
- Allow local governments to increase penalties for late payments of special assessment district fees; many property owners find it more economical to postpone making payments as due whereas penalties should be a disincentive for not paying in a timely manner.

We will certainly be coming to you with further suggestions in the future. And we want to urge the strong need for flexibility and local control: That is the sentiment which transcends all of our suggestions:

Sincerely,



Vytautas Vaitkus  
Finance Director

VV:mb

cc: Marvin Leavitt  
Steve Hanson  
Bob Boyer  
Genty Etcheverry



# City of Reno

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NOV 11 1985

November 8, 1985

Mr. Kevin D. Welsh, Deputy Fiscal Analyst  
Fiscal Division  
Legislative Counsel Bureau  
Capitol Complex  
Carson City, Nevada 89710

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FISCAL DIVISION

Dear Mr. Welsh:

The City of Reno has grave concern over the extreme fiscal constraints imposed by the State Legislature on Nevada municipalities over the past several years. The passage of Senate Concurrent Resolution Number 53 (SCR 53) to study these financial difficulties is viewed by Reno as a positive step towards a solution to this devastating problem. In response to Assemblyman Marvel's recent letter, we are prepared to offer suggestions and possible solutions to some of the most pressing problems.

There are a number of areas in which relief from fiscal impairment is urgently needed and justified. As an example, when the Legislature adopted the tax shift from property tax to sales tax, it created a very unstable source of revenue for local entities.

General revenue property tax received by the City of Reno (\$1,778,026 in 1984/85) funds less than 5% of the City's general operating budget; and less than 2% of the total budget. This, coupled with a cumbersome and somewhat unequitable sales tax redistribution formula has caused numerous problems for cities. In 1983/1984, \$104,659,800 in sales tax was collected in Washoe County including Reno and Sparks. For the same fiscal year (1983/84) a total of \$12,382,440 revenue from sales tax was returned by the State to the City of Reno. Therefore approximately 16.7% of the sales tax dollar collected in the Reno Standard Metropolitan Statistical Area (SMSA Washoe County) was returned to Reno. The next year, was only worse; Reno received less than 12% of sales tax collected.

The State Department of Taxation presently has no manner of reporting proportionate collection by the three entities. However, the economic dynamics of the Reno area clearly indicate that a

great majority of the taxable sales are collected within the City of Reno. In fact, a report by Sales Marketing & Management, July 22, 1985, indicates that over 70% of all retail taxable sales made in the Reno SMSA in 1984 was generated in the City of Reno. Utilizing this percentage, in 1984 the City of Reno collected 85% more in sales tax than it received back from the State. While the City recognizes that, with the present state-wide tax structure (i.e., sales tax being a major source of local government income), a certain subsidy to smaller jurisdictions will always be necessary. However, revaluation of the system is warranted to assess the equity issue of effort versus reward.

Further complicating the revenue issue for local governments is the present capping system for revenues and expenditures. The City of Reno is not advocating the complete removal of the cap program at this time. However, a certain amount of relief from these state imposed caps is necessary. For instance the current revenue limiting mechanism has resulted in local governments essentially eliminating its capital improvement and maintenance programs.

Impact fees and service charges need to be allowed outside the caps. NRS 354.5989 and 354.59895 impose limitations for licenses, permits, service charges, and user fees. These are strictly local issues with mechanisms in place to allow for considerable notice and input from those impacted prior to implementation of any increases.

The City of Reno has \$466 million dollars of capital (buildings, roads, sewer lines, etc.) investment. A private business with similar facilities would normally expect to spend between \$10 to \$19 million dollars (2% - 4%) annually to simply maintain that capital investment. But, because of revenue limitations and state mandated expenditures, among other things, the City has been forced to reduce its maintenance expenditures. Reno has less than 1% of the value of its capital investment (or \$4,100,000) available for maintenance in the 1985-86 budget year. Lack of funds for maintenance has caused City facilities to deteriorate at an alarming rate. If this downward trend is allowed to continue, City facilities will soon deteriorate beyond repair. The cost of replacement of these essential local government facilities (streets, fire stations, parks, etc.) will eventually cost the taxpayers of this state an inflated amount compared to the cost of timely maintenance.

Beyond the maintenance issue is the growing problem of the inability to generate sufficient funds to provide for new needed City facilities and services. Demand for these services and facilities continue to grow at an escalated rate. Meanwhile, revenues are not increasing adequately to meet these demands. The City of Reno is not suggesting more growth in government, however as Reno's



population increases, so does the demand for services. However, the City simply does not have the financial ability to meet these demands. The State needs to allow local governments to generate funds (outside the present caps) to maintain its capital investment, provide funds for future capital needs and service demands.

The State's labor laws that relate to local government (NRS Chapter 288), are very damaging to local governments' budget processes. The binding arbitration laws do not hold an arbitrator accountable for any of his/her action or decisions. These laws do not provide any incentive for bargaining units to negotiate in true good faith. Local governments across the state have had to abandon many projects and programs in order to pay labor unions large increases awarded by an arbitrator; awards which are frequently far greater than a City's ability to generate revenue.

The City of Reno suggests that NRS 288 be modified to include some award limitations and add more effective protection of the cities' resources. In addition, all local government employees and employee groups should not be allowed to support state and local candidates for office. The "little Hatch act" which addresses State employees and their relationships with elected officials should be applied to local employees as well.

The increased costs of doing business is rising beyond local governments' ability to pay. For example, Reno's liability insurance has increased over the last two years by almost 300%, while the amount of coverage has decreased. Much of this is due to a widespread trend toward higher court awards for claims against government. Frequently, these awards are far greater than actual loss. Over the last 3 years, the City of Reno has been required to pay over \$800,000 in claims. This "deep pockets" trend by claimants and the courts will continue unless limiting legislation is enacted. We suggest that the state enact legislation that would limit liability claims against local governments to no greater than up to 10% above actual loss.

Another area that must be reviewed is property tax exemptions. When the legislature reduced property taxes, allowances for exempt status should have been eliminated or severely restricted. Since that tax shift legislation, tax exempt property in Reno has increased by 311%!

State shared taxes, a major revenue source, are falling. In 1981, for example, this source amounted to \$3,292,000; in 1985-86 we are anticipating a total of \$2,662,000. Federal Revenue sharing is being eliminated. Current caps will not permit this important source to be recovered, escalating the local government budget crisis. On one hand, the Legislature has capped revenues, on the other hand escalating expenditures (mandated costs) exceed the ability to provide essential services and infrastructure needs of the City.

There are a variety of other ways the Legislature could help curb the problems facing cities and counties today:

- ° State law requires that cities publish their financial statements on a quarterly basis; the publishing costs alone average \$1,500. A simple local newspaper notice (\$20/\$30) that the statement is available should be sufficient.
- ° Filing the tentative budget, which is commonly known to have little or no bearing or resemblance to the final adopted version, should be eliminated. An approved format notifying the Department of Taxation of the jurisdiction's tax rate should be sufficient at the tentative stage.
- ° Extra holidays declared by the Governor, while nice to have, are an expense beyond local governments' capabilities to absorb. Each holiday costs the City of Reno \$112,000 (\$42,000 in premium pay). The time has long since passed for local governments to budget for such unknown benefits.

During the 1985 Legislature, one dollar of a \$3 allotment from the State impound \$10 court administration fee was cut from local governments without regard to existing need. The City of Reno, for example, had committed the projected income from this source over the next three years for purchase of a Criminal Justice Computer, precisely the Legislature's objective for the fee. Yet this source was cut by the Legislature without any provisions for making other income sources available. This is but one example of fiscal impact which should be addressed and funds provided to local governments when laws are passed.

Federal payment in-lieu-of taxes (PILT) is distributed to local governments each year in an effort to relieve the impact of Federal properties facilities location in local jurisdictions. Reno has a number of federal agencies (Post Offices, the Federal Building, Forest Service Office, U.S. Army, Veterans Hospital, etc.) within one City limits, yet all PILT funds go solely to County governments. It has been suggested by Congressman Reid that the State Legislature could reallocate these funds on a more equitable basis to the local entities impacted. This is something the Legislature should and could do almost immediately.

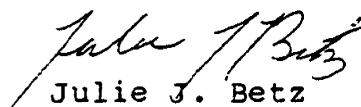
Other areas where the State can provide some relief to local governments include:

- ° Allow cities and counties to collect some room tax outside the caps.
- ° Allow innovative community awareness programs, seminars, education programs, entrepreneurships, etc., that would generate funds outside of caps.

- ° Utilize a percentage of park construction fees (25%) for park maintenance. Perhaps 15-25% of these funds should be earmarked for this purpose.
- ° Allow public safety tax levy for operations/maintenance and permit safety-related expenses to qualify for the special levy.
- ° Allow a one-time property tax increase to recover lost base in 1981.
- ° Allow special improvement (assessment) districts for maintenance (i.e., fire hydrants, street lighting, etc.).
- ° Eliminate caps on non-property tax revenue sources.
- ° Allow local increases on gaming activities.
- ° Allow a local option vehicle tax for street development.

Thank you for the opportunity to address this extremely complex issue and to work with the Legislative Sub-committee and Counsel Bureau staff. The subject of SCR 53 is a very important one and the City of Reno is prepared to cooperate with you in any way to resolve the problems at hand. If we can be of further help at this time, or if you have any questions concerning the information provided, please do not hesitate to contact us.

Sincerely,

  
Julie J. Betz  
Acting City Manager

10BL1.5

# Eureka County Recorder/Auditor

Eureka County Courthouse  
P.O. Box 556 - Eureka, Nevada 89316  
(702) 237-5263

Michael Rebaleati  
County Recorder/Auditor

Alice Sara, D

October 29, 1985

Kevin D. Welsh, Deputy Fiscal Analyst  
Fiscal Division  
Legislative Counsel Bureau  
Capitol Complex  
Carson City, Nv 89710

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NOV 1985

Dear Mr. Welsh:

Pursuant to Assemblyman John Marvel's letter asking for our input concerning the funding of counties and cities in Nevada, I will briefly outline what Eureka County's main problems are. As I stressed at the subcommittee's meeting at the Nevada Association of County Officials annual convention, Eureka County's main problems are our lack of control over property taxes and having no alternatives when we lose a revenue source.

For instance, the Town of Eureka does not have any ad valorem tax because of the way the present formula is used. The Town of Crescent Valley also has such a low tax rate the revenue it collects is not cost effective. It also appears that we will be losing our payment in lieu of taxes money. We have no alternatives to replace this source of revenue.

The worst revenue problem we have is not being able to utilize the best revenue source we have. This is the net proceeds tax. We currently have the largest gold producer in the United States but the revenue we received in 1985 from net proceeds of mines was less than the net proceeds revenue we received in 1979. The mines in Eureka County produced more in 1985 than in 1979 also.

The worst problem we face concerning expenditures is capital outlay expenditures. When there are no excess funds, capital expenditures are one of the first to be eliminated from the budget. This problem is the most eminent in our road department. Our equipment is aging but where do get large cash amounts to purchase the equipment without going into debt.

The most outdated fiscal administration procedure that I feel could be eliminated is the filing of the tentative budget. This would save time and money to both the state and the counties. If changes and corrections had to be made on a certain budget, only the final budget would have to be amended.

Sincerely,

116. *Michael Rebaleati*  
Michael Rebaleati  
Eureka County Recorder/Auditor

# CITY OF ELY

Box 299  
ELY, NEVADA 89301

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NOV 1985

LEGISLATIVE COUNSEL BUREAU  
CAPITOL COMPLEX  
CARSON CITY, NEVADA

November 5, 1985

State of Nevada  
Legislative Counsel Bureau  
Capitol Complex  
Carson City, Nevada 89710

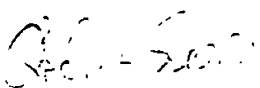
Att:Kevin D. Welsh, Fiscal Analyst

Dear Kevin:

I do not claim to have all the answers to the financial problems that plague our states cities and counties. I therefore enclose the following outline which follows the funding of counties and cities sheet that was handed out at the pulbic hearing in Fallon. This outline gives ideas on areas that could be changed or modified with the proper study and implementation.

If you have any questions please give me a call at 289-2430.

Sincerely



Robert Spellberg  
City Clerk

## FUNDING OF COUNTIES AND CITIES (S.C.R. 53)

### REVENUE:

1. Sales Tax Distribution
  - a. Leave the present SCCRT distribution formula as is
  - b. Leave allotment for reserve fund as is
  - c. Refigure formula for distribution of excess SCCRT
  - d. The possible formulation of a state revenue sharing fund based on excess SCCRT receipts unemployment within Counties and various other factors attached to the economy of the state
2. Service Charges
  - a. Take cap off of service charges give cities back home rule
3. Tax Exemptions (property tax)
  - a. Item to be handled by Counties
4. Alternate Revenue Sources:
  - a. Unfair distribution methods of optional gas tax monies to Cities from Counties
  - b. Change method of tax distribution between Cities and Counties when assessed valuation is used except in property tax

### EXPENDITURES

1. Insurance
  - a. State pooling for public officials liability insurance
  - b. State pooling for liability insurance except police
2. Capital Expenditures
  - a. Tax rate for Capital Improvements limited by the Legislature
3. Mandated Expenditures
  - a. Allow tax rate for public safety\*

Tax rates could be set by local governments by public hearings and elections. This new rate could then be controlled by the department of taxation.

### FISCAL (ADMINISTRATION)

1. Labor Relations
  - a. Better method than having an arbitrator who hunts for money inside a budget to give overwhelming increases to unions.
2. Publication and Reporting Requirements
  - a. Do away with tentative budgets but keep two public hearings
3. Outdated (Unnecessary) Procedures
  - a. Put together a panel of state and local government representatives to study and make recommendations to a legislative committee

**M E M O R A N D U M**

ate: December 11, 1985  
x: Kevin Welsh, Fiscal Analyst  
om: Lori Schlicker, Budget Director  
bje: NACO Position on Funding of City and Counties

On November 18, 1985 the NACO Board of Directors unanimously voted to accept the attached memo as the NACO position for the funding of Cities and Counties.

If I can answer any questions, please do not hesitate to contact me.

# WASHOE COUNTY

"To Protect and To Serve"

November 14, 1985



1205 MILL ST  
POST OFFICE BOX 1  
RENO, NEVADA 8  
PHONE (702) 785

DEPARTMENT OF BUDGET AND ANALYSIS

TO: NACO Executive Committee  
FROM: Subcommittee on City and County Funding  
SUBJECT: Legislative Proposal

## BACKGROUND:

At the annual NACO Conference, Assemblyman John Marvel requested that NACO appoint a group to work with the Legislative Committee on City and County Funding. NACO President, Mark Schrader, appointed the following as NACO's representatives:

Bob Jasper, Washoe County  
Bob Eadfield, Douglas County  
Dale Askew, Clark County  
BJ Selinder, Churchill County

## RECOMMENDATION:

Our committee has met and recommends the following be adopted as a NACO Legislative Policy Directive:

- A. Amend existing law to allow counties and cities to increase their property tax rates up to the limit of their established maximum combined allowed revenue limit. Such actions would be subject to a negative referendum whereby the voters could require an election.
- B. Amend existing law to allow the maximum combined revenue limit to increase annually by the aggregate of inflation and population growth.



TO: NACO Executive Committee  
November 14, 1985  
Page Two


DISCUSSION:

At the time of the 1981 tax shift, in theory, the increase in sales taxes was to make up for the loss in property taxes. Unfortunately, the State's estimates for sales tax revenues were too high. Consequently, the combined revenues derived from sales and property taxes were less than the combined revenue limit established by law. The Legislature had also included in the law a 4.5% limit on property tax revenues derived from existing property. Due to the shortfall in sales taxes, the property tax limit became the effective limit on revenues.

In 1983, the Legislature allowed local governments to increase their tax rates up to the maximum combined revenue limit subject to local negative referendums. This was a "one-shot window" for local governments to have the option of raising property tax rates. Our proposal is to premanently "open the window" so that at any time with the adoption of the budget, local governments may raise taxes subject to a negative referendum and the statutory limit of property tax rates of \$3.64.

The attached shows the difference between the maximum allowed revenue limit and the 1985-86 sales and property tax limit.

Our second proposal is to adjust the method for annually adjusting the maximum allowed revenue limit. Under existing law the limit is adjusted by adding 80% of the Consumer Price Index (CPI) from the prior year plus new construction. We are proposing that the limit be adjusted by adding together the prior year inflation rate (CPI) and the prior year increase in population.

  
\_\_\_\_\_  
Committee Chairman

RJ:bab

Encl.

DIFFERENCE BETWEEN 1985-86 MAXIMUM ALLOWED REVENUE  
AND  
1985-86 ALLOWED SCRT AND BASIC AD VALOREM

1. Counties Only
2. All Juriscictions

Robert Jasper  
Washoe County  
Department of Budget and Anlaysis

WASHOE COUNTY DBA, 9/18/85

ENTITY	(1)	(2)	(3)	(4)
	85-86 MAXIMUM COMBINED ALLOWED REVENUE	85-86 ALLOWED SCCRT AND BASIC AD VALOREM	1 Minus 2 \$	2 OF 1 %
CARSON CITY	6,377,118	4,789,364	1,587,754	75%
CHURCHILL CO	1,542,689	1,166,522	376,167	76%
CLARK COUNTY	74,782,916	64,087,956	10,692,960	86%
DOUGLAS CO	3,809,770	3,199,259	610,511	84%
ELKO COUNTY	2,076,481	2,012,362	64,119	97%
EMERALDA CO	752,538	752,538	0	100%
ERENKA CO	1,004,970	954,347	50,623	95%
UMBOLDT CO	2,377,465	2,005,805	371,659	84%
ANDER CO	1,308,944	1,047,964	260,960	80%
INCOLN CO	724,392	533,547	190,845	74%
YON COUNTY	3,997,071	3,028,979	968,092	76%
INERAL CO	1,543,672	1,541,135	2,537	100%
YE COUNTY	3,638,435	3,638,435	0	100%
ERSHING CO	980,235	980,235	0	100%
TOREY CO	897,071	769,597	127,474	86%
ASHOE CO	48,587,504	38,127,559	10,459,945	78%
HT PINE CO	1,206,291	967,898	238,392	80%
RAND TOTAL	155,607,561	129,605,523	26,002,038	83%
		STANDARD DEVIATION:		10%

ALL JURISDICTIONS

WASHOE COUNTY DBA. 9/18/85

ENTITY	(1) 85-86 MAXIMUM COMBINED ALLOWED REVENUE	(2) 85-86 ALLOWED SCCRT AND BASIC AD VALOREM	(3) 1 Minus 2 \$	(4) 2 OF 1 %
	-----	-----	-----	-----
CARSON CITY	6,377,118	4,789,364	1,587,754	71
CARSON WATER	20,179	17,414	2,765	8
CARSON TRUCK	11,434	8,691	2,743	71
SIERRA FF CC	75,581	75,581	0	10
TOTAL CC*	6,484,312	4,891,049	1,593,263	7
CHURCHILL CO	1,542,689	1,166,522	376,167	71
FALLON	408,340	319,913	88,427	7
CRS TRUCK CH	3,273	2,558	715	71
CHRUCHILL MOSQ	139,027	139,027	0	10
TOTAL CH*	2,093,330	1,628,020	465,310	7
CLARK COUNTY	74,782,916	64,089,956	10,692,960	8
BOULDER CITY	1,036,283	822,778	213,505	7
HENDERSON	2,883,062	2,354,177	528,885	8
LAS VEGAS	27,831,267	22,428,278	5,402,990	8
MESQUITE	247,922	247,922	0	10
N LAS VEGAS	2,163,421	1,718,084	445,337	7
BUNKERVILLE	32,892	23,865	9,027	7
E LAS VEGAS	77,867	77,867	0	10
LAUGHLIN	98,569	96,928	1,641	9
MOAPA VALLEY	121,418	121,418	0	10
PARADISE	15,243,533	13,682,794	1,560,738	9
SEARCHLIGHT	89,995	89,995	0	10
SPRING VALLEY	90,326	90,326	0	10
SUNRISE MNR	1,201,490	1,038,165	163,325	8
WINCHESTER	5,252,863	4,633,127	619,736	8
BOULDER LBR	160,598	149,218	11,380	9
HNDRSN LIBRY	183,540	169,625	13,916	9
MFA VLY FIRE	83,950	83,950	0	10
CLK CO FIRE	10,521,000	10,317,694	203,306	9
MT CHAS FIRE	82,205	78,102	4,103	9
LV/CLK LIBRY	4,854,750	4,854,750	0	10
TOTAL CL*	147,039,866	127,169,018	19,870,848	8
DOUGLAS CO	3,809,770	3,199,259	610,511	8
GARDNERVILLE	147,437	143,020	4,416	9
GENOA	4,604	4,311	293	9
MINDEN	116,583	106,432	10,152	9
CRS TRUCK DO	11,785	9,513	2,272	8
CRS WATER DO	20,286	8,702	11,584	4

DAVE ROCK	6,213	5,189	1,025	84%
DO CO MSQT	59,469	54,799	4,670	92%
ELK PNT SANI	4,651	4,195	456	90%
EST FRK FIRE	538,078	473,306	64,772	88%
GRDN RANCHOS	256,900	233,519	23,381	91%
NDIAN HILLS	95,707	93,582	2,125	98%
INGSBURY	240,527	223,655	16,872	93%
AKERIDGE	7,783	7,783	0	100%
OGAN CREEK	3,576	3,576	0	100%
ARLA BAY	22,691	19,033	3,658	84%
ND/GDNV SAN	94,541	88,596	5,945	94%
LIVER PARK	14,192	13,697	494	97%
OUND HILL	254,882	140,865	114,017	55%
KYLAND	33,751	26,240	7,511	78%
H DO FIRE	2,159,393	2,121,604	37,789	98%
H DO SEWER	228,385	226,702	1,683	99%
OPAZ RANCH	38,354	35,449	2,905	92%
EPHYR COVE	10,146	9,863	282	97%
EPHYR HGHT	49,002	49,002	0	100%
EPHYR KNOLLS	1,820	1,272	548	70%
IERRA FF DO	132,406	132,406	0	100%
	-----	-----	-----	-----
TOTAL DO*	8,362,932	7,433,571	927,361	89%
LKO COUNTY	2,076,481	2,012,362	64,119	97%
ARLIN	111,956	108,989	2,966	97%
LKO	1,077,797	757,320	320,476	70%
ELLS	136,542	109,124	27,418	80%
ACKPOT	108,953	101,222	7,731	93%
ONTELLO	3,442	1,998	1,444	58%
NTN CITY	1,997	1,894	103	95%
EST WNDVR	146,316	143,556	2,760	98%
LKO CO/CTY	83,834	59,420	24,414	71%
LKO TV	53,076	38,539	14,537	73%
	-----	-----	-----	-----
TOTAL EL*	3,800,393	3,334,424	465,969	88%
SMERALDA CO	752,538	752,538	0	100%
OLDFIELD	10,828	9,797	1,031	90%
IVLER PEAK	5,544	4,761	783	86%
	-----	-----	-----	-----
TOTAL ES*	768,910	767,096	1,814	100%
UREKA CO	1,004,970	954,347	50,623	95%
RESCENT VLY	881	818	63	93%
UREKA	1,679	1,249	431	74%
MD VLLY ROD	4,509	3,796	714	84%
MD VLLY WDD	4,509	4,354	156	97%
UREKA TV	15,163	10,270	4,893	68%
	-----	-----	-----	-----
TOTAL EU*	1,031,712	974,834	56,878	94%
JMBOLDT CO	2,377,465	2,005,805	371,659	84%
INNEMUCCA	757,062	575,752	181,311	76%
CONDA FIRE	73,810	64,873	8,936	88%
MBLDT FIRE	2,315	125,1849	465	80%

MCDRMTT FIRE	6,006	3,805	2,201	6
OROVADA CMTR	8,630	5,883	2,747	6
OROVADA FIRE	7,935	4,517	3,418	5
PRDS FIRE	13,337	10,995	2,343	8
PUEBLO FIRE	6,374	4,472	1,902	7
WNN RRL FIRE	43,682	33,969	9,714	7
HUMBOLDT HOSP	400,089	400,089	0	10
TOTAL HU*	3,696,705	3,112,010	584,696	8
LANDER CO	1,308,944	1,047,984	260,960	8
AUSTIN	11,669	8,370	3,299	7
BATTLE MNT	75,694	75,694	0	10
KINGSTON	5,869	5,869	0	10
LNDR CO SWR	4,083	2,929	1,154	7
LANDER HOSP	394,868	391,283	3,584	9
LANDER CO AIRPR	118,000	118,000	0	10
TOTAL LA*	1,919,127	1,650,129	268,998	8
LINCOLN CO	724,392	533,547	190,845	7
CALIENTE	50,870	50,870	0	10
ALAMO	9,686	9,634	52	9
PANACA	20,763	17,564	3,199	8
PIOCHE	23,377	17,019	6,358	7
PHRNT VLY FI	30,417	20,821	9,596	6
PIOCHE FIRE	19,466	14,955	4,511	7
LN HOSPITAL	104,656	102,974	1,682	9
TOTAL LN*	983,628	767,385	216,242	7
LYON COUNTY	3,997,071	3,028,979	968,092	7
YERINGTON	44,672	26,371	18,301	5
FERNLEY	51,924	50,685	1,239	9
CRS TRUCK LY	3,218	2,442	776	7
CRS WTR LY	6,555	3,351	3,203	5
CNTR LY FIRE	158,454	158,454	0	10
MSN VLY FIRE	35,984	35,118	866	9
WILLOWCREEK GID	1,942	1,785	157	9
SMT VLY FIRE	22,952	22,762	190	9
N LYON FIRE	54,303	53,009	1,294	9
LY HOSPITAL	151,502	149,893	1,609	9
FERNLEY HOSPITA	75,445	75,445	0	10
SLVR SP/STCH HQ	57,410	57,410	0	10
STAGECOACH GID	30,000	30,000	(0)	10
MASON VLY MOSQ	34,976	34,976	0	10
TOTAL LY*	4,726,407	3,730,679	995,728	7
MINERAL CO	1,543,672	1,541,135	2,537	10
MN HOSPITAL	188,478	188,478	0	10
TOTAL MN*	1,732,149	1,729,613	2,537	10
NYE COUNTY	3,638,435	3,638,435	0	10
GABBS	101,374	51,524	49,850	5

AMARGOSA	70,754	67,337	3,416	95%
BEATTY	21,635	20,696	939	96%
MANHATTAN	7,387	7,387	0	100%
PAHRUMP	188,398	188,398	0	100%
ROUND MNTN	59,084	56,662	2,421	96%
TONOPAH	175,358	169,173	6,185	96%
NYE HOSPITAL	220,050	217,978	2,072	99%
PAHRUMP SWIM	15,204	15,204	0	100%
PAHRUMP LIBR	47,816	47,816	0	100%
	-----	-----	-----	-----
TOTAL NY*	4,545,494	4,480,610	64,883	99%
PERSHING CO	980,235	980,235	0	100%
LOVELOCK	60,829	60,563	266	100%
PE HOSPITAL	216,098	216,098	0	100%
	-----	-----	-----	-----
TOTAL PE*	1,257,162	1,256,896	266	100%
STOREY CO	897,071	769,597	127,474	86%
DOS TRUCK ST	592	388	204	66%
	-----	-----	-----	-----
TOTAL ST*	897,663	769,985	127,678	86%
NASHOE CO	46,587,504	38,127,559	10,459,945	78%
RENO	13,025,815	8,090,450	4,935,365	62%
RENO RDVLP	66,146	34,304	31,842	52%
RENO INCRMNT	171,541	171,541	0	100%
SPARKS	4,992,416	3,758,358	1,234,059	75%
SPARKS RDVLP	683,374	326,193	357,181	48%
DOS TRUCK WA	96,246	71,771	24,475	75%
CRYSTAL BAY	29,203	24,298	4,906	83%
HORIZON HILL	26,502	21,278	5,224	80%
INCLINE VILL	488,679	460,382	28,297	94%
J LK TH FIRE	1,425,086	1,346,560	78,526	94%
PALOMINO VLY	72,221	70,202	2,018	97%
SUN JLY WTR	66,908	66,908	0	100%
TRK MDW FIRE	3,063,686	2,996,903	66,782	98%
VERDI TV	30,367	24,525	5,843	81%
SIERRA FF WA	590,236	590,236	0	100%
	-----	-----	-----	-----
TOTAL WA*	73,415,932	56,181,468	17,234,463	77%
WHT PINE CO	1,206,291	967,896	238,392	80%
ELY	359,191	235,769	123,422	66%
LUND	9,582	6,888	2,694	72%
MC GILL	48,522	27,832	20,690	57%
RUTH	11,747	11,121	625	95%
IP HOSPITAL	236,976	236,976	0	100%
	-----	-----	-----	-----
TOTAL WP*	1,872,309	1,486,485	385,824	79%
	=====	=====	=====	=====
GRAND TOTAL	264,628,032	221,365,274	43,262,758	84%
	=====	=====	=====	=====

November 5, 1985

Assemblyman John Marvel  
Chrm. S.C.R. 53 Subcommittee  
Legislative Counsel Bureau  
Legislative Building  
Capitol Complex  
Carson City, Nevada 89710

Dear Assemblyman Marvel:

Thank you for your letter of October 2 regarding the formation of your subcommittee to study the funding of counties and cities in Nevada. In response to your letter, I have been directed by the Mayor and City Council of the City of Lovelock to offer the following suggestions:

1. Sales Tax. A sales tax on all items, including labor, food and professional services, should be imposed, but at a reduced rate (not 5-3/4%), to be distributed to all cities and counties, as was done in the past, to help alleviate the need of communities to have to go to the Tax Commission begging for money.

2. Property Tax. Perhaps the entire tax package, which was passed by the 1981 legislature, should be reexamined and a return to the previous taxation scheme should be considered. The current cap formula, which severely limits the amount of money that certain cities receive in the distribution of property taxes, is patently unfair and severely restricts revenue for certain cities.

3. Gaming Taxes. Lifting the cap-on gaming fees should be considered. Since the State does not impose a limit on the gaming fees it imposes, the State should not expect cities and counties to live with a limit on the amount of gaming taxes they can impose.

4. Liability of Government Entities. Legislation to reinstate sovereign immunity for cities and counties should be considered to alleviate part of the insurance crunch which governmental entities are currently experiencing. Perhaps a \$50,000 limit for small cities with a population of under 5,000 should be considered.

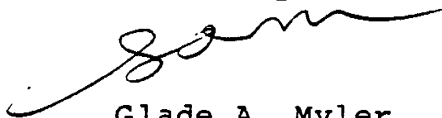


5. Insurance. If suggestion No. 4 is not feasible, perhaps some creative legislator can come up with a solution to the insurance crunch which governmental entities are facing. For the small cities, of which Lovelock is one, obtaining liability insurance is becoming impossible, if it has not already become impossible.

We appreciate the opportunity to make these suggestions and trust that they will be considered by your subcommittee.

Thank you.

Sincerely,



Glade A. Myler  
City Attorney  
Lovelock, Nevada

GAM:ss  
cc: City Council

COMMISSIONERS

WILLIAM B. SIBBS  
ERNIE HALL  
ROY F. SMITH

GEORGE R. E. BOUCHER  
COUNTY MANAGER  
(702) 738-5398

*Board of County Commissioners*

ELKO COUNTY COURTHOUSE

ELKO, NEVADA 89801

RECEIVED 30V 1985

NOV 1985

LEGISLATIVE COUNSEL BUREAU  
FISCAL ANALYST SECTION

Mr. Kevin D. Welsh  
Deputy Fiscal Analyst  
Fiscal Division  
Legislative Counsel Bureau  
Capitol Complex  
Carson City, Nevada 89710

RE: S.C.R. 53

Dear Mr. Welsh:

The County of Elko response probably should be more extensive, but attempting to compile a problem list is not a simple task. The following subject items comprise the composite response of various county offices and departments.

REVENUE SERVICE CHARGES

Reference: N.R.S. 354.5989

The current formula for increasing many licenses and fees is near to being counter productive in many instances because of the cost to change fees. The net increase can be of such a small increment and fraction of a dollar that an action is not practical.

The suggestion is if there could be a provision to accumulate such increases for several years, subject to a maximum number of years, whereby the applicable increment would be more than just an annual token of fractional dollar amounts involved?

FISCAL TENTATIVE BUDGET

Reference: N.R.S. 354.596

The question of what validity a tentative budget serves, especially in a legislative year when the statutory final budget is also a tentative budget until after the Legislature adjourns.

FISCAL LABOR RELATIONS

Reference: N.R.S. 338.030,2.

Elko County does not approve of the manner in which the Labor Commissioner determines the wage scales for Elko County and entities within. Elko County believes the wage rates should be equitable for this county area.

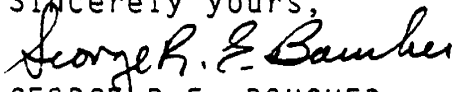
FISCAL RECOVERY OF LAW SUIT COSTS

Reference: N.R.S. 18.150

Add a provision that if a lawsuit is filed against a governmental entity such as the county and the government entity wins the suit the plaintiff be liable to pay all costs incurred.

We hope the items set forth will be of value to the sub-committee. Please advise if there are questions or need for clarification.

Sincerely yours,



GEORGE R.E. BOUCHER  
Elko County Manager

GREB/lm

# WASHOE COUNTY

"To Protect and To Serve"

December 11, 1985



OFFICE OF THE COUNTY MANAGER

1205 MILL STREET  
POST OFFICE BOX 1113  
RENO, NEVADA 89520 — 002  
PHONE (702) 785-417

Kevin D. Welsh  
Deputy Fiscal Analyst  
Fiscal Division  
Legislative Counsel Bureau  
Capitol Complex  
Carson City, NV 89710

Dear Mr. Welsh:

In response to your October 2 letter on possible legislative changes, Washoe County requests the following proposals be considered by the Committee on City and County Funding.

1. Amend Chapter 354 of NRS to allow local governments to increase the revenues from taxes ad valorem up to the maximum combined revenue limits subject to the provisions of a negative referendum.
2. Amend Chapter 288 of NRS to clarify the definition of collective bargaining, restrict the issues requiring binding arbitration, and allowing public employees to strike under certain situations (see Attachment A).
3. Amend Chapter 354 of NRS to:
  - A. Reduce the requirements of the tentative budget to only that information required by the Department of Taxation to insure conformance with local government revenue "caps".
  - B. Change the budget hearing dates from April to May.
  - C. Change the dates for adopting the final budget from May 1 to June 1.
4. Amend NRS 286.465 to specify that if a local government's revenue from property and sales taxes does not increase at the rate outlined in this section, the increase in retirement costs will be borne by the State.

5. Amend Chapter 354 of NRS to state that whenever the Legislature mandates a new service, activity, or procedure which can be demonstrated by a local government to increase ongoing expenditures, the State will pay for this increased cost or allow local government to increase taxes ad valorem sufficient to cover the cost.

DISCUSSION:

The first proposal would allow local governments to raise property taxes up to the maximum allowed combined revenue limit subject to a negative voter referendum. The proposal is similar to the process allowed by the 1983 Legislature. The difference would be that the 1983 law allowed a one-time process whereas the proposal recommended would be allowed on an ongoing annual basis.

The remaining proposals seek relief from the paradox of on one hand State law limiting revenue growth to below the combination of inflation and population growth and on the other hand State law which increases local expenditures and dictate unrealistic and untimely budget procedures.

Proposal 2 would more closely define those areas subject to collective bargaining and would allow public employees to strike as opposed to the current requirement of binding arbitration.

Proposal 3 would reduce the detail required in the Tentative Budget and would move the budget schedule forward to allow local governments to better estimate available resources and expenditures. Local governments will work closely with the Department of Taxation on the details of this proposal.

Proposal 4 addresses existing law which increases local government contributions to P.E.R.S. based on statewide increases in sales tax and gaming revenues. This approach works for State contributions to P.E.R.S. but does not work for local governments because the revenue structure and revenue "caps" do not allow for the same level of revenue growth.

Proposal 5 would require the State to pay the cost of mandated local government expenditures. In this regard Washoe County department heads were asked to identify legislative mandates passed into law since 1981. Attachment B is a compilation of those mandates identified by County department heads. As the Attachment indicates, these changes (plus the increased contribution to P.E.R.S. discussed earlier) cost Washoe County over \$2 million per year.

Kevin D. Welsh  
December 11, 1985  
Page Three

Washoe County submits this information, not as a comment on the need or efficacy of the changes in law identified, but rather to show the paradox of the Legislature capping revenues on one hand and mandating increased expenditures on the other. Thank you for the opportunity to present this information. If you have any questions, please feel free to contact me.

Sincerely,



John MacIntyre  
Washoe County Manager

JM:RJ:bab

Encl.

RECOMMENDED CHANGES TO CHAPTER 288, THE LOCAL  
GOVERNMENT EMPLOYEE-MANAGEMENT RELATIONS ACT

A. Recommended Change to NRS 288.033

288.033 "Collective bargaining" defined.

"Collective bargaining" means a method of determining conditions of employment by negotiation between representatives of the local government employer and employee organizations, entailing a mutual obligation of the local government employer and the representative of the local government employees to meet at reasonable times and bargain in good faith with respect to:

1. [Wages, hours and other terms and conditions of employment:]

Those subjects included within the scope  
of mandatory bargaining as specified under  
NRS 288.150,2;

2. The negotiation of an agreement;
3. The resolution of any question arising under a negotiated agreement; or
4. The execution of a written contract incorporating any agreement reached if requested by either party, but this obligation does not compel either party to agree to a proposal or require the making of a concession.

Reason For Change

In 1975, the Nevada Legislature amended the scope of bargaining under NRS 288.150 from the then general terms of "wages, hours and other terms and conditions of employment" to the current specific listing of twenty subjects. The above recommended change would bring the definition of collective bargaining into conformity with those legislative changes and eliminate any confusion that may exist between these two sections of the statute. Further, it would prevent the inappropriate expansion of the scope of bargaining under NRS 288.150 by the courts through the "back door" use of NRS 288.033. To date, there have been two District Court decisions where the current definition of collective bargaining under NRS 288.033 has been used to effectively negate the legislative action that took place in 1975 in amending NRS 288.150.

B. Recommended Changes to Statutory Impasse  
Procedure Under NRS 288.200 through  
NRS 288.215

The following statutory provisions should be deleted: NRS 288.200(6), NRS 288.201, NRS 288.202, NRS 288.203, and NRS 288.205. NRS 288.215 should be amended to read as follows:

288.215 Submission of dispute to arbitrator;  
conditions providing for the right to strike.

1. If the parties have not agreed to make the findings and recommendations of the fact finder final and binding upon all issues, and do not otherwise resolve their dispute, the local government employer must, within 10 days after the fact finder's report is submitted, notify the employee organization in writing that it either is or is not willing to submit the issues remaining in dispute to an arbitrator.
2. If the local government employer is not willing to have the issues remaining in dispute submitted to an arbitrator, then an employee who is a member of the bargaining unit involved in the dispute may participate in a strike after (a) 30 days have elapsed since receipt of notification from the employer that it does not agree to have the matter submitted to arbitration; and (b) the exclusive bargaining agent has given a ten-day notice of intent to strike to the board and to the employer.
3. Participation in a strike shall be unlawful for any employee who (a) is not included in a bargaining unit for which the exclusive bargaining agent has been certified; or (b) is included in a bargaining unit for which process for resolution of a dispute has been referred to final and binding arbitration under this section.
4. If the local government employer is willing to submit the issues remaining in dispute to arbitration, the matter must be submitted to an arbitrator who shall be selected in the manner provided in NRS 288.200 and have the same powers provided for fact finders in NRS 288.210.



5. After being selected, the arbitrator shall hold a hearing for the purpose of receiving information concerning the dispute. The hearings shall be held in the county in which the local government employer is located and the arbitrator shall arrange for a full and complete record of the hearings.
6. At the hearing, or at any subsequent time to which the hearing may be adjourned, information may be presented by:
  - (a) The parties to the dispute; or
  - (b) Any interested person.
7. The parties to the dispute shall each pay one-half of the costs incurred by the arbitrator.
8. At the recommendation of the arbitrator, the parties may, before the submission of a final offer, enter into negotiations. If the negotiations are begun, the arbitrator may adjourn the hearings for a period of 3 weeks. An agreement by the parties is final and binding, and upon notification to the arbitrator, the arbitration terminates.
9. If the parties do not enter into negotiations or do not agree within 30 days, each of the parties shall submit a single written statement containing its final offer for each of the unresolved issues.
10. The arbitrator shall, after the final offers are submitted, accept one of the written statements, on the basis of the criteria provided in NRS 288.200, and shall report his decision to the parties. The decision of the arbitrator is final and binding on the parties.

(Note: There are other statutory provisions that would have to be modified slightly to implement the above mentioned changes to the statutory impasse process. These changes would only be needed to ensure consistency in the entire chapter and would not be substantive in nature).

### Reason For Change

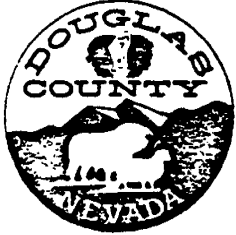
Without a doubt, the most controversial area in public sector collective bargaining is the terminal step of the process. Employee organizations have long argued that if public employees are denied the right to strike, then there must be some form of binding arbitration as the terminal step or else you don't have true collective bargaining. Given this argument, most public employers in the early years of public sector collective bargaining opted for binding arbitration over the right to strike when given only those two choices for impasse resolution. That is not necessarily the case today. More and more employers are beginning to say that they would prefer giving public employees the right to strike over binding interest arbitration.

The above impasse resolution recognizes this critical difference of opinion as to what should constitute the terminal step process. It keeps the concepts of mediation and fact finding as viable methods for resolving interest disputes and if the parties are still unable to resolve the dispute, incorporates either last best binding arbitration or the right to strike as the terminal step at the option of the local government employer.

APPENDIX C

Testimony Submitted at Joint  
League of Cities and Association of Counties  
Meeting





BOARD  
OF  
COUNTY  
COMMISSIONERS

ROBERT S. HADFIELD  
County Manager

(702) 782-9821

COMMISSIONERS:

Robert L. Pruett  
Chairman  
Jerry J. Bing  
Vice-Chairman  
Barbara J. Cook  
R. A. Oswald  
Herbert P. Witt

September 20, 1985

The Honorable John Marvel, Chairman  
Legislative Sub-Committee on Funding of  
Counties and Cities (SCR 53)  
Minden, Nevada 89423

Honorable Chairmen and Committee Members:

Attached you will find a report identifying what we believe in Douglas County to be a critical problem facing our community and its government. While we have identified specific problems of Douglas County, we respectfully urge you to review our concerns carefully in a statewide perspective. Many of our problems have or will be experienced by other local governments in Nevada.

Douglas County has appeared before the Legislature in each of the last four sessions urging special recognition for our county, which we believe has unique characteristics both urban and rural. In 1981, the Legislature recognized that, due in part to our historically low ad valorem tax rate, a special provision was required in the tax reform legislation to reduce the potentially negative impacts of the legislation on our county. Even with this consideration, we found it necessary to appeal to the Interim Committee on Local Government Finance for further relief. This year we again find ourselves in a complex and frustrating situation. Douglas County will receive a total increase of \$69,894 in SCCRT and \$270,176 in ad valorem of which 83.2%, \$224,935 is specifically allocated to the County and State Indigent Fund. These two revenue sources will increase by less than our 5% population growth.

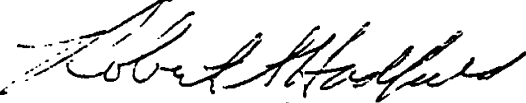
We believe that by working together we can address the serious impacts that rapid and prolonged growth can bring to a community in transition from a rural to urban setting. This transition includes such problems as providing appropriate levels of funding for water quantity and quality programs, transportation planning to meet the needs of our growing community while at the same time just trying to keep the other services we have at the same levels. We need your understanding and support to avoid a serious financial crisis affecting our ability to provide basic services to our growing community. The current and worsening

divergence between our in-elastic revenue structure and growth needs to be addressed.

We are fully cognizant of our obligation and role in providing services to our residents. Not all local governments are alike and some conservative local entities are having real difficulty dealing with the substantial growth we are currently experiencing. As a rural community, we set our own priorities and provided very basic and minimal services to a small resident population. Urbanization has forced us to inventory our community's needs and to reconsider our scope of and levels of service. We want to play a positive and responsible role in maintaining the quality of life in our beautiful community. Now we have new and more complex problems. We need your help in addressing these issues to avoid financial distress and urban plight.

Please review the materials presented for your review and we welcome the opportunity to discuss our concerns with your committee.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert S. Hadfield", written in a cursive style.

Robert S. Hadfield  
County Manager

RSH/tk

Attachments

## THE PROBLEM

A major problem confronting the county over the past several years has been the continuous shift of revenue authority from the county to the state. As a result, many of the county's revenues are established by statutes or complex revenue formulas that are often unpredictable due to shifting assessed valuations or sales tax collections. Perhaps more importantly, we find ourselves without major retail shopping and with major population centers adjacent to urban counties, which derive the full benefit of our resident's retail shopping and gasoline purchases without having to provide any residential services. Over the past several years the county has undertaken a series of budget reductions which, coupled with cost containment programs and equipment upgrading, have permitted the county to respond to increasing workloads without corresponding expenditure increases. This year, however, it is clear that the community's growth has outpaced our ability to generate like revenues.

Fiscal Year 1985-86 brings with it no dramatic revenue relief. While we continue to see substantial increases in the workloads of the various departments, revenue increases directly related to these activities continue to fall short of real growth needs.

A close review of our General Fund revenue structure reveals some serious limitations which cannot be overcome without major

revision. Our annual growth rate is exceeding our ability to generate revenue. The problem is exacerbated by the unique combination of our revenues, the state limitations imposed and the concomitant demands for expanded service.

Of our projected 1985-86 General Fund revenue, 26.1% is attributed to gaming fees, which unlike the State and Clark County which benefit from gross gaming fees, are derived from set rates for gaming devices and table games which have been capped since 1981 by the Nevada Legislature. These caps, combined with our commitment to the state to limit gaming expansion at Lake Tahoe, has effectively removed any growth potential from this major source of revenue. Supplemental City County Relief Tax accounts for 18% of our revenues. This source at best, based upon state revenue projections will increase by 4.3% during the next year. Property tax accounts for 6.5% or \$507,018. Since this is a special Legislative approval, it does not even qualify for the 4 1/2% annual increase normally allowed by the allowed ad valorem formula. The problem of frozen ad valorem revenue for mandated or voter approved programs must be addressed.

With the exception of animal licenses, building permits, planning and engineering fees which can increase by 80% of the consumer price index (3.16%) or \$14,378, all other fees are set by the state of Nevada. However, it is most important to note that any increase in revenue in these fees automatically results in



offsetting additional service costs incurred in providing more service when minimally staffed as we are.

Thus, a close examination of our revenue structure reveals a potential for an increase of \$77,581 or .010% of our total General Fund Revenue. This does not take into account the other funds of Douglas County, such as Indigent Services and Roads, which also need additional funding. As can be seen, this increase will not provide any flexibility to deal with maintaining current services rendering the County totally ineffective in attempting to address the growth projected for our area. In fact, these three critical revenue sources representing 50.6% of our total General Fund revenue will fall approximately \$88,900 short of matching the allowed 80% of the CPI increase if the fees were not frozen at current level.

If all of our revenue was from either sales tax at 4.3% or ad valorem tax, our total revenue growth would range from \$295,151 to \$313,065 above our current limitation resulting from our unusual and restrictive revenue mix.

Several important issues need to be addressed by the Legislature at their 1987 session. The first revolves around the existing conflict of state tax policy and local land use planning. After several changes in the basic tax structure supporting local government, a tax policy has evolved which assumes that sales tax will support local government and that property tax will play a

decreasing role in the support of local government. This is the practical effect of the lower revenue cap formula. Under this plan the state is actively pursuing an ambitious effort to diversify the state's economy. The problem is that as a result of the ad valorem caps, physical plants and capital improvements derived from the diversification do not contribute significantly to our tax base. This problem is further exacerbated by the depreciation of residential properties and efforts to further reduce or exempt relocating companies from taxes as an added incentive for moving to our state. The net result is little or no gain in local government revenue. Further, our community exports retail sales tax to adjoining urban areas who benefit from the resulting growth in uncapped local sales tax. In Douglas County we do not benefit from growth because we are not allowed to reach our maximum combined revenue. This is not a minor problem, it is just as important and serious as addressing educational concerns. This county has over the last two years, cut back personnel, reduced working hours and pay all in an effort to cut cost. These drastic measures have followed a comprehensive management effort to streamline our government through intensive training and heavy investments in labor saving technology. The schools are allowed to cope with growth utilizing a formula addressing student enrollment. County government is just as important. Our workload is just as much, if not more, related to population growth as the schools. Economic diversification not only requires a good educational

system, it also requires a good infrastructure and quality county services.

A second equally difficult problem for local government is the issue of growth. The problem of rural areas becoming suburbs to major urban areas is a real problem. It affects all aspects of local government. In Douglas County we find ourselves providing public safety, judicial and general government services to a significant sector of our community who place additional demands on our service structure while at the same time working and shopping in our neighboring counties. Further, of the \$4,284,736 in SCCRT distributed in Douglas County, the county government having responsibility for all residents, receives only \$1,641,481 or 38.3% of the total. No other county has this problem. Another example of how our county revenues do not match growth can be seen in our gasoline tax revenue and vehicle registration fees. Gasoline sales in Douglas County have decreased from 12,482,983 gallons sold in 1980 to 10,714,368 gallons sold in 1984 or by 14.1%, while our population and vehicle registration have increased by 12.6% and 21.3% respectfully. In as much as we don't share significantly in the motor vehicle privilege tax, which is allocated to other local government in Douglas County, we continued to fall short of real growth needs. Further, our Road Department and Sheriff's Office fall behind in their efforts to keep pace with growth. It is easy to say a community can go to a vote of the people for more revenue, but quite another in terms of equity. If the state is going to continue to promote

growth on a large scale, using a "favorable tax climate" as an enticement, the state likewise has an obligation to ensure that local governments have the flexibility to respond to this growth. If the state's tax policy restricts revenue gain from physical plants and improvements, why should the residents who have been here or have come with promises of low taxes not view our request for increases unfavorably? No one can refute that growth is a major factor in Douglas County. We have expanded our population by 255% in the last 15 years and the state projects Douglas County's population to grow by another 89% by the year 2000, making Douglas County the third most populous county in the state with 46,260 residents. As you can see, there is no way Douglas County can address ongoing vital services, such as law enforcement, roads and general services, let alone plan for this growth and protect our natural resources without some inherent growth factor in our revenue structure.

If you review carefully the formula providing for local government revenue, you will see that in Douglas County we are not allowed to reach our combined maximum allowable revenue. As such, we are not allowed even to benefit from the growth factor which is included in the upper limit cap, nor in the second lower revenue cap. If you study the following figures (see Attachment I), you will see that over the last four years, the county's revenue does not benefit from growth, and the disparity between the two formulas is increasing annually. These figures perhaps more than any others, demonstrate a major problem affecting us

and many other local governments. This is a very critical problem in a growing area like Douglas County. At the beginning in 1982-83, the disparity was only \$2,198. Due to growth, in 1983-84, the difference between the maximum allowable revenue and allowed revenue was \$515,112, in 1984-85 it adjusted to \$492,245, but next year it will increase to \$567,955. These figures demonstrate the revenue gap resulting from growth. Our problem is further exaggerated by the problem of unbuildable lots in the Lake Tahoe Basin and the ensuing and inevitable impact of depreciation on our overall assessed valuation.

In addition, as we stated earlier, the fact that our General Fund ad valorem tax revenue is held constant in the formula, combined with the low percentage of sales tax to our overall other capped revenue, renders this county financially helpless in the face of dramatic and prolonged growth. Our cost for the basic services for which the Legislative approval was granted, did not assume constant cost, yet we are only credited with first year cost over the long term. We respectfully urge you to consider our problem. We believe that it demonstrates again that the overall tax reform program needs adjustment in selected cases to be equitable.

Finally, there must be a better understanding of the impact state government has on our county's ability to manage our personnel resources. Our employees don't understand how state employees can receive benefits and salary increases while we stress to our employees that we have no control of our revenues and increases

must be kept at a minimum. Since the state is supported heavily by gross revenues, you escape the ravages of inflation and receive full benefit from growth. We do not, in fact, the latest increase in our required retirement contribution (NRS 286.465) triggered by a double digit increase in state gross gaming fees and sales tax, will cost Douglas County approximately \$55,000. That means our net gain in SCCRT revenue available for Fiscal Year 1985-86 is only \$14,000 for a total budget of \$19,081,551. We didn't derive any additional revenue from the state's substantial increase in gaming fee revenue. This situation demonstrates perhaps better than any other the difficult, if not impossible, situation Douglas County and other local governments find themselves in.

We believe we are managing our financial resources prudently, but we are not responsive to the needs of our growing community. We stand on our record and only ask that you extend us the courtesy to explain our problem to you.

## REQUIRED CORRECTIVE ACTION

We believe that possible corrective action for Douglas County and other counties should include the ability to have our revenue float to the Maximum Combined Allowed Revenue to allow us to deal with growth in real terms. If we are not going to be allowed to float to our maximum combined allowable revenue, we will never be able to cope with growth. Second, the legislative ad valorem tax approvals for mandated programs should also be allowed to increase annually by at least the 4 1/2 percent allowed or for all other ad valorem levied. It should be noted that while the county's assessed valuation increased by 228% over the last eight year period, our total General Fund budget has increased by a lesser rate of 133% in spite of our dramatic population increase of 87% and shift to more urban services. In addition, the Consumer Price Index increased by 80.3% over the same eight year period. These combined figures demonstrate our fiscal integrity in managing our General Fund resources prior to the imposition of state ad valorem caps.

Third, mandated programs and passing on cost from the state to local governments must be addressed. If costs are passed through to local governments by the state, whether for mandated programs such as retirement or simply implementing new charges for materials previously made available at no charge, local government should be allowed revenue offsets. If you review the state charges to local government, you will see there is no

limitation on the state passing additional cost through to local government.

The related issue, fees fixed by the state collected by local government, should also be addressed immediately. Some fees, such as recording, court, vehicle license, marriage license, Clerk and Assessor, they haven't been increased by the state to reflect inflation let alone the real cost of our providing the services. The state has in some instances, such as vehicle registration and marriage licenses, raised the fees only to the state in order to generate additional revenue or to fund new programs. In addition to the state controlling the majority of our revenues, the legislature continues to approve bills, increasing the expenditures of the County. Certain new bills require us to change existing computer programs, incur additional publishing costs and increase administrative workload. We provide the service and if you won't let us set the fees, then at least allow annual adjustments to reflect administrative costs.

Finally, the state needs to study carefully the impacts of regional urban retail centers on those entities whose residents export sales and gasoline taxes. A factor should be developed to allow counties, such as ours, to recapture lost revenues to help offset the cost of providing residential services. Perhaps a per capita sales tax formula could be used to determine when such inequities occur which would serve as the basis for a special additional distribution of SCCRT.



Recognizing that their needs to be some means of providing additional services to areas that are willing to pay for it, Douglas County is proposing a constitutional amendment that would allow for special service areas managed by the county to address required and requested higher levels of service. In the meantime, we propose that the current law be amended to allow the option of permitting newly formed districts to be operated by the county instead of separate elected and administrative bodies. This would enable us to deal with difficult issues such as providing ambulance service and road maintenance in areas overlapping with other state and local entities. Under this plan, the county could provide administrative, legal, audit and financial services in support of the new entity without a corresponding need for a separate more costly government structure.

Our problem started when we did not have a comparable tax rate to other entities when the tax reform plan was enacted. The Legislature has always been receptive to corrective action when the need is demonstrated. We believe that we have and can demonstrate such a need.

In closing, the facts are that, controlled revenues and inconsistent and arbitrary state policies do not allow us to serve all the people in a rapidly growing county such as ours.

# ATTACHMENT I

## DIFFERENCE BETWEEN MAXIMUM COMBINED ALLOWED REVENUE AND ALLOWED AD VALOREM AND ALLOWED SCCRT

	1982-83	1983-84	1984-85	1985-86
Maximum Combined Allowed Revenue	\$2,766,342	\$3,187,207	\$3,575,483	\$3,809,770
Allowed Tax Rate (less bonded indebtedness)	\$1,119,904	\$1,215,735*	\$1,511,619*	\$1,782,714*
Allowed SCCRT	<u>\$1,644,240</u>	<u>\$1,456,360</u>	<u>\$1,571,619</u>	<u>\$1,641,481</u>
154. Sub Total	\$2,764,144	\$2,672,095	\$3,083,238	\$3,424,195
Net Difference	\$ 2,198	\$ 515,112	\$ 492,245	\$ 567,955**

\*Includes Legislative tax override, 1983-84 \$276,650, 1984-85 to present \$506,650 and State Indigent levy, 1983-84 \$38,948, 1984-85 \$42,230, and 1985-86 \$42,555 and the new Indigent levy of \$182,380.

\*\*\$182,380 factored out to be comparable to prior year figures.

ATTACHMENT II  
DOUGLAS COUNTY GOVERNMENT

I am writing this report to the Legislature on behalf of the Douglas County Board of Commissioners and the residents of Douglas County, to urge you to carefully review the impact of the current state revenue plan for local government on Douglas County. In making our request of you and other committee members and legislators, we fully recognize the difficult task of attempting to balance the needs of local and state government within the confines of tax reform. We urge you, however, to recognize the inherent limitations of broad and comprehensive distribution formulas in the face of continuing growth and diversification.

Douglas County, by virtue of our physical proximity to Carson City and Reno, has always been impacted by urban development and state policies affecting growth. Since 1970 we have seen our population increase at a faster rate than any other county in the state, increasing from 6,882 to 24,480\*. Unlike some growing areas such as Nye County, our growth has not been associated with a single industrial or mining concern but rather a more stable housing demand primarily generated by employment in surrounding entities. We believe that the current state thrust towards economic development will result in a continued population growth

\* College of Business Administration - UNR

that by state estimates will have Douglas County passing Carson City as the third most populous county by the year 2000 with a resident population of 46,260. As such, Douglas County must be viewed as playing a critical, if not pivotal, role in the state's plans for continued economic growth.

This unprecedented growth has brought Douglas County to a critical point in its development and ability to plan for the future. When reviewing our proposed 1985-86 fiscal year budget, the impact of the current tax reform program has become quite obvious in the General Fund. The General Fund supports over 80% of all county programs and personnel. These are supported by the numerous revenues collected in the General Fund.

In all, the General Fund is comprised of 25 departments, divided into five separate functional categories of expenditures:

Administrative, Community Development, Judicial, Public Safety and General Services. Administrative activities are categorized as those elected and appointive functions which provide overall legislative, revenue and administrative services to support all county functions. The departments included in the category are the Assessor, Auditor Recorder, Clerk Treasurer, County Commissioners and County Manager. Some departments, such as the Clerk Treasurer and Assessor, provide full property appraisal, tax collections and special assessment billing services which

tax collections and special assessment billing services which benefit the School District and other political subdivisions within the county. This is especially important to note as the county is not the primary benefactor of these services, but still must bear the full cost of these services. In addition to property appraisal services, the Assessor administers motor vehicle registration for the State.

The Clerk Treasurer's office also handles elections, general fee collections, County Commission records keeping and court clerking for the District Courts. The Auditor Recorder provides document recording, claims payment and auditing, payroll and other financial services in support of the county and towns. The County Commissioners serve in a legislative and policy making capacity while the County Manager is responsible for policy implementation, special studies and serves as the County budget officer.

Public Works is an umbrella organization which coordinates the building permit, building inspection, planning, engineering, water monitoring, Regional Transportation, and Ridgeview Water System activities of Douglas County. In short, all development related activities are combined so as to facilitate the development process. This department also provides special support to the Board of Commissioners in matters pertaining to the TRPA, grant review and administration and a whole host of other items that may require review.

The District Attorney, District Courts I & II, Juvenile Probation, Public Defender, Bailiff, Tahoe and East Fork Constables and East Fork and Tahoe Justice Courts comprise the Judicial functions of Douglas County. The District Attorney serves as the county's chief prosecutor as well as legal advisor to the Board of Commissioners. This office also handles all civil matters pertaining to the county. Arraignments are handled by the Justice Courts and they are the courts of lower jurisdictions in criminal and civil matters. The District Courts handle all other criminal cases. The bailiff's activities are in support of the District Court while the constables serve papers and provide support to the Justice Courts. Public Defender services are contracted with the State of Nevada. Juvenile Probation functions under the jurisdiction of the District Courts and is responsible for all juvenile matters in the county. All of these activities are judicial in nature and comprise the state and local court system in Douglas County.

The Public Safety functional grouping is made up of Animal Control, Emergency Operations and the Sheriff. The Sheriff is responsible for all law enforcement, criminal investigations, and corrections activities in Douglas County. This department is the largest department in the County with major facilities at Lake Tahoe and in Minden. Animal Control is responsible for enforcing Douglas County ordinance regulating domestic animals county wide,

while Emergency Operations provides general planning and emergency management services.

The General Services functional grouping incorporates six different departments which provide a wide range of technical and financial support to all County departments. Building Maintenance is responsible for the maintenance of the county's buildings and custodial services to all departments. Data Processing provides word processing and computer support to all user departments, while central purchasing services are provided by the Purchasing Department. Records Management coordinates county microfilming. The Personnel Department is responsible for all matters pertaining to recruitment, training, group insurance, administration and personnel programs. The Support Services Department encompasses the mail clerk, central copy and the Lake Tahoe office representing several functions of the county. This department budget also includes all activities not specifically assigned to other departments such as radio maintenance. A separate Non-Departmental budget provides for contingency, transfers out and designated reserves.

**DIFFERENCE BETWEEN 1985-86 MAXIMUM ALLOWED REVENUE**

**AND**

**1985-86 ALLOWED SCCRT AND BASIC AD VALOREM**

- 1. Counties Only**
- 2. All Juriscictions**

**Robert Jasper  
Washoe County  
Department of Budget and Anlaysis**



COUNTIES ONLY

WASHOE COUNTY DBA, 9/18/85

ENTITY	(1) 85-86 MAXIMUM COMBINED ALLOWED REVENUE	(2) 85-86 ALLOWED SCCRT AND BASIC AD VALOREM	(3) 1 Minus 2 \$	(4) 2 OF 1 %
	-----	-----	-----	-----
CARSON CITY	6,377,118	4,789,364	1,587,754	75%
CHURCHILL CO	1,542,689	1,166,522	376,167	76%
CLARK COUNTY	74,782,916	64,089,956	10,692,960	86%
DOUGLAS CO	3,809,770	3,199,259	610,511	84%
ELKO COUNTY	2,076,481	2,012,362	64,119	97%
ESMERALDA CO	752,538	752,538	0	100%
EUREKA CO	1,004,970	954,347	50,623	95%
HUMBOLDT CO	2,377,465	2,005,805	371,659	84%
LANDER CO	1,308,944	1,047,984	260,960	80%
LINCOLN CO	724,392	533,547	190,845	74%
LYON COUNTY	3,997,071	3,028,979	968,092	76%
MINERAL CO	1,543,672	1,541,135	2,537	100%
NYE COUNTY	3,638,435	3,638,435	0	100%
PERSHING CO	980,235	980,235	0	100%
STOREY CO	897,071	769,597	127,474	86%
WASHOE CO	48,587,504	38,127,559	10,459,945	78%
WHT PINE CO	1,206,291	967,898	238,392	80%
GRAND TOTAL	=====	=====	=====	=====
	155,607,561	129,605,523	26,002,038	83%
	=====	=====	=====	=====
		STANDARD DEVIATION:		10%

ALL JURISDICTIONS

WASHOE COUNTY DBA, 9/18/85

ENTITY	(1) 85-86 MAXIMUM COMBINED ALLOWED REVENUE	(2) 85-86 ALLOWED SCCRT AND BASIC AD VALOREM	(3) 1 Minus 2 \$	(4) 2 OF 1 %
	-----	-----	-----	-----
CARSON CITY	6,377,118	4,789,364	1,587,754	75%
CARSON WATER	20,179	17,414	2,765	86%
CARSON TRUCK	11,434	8,691	2,743	76%
SIERRA FF CC	75,581	75,581	0	100%
TOTAL CC*	6,484,312	4,891,049	1,593,263	75%
CHURCHILL CO	1,542,689	1,166,522	376,167	76%
FALLON	408,340	319,913	88,427	78%
CRS TRUCK CH	3,273	2,558	716	78%
CHRUCHILL MOSQ	139,027	139,027	0	100%
TOTAL CH*	2,093,330	1,628,020	465,310	78%
CLARK COUNTY	74,782,916	64,089,956	10,692,960	86%
BOULDER CITY	1,036,283	822,778	213,505	79%
HENDERSON	2,883,062	2,354,177	528,885	82%
LAS VEGAS	27,831,267	22,428,278	5,402,990	81%
MESQUITE	247,922	247,922	0	100%
N LAS VEGAS	2,163,421	1,718,084	445,337	79%
BUNKERVILLE	32,892	23,865	9,027	73%
E LAS VEGAS	77,867	77,867	0	100%
LAUGHLIN	98,569	96,928	1,641	98%
MOAPA VALLEY	121,418	121,418	0	100%
PARADISE	15,243,533	13,682,794	1,560,738	90%
SEARCHLIGHT	89,995	89,995	0	100%
SPRING VALLEY	90,326	90,326	0	100%
SUNRISE MNR	1,201,490	1,038,165	163,325	86%
WINCHESTER	5,252,863	4,633,127	619,736	88%
BOULDER LBR	160,598	149,218	11,380	93%
HNDRSN LIBRY	183,540	169,625	13,916	92%
MPA VLY FIRE	83,950	83,950	0	100%
CLK CO FIRE	10,521,000	10,317,694	203,306	98%
MT CHAS FIRE	82,205	78,102	4,103	95%
LV/CLK LIBRY	4,854,750	4,854,750	0	100%
TOTAL CL*	147,039,866	127,169,018	19,870,848	86%
DOUGLAS CO	3,809,770	3,199,259	610,511	84%
GARDNERVILLE	147,437	143,020	4,416	97%
GENOA	4,604	4,311	293	94%
MINDEN	116,583	106,432	10,152	91%
CRS TRUCK DO	11,785	9,513	2,272	81%
CRS WATER DO	20,286	8,702	11,584	43%

CAVE ROCK	6,213	5,189	1,025	84%
DO CO MSQT	59,469	54,799	4,670	92%
ELK PNT SANI	4,651	4,195	456	90%
EST FRK FIRE	538,078	473,306	64,772	88%
GRDN RANCHOS	256,900	233,519	23,381	91%
INDIAN HILLS	95,707	93,582	2,125	98%
KINGSBURY	240,527	223,655	16,872	93%
LAKERIDGE	7,783	7,783	0	100%
LOGAN CREEK	3,576	3,576	0	100%
MARLA BAY	22,691	19,033	3,658	84%
MND/GDNV SAN	94,541	88,596	5,945	94%
OLIVER PARK	14,192	13,697	494	97%
ROUND HILL	254,882	140,865	114,017	55%
SKYLAND	33,751	26,240	7,511	78%
TH DO FIRE	2,159,393	2,121,604	37,789	98%
TH DO SEWER	228,385	226,702	1,683	99%
TOPAZ RANCH	38,354	35,449	2,905	92%
ZEPHYR COVE	10,146	9,863	282	97%
ZEPHYR HGHT	49,002	49,002	0	100%
ZEPHYR KNDLLS	1,820	1,272	548	70%
SIERRA FF DO	132,406	132,406	0	100%
<hr/>				
TOTAL DO*	8,362,932	7,435,571	927,361	89%
<hr/>				
ELKO COUNTY	2,076,481	2,012,362	64,119	97%
CARLIN	111,956	108,989	2,966	97%
ELKO	1,077,797	757,320	320,476	70%
WELLS	136,542	109,124	27,418	80%
JACKPOT	108,953	101,222	7,731	93%
MONTELLLO	3,442	1,998	1,444	58%
MNTN CITY	1,997	1,894	103	95%
WEST WNDVR	146,316	143,556	2,760	98%
ELKO CO/CTY	83,834	59,420	24,414	71%
ELKO TV	53,076	38,539	14,537	73%
<hr/>				
TOTAL EL*	3,800,393	3,334,424	465,969	88%
<hr/>				
ESMERALDA CO	752,538	752,538	0	100%
GOLDFIELD	10,828	9,797	1,031	90%
SIVLER PEAK	5,544	4,761	783	86%
<hr/>				
TOTAL ES*	768,910	767,096	1,814	100%
<hr/>				
EUREKA CO	1,004,970	954,347	50,623	95%
CRESCENT VLY	881	818	63	93%
EUREKA	1,679	1,249	431	74%
DMD VLLY ROD	4,509	3,796	714	84%
DMD VLLY WDD	4,509	4,354	156	97%
EUREKA TV	15,163	10,270	4,893	68%
<hr/>				
TOTAL EU*	1,031,712	974,834	56,878	94%
<hr/>				
HUMBOLDT CO	2,377,465	2,005,805	371,659	84%
WINNEMUCCA	757,062	575,752	181,311	76%
GLCND A FIRE	73,810	64,873	8,936	88%
HMBLDT FIRE	2,315	1,849	465	80%

MCDRMTT FIRE	6,006	3,805	2,201	63
OROVADA CMTR	8,630	5,883	2,747	68
OROVADA FIRE	7,935	4,517	3,418	57
PRDS FIRE	13,337	10,995	2,343	82
FUEBLO FIRE	6,374	4,472	1,902	70
WNN RRL FIRE	43,682	33,969	9,714	78
HUMBOLDT HOSP	400,089	400,089	0	100
TOTAL HU*	3,696,705	3,112,010	584,696	84
LANDER CO	1,308,944	1,047,984	260,960	80
AUSTIN	11,669	8,370	3,299	72
BATTLE MNT	75,694	75,694	0	100
KINGSTON	5,869	5,869	0	100
LNDR CO SWR	4,083	2,929	1,154	72
LANDER HOSP	394,868	391,283	3,584	99
LANDER CO AIRPR	118,000	118,000	0	100
TOTAL LA*	1,919,127	1,650,129	268,998	86
LINCOLN CO	724,392	533,547	190,845	74
CALIENTE	50,870	50,870	0	100
ALAMO	9,686	9,634	52	99
PANACA	20,763	17,564	3,199	85
PIOCHE	23,377	17,019	6,358	73
PHRNT VLY FI	30,417	20,821	9,596	68
PIOCHE FIRE	19,466	14,955	4,511	77
LN HOSPITAL	104,656	102,974	1,682	98
TOTAL LN*	983,628	767,385	216,242	78
LYON COUNTY	3,997,071	3,028,979	968,092	76
YERINGTON	44,672	26,371	18,301	59
FERNLEY	51,924	50,685	1,239	98
CRS TRUCK LY	3,218	2,442	776	76
CRS WTR LY	6,555	3,351	3,203	51
CMTR LY FIRE	158,454	158,454	0	100
MSN VLY FIRE	35,984	35,118	866	98
WILLOWCREEK GID	1,942	1,785	157	92
SMT VLY FIRE	22,952	22,762	190	99
N LYON FIRE	54,303	53,009	1,294	98
LY HOSPITAL	151,502	149,893	1,609	99
FERNLEY HOSPITA	75,445	75,445	0	100
SLVR SP/STCH HO	57,410	57,410	0	100
STAGECOACH GID	30,000	30,000	(0)	100
MASON VLY MOSQ	34,976	34,976	0	100
TOTAL LY*	4,726,407	3,730,679	995,728	79
MINERAL CO	1,543,672	1,541,135	2,537	100
MN HOSPITAL	188,478	188,478	0	100
TOTAL MN*	1,732,149	1,729,613	2,537	100
NYE COUNTY	3,638,435	3,638,435	0	100
GABBS	101,374	51,524	49,850	51

AMARGOSA	70,754	67,337	3,416	95%
BEATTY	21,635	20,696	939	96%
MANHATTAN	7,387	7,387	0	100%
PAHRUMP	188,398	188,398	0	100%
ROUND MNTN	59,084	56,662	2,421	96%
TONOPAH	175,358	169,173	6,185	96%
NYE HOSPITAL	220,050	217,978	2,072	99%
PAHRUMP SWIM	15,204	15,204	0	100%
PAHRUMP LIBR	47,816	47,816	0	100%
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TOTAL NY*	4,545,494	4,480,610	64,883	99%
PERSHING CO	980,235	980,235	0	100%
LOVELOCK	60,829	60,563	266	100%
PE HOSPITAL	216,098	216,098	0	100%
	-----	-----	-----	-----
TOTAL PE*	1,257,162	1,256,896	266	100%
STOREY CO	897,071	769,597	127,474	86%
CRS TRUCK ST	592	388	204	66%
	-----	-----	-----	-----
TOTAL ST*	897,663	769,985	127,678	86%
WASHOE CO	48,587,504	38,127,559	10,459,945	78%
RENO	13,025,815	8,090,450	4,935,365	62%
RENO RDVLP	66,146	34,304	31,842	52%
RENO INCRMNT	171,541	171,541	0	100%
SPARKS	4,992,416	3,758,358	1,234,059	75%
SPARKS RDVLP	683,374	326,193	357,181	48%
CRS TRUCK WA	96,246	71,771	24,475	75%
CRYSTAL BAY	29,203	24,298	4,906	83%
HORIZON HILL	26,502	21,278	5,224	80%
INCLINE VILL	488,679	460,382	28,297	94%
N LK TH FIRE	1,425,086	1,346,560	78,526	94%
PALOMINO VLY	72,221	70,202	2,018	97%
SUN VLY WTR	66,908	66,908	0	100%
TRK MDW FIRE	3,063,686	2,996,903	66,782	98%
VERDI TV	30,367	24,525	5,843	81%
SIERRA FF WA	590,236	590,236	0	100%
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TOTAL WA*	73,415,932	56,181,468	17,234,463	77%
WHT PINE CO	1,206,291	967,898	238,392	80%
ELY	359,191	235,769	123,422	66%
LUND	9,582	6,888	2,694	72%
MCGILL	48,522	27,832	20,690	57%
RUTH	11,747	11,121	625	95%
WP HOSPITAL	236,976	236,976	0	100%
	-----	-----	-----	-----
TOTAL WP*	1,872,309	1,486,485	385,824	79%
	=====	=====	=====	=====
GRAND TOTAL	264,628,032	221,365,274	43,262,758	84%
	=====	=====	=====	=====

SUMMARY OF TAXES, LICENSES AND PERMITS USED TO  
FINANCE LOCAL GOVERNMENTS IN WASHOE COUNTY - FISCAL YEAR 1985-86

The following provides a brief summary of the taxes, licenses and permits used to finance local governments in Washoe County. The list is not inclusive of all revenues. Specifically service charges, assessments, and fines and forfeits are not included.

SALES AND USE TAX

Washoe County Rate.....	6.	cents
Other Nevada Counties.....	5.75	cents

Breakdown of County Rate:

State General Fund.....	2.	cents
Local School Support Tax.....	1.5	cents
Basic City-County Relief Tax.....	0.5	cents
Supplemental City-County Relief Tax.....	1.75	cents
Citifare - Elderport.....	<u>0.25</u>	cents

TOTAL	6.	cents
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LOCAL SCHOOL SUPPORT TAX

Each county school district receives the proceeds of 1.5 cents sales tax on all taxable sales in the county. This revenue source and property tax proceeds are calculated as part of a basic support formula using the number of pupils so as to determine the school district's share of the state distributive school fund.

BASIC CITY-COUNTY RELIEF TAX

Levy of 1/2 cent of sales tax county-wide. In counties with no cities, county receives all proceeds. In counties with one city, city and county split proceeds based on population. In counties with two or more cities, cities split proceeds based on population and county does not receive a share.

SUPPLEMENTAL CITY-COUNTY RELIEF TAX

Levy of 1.75 cents sales tax deposited in State fund and distributed to counties, cities, and special districts throughout the State by formula. A maximum allowed combined revenue cap (property taxes and SCCRT) was established in 1981 and property taxes were reduced and replaced by SCCRT

revenues. An equal distribution factor was used so as to approximate the same mix of sales and property taxes throughout the state on a county by county basis. Due, in part, to the recession which occurred after the adoption of the SCCRT, few local governments are at their maximum allowed revenue limit (see cap on property taxes).

#### CITIFARE/ELDERPORT

State law allows counties, with voter approval, to levy a 1/4 cent sales tax for mass transit or tourism development. The law was recently amended to also allow a levy for road maintenance. The voters of Washoe County approved a levy for mass transit.

#### PROPERTY TAXES

##### ASSESSED VALUATION

Property tax revenues are derived from applying tax rates to real and personal property at 35% of the taxable valuation. For land, taxable value is defined at its market value if it is being used; i.e. a structure is attached to it or it is used for agriculture. If it is vacant and not being used, it is assessed at its potential value. Building and structures are assessed at their replacement value minus 1.5% depreciation each year for a maximum of 75% depreciation (50 years).

#### OVERLAPPING TAX RATES

The total tax rate for a given area within the county is the sum of all overlapping tax rates for each taxing area. For example, the highest tax rate area in the county is comprised of the following overlapping entities:

<u>JURISDICTION</u>	<u>TAX RATE</u>
State of Nevada	\$0.0200
Washoe County	0.5851
Washoe County School District	0.9679
Carson-Truckee Water Conservancy	0.0006
South Truckee Meadows General Improvement District	1.1551
Truckee Meadows Fire Protection	0.2818
Regional Water Board	0.0050
Truckee Meadows Underground Water Basin	<u>0.0002</u>
TOTAL TAX RATE	<u>\$3.0157</u>

An area that is not part of an incorporated city and is not part of a special district would only have the combined tax rates of the state, county, school district and the Carson-Truckee Water Conservancy, or a total rate of \$1.5736.

#### PROPERTY TAX REVENUE CAP

The County Assessor prepares a property assessment roll which is divided by existing property and new construction. Under the law which adopted the Supplemental City-County Relief Tax, local governments are limited to a maximum increase of 4.5% of property tax revenues derived from existing properties. New construction is exempted from this cap for one fiscal year. In the subsequent year, it becomes part of the existing assessment roll and hence subject to the 4.5% revenue increase limit.

#### FRANCHISE TAXES

Jurisdictions which franchised public utilities prior to 1909 are allowed to levy a franchise tax and keep the proceeds. With the exception of garbage, fire and ambulances, the proceeds for utility franchises issued after 1909 are to be provided to school districts. The law allows in the case of electric light, heat and power franchises a tax of 2% of net profits.

#### OCCUPANCY (HOTEL) TAX

Total levy in Washoe County is 7% on gross rent revenues. Six percent is levied by county/city ordinances and 1% is levied by State statute. Of the 1% levied under State statute, 5/8 of the proceeds remains in the County and 3/8 is provided to the State for tourism development. By statute the money is to be used by the Fair and Recreation Board. In Washoe County the Convention Authority serves as this entity.

#### MOTOR VEHICLE FUEL TAX

- A. 1.25 cents per gallon of gasoline collected statewide and allocated by the following formula: one-fourth in proportion of total area of county to the state; one-fourth in proportion to population; one-fourth in proportion to street miles; one-fourth in proportion to vehicle miles traveled. Proceeds shall be used for construction or maintenance of roads. Proceeds cannot be used for administration.



- B. 1.75 cents per gallon of gasoline collected statewide and distributed back to the county where sale occurred and apportioned between county and city(s) on the basis of assessed value. Proceeds shall be used for construction or maintenance of roads. Proceeds cannot be used for administration.
- C. 4 cents per gallon of gasoline is collected in those counties which have adopted a streets and highways plan and have established a regional transportation commission.

The total Motor Vehicle Fuel Tax levied in Washoe County for local governments is 6 cents.

#### MOTOR VEHICLE PRIVILEGE TAX

This levy is 4 cents of each dollar of valuation of the vehicle as determined by the Department of Motor Vehicle. Valuation is usually determined at 35% of suggested retail price new and depreciated each year. Levy is collected by the Department of Motor Vehicles, placed in a statewide fund and allocated back to the county where the vehicle was registered. Within the county, revenues are apportioned in the same ratio as property taxes in the previous fiscal year.

#### CIGARETTE TAXES

A levy of 15 cents per package of cigarettes is collected statewide and distributed by county in proportion to population. If there are no incorporated cities the county receives all proceeds; if there is one city, proceeds are distributed by population between the county and the city; if there are two or more cities, proceeds are distributed between cities by population and the county does not receive a share.

#### LIQUOR TAX

The tax levy is: \$2.05 per gallon on liquor containing 22% or more alcohol; 75 cents per gallon on liquor 14% to 22% alcohol; 40 cents per gallon on liquor containing 5% to 14% alcohol and 9 cents per gallon of malted liquor. Of this levy, on the tax on liquor containing 22% or more alcohol, the equivalent of 50 cents per gallon is distributed among counties in

proportion to population. As with the cigarette tax, if a county has no cities, the county receives all proceeds; if there is one city, the county and city split proceeds; and if there are two or more cities, the cities divide the proceeds and the county does not get a share.

#### REAL PROPERTY TRANSFER TAX

A levy of 55 cents for each \$500 is imposed on each deed when transferred or conveyed. The proceeds are distributed as follows: in counties where there are no cities, the county receives all proceeds; in counties with one city, the county receives 25% and the county and city split the remainder in proportion to population; in counties with two or more cities, the county receives 25% plus a 2% collection fee and the cities divide the remainder by population.

#### GAMING LICENSE FEES

- A. Annual state license fees based on number of games operated. Proceeds are divided equally among the counties.
- B. Quarterly county license fees based on \$25 per table per month for specified card games; \$50 per table per month for all other card games; and \$10 per month per slot machine. The proceeds are distributed to counties unless licensee is in an incorporated city, then: 25% to county and 75% to city. These fees are set by State statute.
- C. Gaming licenses established by local ordinances. Ordinances specify: \$30 per slot machine per quarter; \$75 per poker table per quarter; \$150 per table for other table games. The proceeds are distributed as follows: to county unless licensee is in a city, then: 25% to county and 75% to city. By 1981 State law, the county may not increase these fees.

#### LICENSES AND PERMITS

Taxes for licenses and permits are levied by city and county ordinances. By statute, total revenues may not increase more than 80% of the Consumer Price Index and factored by population growth from the base year of 1982. Washoe County uses a flat fee of \$48.00 for all business licenses. Reno and Sparks use a sliding scale based on annual gross revenue. For liquor licenses, Washoe County and Reno use flat fees for various types of enterprises; e.g. bar, package sales, cabaret, etc., while Sparks uses a modified sliding scale for certain types of enterprises.

Numerous other types of licenses and permits are issued which generate revenues. Examples include gaming licenses, animal licenses, bicycle licenses, pool permits, and sign permits. The largest sources in Washoe County of this type of revenue are building permits and business licenses.

ATTACHMENT NO. A

ESTIMATED TOTAL 1985-86 LOCAL TAX AND LICENSE/PERMIT REVENUES\*

Sales Tax	\$ 83,670,783.
Property Tax	70,680,182.
Hotel Tax	11,174,914.
Gaming License Fees	7,148,145.
Business License Fees	4,178,600.
Liquor License Fees	552,965.
Building Permits	2,691,435.
Motor Vehicle Privilege Tax	6,978,959.
Fuel Tax	7,746,655.
Franchise Tax	4,572,192.
Cigarette Tax	2,603,193.
Liquor Tax	476,366.
Real Property Transfer Tax	951,120.
Other Licenses and Permits	<u>527,885.</u>
TOTAL	<u>\$203,953,394.</u>

\* Does not include service charges or special assessments.

ATTACHMENT NO. B

ESTIMATED 1985-86 DISTRIBUTION OF  
PROPERTY TAX REVENUES IN WASHOE COUNTY

State of Nevada	\$ 696,392.
Washoe County Schools	33,684,277.
Washoe County	20,372,019.
City of Reno	5,006,202.
City of Sparks	2,344,132.
City Redevelopment Districts	3,042,914.
All Other Special Districts	<u>6,230,638.</u>
TOTAL	<u>\$71,376,574.</u>

ATTACHMENT NO. C

ESTIMATED 1985-86 DISTRIBUTION OF SALES TAX REVENUES  
(BASIC CCRT, SCCRT, SPECIAL RTC 1/4 CENT, LOCAL SCHOOL SUPPORT TAX)

School Support Tax	\$31,000,000.
Washoe County	24,670,716.
City of Reno	12,996,398.
City of Sparks	5,339,534.
Regional Transit Commission	5,658,200.
Special Districts	<u>4,005,935.</u>
TOTAL DISTRIBUTION*	\$83,670,783. <u>=====</u>

WASHOE COUNTY GOVERNMENTS  
1985-86 ESTIMATED REVENUES (TAXES, LICENSES AND PERMITS ONLY)

Washoe County School District:

Property Taxes	\$33,684,277.
Sales Taxes	31,000,000.
Franchise Taxes	147,000.
Motor Vehicle Privilege Tax	<u>2,700,000.</u>
TOTAL	<u>\$67,531,277.</u>

Washoe County:

Property Taxes	\$20,372,019.
Sales Taxes	24,670,716.
Franchise Taxes	65,000.
Motor Vehicle Privilege Tax	2,800,000.
Fuel Tax	1,609,800.
Real Property Transfer Tax	261,120.
Gaming Licenses/Fees	1,479,000.
Licenses and Permits	<u>2,009,380.</u>
TOTAL	<u>\$53,267,035.</u>

City of Reno:

Property Taxes	\$ 5,006,202.
Sales Tax	12,996,398.
Franchise Fees	3,128,240.
Motor Vehicle Privilege Tax	676,200.
Fuel Tax	1,050,000.
Cigarette Tax	1,836,000.
Liquor Tax	336,000.
Real Property Transfer Tax	490,000.
Gaming Licenses/Fees	4,785,000.
Licenses and Permits	<u>4,839,495.</u>
TOTAL	<u>\$35,143,635.</u>

City of Sparks:

Property Taxes	\$ 2,344,132.
Sales Taxes	5,339,534.
Franchise Taxes	1,231,952.
Fuel Tax	386,855.
Cigarette Tax	767,193.
Liquor Tax	140,366.
Real Property Transfer Tax	200,000.
Motor Vehicle Privilege Tax	400,000.
Gaming Licenses/Fees	884,145.
Licenses and Permits	<u>1,541,910.</u>

TOTAL	\$13,236,087. <u>=====</u>
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Regional Transportation District:

Sales Tax	\$ 5,658,200.
Fuel Tax	<u>4,700,000.</u>

TOTAL	\$10,358,200. <u>=====</u>
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Convention Authority:

Room Tax	\$11,174,914. <u>=====</u>
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Special Districts:

Property Taxes	\$6,230,638.
Sales Tax	3,471,180.
Motor Vehicle Privilege Tax	<u>253,422.</u>

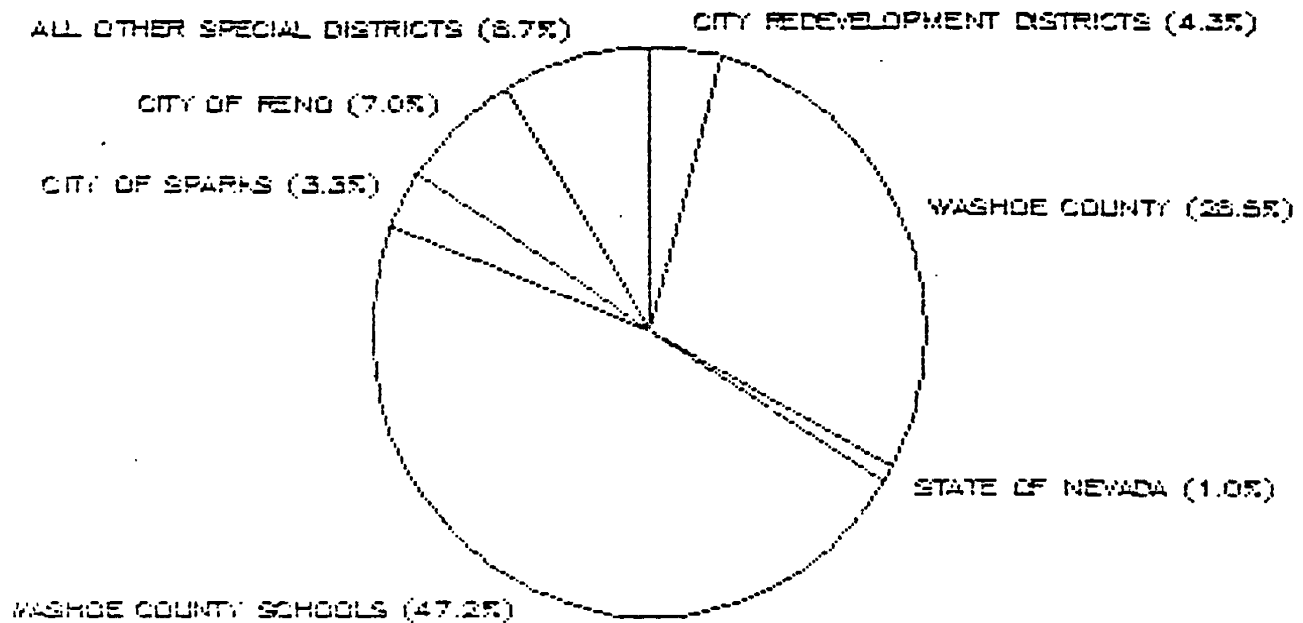
TOTAL	\$9,955,240. <u>=====</u>
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Redevelopment Agencies:

Property Taxes	\$3,042,914.
Sales Taxes	534,755.
Motor Vehicle Privilege Tax	<u>149,337.</u>

TOTAL	\$3,727,006. <u>=====</u>
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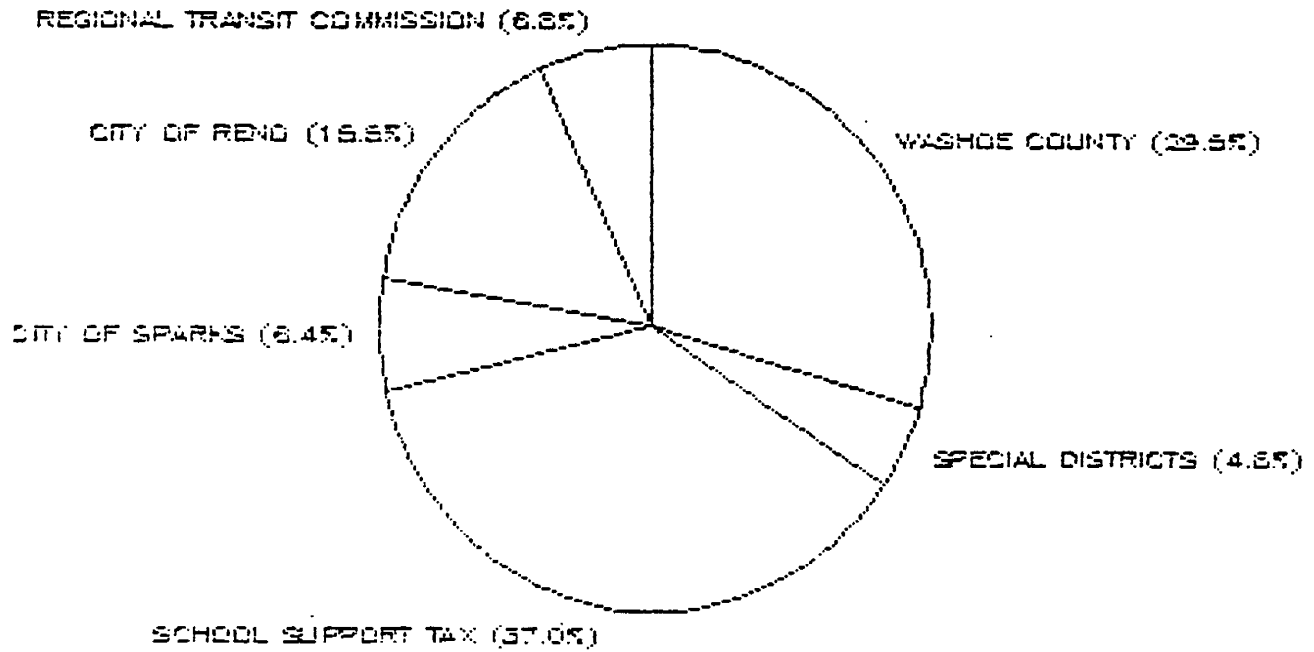
Estimated 1985-86  
Distribution of Property Tax  
Revenues in Washoe County



CITY REDEVELOPMENT DISTRICTS	\$3,042,914
WASHOE COUNTY	\$20,372,019
STATE OF NEVADA	\$696,392
WASHOE COUNTY SCHOOLS	\$33,684,277
CITY OF SPARKS	\$2,344,132
CITY OF RENO	\$5,006,202
ALL OTHER SPECIAL DISTRICTS	\$6,230,638
<b>TOTAL REVENUES</b>	<b>\$71,376,574</b>



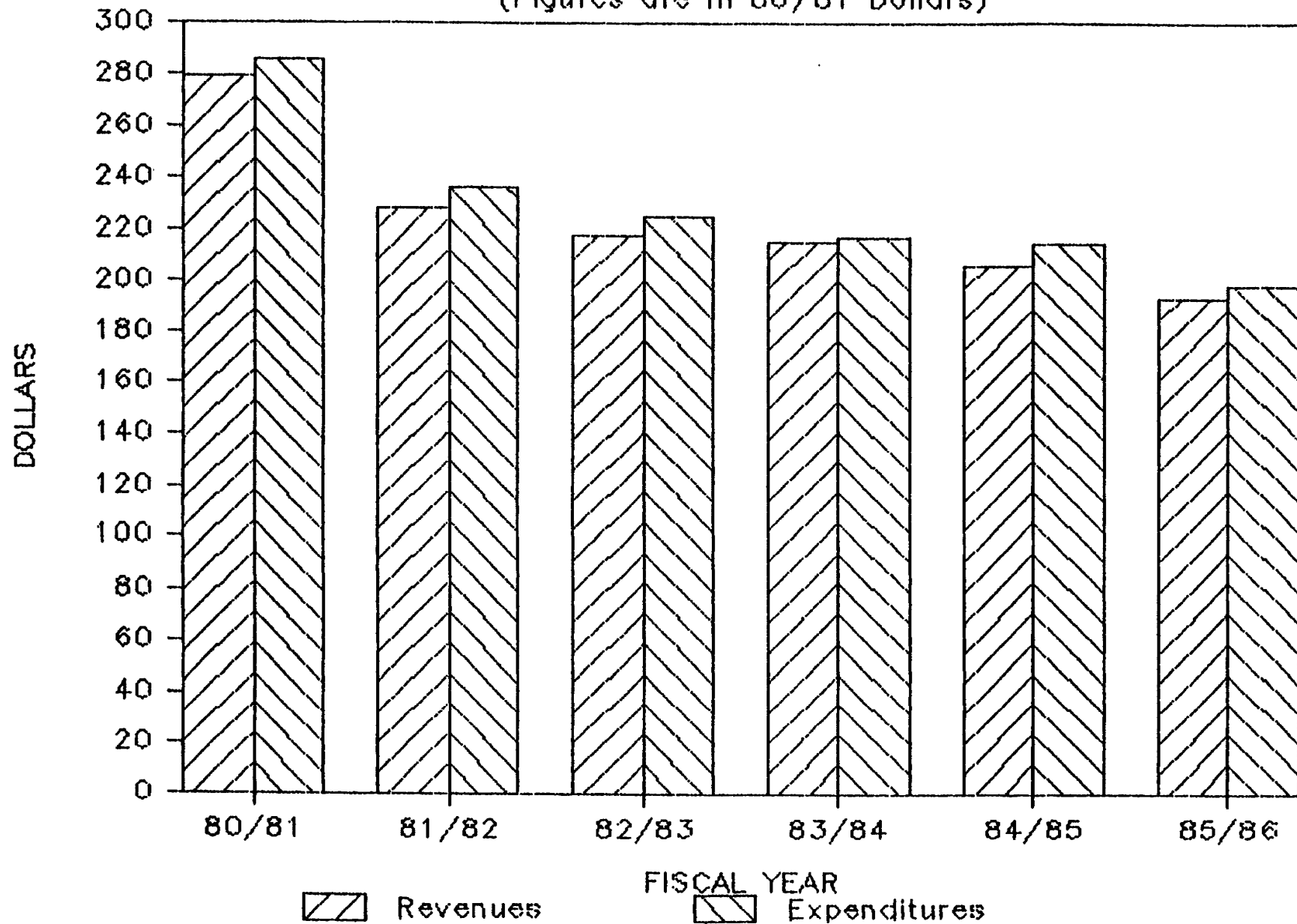
Estimated 1985-86 Distribution of  
Sales Tax Revenues (BASIC CCRT, SCCRT,  
Special RTC 1/4¢, Local School Support Tax)



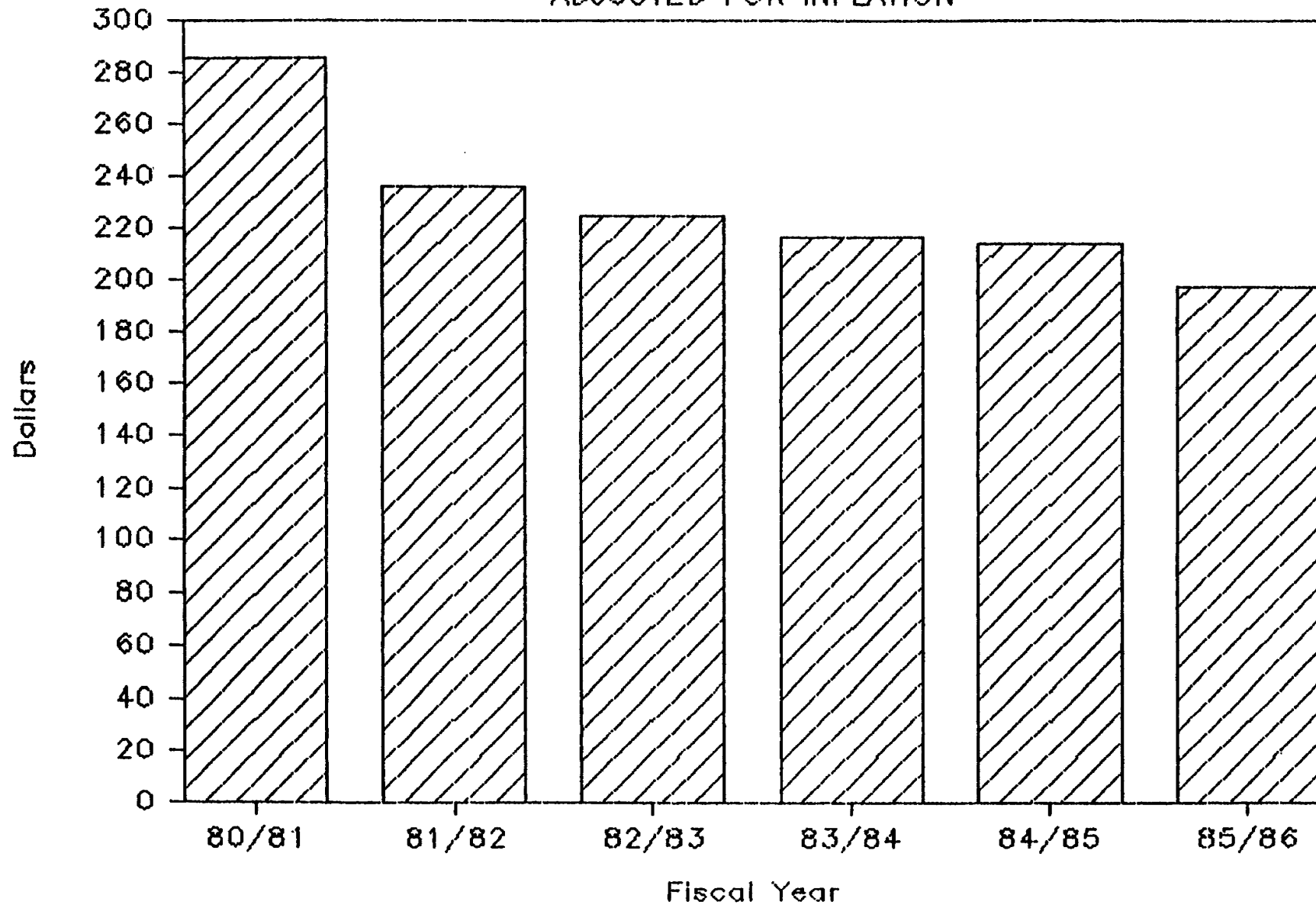
WASHOE COUNTY	\$24,670,716
SPECIAL DISTRICTS	\$4,005,935
SCHOOL SUPPORT TAX	\$31,000,000
CITY OF SPARKS	\$5,339,534
CITY OF RENO	\$12,996,398
REGIONAL TRANSIT COMMISSION	\$5,658,200
<b>TOTAL DISTRIBUTION</b>	<b>\$83,670,783</b>

# PER PERSON REVENUES & EXPENDITURES

(Figures are in 80/81 Dollars)

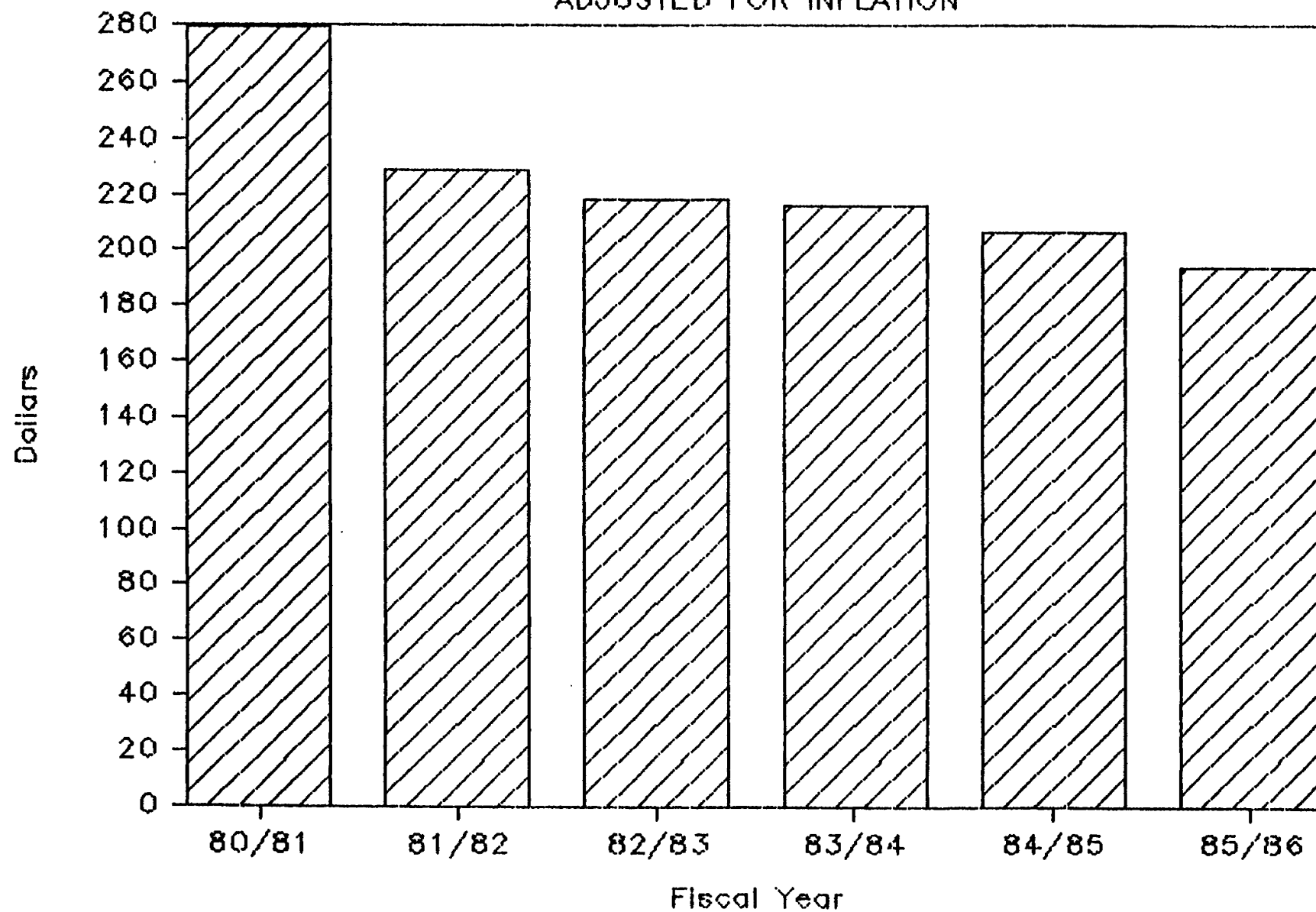


# EXPENDITURES PER PERSON ADJUSTED FOR INFLATION



# PER PERSON REVENUES

## ADJUSTED FOR INFLATION



#1

SUMMARY OF TAXES, LICENSES AND PERMITS USED TO  
FINANCE LOCAL GOVERNMENTS IN WASHOE COUNTY - FISCAL YEAR 1985-86

The following provides a brief summary of the taxes, licenses and permits used to finance local governments in Washoe County. The list is not inclusive of all revenues. Specifically service charges, assessments, and fines and forfeits are not included.

SALES AND USE TAX

Washoe County Rate.....6. cents  
Other Nevada Counties.....5.75 cents

Breakdown of County Rate:

State General Fund.....2. cents  
Local School Support Tax.....1.5 cents  
Basic City-County Relief Tax.....0.5 cents  
Supplemental City-County Relief Tax.....1.75 cents  
Citifare - Elderport.....0.25 cents

TOTAL                      6. cents

LOCAL SCHOOL SUPPORT TAX.

Each county school district receives the proceeds of 1.5 cents sales tax on all taxable sales in the county. This revenue source and property tax proceeds are calculated as part of a basic support formula using the number of pupils so as to determine the school district's share of the state distributive school fund.

BASIC CITY-COUNTY RELIEF TAX

Levy of 1/2 cent of sales tax county-wide. In counties with no cities, county receives all proceeds. In counties with one city, city and county split proceeds based on population. In counties with two or more cities, cities split proceeds based on population and county does not receive a share.

SUPPLEMENTAL CITY-COUNTY RELIEF TAX

Levy of 1.75 cents sales tax deposited in State fund and distributed to counties, cities, and special districts throughout the State by formula. A maximum allowed combined revenue cap (property taxes and SCORT) was established in 1981 and property taxes were reduced and replaced by SCORT

revenues. An equal distribution factor was used so as to approximate the same mix of sales and property taxes throughout the state on a county by county basis. Due, in part, to the recession which occurred after the adoption of the SCCRT, few local governments are at their maximum allowed revenue limit (see cap on property taxes).

#### CITIFARE/ELDERPORT

State law allows counties, with voter approval, to levy a 1/4 cent sales tax for mass transit or tourism development. The law was recently amended to also allow a levy for road maintenance. The voters of Washoe County approved a levy for mass transit.

#### PROPERTY TAXES

##### ASSESSED VALUATION

Property tax revenues are derived from applying tax rates to real and personal property at 35% of the taxable valuation. For land, taxable value is defined at its market value if it is being used; i.e. a structure is attached to it or it is used for agriculture. If it is vacant and not being used, it is assessed at its potential value. Building and structures are assessed at their replacement value minus 1.5% depreciation each year for a maximum of 75% depreciation (50 years).

#### OVERLAPPING TAX RATES

The total tax rate for a given area within the county is the sum of all overlapping tax rates for each taxing area. For example, the highest tax rate area in the county is comprised of the following overlapping entities:

<u>JURISDICTION</u>	<u>TAX RATE</u>
State of Nevada	\$0.0200
Washoe County	0.5851
Washoe County School District	0.9679
Carson-Truckee Water Conservancy	0.0006
South Truckee Meadows General Improvement District	1.1551
Truckee Meadows Fire Protection	0.2818
Regional Water Board	0.0050
Truckee Meadows Underground Water Basin	<u>0.0002</u>
TOTAL TAX RATE	<u>\$3.0157</u>

An area that is not part of an incorporated city and is not part of a special district would only have the combined tax rates of the state, county, school district and the Carson-Truckee Water Conservancy, or a total rate of \$1.5736.

#### PROPERTY TAX REVENUE CAP

The County Assessor prepares a property assessment roll which is divided by existing property and new construction. Under the law which adopted the Supplemental City-County Relief Tax, local governments are limited to a maximum increase of 4.5% of property tax revenues derived from existing properties. New construction is exempted from this cap for one fiscal year. In the subsequent year, it becomes part of the existing assessment roll and hence subject to the 4.5% revenue increase limit.

#### FRANCHISE TAXES

Jurisdictions which franchised public utilities prior to 1909 are allowed to levy a franchise tax and keep the proceeds. With the exception of garbage, fire and ambulances, the proceeds for utility franchises issued after 1909 are to be provided to school districts. The law allows in the case of electric light, heat and power franchises a tax of 2% of net profits.

#### OCCUPANCY (HOTEL) TAX

Total levy in Washoe County is 7% on gross rent revenues. Six percent is levied by county/city ordinances and 1% is levied by State statute. Of the 1% levied under State statute, 5/8 of the proceeds remains in the County and 3/8 is provided to the State for tourism development. By statute the money is to be used by the Fair and Recreation Board. In Washoe County the Convention Authority serves as this entity.

#### MOTOR VEHICLE FUEL TAX

- A. 1.25 cents per gallon of gasoline collected statewide and allocated by the following formula: one-fourth in proportion of total area of county to the state; one-fourth in proportion to population; one-fourth in proportion to street miles; one-fourth in proportion to vehicle miles traveled. Proceeds shall be used for consturction or maintenance of roads. Proceeds cannot be used for administration.

- B. 1.75 cents per gallon of gasoline collected statewide and distributed back to the county where sale occurred and apportioned between county and city(s) on the basis of assessed value. Proceeds shall be used for construction or maintenance of roads. Proceeds cannot be used for administration.
- C. 4 cents per gallon of gasoline is collected in those counties which have adopted a streets and highways plan and have established a regional transportation commission.

The total Motor Vehicle Fuel Tax levied in Washoe County for local governments is 6 cents.

#### MOTOR VEHICLE PRIVILEGE TAX

This levy is 4 cents of each dollar of valuation of the vehicle as determined by the Department of Motor Vehicle. Valuation is usually determined at 35% of suggested retail price new and depreciated each year. Levy is collected by the Department of Motor Vehicles, placed in a statewide fund and allocated back to the county where the vehicle was registered. Within the county, revenues are apportioned in the same ratio as property taxes in the previous fiscal year.

#### CIGARETTE TAXES

A levy of 15 cents per package of cigarettes is collected statewide and distributed by county in proportion to population. If there are no incorporated cities the county receives all proceeds; if there is one city, proceeds are distributed by population between the county and the city; if there are two or more cities, proceeds are distributed between cities by population and the county does not receive a share.

#### LIQUOR TAX

The tax levy is: \$2.05 per gallon on liquor containing 22% or more alcohol; 75 cents per gallon on liquor 14% to 22% alcohol; 40 cents per gallon on liquor containing 5% to 14% alcohol and 9 cents per gallon of malted liquor. Of this levy, on the tax on liquor containing 22% or more alcohol, the equivalent of 50 cents per gallon is distributed among counties in



proportion to population. As with the cigarette tax, if a county has no cities, the county receives all proceeds; if there is one city, the county and city split proceeds; and if there are two or more cities, the cities divide the proceeds and the county does not get a share.

#### REAL PROPERTY TRANSFER TAX

A levy of 55 cents for each \$500 is imposed on each deed when transferred or conveyed. The proceeds are distributed as follows: in counties where there are no cities, the county receives all proceeds; in counties with one city, the county receives 25% and the county and city split the remainder in proportion to population; in counties with two or more cities, the county receives 25% plus a 2% collection fee and the cities divide the remainder by population.

#### GAMING LICENSE FEES

- A. Annual state license fees based on number of games operated. Proceeds are divided equally among the counties.
- B. Quarterly county license fees based on \$25 per table per month for specified card games; \$50 per table per month for all other card games; and \$10 per month per slot machine. The proceeds are distributed to counties unless licensee is in an incorporated city, then: 25% to county and 75% to city. These fees are set by State statute.
- C. Gaming licenses established by local ordinances. Ordinances specify: \$30 per slot machine per quarter; \$75 per poker table per quarter; \$150 per table for other table games. The proceeds are distributed as follows: to county unless licensee is in a city, then: 25% to county and 75% to city. By 1981 State law, the county may not increase these fees.

#### LICENSES AND PERMITS

Taxes for licenses and permits are levied by city and county ordinances. By statute, total revenues may not increase more than 80% of the Consumer Price Index and factored by population growth from the base year of 1982. Washoe County uses a flat fee of \$48.00 for all business licenses. Reno and Sparks use a sliding scale based on annual gross revenue. For liquor licenses, Washoe County and Reno use flat fees for various types of enterprises; e.g. bar, package sales, cabaret, etc., while Sparks uses a modified sliding scale for certain types of enterprises.

Numerous other types of licenses and permits are issued which generate revenues. Examples include gaming licenses, animal licenses, bicycle licenses, pool permits, and sign permits. The largest sources in Washoe County of this type of revenue are building permits and business licenses.

ATTACHMENT NO. A

ESTIMATED TOTAL 1985-86 LOCAL TAX AND LICENSE/PERMIT REVENUES\*

Sales Tax	\$ 83,670,783.
Property Tax	70,680,182.
Hotel Tax	11,174,914.
Gaming License Fees	7,148,145.
Business License Fees	4,178,600.
Liquor License Fees	552,965.
Building Permits	2,691,435.
Motor Vehicle Privilege Tax	6,978,959.
Fuel Tax	7,746,655.
Franchise Tax	4,572,192.
Cigarette Tax	2,603,193.
Liquor Tax	476,366.
Real Property Transfer Tax	951,120.
Other Licenses and Permits	<u>527,885.</u>
TOTAL	<u>\$203,953,394.</u> =====

\* Does not include service charges or special assessments.

ATTACHMENT NO. B

ESTIMATED 1985-86 DISTRIBUTION OF  
PROPERTY TAX REVENUES IN WASHOE COUNTY

State of Nevada	\$ 696,392.
Washoe County Schools	33,684,277.
Washoe County	20,372,019.
City of Reno	5,006,202.
City of Sparks	2,344,132.
City Redevelopment Districts	3,042,914.
All Other Special Districts	<u>6,230,638.</u>
TOTAL	<u>\$71,376,574.</u>

ATTACHMENT NO. C

ESTIMATED 1985-86 DISTRIBUTION OF SALES TAX REVENUES  
(BASIC CCRT, SCCRT, SPECIAL RTC 1/4 CENT, LOCAL SCHOOL SUPPORT TAX)

School Support Tax	\$31,000,000.
Washoe County	24,670,716.
City of Reno	12,996,398.
City of Sparks	5,339,534.
Regional Transit Commission	5,658,200.
Special Districts	<u>4,005,935.</u>
TOTAL DISTRIBUTION*	<u>\$83,670,783.</u> =====

WASHOE COUNTY GOVERNMENTS  
1985-86 ESTIMATED REVENUES (TAXES, LICENSES AND PERMITS ONLY)

Washoe County School District:

Property Taxes	\$33,684,277.
Sales Taxes	31,000,000.
Franchise Taxes	147,000.
Motor Vehicle Privilege Tax	<u>2,700,000.</u>
TOTAL	<u>\$67,531,277.</u>

Washoe County:

Property Taxes	\$20,372,019.
Sales Taxes	24,670,716.
Franchise Taxes	65,000.
Motor Vehicle Privilege Tax	2,800,000.
Fuel Tax	1,609,800.
Real Property Transfer Tax	261,120.
Gaming Licenses/Fees	1,479,000.
Licenses and Permits	<u>2,009,380.</u>
TOTAL	<u>\$53,267,035.</u>

City of Reno:

Property Taxes	\$ 5,006,202.
Sales Tax	12,996,398.
Franchise Fees	3,128,240.
Motor Vehicle Privilege Tax	676,200.
Fuel Tax	1,050,000.
Cigarette Tax	1,836,000.
Liquor Tax	336,000.
Real Property Transfer Tax	490,000.
Gaming Licenses/Fees	4,785,000.
Licenses and Permits	<u>4,839,495.</u>
TOTAL	<u>\$35,143,635.</u>

City of Sparks:

Property Taxes	\$ 2,344,132.
Sales Taxes	5,339,534.
Franchise Taxes	1,231,952.
Fuel Tax	386,855.
Cigarette Tax	767,193.
Liquor Tax	140,366.
Real Property Transfer Tax	200,000.
Motor Vehicle Privilege Tax	400,000.
Gaming Licenses/Fees	884,145.
Licenses and Permits	<u>1,541,910.</u>
TOTAL	<u>\$13,236,087.</u>

Regional Transportation District:

Sales Tax	\$ 5,658,200.
Fuel Tax	<u>4,700,000.</u>
TOTAL	<u>\$10,358,200.</u>

Convention Authority:

Room Tax	<u>\$11,174,914.</u>
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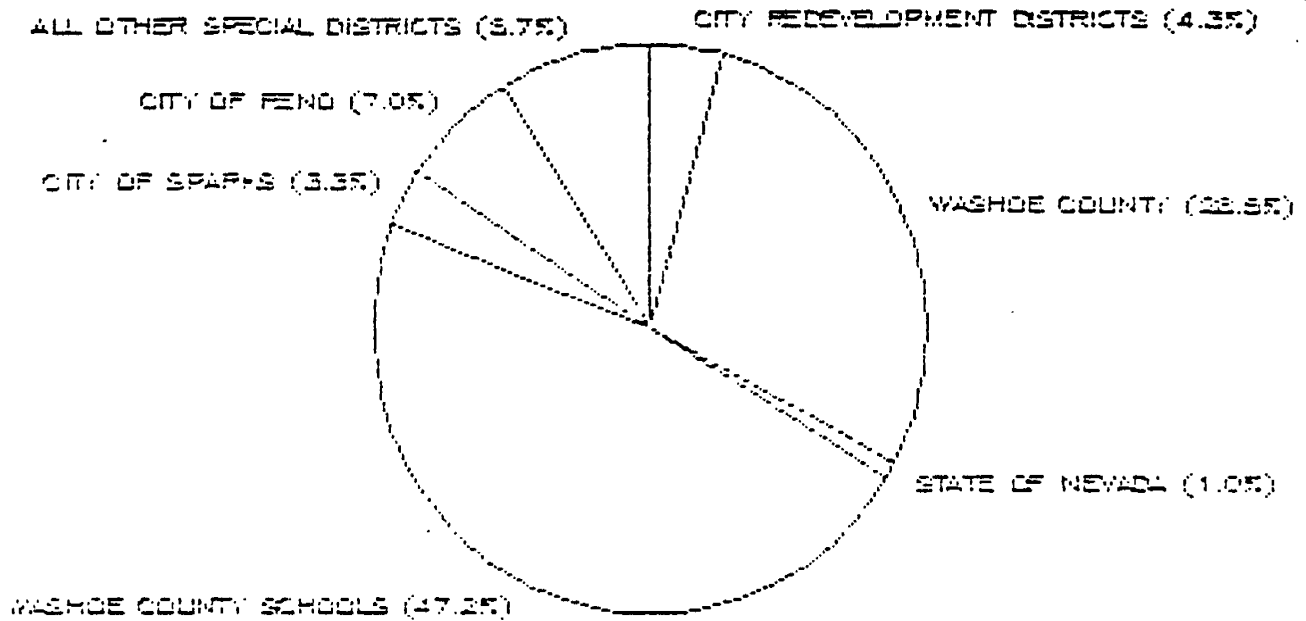
Special Districts:

Property Taxes	\$6,230,638.
Sales Tax	3,471,180.
Motor Vehicle Privilege Tax	<u>253,422.</u>
TOTAL.	<u>\$9,955,240.</u>

Redevelopment Agencies:

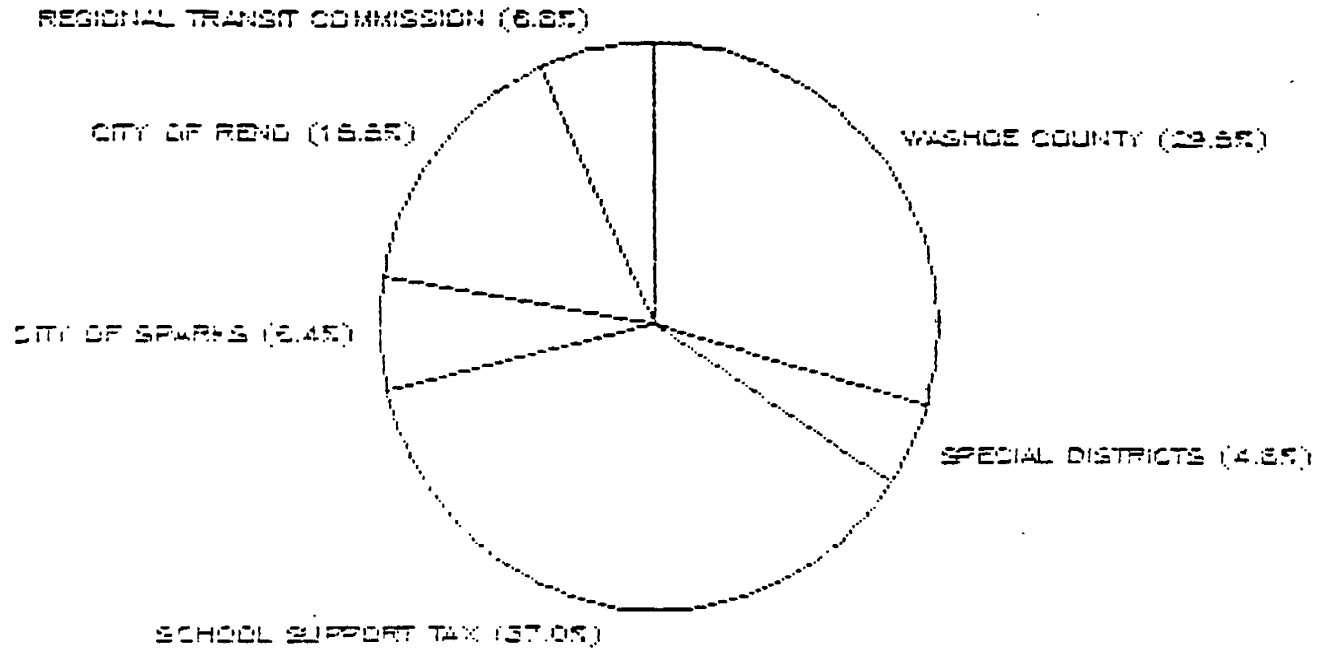
Property Taxes	\$3,042,914.
Sales Taxes	534,755.
Motor Vehicle Privilege Tax	<u>149,337.</u>
TOTAL	<u>\$3,727,006.</u>

Estimated 1985-86  
Distribution of Property Tax  
Revenues in Washoe County



CITY REDEVELOPMENT DISTRICTS	\$3,042,914
WASHOE COUNTY	\$20,372,019
STATE OF NEVADA	\$696,392
WASHOE COUNTY SCHOOLS	\$33,684,277
CITY OF SPARKS	\$2,344,132
CITY OF RENO	\$5,006,202
ALL OTHER SPECIAL DISTRICTS	\$6,230,638
<b>TOTAL REVENUES</b>	<b>\$71,376,574</b>

Estimated 1985-86 Distribution of  
Sales Tax Revenues (BASIC CCRT, SCCRT,  
Special RTC 1/4¢, Local School Support Tax)



WASHOE COUNTY	\$24,670,716
SPECIAL DISTRICTS	\$4,005,935
SCHOOL SUPPORT TAX	\$31,000,000
CITY OF SPARKS	\$5,339,534
CITY OF RENO	\$12,996,358
REGIONAL TRANSIT COMMISSION	\$5,658,200
<b>TOTAL DISTRIBUTION</b>	<b>\$83,670,783</b>



DIFFERENCE BETWEEN 1985-86 MAXIMUM ALLOWED REVENUE

AND

1985-86 ALLOWED SCCRT AND BASIC AD VALOREM

1. Counties Only
2. All Juriscictions

Robert Jasper  
Washoe County  
Department of Budget and Anlaysis

WASHOE COUNTY DBA, 9/18/85

ENTITY	(1) 85-86 MAXIMUM COMBINED ALLOWED REVENUE	(2) 85-86 ALLOWED SCCRT AND BASIC AD VALOREM	(3) 1 Minus 2 \$	(4) 2 OF 1 %
	-----	-----	-----	-----
CARSON CITY	6,377,118	4,789,364	1,587,754	75%
CHURCHILL CO	1,542,689	1,166,522	376,167	76%
CLARK COUNTY	74,762,916	64,089,956	10,692,960	86%
DOUGLAS CO	3,809,770	3,199,259	610,511	84%
ELKO COUNTY	2,076,481	2,012,362	64,119	97%
ESMERALDA CO	752,533	752,536	0	100%
EUREKA CO	1,004,970	954,347	50,623	95%
HUMBOLDT CO	2,377,465	2,005,805	371,659	84%
LANDER CO	1,308,944	1,047,984	260,960	80%
LINCOLN CO	724,392	533,547	190,845	74%
LYON COUNTY	3,997,071	3,028,979	968,092	76%
MINERAL CO	1,543,672	1,541,135	2,537	100%
NYE COUNTY	3,638,435	3,638,435	0	100%
PERSHING CO	980,235	980,235	0	100%
STOREY CO	897,071	769,597	127,474	86%
WASHOE CO	48,587,504	38,127,559	10,459,945	78%
WHT FINE CO	1,206,291	967,898	238,392	80%
GRAND TOTAL	=====	=====	=====	=====
	155,607,561	129,605,523	26,002,038	83%
	=====	=====	=====	=====
		STANDARD DEVIATION:		10%

WASHOE COUNTY DBA, 9/18/85

ENTITY	(1) 85-86 MAXIMUM COMBINED ALLOWED REVENUE	(2) 85-86 ALLOWED SCCRT AND BASIC AD VALOREM	(3) 1 Minus 2 \$	(4) 2 OF 1 %
CARSON CITY	6,377,118	4,789,364	1,587,754	75%
CARSON WATER	20,179	17,414	2,765	86%
CARSON TRUCK	11,434	8,691	2,743	76%
SIERRA FF CO	75,581	75,581	0	100%
TOTAL CC*	6,484,312	4,891,049	1,593,263	75%
CHURCHILL CO	1,542,689	1,166,522	376,167	76%
FALLON	408,340	319,913	88,427	78%
CRS TRUCK CH	3,273	2,558	716	78%
CHURCHILL HOSE	139,027	139,027	0	100%
TOTAL CH*	2,093,330	1,628,020	465,310	78%
CLARK COUNTY	74,782,916	64,089,956	10,692,960	86%
BOULDER CITY	1,036,283	822,778	213,505	79%
HENDERSON	2,883,062	2,354,177	528,885	82%
LAS VEGAS	27,931,267	22,428,379	5,402,990	81%
MESQUITE	247,922	247,922	0	100%
N LAS VEGAS	2,163,421	1,718,084	445,337	79%
BUNKERVILLE	32,892	23,865	9,027	73%
E LAS VEGAS	77,867	77,867	0	100%
LAUGHLIN	98,569	96,928	1,641	98%
MOAPA VALLEY	121,418	121,418	0	100%
PARADISE	15,243,533	13,682,794	1,560,738	90%
SEARCHLIGHT	89,995	89,995	0	100%
SPRING VALLEY	90,326	90,326	0	100%
SUNRISE MNR	1,201,490	1,038,165	163,325	86%
WINCHESTER	5,252,863	4,633,127	619,736	88%
BOULDER LBR	160,598	149,218	11,380	93%
HNDRSN LIBRY	183,540	169,625	13,916	92%
MPA VLY FIRE	83,950	83,950	0	100%
CLK CO FIRE	10,521,000	10,317,694	203,306	98%
MT CHAS FIRE	82,205	78,102	4,103	95%
LV/CLK LIBRY	4,854,750	4,854,750	0	100%
TOTAL CL*	147,039,866	127,169,018	19,870,848	86%
DOUGLAS CO	3,809,770	3,199,259	610,511	84%
GARDNERVILLE	147,437	143,020	4,416	97%
GENOA	4,604	4,311	293	94%
MINDEN	116,583	106,432	10,152	91%
CRS TRUCK DO	11,785	9,513	2,272	81%
CRS WATER DO	20,286	8,702	11,584	43%

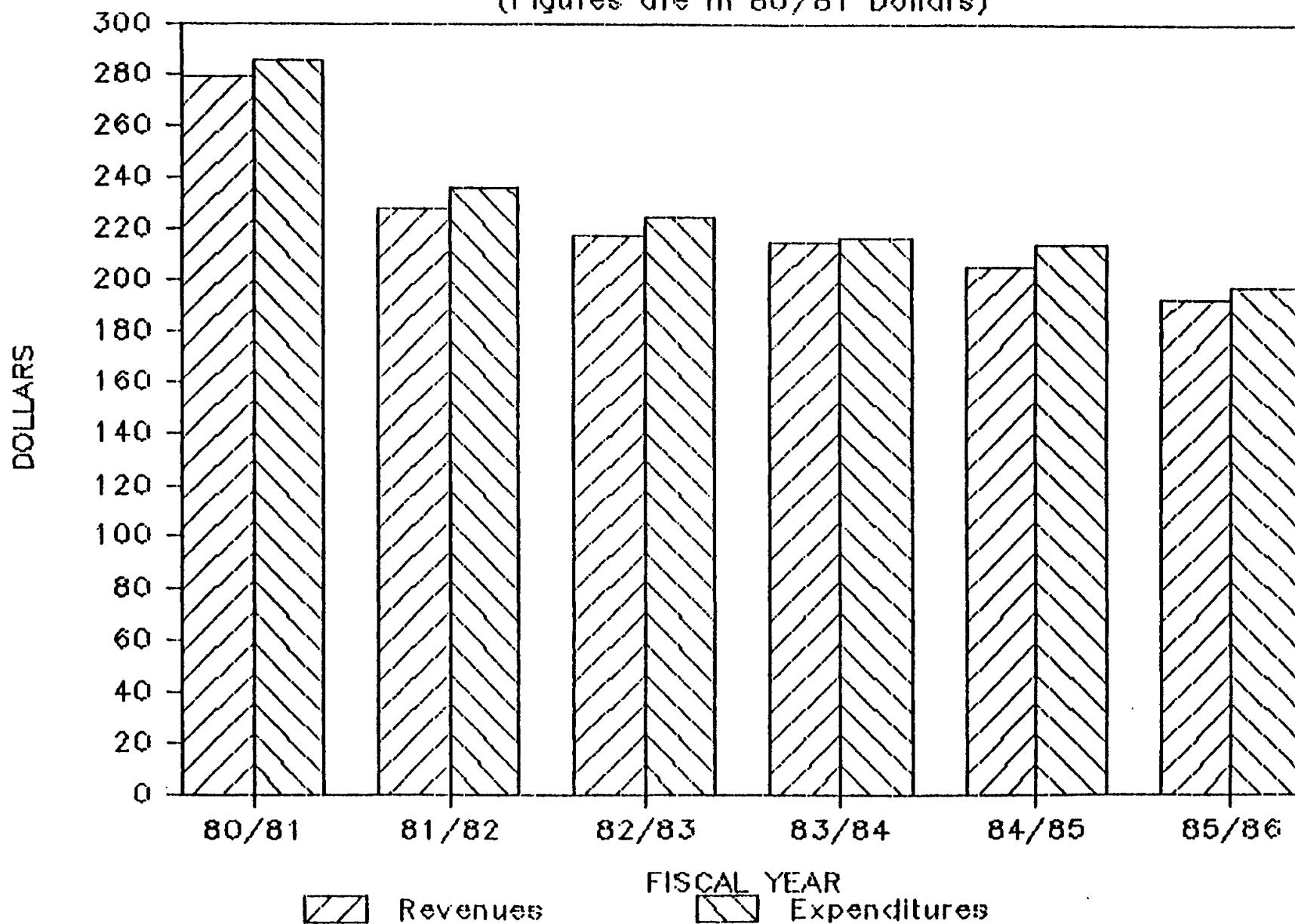
CAVE ROCK	6,213	5,189	1,025	84%
DO CO MSQT	59,469	54,799	4,670	92%
ELK PNT SANI	4,651	4,195	456	90%
EST FRK FIRE	538,078	473,306	64,772	88%
GRDN RANCHOS	256,900	233,519	23,381	91%
INDIAN HILLS	95,707	93,582	2,125	98%
KINGSBURY	240,527	223,655	16,872	93%
LAKERIDGE	7,783	7,783	0	100%
LOGAN CREEK	3,576	3,576	0	100%
MARLA BAY	22,691	19,033	3,658	84%
MND/GDNV SAN	94,541	88,596	5,945	94%
OLIVER PARK	14,192	13,697	494	97%
ROUND HILL	254,882	140,865	114,017	55%
SKYLAND	33,751	26,240	7,511	78%
TH DO FIRE	2,159,393	2,121,804	37,789	98%
TH DO SEWER	228,385	226,702	1,683	99%
TOPAZ RANCH	38,354	35,449	2,905	92%
ZEPHYR COVE	10,146	9,863	282	97%
ZEPHYR HGHT	49,002	49,002	0	100%
ZEPHYR KNOLLS	1,820	1,272	548	70%
SIERRA FF DO	132,406	132,406	0	100%
TOTAL DO*	8,362,932	7,435,571	927,361	89%
ELKO COUNTY	2,076,481	2,012,362	64,119	97%
CARLIN	111,956	108,989	2,966	97%
ELKO	1,077,797	757,320	320,476	70%
WELLS	136,542	109,124	27,418	80%
JACKPOT	108,953	101,222	7,731	93%
MONTELLLO	3,442	1,998	1,444	58%
MNTN CITY	1,997	1,894	103	95%
WEST WNDVR	146,316	143,556	2,760	98%
ELKO CO/CTY	83,834	59,420	24,414	71%
ELKO TV	53,076	38,539	14,537	73%
TOTAL EL*	3,800,393	3,334,424	465,969	88%
ESMERALDA CO	752,538	752,538	0	100%
GOLDFIELD	10,828	9,797	1,031	90%
SIVLER PEAK	5,544	4,761	783	86%
TOTAL ES*	768,910	767,096	1,814	100%
EUREKA CO	1,004,970	954,347	50,623	95%
CRESCENT VLY	881	818	63	93%
EUREKA	1,679	1,249	431	74%
DMD VLLY ROD	4,509	3,796	714	84%
DMD VLLY WDD	4,509	4,354	156	97%
EUREKA TV	15,163	10,270	4,893	68%
TOTAL EU*	1,031,712	974,834	56,878	94%
HUMBOLDT CO	2,377,465	2,005,805	371,659	84%
WINNEMUCCA	757,062	575,752	181,311	76%
GLONDA FIRE	73,810	64,873	8,936	88%
HMBLDT FIRE	2,315	1,849	465	80%

MCDRMTT FIRE	6,006	3,805	2,201	63%
OROVADA CMTR	8,630	5,883	2,747	68%
OROVADA FIRE	7,935	4,517	3,418	57%
PRDS FIRE	13,337	10,995	2,343	82%
PUEBLO FIRE	6,374	4,472	1,902	70%
WNN RRL FIRE	43,682	33,969	9,714	78%
HUMBOLDT HOSP	400,089	400,089	0	100%
TOTAL HU*	3,696,705	3,112,010	584,696	84%
LANDER CO	1,308,944	1,047,984	260,960	80%
AUSTIN	11,669	8,370	3,299	72%
BATTLE MNT	75,694	75,694	0	100%
KINGSTON	5,869	5,869	0	100%
LNDR CO SWR	4,083	2,929	1,154	72%
LANDER HOSP	394,868	391,283	3,584	99%
LANDER CO AIRPR	118,000	118,000	0	100%
TOTAL LA*	1,919,127	1,650,129	268,998	86%
LINCOLN CO	734,392	533,547	190,845	74%
CALIENTE	50,870	50,870	0	100%
ALAMO	9,686	9,634	52	99%
PANACA	20,763	17,564	3,199	85%
PIOCHE	23,377	17,019	6,358	73%
PHRNT VLY FI	30,417	20,821	9,596	68%
PIOCHE FIRE	19,466	14,955	4,511	77%
LN HOSPITAL	104,656	102,974	1,682	98%
TOTAL LN*	983,628	767,385	216,242	78%
LYON COUNTY	3,997,071	3,028,979	968,092	76%
YERINGTON	44,672	26,371	18,301	59%
FERNLEY	51,924	50,685	1,239	98%
CRS TRUCK LY	3,218	2,442	776	76%
CRS WTR LY	6,555	3,351	3,203	51%
CNTR LY FIRE	158,454	158,454	0	100%
MSN VLY FIRE	35,984	35,118	866	98%
WILLOWCREEK GID	1,942	1,785	157	92%
SMT VLY FIRE	22,952	22,762	190	99%
N LYON FIRE	54,303	53,009	1,294	98%
LY HOSPITAL	151,502	149,893	1,609	99%
FERNLEY HOSPITA	75,445	75,445	0	100%
SLVR SP/STCH HO	57,410	57,410	0	100%
STAGECOACH GID	30,000	30,000	(0)	100%
MASON VLY MOSQ	34,976	34,976	0	100%
TOTAL LY*	4,726,407	3,730,679	995,728	79%
MINERAL CO	1,543,672	1,541,135	2,537	100%
MN HOSPITAL	188,478	188,478	0	100%
TOTAL MN*	1,732,149	1,729,613	2,537	100%
NYE COUNTY	3,638,435	3,638,435	0	100%
GABBS	101,374	51,524	49,850	51%

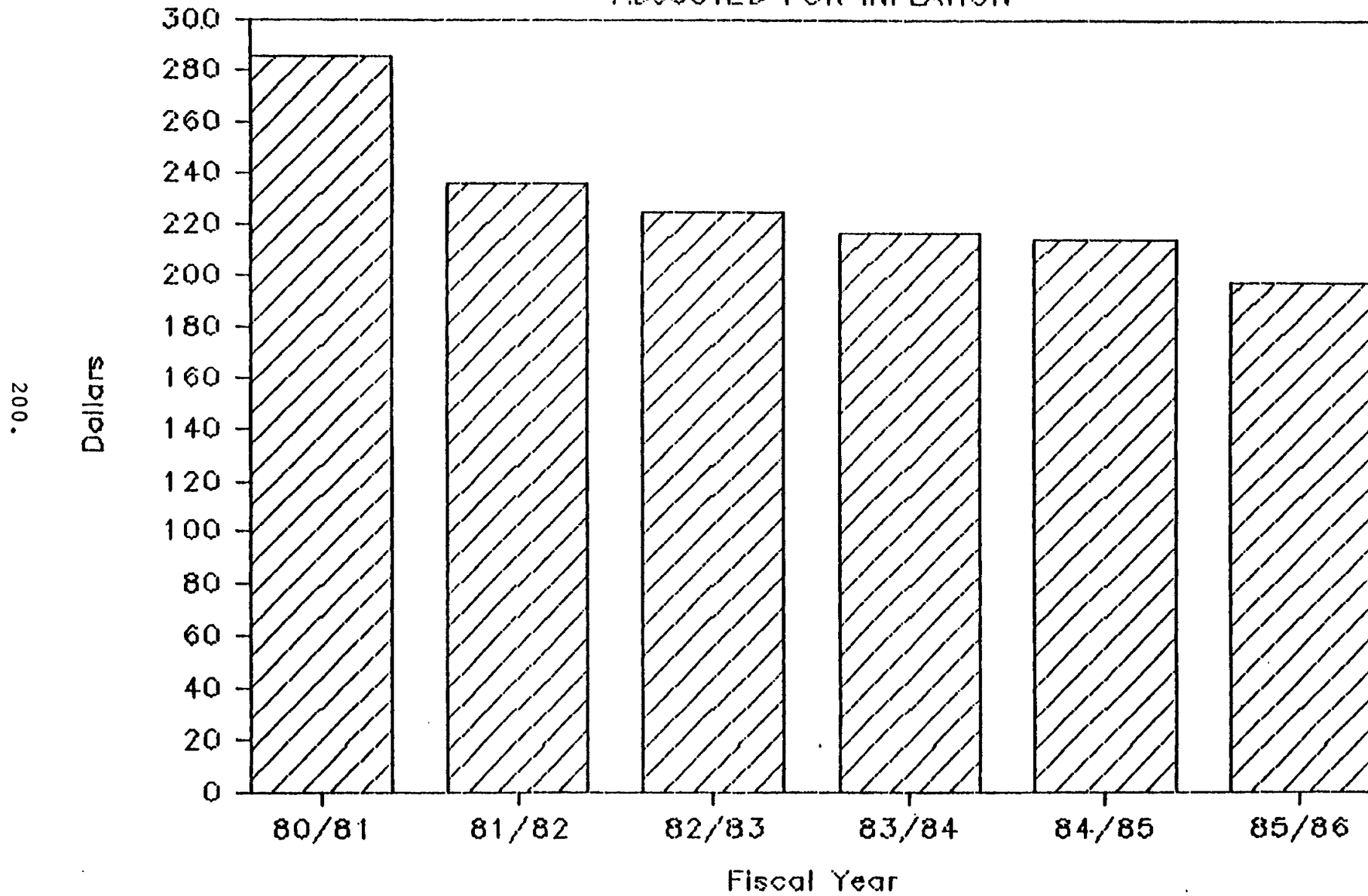
AMARGOSA	70,754	67,337	3,416	95%
BEATTY	21,635	20,696	939	96%
MANHATTAN	7,387	7,387	0	100%
FAHRUMP	188,398	188,398	0	100%
ROUND MNTN	59,084	56,662	2,421	96%
TONOPAH	175,358	169,173	6,185	96%
NYE HOSPITAL	220,050	217,978	2,072	99%
FAHRUMP SWIM	15,204	15,204	0	100%
FAHRUMP LIBR	47,816	47,816	0	100%
TOTAL NY*	4,545,494	4,480,610	64,883	99%
PERSHING CO	980,235	980,235	0	100%
LOVELOCK	60,839	60,563	266	100%
PE HOSPITAL	216,098	216,098	0	100%
TOTAL PE*	1,257,162	1,256,896	266	100%
STOREY CO	897,071	769,597	127,474	86%
CRS TRUCK ST	592	388	204	66%
TOTAL ST*	897,663	769,985	127,678	86%
WASHOE CO	48,587,504	38,127,559	10,459,945	78%
RENO	13,025,815	8,090,450	4,935,365	62%
RENO RDVLP	66,146	34,304	31,842	52%
RENO INCRMNT	171,541	171,541	0	100%
SPARKS	4,992,416	3,758,358	1,234,059	75%
SPARKS RDVLP	683,374	326,193	357,181	48%
CPS TRUCK WA	96,246	71,771	24,475	75%
CRYSTAL BAY	29,203	24,298	4,906	83%
HORIZON HILL	26,502	21,278	5,224	80%
INCLINE VILL	488,679	460,382	28,297	94%
N LK TH FIRE	1,425,066	1,346,560	78,526	94%
PALOMINO VLY	72,221	70,202	2,018	97%
SUN VLY WTR	66,908	66,908	0	100%
TRK MDW FIRE	3,063,686	2,996,903	66,782	98%
VERDI TV	30,567	24,525	5,843	81%
SIERRA FF WA	590,236	590,236	0	100%
TOTAL WA*	73,415,932	56,181,468	17,234,463	77%
WHT PINE CO	1,206,291	967,898	238,392	80%
ELY	359,191	235,769	123,422	66%
LUND	9,582	6,888	2,694	72%
MCGILL	48,522	27,832	20,690	57%
RUTH	11,747	11,121	625	95%
WP HOSPITAL	236,976	236,976	0	100%
TOTAL WP*	1,872,309	1,486,485	385,824	79%
GRAND TOTAL	264,628,032	221,365,274	43,262,758	84%

# PER PERSON REVENUES & EXPENDITURES

(Figures are in 80/81 Dollars)

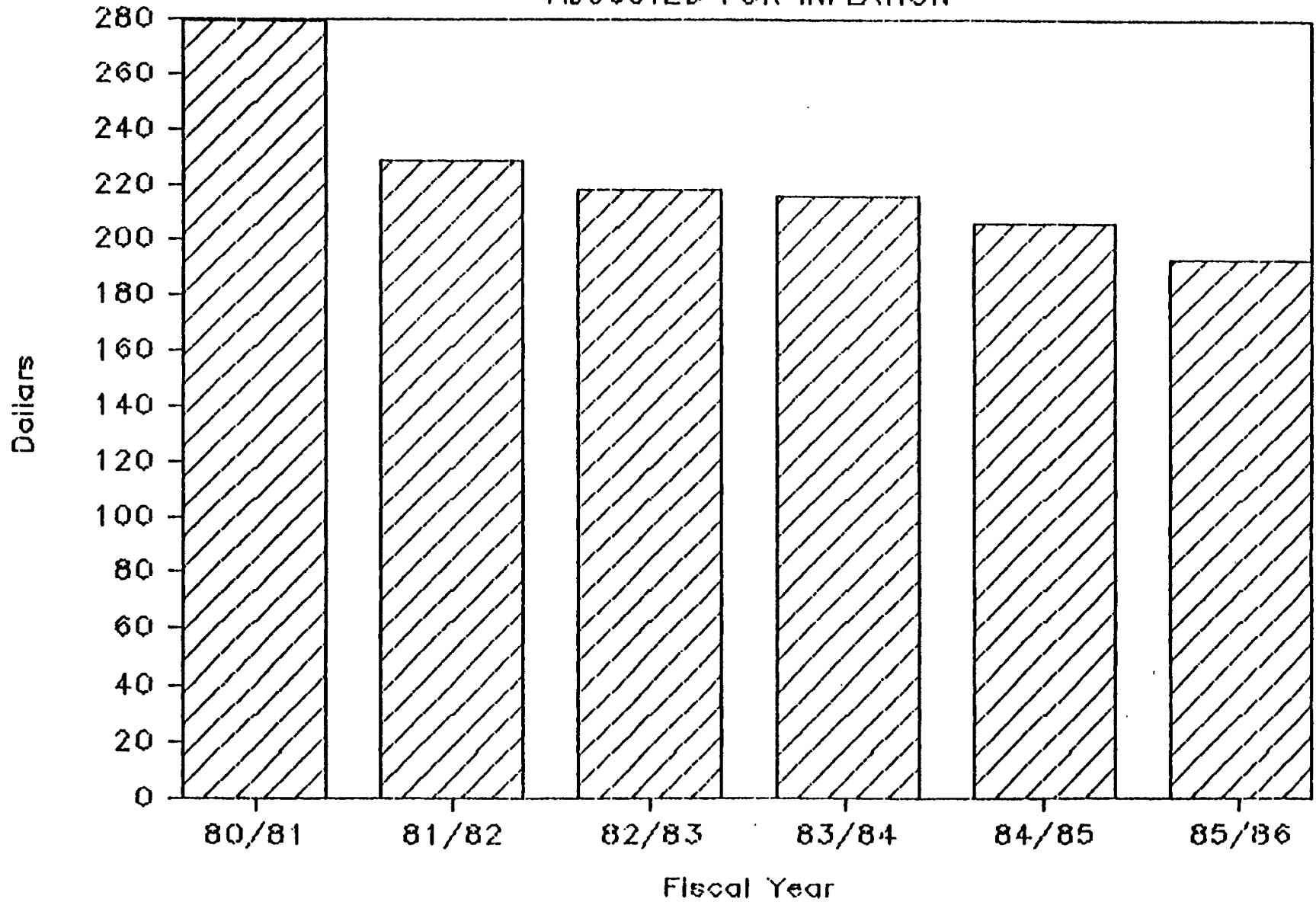


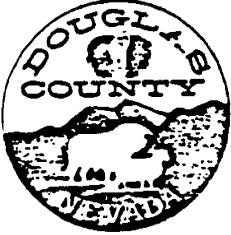
# EXPENDITURES PER PERSON ADJUSTED FOR INFLATION





# PER PERSON REVENUES ADJUSTED FOR INFLATION





BOARD  
OF  
COUNTY  
COMMISSIONERS

ROBERT S. HADFIELD  
County Manager

(702) 782-9821

COMMISSIONERS:

Robert L. Pruett  
Chairman

Jerry J. Bing  
Vice-Chairman

Barbara J. Cook

R. A. Oswald

Herbert P. Witt

September 20, 1985

The Honorable John Marvel, Chairman  
Legislative Sub-Committee on Funding of  
Counties and Cities (SCR 53)  
Minden, Nevada 89423

Honorable Chairmen and Committee Members:

Attached you will find a report identifying what we believe in Douglas County to be a critical problem facing our community and its government. While we have identified specific problems of Douglas County, we respectfully urge you to review our concerns carefully in a statewide perspective. Many of our problems have or will be experienced by other local governments in Nevada.

Douglas County has appeared before the Legislature in each of the last four sessions urging special recognition for our county, which we believe has unique characteristics both urban and rural. In 1981, the Legislature recognized that, due in part to our historically low ad valorem tax rate, a special provision was required in the tax reform legislation to reduce the potentially negative impacts of the legislation on our county. Even with this consideration, we found it necessary to appeal to the Interim Committee on Local Government Finance for further relief. This year we again find ourselves in a complex and frustrating situation. Douglas County will receive a total increase of \$69,894 in SCCRT and \$270,176 in ad valorem of which 83.2%, \$224,935 is specifically allocated to the County and State Indigent Fund. These two revenue sources will increase by less than our 5% population growth.

We believe that by working together we can address the serious impacts that rapid and prolonged growth can bring to a community in transition from a rural to urban setting. This transition includes such problems as providing appropriate levels of funding for water quantity and quality programs, transportation planning to meet the needs of our growing community while at the same time just trying to keep the other services we have at the same levels. We need your understanding and support to avoid a serious financial crisis affecting our ability to provide basic services to our growing community. The current and worsening

divergence between our in-elastic revenue structure and growth needs to be addressed.

We are fully cognizant of our obligation and role in providing services to our residents. Not all local governments are alike and some conservative local entities are having real difficulty dealing with the substantial growth we are currently experiencing. As a rural community, we set our own priorities and provided very basic and minimal services to a small resident population. Urbanization has forced us to inventory our community's needs and to reconsider our scope of and levels of service. We want to play a positive and responsible role in maintaining the quality of life in our beautiful community. Now we have new and more complex problems. We need your help in addressing these issues to avoid financial distress and urban plight.

Please review the materials presented for your review and we welcome the opportunity to discuss our concerns with your committee.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert S. Hadfield", written in a cursive style.

Robert S. Hadfield  
County Manager

RSB/tk

Attachments

## THE PROBLEM

A major problem confronting the county over the past several years has been the continuous shift of revenue authority from the county to the state. As a result, many of the county's revenues are established by statutes or complex revenue formulas that are often unpredictable due to shifting assessed valuations or sales tax collections. Perhaps more importantly, we find ourselves without major retail shopping and with major population centers adjacent to urban counties, which derive the full benefit of our resident's retail shopping and gasoline purchases without having to provide any residential services. Over the past several years the county has undertaken a series of budget reductions which, coupled with cost containment programs and equipment upgrading, have permitted the county to respond to increasing workloads without corresponding expenditure increases. This year, however, it is clear that the community's growth has outpaced our ability to generate like revenues.

Fiscal Year 1985-86 brings with it no dramatic revenue relief. While we continue to see substantial increases in the workloads of the various departments, revenue increases directly related to these activities continue to fall short of real growth needs.

A close review of our General Fund revenue structure reveals some serious limitations which cannot be overcome without major

revision. Our annual growth rate is exceeding our ability to generate revenue. The problem is exacerbated by the unique combination of our revenues, the state limitations imposed and the concomitant demands for expanded service.

Of our projected 1985-86 General Fund revenue, 26.1% is attributed to gaming fees, which unlike the State and Clark County which benefit from gross gaming fees, are derived from set rates for gaming devices and table games which have been capped since 1981 by the Nevada Legislature. These caps, combined with our commitment to the state to limit gaming expansion at Lake Tahoe, has effectively removed any growth potential from this major source of revenue. Supplemental City County Relief Tax accounts for 18% of our revenues. This source at best, based upon state revenue projections will increase by 4.3% during the next year. Property tax accounts for 6.5% or \$507,018. Since this is a special Legislative approval, it does not even qualify for the 4 1/2% annual increase normally allowed by the allowed ad valorem formula. The problem of frozen ad valorem revenue for mandated or voter approved programs must be addressed.

With the exception of animal licenses, building permits, planning and engineering fees which can increase by 80% of the consumer price index (3.16%) or \$14,378, all other fees are set by the state of Nevada. However, it is most important to note that any increase in revenue in these fees automatically results in

offsetting additional service costs incurred in providing more service when minimally staffed as we are.

Thus, a close examination of our revenue structure reveals a potential for an increase of \$77,581 or .010% of our total General Fund Revenue. This does not take into account the other funds of Douglas County, such as Indigent Services and Roads, which also need additional funding. As can be seen, this increase will not provide any flexibility to deal with maintaining current services rendering the County totally ineffective in attempting to address the growth projected for our area. In fact, these three critical revenue sources representing 50.6% of our total General Fund revenue will fall approximately \$88,900 short of matching the allowed 80% of the CPI increase if the fees were not frozen at current level.

If all of our revenue was from either sales tax at 4.3% or ad valorem tax, our total revenue growth would range from \$295,151 to \$313,065 above our current limitation resulting from our unusual and restrictive revenue mix.

Several important issues need to be addressed by the Legislature at their 1987 session. The first revolves around the existing conflict of state tax policy and local land use planning. After several changes in the basic tax structure supporting local government, a tax policy has evolved which assumes that sales tax will support local government and that property tax will play a

decreasing role in the support of local government. This is the practical effect of the lower revenue cap formula. Under this plan the state is actively pursuing an ambitious effort to diversify the state's economy. The problem is that as a result of the ad valorem caps, physical plants and capital improvements derived from the diversification do not contribute significantly to our tax base. This problem is further exacerbated by the depreciation of residential properties and efforts to further reduce or exempt relocating companies from taxes as an added incentive for moving to our state. The net result is little or no gain in local government revenue. Further, our community exports retail sales tax to adjoining urban areas who benefit from the resulting growth in uncapped local sales tax. In Douglas County we do not benefit from growth because we are not allowed to reach our maximum combined revenue. This is not a minor problem, it is just as important and serious as addressing educational concerns. This county has over the last two years, cut back personnel, reduced working hours and pay all in an effort to cut cost. These drastic measures have followed a comprehensive management effort to streamline our government through intensive training and heavy investments in labor saving technology. The schools are allowed to cope with growth utilizing a formula addressing student enrollment. County government is just as important. Our workload is just as much, if not more, related to population growth as the schools. Economic diversification not only requires a good educational

system, it also requires a good infrastructure and quality county services.

A second equally difficult problem for local government is the issue of growth. The problem of rural areas becoming suburbs to major urban areas is a real problem. It affects all aspects of local government. In Douglas County we find ourselves providing public safety, judicial and general government services to a significant sector of our community who place additional demands on our service structure while at the same time working and shopping in our neighboring counties. Further, of the \$4,284,736 in SCCRT distributed in Douglas County, the county government having responsibility for all residents, receives only \$1,641,481 or 38.3% of the total. No other county has this problem. Another example of how our county revenues do not match growth can be seen in our gasoline tax revenue and vehicle registration fees. Gasoline sales in Douglas County have decreased from 12,482,983 gallons sold in 1980 to 10,714,368 gallons sold in 1984 or by 14.1%, while our population and vehicle registration have increased by 12.6% and 21.3% respectfully. In as much as we don't share significantly in the motor vehicle privilege tax, which is allocated to other local government in Douglas County, we continued to fall short of real growth needs. Further, our Road Department and Sheriff's Office fall behind in their efforts to keep pace with growth. It is easy to say a community can go to a vote of the people for more revenue, but quite another in terms of equity. If the state is going to continue to promote



growth on a large scale, using a "favorable tax climate" as an enticement, the state likewise has an obligation to ensure that local governments have the flexibility to respond to this growth. If the state's tax policy restricts revenue gain from physical plants and improvements, why should the residents who have been here or have come with promises of low taxes not view our request for increases unfavorably? No one can refute that growth is a major factor in Douglas County. We have expanded our population by 255% in the last 15 years and the state projects Douglas County's population to grow by another 89% by the year 2000, making Douglas County the third most populous county in the state with 46,260 residents. As you can see, there is no way Douglas County can address ongoing vital services, such as law enforcement, roads and general services, let alone plan for this growth and protect our natural resources without some inherent growth factor in our revenue structure.

If you review carefully the formula providing for local government revenue, you will see that in Douglas County we are not allowed to reach our combined maximum allowable revenue. As such, we are not allowed even to benefit from the growth factor which is included in the upper limit cap, nor in the second lower revenue cap. If you study the following figures (see Attachment I), you will see that over the last four years, the county's revenue does not benefit from growth, and the disparity between the two formulas is increasing annually. These figures perhaps more than any others, demonstrate a major problem affecting us

and many other local governments. This is a very critical problem in a growing area like Douglas County. At the beginning in 1982-83, the disparity was only \$2,198. Due to growth, in 1983-84, the difference between the maximum allowable revenue and allowed revenue was \$515,112, in 1984-85 it adjusted to \$492,245, but next year it will increase to \$567,955. These figures demonstrate the revenue gap resulting from growth. Our problem is further exaggerated by the problem of unbuildable lots in the Lake Tahoe Basin and the ensuing and inevitable impact of depreciation on our overall assessed valuation.

In addition, as we stated earlier, the fact that our General Fund ad valorem tax revenue is held constant in the formula, combined with the low percentage of sales tax to our overall other capped revenue, renders this county financially helpless in the face of dramatic and prolonged growth. Our cost for the basic services for which the Legislative approval was granted, did not assume constant cost, yet we are only credited with first year cost over the long term. We respectfully urge you to consider our problem. We believe that it demonstrates again that the overall tax reform program needs adjustment in selected cases to be equitable.

Finally, there must be a better understanding of the impact state government has on our county's ability to manage our personnel resources. Our employees don't understand how state employees can receive benefits and salary increases while we stress to our employees that we have no control of our revenues and increases

must be kept at a minimum. Since the state is supported heavily by gross revenues, you escape the ravages of inflation and receive full benefit from growth. We do not, in fact, the latest increase in our required retirement contribution (NRS 286.465) triggered by a double digit increase in state gross gaming fees and sales tax, will cost Douglas County approximately \$55,000. That means our net gain in SCCRT revenue available for Fiscal Year 1985-86 is only \$14,000 for a total budget of \$19,081,551. We didn't derive any additional revenue from the state's substantial increase in gaming fee revenue. This situation demonstrates perhaps better than any other the difficult, if not impossible, situation Douglas County and other local governments find themselves in.

We believe we are managing our financial resources prudently, but we are not responsive to the needs of our growing community. We stand on our record and only ask that you extend us the courtesy to explain our problem to you.

## REQUIRED CORRECTIVE ACTION

We believe that possible corrective action for Douglas County and other counties should include the ability to have our revenue float to the Maximum Combined Allowed Revenue to allow us to deal with growth in real terms. If we are not going to be allowed to float to our maximum combined allowable revenue, we will never be able to cope with growth. Second, the legislative ad valorem tax approvals for mandated programs should also be allowed to increase annually by at least the 4 1/2 percent allowed or for all other ad valorem levied. It should be noted that while the county's assessed valuation increased by 228% over the last eight year period, our total General Fund budget has increased by a lesser rate of 133% in spite of our dramatic population increase of 87% and shift to more urban services. In addition, the Consumer Price Index increased by 80.3% over the same eight year period. These combined figures demonstrate our fiscal integrity in managing our General Fund resources prior to the imposition of state ad valorem caps.

Third, mandated programs and passing on cost from the state to local governments must be addressed. If costs are passed through to local governments by the state, whether for mandated programs such as retirement or simply implementing new charges for materials previously made available at no charge, local government should be allowed revenue offsets. If you review the state charges to local government, you will see there is no

limitation on the state passing additional cost through to local government.

The related issue, fees fixed by the state collected by local government, should also be addressed immediately. Some fees, such as recording, court, vehicle license, marriage license, Clerk and Assessor, they haven't been increased by the state to reflect inflation let alone the real cost of our providing the services. The state has in some instances, such as vehicle registration and marriage licenses, raised the fees only to the state in order to generate additional revenue or to fund new programs. In addition to the state controlling the majority of our revenues, the legislature continues to approve bills, increasing the expenditures of the County. Certain new bills require us to change existing computer programs, incur additional publishing costs and increase administrative workload. We provide the service and if you won't let us set the fees, then at least allow annual adjustments to reflect administrative costs.

Finally, the state needs to study carefully the impacts of regional urban retail centers on those entities whose residents export sales and gasoline taxes. A factor should be developed to allow counties, such as ours, to recapture lost revenues to help offset the cost of providing residential services. Perhaps a per capita sales tax formula could be used to determine when such inequities occur which would serve as the basis for a special additional distribution of SCCRT.

Recognizing that their needs to be some means of providing additional services to areas that are willing to pay for it, Douglas County is proposing a constitutional amendment that would allow for special service areas managed by the county to address required and requested higher levels of service. In the meantime, we propose that the current law be amended to allow the option of permitting newly formed districts to be operated by the county instead of separate elected and administrative bodies. This would enable us to deal with difficult issues such as providing ambulance service and road maintenance in areas overlapping with other state and local entities. Under this plan, the county could provide administrative, legal, audit and financial services in support of the new entity without a corresponding need for a separate more costly government structure.

Our problem started when we did not have a comparable tax rate to other entities when the tax reform plan was enacted. The Legislature has always been receptive to corrective action when the need is demonstrated. We believe that we have and can demonstrate such a need.

In closing, the facts are that, controlled revenues and inconsistent and arbitrary state policies do not allow us to serve all the people in a rapidly growing county such as ours.

# ATTACHMENT I

## DIFFERENCE BETWEEN MAXIMUM COMBINED ALLOWED REVENUE AND ALLOWED AD VALOREM AND ALLOWED SCCRT

	1982-83	1983-84	1984-85	1985-86
Maximum Combined Allowed Revenue	\$2,766,342	\$3,187,207	\$3,575,483	\$3,809,770
Allowed Tax Rate (less bonded indebtedness)	\$1,119,904	\$1,215,735*	\$1,511,619*	\$1,782,714*
Allowed SCCRT	<u>\$1,644,240</u>	<u>\$1,456,360</u>	<u>\$1,571,619</u>	<u>\$1,641,481</u>
215. Sub Total	\$2,764,144	\$2,672,095	\$3,083,238	\$3,424,195
Net Difference	\$ 2,198	\$ 515,112	\$ 492,245	\$ 567,955**

\*Includes Legislative tax override, 1983-84 \$276,650, 1984-85 to present \$506,650 and State Indigent levy, 1983-84 \$38,948, 1984-85 \$42,230, and 1985-86 \$42,555 and the new Indigent levy of \$182,380.

\*\*\$182,380 factored out to be comparable to prior year figures.

ATTACHMENT II  
DOUGLAS COUNTY GOVERNMENT

I am writing this report to the Legislature on behalf of the Douglas County Board of Commissioners and the residents of Douglas County, to urge you to carefully review the impact of the current state revenue plan for local government on Douglas County. In making our request of you and other committee members and legislators, we fully recognize the difficult task of attempting to balance the needs of local and state government within the confines of tax reform. We urge you, however, to recognize the inherent limitations of broad and comprehensive distribution formulas in the face of continuing growth and diversification.

Douglas County, by virtue of our physical proximity to Carson City and Reno, has always been impacted by urban development and state policies affecting growth. Since 1970 we have seen our population increase at a faster rate than any other county in the state, increasing from 6,882 to 24,480\*. Unlike some growing areas such as Nye County, our growth has not been associated with a single industrial or mining concern but rather a more stable housing demand primarily generated by employment in surrounding entities. We believe that the current state thrust towards economic development will result in a continued population growth

\* College of Business Administration - UNR



that by state estimates will have Douglas County passing Carson City as the third most populous county by the year 2000 with a resident population of 46,260. As such, Douglas County must be viewed as playing a critical, if not pivotal, role in the state's plans for continued economic growth.

This unprecedented growth has brought Douglas County to a critical point in its development and ability to plan for the future. When reviewing our proposed 1985-86 fiscal year budget, the impact of the current tax reform program has become quite obvious in the General Fund. The General Fund supports over 80% of all county programs and personnel. These are supported by the numerous revenues collected in the General Fund.

In all, the General Fund is comprised of 25 departments, divided into five separate functional categories of expenditures: Administrative, Community Development, Judicial, Public Safety and General Services. Administrative activities are categorized as those elected and appointive functions which provide overall legislative, revenue and administrative services to support all county functions. The departments included in the category are the Assessor, Auditor Recorder, Clerk Treasurer, County Commissioners and County Manager. Some departments, such as the Clerk Treasurer and Assessor, provide full property appraisal, tax collections and special assessment billing services which

tax collections and special assessment billing services which benefit the School District and other political subdivisions within the county. This is especially important to note as the county is not the primary benefactor of these services, but still must bear the full cost of these services. In addition to property appraisal services, the Assessor administers motor vehicle registration for the State.

The Clerk Treasurer's office also handles elections, general fee collections, County Commission records keeping and court clerking for the District Courts. The Auditor Recorder provides document recording, claims payment and auditing, payroll and other financial services in support of the county and towns. The County Commissioners serve in a legislative and policy making capacity while the County Manager is responsible for policy implementation, special studies and serves as the County budget officer.

Public Works is an umbrella organization which coordinates the building permit, building inspection, planning, engineering, water monitoring, Regional Transportation, and Ridgeview Water System activities of Douglas County. In short, all development related activities are combined so as to facilitate the development process. This department also provides special support to the Board of Commissioners in matters pertaining to the TRPA, grant review and administration and a whole host of other items that may require review.

The District Attorney, District Courts I & II, Juvenile Probation, Public Defender, Bailiff, Tahoe and East Fork Constables and East Fork and Tahoe Justice Courts comprise the Judicial functions of Douglas County. The District Attorney serves as the county's chief prosecutor as well as legal advisor to the Board of Commissioners. This office also handles all civil matters pertaining to the county. Arraignments are handled by the Justice Courts and they are the courts of lower jurisdictions in criminal and civil matters. The District Courts handle all other criminal cases. The bailiff's activities are in support of the District Court while the constables serve papers and provide support to the Justice Courts. Public Defender services are contracted with the State of Nevada. Juvenile Probation functions under the jurisdiction of the District Courts and is responsible for all juvenile matters in the county. All of these activities are judicial in nature and comprise the state and local court system in Douglas County.

The Public Safety functional grouping is made up of Animal Control, Emergency Operations and the Sheriff. The Sheriff is responsible for all law enforcement, criminal investigations, and corrections activities in Douglas County. This department is the largest department in the County with major facilities at Lake Tahoe and in Minden. Animal Control is responsible for enforcing Douglas County ordinance regulating domestic animals county wide,

while Emergency Operations provides general planning and emergency management services.

The General Services functional grouping incorporates six different departments which provide a wide range of technical and financial support to all County departments. Building Maintenance is responsible for the maintenance of the county's buildings and custodial services to all departments. Data Processing provides word processing and computer support to all user departments, while central purchasing services are provided by the Purchasing Department. Records Management coordinates county microfilming. The Personnel Department is responsible for all matters pertaining to recruitment, training, group insurance, administration and personnel programs. The Support Services Department encompasses the mail clerk, central copy and the Lake Tahoe office representing several functions of the county. This department budget also includes all activities not specifically assigned to other departments such as radio maintenance. A separate Non-Departmental budget provides for contingency, transfers out and designated reserves.

APPENDIX D  
Study Committee Outline



## REVENUES

### CCRT DISTRIBUTION FORMULA

#### REVENUE CAPS

##### METHOD OF CALCULATION

ACTUAL GROWTH.

ACTUAL CPI.

POPULATION.

INDEX OTHER THAN CPI.

ALLOW ENTITY TO GO TO MAXIMUM ALLOWABLE REVENUE SUBJECT  
TO NEGATIVE REFERENDUM.

ALLOW ONE TIME PROPERTY TAX INCREASE TO RECOVER LOST  
BASE IN 1981.

##### EXEMPT FROM CAPS

SERVICE CHARGES.

USER FEES.

NRS 354.5989

ROOM TAX.

NON-PROPERTY TAX REVENUE SOURCES.

### MANDATED REVENUE REDUCTIONS

COURT ADMINISTRATION FEE.

### DISTRIBUTION OF PILT FUNDS

DISTRIBUTE BETWEEN CITIES AND COUNTIES.

### ADDITIONAL REVENUE

ALLOW FOR LOCAL INCREASES IN GAMING FEES. NRS 463.395

DISTRIBUTE ADDITIONAL CIGARETTE TAX TO CITIES AND  
COUNTIES.

SALES TAX ON SERVICES.

STATE PAYS LOCAL GOVERNMENT INTEREST ON FUNDS HELD FOR  
DISTRIBUTION.

COLLECTION FEES FOR PROPERTY TAX.

INCREASE LATE FEES

SALES TAX INCREASE COUPLED WITH DECREASE IN BUSINESS LICENSE  
FEES.

### SPECIAL IMPROVEMENT DISTRICTS

ASSESSMENT FOR MAINTENANCE.

FISCAL ADMINISTRATION

EMPLOYEE RELATIONS/RIGHTS

BINDING ARBITRATION NRS 288  
AWARD LIMITATIONS  
PROHIBIT POLITICAL ACTIVITY BY EMPLOYEE GROUPS.

PUBLISHING REQUIREMENTS

FINANCIAL STATEMENTS.  
TENTATIVE BUDGETS. NRS 354.596  
POSTING OF AMOUNT OF BILLS NRS 354.210  
BUDGETED TAX RATES. NRS 361  
REGISTERED VOTERS. NRS 293.55  
NOTIFICATION OF CANCELED AFFIDAVIT OF REGISTRATION  
NRS 293.545

COLLECTION PROCEDURES

PROPERTY TAX CHANGED FROM QUARTERLY TO SEMI-ANNUALLY.

RECORDING REQUIREMENTS

TRANSFER VERIFICATION RESPONSIBILITY FOR MINING MAPS FROM  
RECORDER TO SURVEYOR. NRS 513

MISCELLANEOUS PAYMENTS

ABOLISH PROGRESS PAYMENTS. NRS 338.160  
CHANGE BUDGET HEARING DATES FROM APRIL TO MAY.  
CHANGE DATE OF FINAL BUDGET ADOPTION FROM MAY 1 TO JUNE 1.

TAXD/LGR



EXPENDITURES

MANDATED EXPENDITURES

HOLIDAYS.  
STATE WILL REIMBURSE OR ALLOW REVENUE INCREASE FOR MANDATED  
EXPENSES.

REALLOCATION OF FEES

PARK CONSTRUCTION FEES FOR MAINTENANCE.  
PSYCHIATRIC EVALUATIONS. NRS 433 A.670

TAX RATES

SEPARATE NET PROCEEDS OF MINES FROM PROPERTY TAX RATE.

INSURANCE

MULTI-GOVERNMENTAL INSURANCE POOL.



APPENDIX E  
Original Legislative Package



BILL DRAFTS REQUESTED BY SUBCOMMITTEE TO STUDY FUNDING  
OF COUNTIES AND CITIES  
(S.C.R. 53)

1. BDR 23-93      Collective bargaining: Exempt nonrecurring revenues and money in certain funds of local governments from consideration of factfinders and arbitrators.
2. BDR 23-101     Collective bargaining: Revise criteria for recommendations and awards of factfinder in negotiations between local governments and employee organizations.
3. BDR 23-102     Collective bargaining: Revise definition of "collective bargaining" for provisions governing relations between local governments and employee organizations.
4. BDR 23-107     Collective bargaining: Remove designation of proper person to negotiate for local government.
5. BDR 31-96      Local financial administration: Revise restriction on time for preparation of budgets by local governments.
6. BDR 31-100     Local financial administration: Authorize exception from limit upon revenue from taxes ad valorem for support of ongoing programs when federal revenue sharing program is reduced or eliminated.
7. BDR 31-103     Local financial administration: Revise limitation on increase of fee for building and zoning permits.
8. BDR 31-108     Local financial administration: Authorize exception from limit upon revenue from taxes ad valorem for programs for public safety.
9. BDR 31-111     Local financial administration: Change basis for annual increase of limit upon revenue from taxes ad valorem.
10. BDR 32-106     Cigarette tax: Revise distribution of revenues to exclude state.
11. BDR 32-97      Property tax: Reduce number of installments for payment.

BILL DRAFTS REQUESTED BY SUBCOMMITTEE TO STUDY FUNDING  
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(S.C.R. 53)  
(Continued)

12. BDR 43-90 Peace officers' standards and training: Require state to pay cost of replacing officer from local government during training.
13. BDR 18-104 Require governor to give advanced notice to cities and counties of legal holidays he will declare.
14. BDR 28-105 Public works: Repealing the provisions governing the rates of wages paid to employees.
15. BDR S-109 Amend statutes of Nevada 1983 to include additional revenue in calculation of maximum combined allowable revenue.
16. BDR 20-99 Remove requirements for publication of certain information by counties.

2SCR53/bdrs

APPENDIX F

Maximum Combined Allowable Revenue - Flow Chart





# MAXIMUM COMBINED ALLOWABLE REVENUE

## FLOW CHART

