

Minutes of the Meeting of the  
Legislative Committee to Study the

**Distribution among Local Governments of Revenue**

**From State And Local Taxes, NRS 218.5388 to 218.53886, inclusive**

**(S.B. 253)**

Reno, Nevada

The second meeting of the S.B. 253 Committee was called to order by Senator Ann O'Connell, on Thursday, November 24, 1997, at 9:30 a.m., in the Washoe County Commission Chambers, 1001 East Ninth Street, Reno, Nevada.

**COMMITTEE MEMBERS PRESENT:**

Senator Ann O'Connell, Chair  
Assemblywoman Joan Lambert, Vice Chair

Senator Ernest E. Adler Assemblywoman  
Vivian Freeman

Senator Jon C. Porter Assemblyman Bob  
Price

**COMMITTEE MEMBERS EXCUSED:**

Senator John (Jack) B. Regan Assemblyman Bob Price

**ADVISORY COMMITTEE MEMBERS PRESENT**

Mr. Michael Pitlock, Department of Taxation

Mr. Michael Alastuey, Clark County

Mr. Gary Cordes, City of Fallon

Ms. Mary Henderson, Washoe County

Mr. Guy Hobbs, Hobbs, Ong & Associates

Mr. Rick Kester, Douglas County School District

Mr. Marvin Leavitt, City of Las Vegas

Ms. Linda Ritter, City of Elko

Ms. Terri Thomas, City of Sparks

Ms. Mary Walker, Carson City

Ms. Janet Murphy, (Designee)Tahoe-Douglas District

**LCB STAFF PRESENT:**

Kevin Welsh, Deputy Fiscal Analyst, Fiscal Analysis Division

Ted Zuend, Deputy Fiscal Analyst, Fiscal Analysis Division

Kim Guinasso, Principal Deputy Legislative Counsel, Legal Division

Eileen O'Grady, Principal Deputy Legislative Counsel, Legal Division

Terry Cabauatan, Secretary, Fiscal Analysis Division

**OTHERS PRESENT:**

Glenna Adams, Nevada Bell

Connie Anderson, Washoe Regional Planning

Les Bradshaw, Nye County

Tyrone Brooks, Washoe County

Michael Brown, Douglas County

Marta Golding Brown, City of North Las Vegas

Connie Lea Butts, Sun Valley GID

Barbara Byington, Douglas County

Wayne Cameron, White Pine County

Beverly Cornutt, White Pine County

Bill Deist, City of Carlin

Les Dunn, Lyon County

Jim Gallaway, Washoe County

Theresa Glazner, Department of Taxation

Jim Goldberg, Washoe County

Tom Grady, Nevada League of Cities

Joe Guild, Newmont Mining

Robert Hadfield, NACO

Martin Hefner, Nevada Taxpayers Association

Maile Helton, NV Petroleum Marketers Assn.

Brent Hutchings, City of Ely

Kathy Kalls, Nevada Bell

Alan Kalt, Churchill County

Viola Kennison, Walker River Paiute Tribe

Jean Kneese, City of Ely

Janelle Kraft, City of Las Vegas

Mary Lau, Retail Association of Nevada

Russell Law, NDOT

Neena Laxalt, Rose/Glenn Sparks RTC

Barbara Leonard, City of Ely

Stephanie Licht, Elko County

Vicki Mayes, City of Boulder City

Barbara McKenzie, City of Reno

Carol McKenzie, White Pine County

Margaret McMillan, Sprint

Pam Miller, Associated General Contractors

Susan Miller, Sierra Pacific Power Company

Cash Minor, Elko County

Geneva Neuhauser, Nye County

Edward Neumann, UNLV

Cheryl Noriega, White Pine County

Bob Ostrovsky, NextLink

Frank Partlow, Northern Nevada Network

Nalliah Rajah, Clark County

Jim Regav, Churchill County

Lisa Sadow, City of Reno

Shashi Sathisan, UNLV-TRC

Bjorn Selinder, Churchill County

Jack Smith, City of Ely

Stephen Snyder, Lyon County

Claudette Springmeyer, Douglas County

Vytas Vaitkus, North Las Vegas

Carole Vilardo, Nevada Taxpayers Association

Kit Weaver, Carson City Assessor

Chairman O'Connell deferred Item B, approval of the minutes of the previous meeting, until all of the committee members were present.

#### C. PRESENTATION OF STATEMENT OF GOALS AND OBJECTIVES - Guy Hobbs

*"We had some extensive discussion in the fuel tax subcommittee [work group] regarding goals and objectives that would relate to the distribution between and among the local governments and some of the goals and objectives that we might want to see followed during the course of this committee's deliberations. They're very similar to the goals and objectives set two years ago by the S.C.R. 40 Committee. The first one was: that any new tax distribution system be revenue neutral for each affected entity in the initial year. This further assumes constant or current service levels for each entity. Second, that revenue and revenue growth in future years be channeled to where needs are. That any new tax distribution methodology help reduce competition among local governments and likewise that any new tax distribution system encourage regional cooperation among local governments. That any tax distribution system consider tax effort on the part of local governments participating in the distribution of revenues. It may be worth noting, it was somewhat difficult to achieve that objective recognizing tax effort, where an entity may be in relationship to its property tax cap, for example, and still hold true to the objective, holding everyone revenue neutral, at least in the base year. While it was something we were aware of, you couldn't necessarily guide the new distribution system on the basis of a tax effort and still achieve revenue neutrality in the base year; but it is something that group felt should continue to be part of the consideration in any new system. Finally, that the criteria and parameters be established for the creation of new units of local governments and for the treatment of any local government and special district in a distribution formula.*

*This time through, we were dealing with the aggregation of six (6) revenue sources that previously has four (4) different formulas that we were used to allocating those revenues. The subject here was whether or not new units of local government should be able to participate, and if so, under what conditions they should be able to participate in the revenue. Again, the committee felt that's something we should consider for any other revenues we evaluate, who will be eligible and under what conditions. That's the summary of the goals and objectives as our group discussed.*

Mrs. Lambert:

*If the committee, which is a little different than the S.C.R. 40 Committee, may look at broader tax issues than a new distribution, I wonder how these goals would fit, like redoing the property tax or something in that order.*

Guy. Hobbs:

*That's a very good point and one that we probably should consider. We may need to broaden some of the goals and objectives. If we're simply dealing with a current distribution formula and making some modifications to how it might work in the future, these probably can apply fairly well to that. As you get into something like the property tax issue and changes may be discussed in regards to: caps or exemptions, depreciation etc. These [goals and objectives] may not directly apply to those. We may need a separate set that might be more specific to property tax, because that's not technically a distribution on the part of your local government.*

Chairman O'Connell:

*Would it be the committee's agreement that we probably should be certain that language is broad enough, that we need to consider Mrs. Lambert's concern?*

Guy Hobbs:

*What we will do, as the technical committee, and perhaps this afternoon's work group can consider some language that might work for the property tax issue. If it pleases the committee, the technical committee can coordinate putting together some language that specifically deals with that for your consideration in addition to what's been presented here.*

B. APPROVAL OF MINUTES OF THE OCTOBER 23, 1997, MEETING.

**ASSEMBLYWOMAN LAMBERT MOVED TO APPROVE THE MINUTES WITH TECHNICAL CORRECTIONS SECONDED BY SENATOR ADLER. MOTION PASSED BY MEMBERS PRESENT.**

D. REPORT FROM THE HIGHWAY MAINTENANCE SUBCOMMITTEE.

Mr. Les Dunn, Lyon County Road Department, indicated there had been some preliminary work done by the UNLV. He introduced Professor Neumann and Professor Shashi Sathisan of the University of Las Vegas, Transportation Research Center.

Edward Neumann, Professor of Civil Engineering, UNLV:

*Our activities for the past month, basically got the contract signed, the agreement finalized and have set up the accounting mechanisms. We've also been in negotiations with the University of Nevada, Reno, regarding the scope of work and deliverables for their products and their budget. We expect this will be finalized within the next two weeks. In the technical area, we have initiated contact with agencies in Nevada to identify the existing laws and practices pertaining to the allocation of state monies to local governments for the maintenance of highways, roads and streets. We've held a meeting with the representatives of the Nevada Department of Transportation to identify sources of information. We've also initiated contact with the states of Arizona and California. We've not yet established contact with Utah, but we will in the next week, to identify the laws and practices there pertaining to the allocation of state monies. We've begun to receive information from Arizona. We're awaiting information from California. Apparently, California has recently enacted legislation which has changed the allocation procedures and formulas. The implementation of that, apparently, is still being worked out. There seems to be a little uncertainty at this point.*

*We've identified strategy to explore data on the road network in Nevada and to determine the extent of the network within each government jurisdiction and we will be using the 1990 census data,*

*prepared by the Bureau of Census, particularly the tiger files and the street center line files. We have this information for Clark County and we have some of the geographic information system, data and programs being used in Clark County. We've also requested information from NDOT and the Legislative Counsel Bureau to identify the jurisdictional authorities of the roadway network for the different jurisdictions in Nevada and a list of the incorporated cities in Nevada. At the end of the report, we have two pages listing the counties and the incorporated municipalities as we've been able to identify them thus far. If there are any additions to this list, we would be very appreciative if you would notify us if we've missed an incorporated city. We've also obtained the roadway network for Lyon County from Les Dunn and we have a contact with the Department of Taxation to seek information from; and we have requested NDOT to provide us with copies of the report submitted by each of the government agencies for allocating the funds for road maintenance for each of the last three years. In addition, we've held telephone conference calls with members of the technical oversight committee to discuss our efforts and we plan to continue discussion today.*

*We also have several maps to show you, representing some of the initial work that we have done.*

Mrs. Lambert:

*Your list of places in Nevada. Are these meant to be unincorporated towns or cities?*

Professor Neumann:

*The bold letter list would be the incorporated municipalities and the non-bold would be the total communities. Just place names.*

Professor Sathisan: (describing the map, which is enclosed as Exhibit C.)

*We're using the 1990 Bureau of Census data has identified all major and minor roads within the state as a starting point. For plot county, we used the streets under line five which have been updated monthly by the GS Management Office. Then combined these with the administrative jurisdictions of each county and obtained information from NDOT about roads they maintain. First, we eliminated the roads maintained by NDOT from the total, then overlay each administrative jurisdiction and then identify which streets and roads with the needs administrative jurisdiction. This is an overview of all the streets for the whole state. We've pinpointed using colored dots, those cities which are incorporated and the other places.*

*For example, zooming in on Clark County, using color coding to show which political jurisdiction, administrative jurisdiction identified Las Vegas, North Las Vegas, Henderson and Boulder City and the rest not colored is Clark County. Then figure out what is the extent of the street network, right now, it's just used without any attributes such as whether they're surfaced or unsurfaced, how many lanes and so forth. That would be forthcoming.*

The Chairman asked the presenters to also show the map to the audience at this point.

Mrs. Lambert:

*Mr. Neumann, if you take out the state-maintained roads, and many of those are city streets, if there is a change in who maintains what, how will we be able to identify that? Is there going to be some dual referencing, or . . .like Kietzke Lane is maintained by the state of Nevada, {it's a state highway},*

*but it's a street in Reno.*

Mr. Neumann:

*We are going to try and identify the streets that are maintained by the counties and the local incorporated municipalities. Is your question, 'if it changes jurisdiction' like if it was under the state and now under the county, will we be able to determine that?*

Mrs. Lambert:

*If it's part of this distribution, there was some talk of maybe making it so that some city streets that are now maintained by the state, would not be maintained by the state, but they would be maintained by the local entity. If that was a policy decision we wanted to make and recommend it to the next Legislature, how would we identify how many miles of street we're talking about. If you take out all the state-maintained streets and don't count them as also part of a local jurisdiction.*

Mr. Neumann:

*If it's presently within a local jurisdiction, then we would be able to identify that through our mapping techniques. And if we knew which particular streets were going one way or the other and we knew the extent of the streets, we could very easily determine that with our geographic information system, provided we knew what was happening.*

Chairman O'Connell:

*I believe in Clark County, we have some inter-state type agreements where we have several streets, such as Sahara, Desert Inn is one; but I believe they're actually state highways but they're are maintained by the county. I think through some agreement, I don't know if every county has a different way that they approach this.*

Mr. Neuman:

*We're going to be talking to the county people in each of the counties and I think at that point in time, when we're doing this inventory of which roads are county-maintained, which are state maintained. We would determine that then.*

Les Dunn:

*Something else that we're planning on is that we're going to require that the county or commissioners actually sign off on the roads that will be maintained. That means that in the future, there's a shift in road jurisdiction for a county or state, then that would either be dropped off or it would be put on the list by a vote of the county commissioners, where they would actually look at the inventory once a year and verify that these are the roads that have come into the system and then these are the new roads that have been taken into the system. So, your road miles could go either way, but it would be verified by the county commissioners.*

Chairman O'Connell:

*Any other comments from committee members about something that we need to consider?*

Mr. Leavitt:

*I should mention that it's my intent that we would hold regular update meetings on a monthly basis that we will notice and make available to anyone, so that progress of the study can be reviewed as we go along. We will make sure that all of you receive notice of these meetings and follow the progress as we move forward over the next months.*

#### E. REPORT FROM THE SPECIAL/GID WORK GROUP

Chairman O'Connell:

*I want to compliment you because I understand you had a very successful meeting.*

Mary Henderson:

*Thank you, Madame Chair. I think we had a good meeting in Minden; we have another one on December 9. It was a working session. There was tremendous participation by several people we have not had at previous meetings. I think that's healthy and a good exchange. The primary purpose for the meeting last week was to look at a spreadsheet that the Department of Taxation has put together to review some surveys that were done (last year) by the committee. That's critical because in December, the Department of Taxation will also be looking at all those entities that are enterprise districts and determining whether or not they are enterprise districts. We wanted to have some criteria for them and some support documentation from the surveys to assist them in that determination. It's very critical their base is set on that and that time line is December 31, 1997, for Taxation to make that determination; then there's an appellate process that takes place through April 1, 1998, before their bases are finally set.*

*In looking at the survey itself, we had received back 38 surveys from 72 local governments throughout the state. One of the biggest culprits not returning the survey were most of the counties. We have two counties, Elko and Carson City who did return the surveys, the rest did not. While it's not that critical for this time line, on the enterprise districts because they obviously are general purpose governments, we think it's important that we receive those surveys back from them as we look at all the revenue sources that are affixed to and distributed to all the GID, special districts, enterprise districts and general purpose governments. I will be sending out a letter from the committee this week to urge those other local governments to participate in the survey and try to get that back to us sometime in December.*

Chairman O'Connell:

*Mary, it was also mentioned to me that you have three different sets of numbers on a formula that's being run and the Department of Taxation is doing that, is that correct?*

Michael Pitlock:

*I'm not sure which different sets of numbers you mean. Theresa [Glazner] will be here later this*



*morning. We did the quarter role over the weekend and she's busy trying to get the distributions out to everyone. But she will be able to respond to that when she arrives.*

Chairman O'Connell:

*I think the biggest comment from the meeting, because this has been such a divisive issue, is it was not at the meeting. That there was a very definite commonality and interest in people were not in a very adversarial mood but were much more willing to come to the table and talk. Would that be a good assessment of what happened, Mary?*

Mary Henderson:

*That would certainly be my characterization of it, Madame Chair. I think we've tried throughout this process to create that environment and get everybody working on it in a participatory way, and I sense that we've made some strides along those lines. And I want to encourage that throughout this process. We wanted to do two things. First of all, does [S.B.] 253 really do what it's intended. One of the ways to really determine that is to run some scenarios and do some modeling. To make sure that it accomplishes rationale consolidation, that people aren't penalized, that it does encourage the elimination of competition. That's something we'll be doing as soon as we get through the first crunch of getting the enterprise districts identified. We are going to look at some fire districts, we're going to look at a GID that has several smaller GID's within its geographic boundaries. We're going to look at Gardnerville Ranchos, for example, who is considering becoming a city, to determine what would happen if they decide to become a city. Not only for them but for the other local governments that's affected. I think it will be a real good modeling process. We also added a couple of special districts that wanted to be included. There are so many questions that people have as to what happens under the law and we thought this might be a good way to give people some answers so that the committee itself can actually be a resource to them.*

Janet Murphy:

*Three different 'what if' scenarios. First scenario would be the different GIDS that are in the Tahoe-District alone; second scenario would be all the sewer districts combined, the treatment plants as well as all the collection systems; and, third would be all the road districts and looking at one road district.*

Mary Henderson:

*We are not limiting it to those three scenarios. We do want to look at some fire districts, such as Truckee Meadows Fire and possibly not Charleston Fire in southern Nevada.*

Senator Adler:

*Are you looking at other incorporations such as Fernley...?*

Mary Henderson:

*Senator, Fernley was one of the scenarios that we agreed to look at as well.*

Janet Murphy:

*It may be advantageous for the enterprise districts to consolidate with the road district, therefore it would be classified and categorized as a special district.*

Chairman O'Connell:

*The only negative comment I received over this is that not everybody received a notice of the meeting. And by everybody, I mean the public, than of the technical committee. So I would ask the audience if you did not receive notice of that meeting and you have an interest in knowing whether it's on the fuel tax, or on the GID's, if you would please make that known to our secretary. I believe the next meeting is on December 9 and again will be held in Minden. I understand for the most part, they're going to be holding those meetings in the north because that's really where the preponderance of the special districts are.*

Mary Henderson:

*We met at the Gardnerville Ranchos administrative offices.*

#### F. PRESENTATION OF INFORMATION REQUESTED BY THE COMMITTEE

Kevin Welsh:

*The committee, at its last meeting requested specific information in four areas: changes in property tax rates since the start of the tax shift; taxable sales by industry; dedicated property taxes; and county gasoline taxes. Ted and I provided the information for the committee and we just wanted to know if there are any questions regarding the information which is in your packets under Item F.*

Senator O'Connell:

*Could you summarize it for everybody?*

Ted Zuend:

*The first item - changes in property tax rates since the tax shift. That simply was looking at the red book for the respective years FY 1981-82 and 1997-98 and comparing property tax rates in jurisdictions, principally in counties, cities and school districts, but in few cases, I included other entities. For example, Douglas County, I included Gardnerville, Minden and Tahoe-Douglas Fire District. In the end, I just summarized to put some perspective on the delinear average of changes at the bottom of the second page. State rate obviously, was zero in FY 81-82 and it's now at 15 cents. The average county rate, is linear average (so it's not biased by Clark County or Washoe County's weight) went up nearly 67 cents, city rates went up about 35 cents, and school rates went up about 38 cents. I would add that with the school rate, 25 cents of that was the Legislature's imposition of an additional 25 cent property tax for schools. So bonds have only added about bond issues and a few other small rates for safety and security has gone up only 12.86 cents over the 16-year period. And of course, the combined rate, which is the real critical rate has gone up nearly \$1.50 from an average of \$1.94 to now \$3.44 statewide, which is pushing on the \$3.64 limit.*

Senator Adler:

*Ted, on Clark County, you have Paradise and Winchester township with a reduction in rate with a negative number, how did that happen?*

Ted Zuend:

*I'm not sure exactly what that's due to the . . . a special bill was passed for those towns in Clark County to essentially equalize the rates among all the adjacent towns. That may have had some impact on that rate, but otherwise, that's what it shows. . . Guy [Hobbs] might know from past experience why that is. . .*

Guy Hobbs:

*Mesquite was not incorporated until after FY 81-82, it was an unincorporated town at that time, it's rate dynamics have changed dramatically. The values that we're looking at here, for 81-82 I think included debt. In a case like Mesquite, they might have retired what debt they had at that point in time. Paradise and Winchester and five other urban towns compute their rates in accordance with the rate parity calculation, which allows them to aggregate all of their allowed ad valorem and divide that by the additive total of all of the assessed valuations of all of the towns in the rate parity calculation to come up with one rate. Prior to that, they varied quite wildly. The rate parity calculation wasn't in place until, I believe the 1985 Session, so the 81-82 rates would not have reflected that necessarily. They're almost incomparable, frankly.*

Senator Adler:

*So that's the function of that rate parity.*

Guy Hobbs:

*The 1997-98 rate would be under the rate parity, the .2064 and the 81-82 rate would be before the rate parity calculation was even encoded in statute, so it's apples to oranges.*

Senator Adler:

*So it's a different system. That's what you're saying?*

Guy Hobbs:

*Yes, very much so.*

*I wanted to ask a question to make this table more usable for more purposes as we're talking about property taxes. It may be helpful to just do operations and maintenance, because something like debt service being included in 81-82, in many cases, that would not be around in 97-98 and that in and of itself could be enough to throw off the comparability. And also, it may be interesting for us to have the O & M rates for FY 79, 80, and 81 (we have 82 here) and compare all of those years and how the tax rates were reacting from 79 to 82 before and after the tax shift to what's occurring today on an operating basis. And again, that was just a suggestion of information that might be interesting to see. The pre-tax shift operating rates, the tax rates immediately following the tax shift and then what they've done since on just an operating basis.*

*FY 79, 80, and 81. FY 81 would be the year immediately preceding the tax shift, as I recall. The other two years might be interesting because it would show the migration from a \$5 cap in tax rates down to a \$3.64 cap in combined tax rates and then you would see the impact of the tax shift and then you*

*would see all of those within that window of time.*

Marvin Leavitt:

*I think it would also help if we could get an intermediate year, 1987-88 or something in between so we can just see where they're going. I also think we need to have the information, right now just by looking [at this table]. . . we can't tell what tax rate is coming from the formula itself and what tax rate is coming as a result of a special override or some kind, either approved by the Legislature or the voters. If we are going to look at the formula, I think we need to know what's just coming from the formula alone. Another thing we need is some entities are obviously not levying everything they're allowed under the formula, so the formula would indeed allow them to have a more than their levying. We could have rates that are higher by the formulas than we're actually being levied right now and it would be interesting to see the progression of that. I think we need to have that if we're really going to analyze what's happening as a result of the formula.*

Guy Hobbs:

*That final point that Marv made would apply to whatever intermediate year you chose and also to the 97-98 values and again I think that would be revealing to see if the entities at that rate in 97-98 because they're at their cap rate, they actually have room within that cap. If there's still room within the cap and as Ted mentioned, they're getting into the \$3.40 range, it might be good to know just how quickly that \$3.40 to \$3.60 range would be closed.*

Mike Alastuey:

*I just wanted to indicate my agreement with both points that Marvin [Leavitt] and Guy [Hobbs] raised and perhaps a start on an expanded analyses could be made by combining Tab 3 with Tab 1 and make special highlights of the state's 15 cents and all. .*

Senator O'Connell asked if Ted Zuend could prepare a spreadsheet with all of the information requested. Mr. Zuend replied there was some possibility that the early red book did not break out tax rates into detail as the current red book does. He was certain the Department of Taxation could provide assistance with the information. Mr. Pitlock offered, the Department would provide all the information they have available is given to Mr. Zuend and that they would also assist him with preparing the table.

Mr. Zuend indicated the second information he provided for the Chairman which is a compilation of taxation sales, by industry, for the latest three months the Fiscal Division had available. He explained the Senator had asked for the information to determine where sales taxes were generated. The information reflects comparable 1996 and 1997 numbers for taxable sales, by industry, which shows where the bulk of taxable sales are generated. Under the new SIC coding system that the Department [of Taxation] has put into place. Senator O'Connell remarked the insurance premium tax was not included in the table he provided. Mr. Zuend replied the information was requested as a response to the Senator's request.

Mr. Pitlock said the Department of Taxation maintains a more detailed format with 99 different categories of businesses, they have the information by county in addition to statewide totals. Because the Department also has information regarding the collections of all the taxes they administer, Mr. Pitlock offered to provide the information to the committee. He assumed Mr. Zuend had grouped some of the similar, minor categories together instead of the 99 different categories. Mr. Pitlock explained the department produces a monthly report that highlights each county's activity for the month and prior month in the fiscal year to date on the 99 different categories for each county. The committee expressed interest in receiving copies of the report. Mr. Pitlock said the department also puts together a schedule that highlights many of the excise taxes and where the current collection stand on those and he offered the

insurance premium tax could be added and would make the schedule available to the committee members on a monthly basis. Mr. Zuend acknowledged he grouped the minor categories.

Kevin Welsh:

*The third question the committee had was with regard to dedicated property tax rates. As you know, we all are under several property tax jurisdictions. If you'll look at your property tax bill when you get it from the assessor, you'll see that you have from 6 to 18 or more jurisdictions that are getting some components of the property tax. Some of the components are dedicated to specific services. On the state level, there are only a few. For example, we have a 75 cent rate that is dedicated to schools and we have a 15 cent rate that is dedicated to debt bond redemption funding. But, what's really important to understand is that we have over 50 locally, legislatively or voter approved authorized on the local level; that's what makes up almost all of the dedicated property tax rates. Those are listed in the red book provided by the Department of Taxation.*

*The second information request was regarding the gasoline tax. We have a list of the county-mandated and the county optional gasoline tax that was put together by the Department of Transportation. There are four components to the total county mandated tax, which is 6.35 percent and there is the county option of up to 9 percent. Those legal references for the four of the mandatory and the informational on the county-optional are also listed in the chart.*

Senator O'Connell opened the floor for any public presentations. There were none. The Chairman announced lunch recess.

Upon return from lunch, the working group on property taxes held a question and answer discussion; however, the audio equipment capability of the chambers could not accommodate the round table setting discussions to provide a complete taping of the working group. Some exhibits provided are enclosed for the record.

There being no further business, the meeting was adjourned at 4:15 p.m.

Respectfully submitted,

Terry Cabauatan, Secretary

Approved:

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Senator Ann O'Connell, Chairwoman

Date Approved: \_\_\_\_\_