

BOARD OF COUNTY COMMISSIONERS, WASHOE COUNTY, NEVADA

SPECIAL MEETING

TUESDAY 4:00 P.M. MARCH 30, 1999

PRESENT:

Jim Galloway, Chairman  
Joanne Bond, Commissioner  
Pete Sferrazza, Commissioner (arrived at 4:15 p.m.)  
Jim Shaw, Commissioner  
Amy Harvey, County Clerk  
Katy Simon, County Manager  
Madelyn Shipman, Legal Counsel

ABSENT:

Ted Short, Vice Chairman

The Board met in special session in the Commission Chambers of the Washoe County Administration Complex, 1001 E. Ninth Street, Reno, Nevada. Following the pledge of allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

**AGENDA**

In accordance with the Open Meeting Law, on motion by Commissioner Bond, seconded by Commissioner Shaw, which motion duly carried, Chairman Galloway ordered that the agenda for the March 30, 1999 special meeting be approved.

**PUBLIC COMMENTS**

Sam Dehne, Reno citizen, expressed his concerns relative to the cancerous growth he sees occurring in the area and stated that the Board has a responsibility to its citizens to control this situation.

**99-298 LEGISLATIVE UPDATE**

Joan Lambert, Washoe County lobby team, reviewed the following bills which were discussed by the Board:

**AB 423** Revises provisions regarding taxation of real property.

The section of this bill that was discussed concerned the addition of the Nevada Nature Conservancy for exemption from property taxes for lands acquired to be transferred to the government. Katy Simon, County Manager, disclosed that she is a liaison member of the Nevada Land Conservancy because the County does make a contribution to that organization.

On motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that the Board support AB423 concerning exemption from property taxes for the Nevada Nature Conservancy relative to lands acquired for transfer to the government.

**AB 668** Taxation. Makes various changes relating to assessment of property for taxation.

Ms. Lambert reviewed the variety of issues contained in this bill and stated that some of the items are very controversial, such as exempting personal property for businesses; that she believes the bill is drafted incorrectly and thinks there has been a

rewrite, which she has not seen yet; and that an update will be provided to the Board as things progress.

**AJR 17** Proposal to amend Nevada Constitution to limit property tax and provide for retention of taxable value on real property until transfer of ownership

Ms. Lambert advised that this bill basically sets a maximum levy of 1% of taxable value of property, excludes the debt rate of a debt approved by a 2/3 vote at an election, and rolls back taxable value to 90% of 1995/1996 tax year, etc. She advised that firm numbers regarding what happens in Washoe County are not yet available. Commissioner Sferrazza commented that only 1/5th of the County is appraised every year and this would lock in the 1995 values; that he would like information relative to the Assessor's ratio study in order to see what part of the County would end up bearing the burden because under this proposal that would not be shared equally; and that he does not mind the 1% proposal but feels it should be 1% of the sales price or something that is uniform throughout the County.

**SJR 18** Amends the Nevada Constitution to elect elected officials by majority vote rather than the largest number.

Ms. Lambert explained that if no candidate in an election receives over 50% of the vote, a run-off election would be required to determine that majority. Commissioner Bond requested a cost analysis for an additional election.

**SB 476** Government Affairs. Changes limitation on total ad valorem tax levy.

After review and discussion, Chairman Galloway stated that he does not think this bill does things in a uniform way; that he favors doing something for the rural counties to provide some relief but feels it should be just the minimal amount to get them by for a few years; and that he would hope a better long-term solution could be found. Commissioner Sferrazza stated that he would not want to oppose this and hurt other counties that need the revenue and would prefer to just exempt Washoe County from the bill. Chairman Galloway requested additional information to support that the rural counties need such a large increase.

**SB 33** Various changes concerning exemptions from property and vehicle privilege taxes for veterans.

Ms. Lambert advised that this bill doubles the current veterans exemption for property tax or motor vehicle privilege tax from \$1,000 to \$2,000; and that the effect in Washoe County would be approximately \$225,000 based on the current exemption figure. Chairman Galloway stated that he does not favor these kind of piecemeal exemptions for each specific group, and would rather see something that would benefit everyone. John Sherman, Interim Director, Finance Division, provided additional information in response to questions asked by the Board. Commissioner Sferrazza commented that he would like to hear from some veterans groups because he believes there is some legitimacy in this particular area. Chairman Galloway stated that he would like to have information relative to the current and proposed veterans tax exemptions. Commissioner Shaw stated that he would like that information also.

**SB 524** Taxation. Phases out depreciation on improvements and mobile homes for purposes of determining assessed valuation for levy of property taxes and authorizes certain compensatory payments for taxpayers with lower incomes.

Ms. Lambert provided additional information relative to the estimated increase in assessed valuation that would be received, and advised that the Board of County Commissioners would be allowed to repay eligible low income seniors that currently qualify for the state property tax rebate program and the low income energy assistance program. Commissioner Sferrazza stated that this hurts the people that are least able to afford it and believes something other than depreciation should be used to accomplish the goal of the bill. Chairman Galloway stated that he could not support this bill because people had an expectation that they would get that depreciation, and unless something is given to make up for that loss he thinks it is wrong. Ms. Lambert stated that there has been some argument about the inequity of depreciation and some suggestions have come forth to address that.

Following further discussion, on motion by Commissioner Sferrazza, seconded by Commissioner Galloway, it was ordered that the Board oppose SB524 unless the bill is amended.

**AB 597** Revises provisions regarding school facilities.

Ms. Lambert advised that this bill proposes to set up a fund administered by the State Superintendent of Public Instruction to provide matching funds to school districts for school construction; that it mandates that the Board of County Commissioners in every county raise the room tax up to 1% to fund school construction; that it prevents local government from requiring the school district to make an improvement or pay the cost of an improvement located more than 100 feet from the edge of the school district property; that it further removes the sunset date from the bond freeze financing program; and that staff recommends that the Board oppose the bill because it mandates that the Board increase the tax. Chairman Galloway stated that this takes the matter out of the political arena and puts it in the hands of the school district, and neither the voters nor the governmental entities would have a say with regard to imposing this room tax. Commissioner Shaw stated he would hate to touch the room tax anymore than it has been already.

On motion by Commissioner Shaw, seconded by Commissioner Bond, which motion duly carried, with Commissioner Sferrazza abstaining, Chairman Galloway ordered that the Board oppose AB597. Commissioner Sferrazza stated that he abstained because he would like to read the bill before voting on it.

**AB 554** Allows the RSCVA to keep collecting room taxes after the 2008 sunset date in order to pay more bonded indebtedness.

Ms. Lambert stated that the bill allows the RSCVA to issue revenue bonds but they would be in the name of Washoe County; and that she has talked to the bill drafters and they have agreed to change the bill so that the General Obligation bonds would be in the County's name and the revenue bonds would be in the name of the RSCVA and would not be an obligation of Washoe County. A lengthy discussion commenced and Commissioner Sferrazza stated that it seems that under this bill the County would lose the ability to back the GO backed revenue bonds with room tax monies, and if the RSCVA defaults, the Board would have to go to a property tax to cover the indebtedness. Mr. Sherman provided additional information relative to his understanding of the bill and advised that he would like to have the opportunity to review the bill further.

Commissioner Sferrazza requested that the Board be provided with additional information on this issue before taking any action. He stated that he wants to support the RSCVA, but wants to make sure that the property taxpayers of Washoe County are protected. Chairman Galloway stated that he would support the proposed amendment that would provide the ability for RSCVA to incur their own debt and would take away the County's obligation to back that debt, but would like to have the opportunity to study the rest of the bill as there may be other problems. Ms. Simon added that there are other financial considerations that need to be looked at.

Sam Dehne, Reno citizen, stated that the bonds for the bowling stadium were defaulted and not paid for something like five months, and he does not believe the RSCVA has good fiscal responsibility. He then discussed issues relative to the convention scheme and stated that the RSCVA does not have a good track record and Washoe County should not back this bill.

Commissioner Sferrazza asked about the statement made by Mr. Dehne relative to the default of the bonds for five months on the bowling stadium. County Manager Simon advised that this has not happened in the 3.5 years she has been with the County; that there was one time when the interest was not prepaid but there was no default on the bond payment; that payment is only required twice a year, but they might not have been accruing for over five months; and that she will look into that matter to see if something like that happened in the past

**AB 533** Enabling legislation that allows hospital districts to contract with a public agency or a privately owned hospital to provide services.

Upon inquiry of Chairman Galloway, Ms. Lambert advised that the County Commission would make the decision to establish a hospital district. Chairman Galloway then asked if the County Commission would have the ability to have a mail-in election to find out if the citizens of an area would want a district. Ms. Lambert stated that the Board has the ability to place an advisory question on the ballot at any general election. Chairman Galloway requested that Ms. Lambert discuss this issue with Assemblyman Brower, the author of the bill, and see if that would be an acceptable amendment, noting that he would support the bill as is if Assemblyman Brower does not want to accept the proposed amendment.

Commissioner Shaw left the meeting.

Following further discussion, on motion by Commissioner Sferrazza, seconded by Commissioner Galloway, which motion duly carried, it was ordered that the Board support the bill as is, but that staff be authorized to ask Assemblyman Brower if he has any objection to amending the bill to provide the Board of County Commissioners with the ability to have a mail-in election to determine if the citizens of a certain area would want a hospital district.

**SB 437 and SB 475**

Chairman Galloway stated that he would like to discuss these two bills concerning the design-build method of contracting. He advised that he has discussed issues relative to these bills with David Roundtree, Public Works Director, and they believe it would be essential that bills like this contain language that would provide for a not-to-exceed price rather than a fixed price when a contract is let under the design-build method. He asked whether the other Board members would agree to forward that request to the relative committees, adding that it would not be his intent to change the County position on the project and, if the bills go forward and are imposed, he would prefer they contain that provision.

On motion by Commissioner Sferrazza, seconded by Commissioner Bond, which motion duly carried, Chairman Galloway ordered that a request to include "not-to-exceed" provisions in SB437 and SB475 be forwarded to the committees reviewing said bills.

**SB 526**

Steve Walker, Water Management Planner, advised that this bill is currently in the Committee of Natural Resources; that it amends NRS 540.101, which is the statute that directs the State Division of Water Planning to develop a water plan and have that water plan accepted by the Legislature; that it basically adds language that says the plan must not include language which states or implies that (a) implementation of a policy or recommendation of a plan is mandatory, or (b) persons other than the division are required or expected to assist in the implementation of the plan or a policy or a recommendation of the plan; and that he is not sure about the originator of the language but suspects it came from the Humboldt River Authority. He further stated that he would want to oppose that language because if it is included, why do the plan and why have the Legislature approve the plan if the policies and recommendations cannot be implemented. Upon inquiry of Chairman Galloway, Mr. Walker stated that the state water plan currently has no real effect on Washoe County, but the language takes water planning at the state level and basically makes it a joke.

Chairman Galloway stated that certain counties may have a lot of plans for developing their areas and he would not want to get involved in issues concerning those counties. Commissioner Bond commented that the County may be trying to second guess the intent of the bill.

Mr. Walker suggested that he monitor the bill and see what the intent is, and come back to the Board with additional information.

There being no further business to come before the Board, the meeting adjourned at 5:30 p.m.

JIM GALLOWAY, Chairman  
Washoe County Commission

ATTEST: AMY HARVEY, County Clerk