MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON TAXATION

Seventy-Fifth Session
February 17, 2009

The Committee on Taxation was called to order by Chair Kathy McClain at 1:36 p.m. on Tuesday, February 17, 2009, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/75th2009/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Kathy McClain, Chair
Assemblywoman Marilyn K. Kirkpatrick, Vice Chair
Assemblyman Paul Aizley
Assemblyman Bernie Anderson
Assemblyman Morse Arberry Jr.
Assemblyman Ed A. Goedhart
Assemblyman Tom Grady
Assemblyman Don Gustavson
Assemblywoman Ellen Koivisto
Assemblywoman Sheila Leslie
Assemblyman Richard McArthur
Assemblyman Harry Mortenson
Assemblywoman Peggy Pierce

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Russell J. Guindon, Senior Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Mary Garcia, Committee Secretary
Sally Stoner, Committee Assistant

OTHERS PRESENT:

Josh Hicks, Chief of Staff, Office of the Governor
David Humke, Chair, Board of Commissioners, Washoe County, Reno, Nevada
Katy Simon, Manager, County Manager's Office, Washoe County, Reno, Nevada
Sabra Smith-Newby, Director, Administrative Services, Clark County, Las Vegas, Nevada
Jeff Fontaine, Executive Director, Nevada Association of Counties, Carson City, Nevada
Robert Stanley Hadfield, Management Consultant, Walker and Associates, Minden, Nevada
Jerrie Tipton, Vice Chairman, Board of Commissioners, Mineral County, Hawthorne, Nevada

Chair McClain:
[Roll called.] Today on the agenda we have a presentation of the revenue enhancements proposed in the Governor's Executive Budget. We were expecting Andrew Clinger, Director of the Department of Administration. He is a little under the weather, but Josh Hicks has agreed to come over in his stead.

Josh Hicks, Chief of Staff, Office of the Governor:
This was originally going to be a presentation from Andrew Clinger and Janet Rogers, Chief Economist, Budget Division, Department of Administration. However, Andrew is out sick and Janet is stuck on the other side of the mountains because of the storm. I understand you are looking for a presentation on revenue enhancements in the budget, so I will do the best I can to give an overview.

There are five major components. You have probably seen some of these handouts before. There is a one-page table, "State of Nevada General Fund—Statement of Projected Revenues and Expenditures: Fiscal Years 2009–10 and 2010–11" (Exhibit C), that has more than just revenue enhancements. It shows how the whole budget is presented in a balanced fashion. The other is a multipage handout, "Governor's Recommended Executive Budget: Comparison of Impacts to Nevada's State and Local Salaries and Tax Revenues" (Exhibit D).

The first component on the one-page handout (Exhibit C) is the room tax increase, which was $292 million for the biennium. That is for Washoe and Clark Counties only. It is based on the voter-approved ballot questions in the last general election.

The next big component of this is a redirection of room taxes. That is money that was already going to the Commission on Tourism. The Governor is proposing making the Commission on Tourism a general funded agency, taking the money that was previously going to them and putting it into the General Fund. That is $36.4 million over the biennium.

There is a reallocation of some county revenues as part of the budget. This is not any kind of tax increase; it is just a redirection. There are two parts to that: the first is a General Fund commission on Sales and Use Tax that has been going to the counties, and the second is $0.04 of the ad valorem in Washoe and Clark Counties. The pertinent page is the second page of the other handout (Exhibit D). You will see how that breaks down county by county. As I said, the General Fund commission on the Sales and Use Tax portion is applicable to all 17 counties. The ad valorem redirection is applicable only to Washoe and Clark Counties. Sales and Use Tax comes to about $29 million and the ad valorem to about $79 million.

Another major part of the revenue enhancements is the stimulus funds, which will become more important now that President Obama has signed the American Recovery and Reinvestment Act of 2009, otherwise known as the stimulus bill. We built $108 million in Federal Medical Assistance Percentage (FMAP), which is the Medicaid money, into the budget. Obviously, we will be getting a lot more than that.

As we get more information on the stimulus bill, we will be presenting the budget supplement with those other revenues included. We also expect the FMAP and other pieces of the budget to increase with those stimulus monies.

Another major component I know the Committee wanted to talk about today was the gaming markers, which are $31 million [see (Exhibit C)]. This is also not a tax increase but simply a change in the way this is collected. I am sure the Committee remembers there was a similar kind of movement with the Net Proceeds of Minerals Tax during the December special session.

This tax has historically been collected when the credit is actually collected. We are talking about changing this to taxing it when the credit is first issued. It will be a one-time bump of $31 million for the next fiscal year, and then it will go back to the same gaming revenues we have been expecting. We are continuing to work on this bill. We have worked with the Gaming Control Board, and we have talked to the gaming industry about it as well.

One of the main concerns we are addressing in the bill is how to deal with uncollectible credit. We are adding a credit allowance similar to that in the Sales and Use Tax, so if some of the credit is not collected after a year, it can be taken as a deduction on the next year's tax refund or tax report. Sales and Use Tax is a good analogy because, even on an installment sale, the full amount of the Sales and Use Tax is actually owed up front. We were trying to structure this similarly with the bad debt credit allowance.

That is a broad overview of the main revenue enhancements in the Governor's proposed budget. I would be happy to answer questions. Here with me is Stephanie Day, Deputy Director of the Budget Division, who may be able to address more of the technical details.

Chair McClain:
I have a question on your logic on collecting on markers when they are issued and not when they are collected. We are not taxing the uncollected part now, but we are going to tax the uncollected part. How do you consider that not a tax increase?

Josh Hicks:
What makes it not a tax increase is the allowance for a bad debt. When we back that out at the end, the same tax winds up being paid as would have been under the existing structure.

Chair McClain:
I do not think so. I would like to get a legal opinion on that because it is obvious we are taxing something we did not tax before. If the legal opinion supports that, then, to me, that is a tax increase. Would it then need a 2/3 vote?

Josh Hicks:
I can give you my legal opinion, if you would like to hear it. I do not think it is a tax increase for the reason I stated. It is treated the same way as the Sales and Use Tax. It is paid up front, but there is ultimately a deduction. At first it is going to be a revenue enhancement, which is why there is $31 million there in

the table (Exhibit C), but you see zero after that because it will wash out as the bad debt is taken as a deduction.

Chair McClain:
I am going to get a second opinion too.

Assemblywoman Kirkpatrick:
I have a question on the $0.04 ad valorem tax. We have had a lot of discussion in the Assembly Committee on Government Affairs about this. Also, while working on the incentives study, a lot of things have come to light.

When you take the $0.04 off the ad valorem tax, that is going to include the voter-approved items such as indigent care because it is $0.04 off of the whole amount. I think local government is going to take a much bigger hit. We talk about the education piece that is lost, but no one ever talks about the loss to the services, whether it be family courts or indigent care. I am not protecting local government, but I think we have to look at the bigger picture. At the end of the day it affects our constituents in a bigger way.

Also, in Clark County, we have a lot of voter-approved measures that go into it. So would Clark County take the biggest hit of all of closer to 10 or 12 percent?

Josh Hicks:
Last week we gave a presentation along those lines to the Senate Committee on Taxation. There are a lot of different ways the property tax breaks out, county by county. We envisioned the most appropriate way to handle it would be to take it off the general operating budget for both Clark and Washoe Counties, with the idea that they could make it up with some salary adjustments, just as the state has proposed to do. There is some follow-up information just after the spreadsheet [on page 2 of (Exhibit D)]. It is the same information we presented to the Senate Committee on Taxation last week about county salary levels. We anticipate this could be handled simply through a salary adjustment, without hitting any other areas of the county budget.

Assemblywoman Kirkpatrick:
How would that work in Clark County if they already have contracts in place?

Josh Hicks:
The first step is to determine what is done by contract there. The second step is to determine whether there is any language in that contract that changes the terms of the contract if the funding is not available. There is also a body of case law concerning not being able to bind future legislatures to pay certain money. There is a pretty good legal argument that you cannot contract yourself

to pay somebody something if that obligates the Legislature to fund it in the future. We look at this salary situation as analogous to that.

Assemblywoman Kirkpatrick:
I was not there in the Senate Committee on Taxation. However, in the Assembly Committee on Government Affairs, I have talked about this at great length with every single local government in the state. The local governments are already asking their employees to take the hit, and most of them across the state have agreed to a 2 to 3 percent cut. It seems that someone is taking a 6 percent cut as opposed to $0.04, which seems so miniscule. Am I not getting this?

Josh Hicks:
I am not sure I understand exactly what you are asking. Are you asking what level of pay adjustment we are anticipating?

Assemblywoman Kirkpatrick:
No. You said you anticipate the $0.04 to come out of salaries. Local governments across the state have said they are already making those adjustments. My concern is they will have to go back and make further adjustments. Is that what was intended?

Josh Hicks:
I do not know exactly what Clark County has done on their salaries. I know they have had some discussions about salary increases, but this would be a recommendation that they absorb the $0.04 through their salaries, on top of whatever else they have done.

Assemblywoman Kirkpatrick:
I am more worried about counties such as Esmeralda and Churchill. They are the ones that have the most to lose.

How are the changes to the Sales and Use Tax going to affect the way the formula works that is currently in place? With our Sales and Use Tax revenues already down, how does that change include everybody and not just the people who collect those dollars?

Josh Hicks:
Are you talking about the commission piece? Before I answer that, I want to point out when you talk about the other counties and what they might have to absorb, the biggest piece is the ad valorem, which only applies to Washoe and Clark Counties.

The Sales and Use Tax is the piece that affects everybody, and that is why it was included. These numbers do not seem like much, but they can be significant to a small county budget. If you are asking about the mechanics of how that commission changes, I do not have the exact percentages in front of me. Mr. DiCianno might be able to answer that.

Chair McClain:
I have to disclose that I am a Clark County employee when I am not here in the Legislature.

Clark County's operating rate is $0.41. If you take $0.04 of that, that is a 10 percent hit. Washoe County is probably going to be even worse off because they have already lowered their assessed valuation across the board. You will be taking an even bigger chunk from them.

You cannot dictate to counties what salaries they can pay. Those are negotiated through county management and the unions that represent the employees. You can be punitive and take their money away and make it look like you are going to force them into salary cuts when, in reality, that will not happen. In reality, what will happen is services will get cut or people will get laid off. Do we want any more people laid off in this economy?

Josh Hicks:
The recommendation on salaries is just that: a recommendation. I agree it is not binding. If the money is not there, the counties will have to determine how they want to deal with the problem. The recommendation was based on historically significantly higher salary levels in Clark and Washoe Counties, but there a lot of other ways this can be done. The $3.64 that is the ad valorem tax can be spread out a variety of ways. It could certainly be done pro rata through each entity funded by those revenues. Of course, there are drawbacks to that too, because a lot of the entities funded by ad valorem revenues are General Improvement Districts (GIDs) or similar things.

I am sure the Legislature is willing to work with county commissions to see how they can best absorb this. We felt salary reduction was a way, consistent with the Governor's philosophy, to reduce government spending but still keep people employed.

Chair McClain:
I think the Governor's philosophy should relate to state government and not be imposed upon local governments.

Assemblywoman Kirkpatrick:
If the Sales and Use Tax proposal goes forward, I am worried that people do not know which government entities provide what services. We have discussed this many times. People will call me about the dog catcher not arriving on Thursday. They will call me because the garbage collector did not show up. We are forced to look at this because we will be receiving the brunt of the calls when people realize they are losing services.

The Sales and Use Tax portion comes right off the top, right? Are we going to give local governments time to adjust in order to prepare their budgets and cut services? I worry that the average citizen does not understand how we all work together to provide a certain service.

Josh Hicks:
The anticipated effective date is July 1. If the Legislature is going to adopt this proposal, I think now would be the appropriate time for the local governments to start anticipating how they are going to deal with that kind of reduction in revenue.

Assemblywoman Pierce:
Some people hold having a lean, efficient government above all other values. What is local governments' motivation for having that if, when the state government gets in trouble, we just walk in and grab some of their money? How do they proceed now? The only thing that makes sense is for them, from now on, to grow their government sufficiently so that the next time we go marauding through, they have a cushion. I do not understand the philosophy here.

Josh Hicks:
Keep in mind that this is just one piece of a larger solution, which is outlined on the one-page handout (Exhibit C). There are no easy decisions here. This is not something the Governor has had an agenda toward. Because the money is not there, we have to find a way to keep core state services going.

I would direct you to the last page of the booklet (Exhibit D). That gives a good example, comparing state and local tax revenue for different fiscal years (FY), using FY 1981–82 as a standard, of how local revenues have increased relative to state revenues. It benefits everyone, both state and local, to have more parity. That is certainly one of the concepts in this part of the budget.

Assemblyman Anderson:
I know the state has had a long-standing discussion about the disparity between the salaries paid to certain employees at the county level versus those in similar

positions at the state level. That sometimes results in a drain on employees trained by the state who then go to work for local governments, either in Clark County or Washoe County, because of better salaries or benefits. I am thinking specifically of people in the Nevada Highway Patrol or the Division of Parole and Probation. Is that part of the thinking behind trying to bring the parity you mentioned?

The second part of my question revolves around your response to Mrs. Kirkpatrick regarding giving the counties sufficient lead time to anticipate a loss in revenue. The counties make contracts for longer time periods than a year. They often make them for two or three years, depending on the outcome of their bargaining. Are we giving them sufficient lead time so that they will not be punitively damaged? I am having trouble with your response, because it does not seem there really is a lead time. This is mid-February, and they are expected to do this by July 1.

Josh Hicks:
With respect to the salaries you asked about, that is covered in the booklet [pages 2–5 of (Exhibit D)]. This data was prepared by the Department of Personnel to give an idea of typical, comparable positions at state and local levels. We tried to make that, as much as possible, an apples-to-apples comparison by matching the same kinds of benefits and job descriptions.

Assemblyman Anderson:
This is the historical problem of the dollar disparity between similar positions at the county level and the state level. The fact that we are currently in an economic crisis only makes that more apparent. However, this is the same discussion we normally have each session.

Josh Hicks:
I think you are right. The current economic situation does highlight the disparity, but the disparity has been there for quite some time.

With respect to your other question regarding contracts and the lead time, this budget crisis has been coming on for awhile. It seems to keep accelerating and getting worse. The actions that need to be taken to address this need to be taken fast. There are several months before July 1, when the next fiscal year starts. A lot of discussion and planning will be required to be able to address this, especially on the part of the local governments. They will be looking at the pertinent contracts and the language in those contracts.

Chair McClain:
I think you are cutting the time frame a little short. The counties have probably already built their budgets for the next fiscal year. They have to submit those budgets in May. Did you consult with any local governments when you were putting this budget together? Did you consult with gaming on the markers?

Josh Hicks:
We have had discussions with the gaming industry and the Gaming Control Board about the marker issue. With respect to the county piece, that was discussed in the State of the State speech. It was presented in the Senate Committee on Taxation, and it has been discussed since then.

Chair McClain:
What you can say is the bomb was dropped in the State of the State speech, and then the discussion started.

Assemblywoman Kirkpatrick:
I am a policy person. I know we could sit here and tell local governments this is what we expect them to do, but where is the policy going to be put in writing so that essential services are not cut? Taking $0.04 out of the Indigent Supplemental Account affects our hospitals and family courts, which have issues throughout the state. Is the policy language going to be in a bill? Where and what will the statement be to protect my constituents?

Josh Hicks:
The overriding policy is to avoid layoffs. There is a 6 percent proposed pay cut for state employees in the budget. The idea behind making a similar recommendation on the county level is to do the same thing: to avoid layoffs and to keep people working. We are so heavy on personnel costs. The Governor is anticipating a temporary pay reduction that will be restored when conditions allow, and we are looking at this in a similar fashion for local governments. If we avoid the layoffs, we can avoid the major impacts to core government services.

Assemblywoman Kirkpatrick:
I know, but I want to be able to read the policy. Will this be in a bill that states it on line so-and-so of section such-and-such? Where is the writing going to be to ensure there are no layoffs and no loss of essential services?

Josh Hicks:
The budget bills are due this Friday, and that is where you will actually be able to see this in writing. The Governor talked about this in the State of the State speech—and I am here today to talk to you about it—but it will be in writing in

that bill. We can put something in there from a policy perspective, as well as in the preamble.

Chair McClain:
About the $0.04, I do not remember hearing that it was going to be temporary. Was it always going to be temporary for, say, the biennium?

Josh Hicks:
If it were done with a pay reduction, as the Governor is recommending, it would be restored as soon as the economy allowed. The Governor, in his State of the State speech, said restoring those pay reductions would be a priority, and he was willing to call a special session in order to do so.

Chair McClain:
Right, he says he can restore the state pay reductions. However, you are now referring to the local governments in the same breath, and the $0.04 is not going to be restored. Is that right?

Josh Hicks:
If it was adjusted for through pay reductions, the Governor would be willing to do that.

Chair McClain:
Do the local governments know that?

Josh Hicks:
I suppose they do now. The Governor has consistently said pay reductions would be restored. If the counties were to do this with the recommended pay reductions, the $0.04 would be restored when the economy allowed.

Chair McClain:
So I am getting you on record as saying that if Clark and Washoe Counties cut their salaries 10 percent—the $0.04 property tax grab is actually 10 percent of their operating budgets—they would get it back in two years because you are going to give them back their $0.04.

Josh Hicks:
The Governor has said he wants to call a special session to give back the pay reductions when the money is there.

Assemblywoman Kirkpatrick:
Not many states across the nation combine economic development with tourism. I looked at 26 other states, and they do not merge the two. They

have separate entities, but never have I seen the two state agencies combined. Where did that idea come from? Merging always costs in the beginning, so what is our initial cost up front versus the benefit?

Josh Hicks:
I do not have the dollar savings here in front of me. That is something Andrew Clinger could answer, and we would be happy to provide that information. It was done mainly to increase efficiency by consolidating staff and eliminating duplication of effort in order to save money.

Assemblywoman Kirkpatrick:
We will be the only state in the west that does this. We are working hard to try to generate the right kinds of jobs. In the Assembly Committee on Government Affairs, we are always trying to get Nevadans back to work. We are finally at the point where Nevada businesses can bid on things. We are trying to work with economic development to focus on those industries we are lacking. I see tourism receiving the lion's share because it generates a lot of our budget. As a result, efforts to actually bring new businesses here would be given less emphasis. We need to work hard at bringing the right businesses here.

Josh Hicks:
I believe the consolidations were mainly in administrative staff. The Governor strongly supports economic development and always has. He envisions the new consolidated agency going forward in both of its areas, tourism and economic development. We need to do that in order to keep our state viable.

Assemblywoman Kirkpatrick:
Throughout our state, we do not cross train people to do different jobs. Is somebody going to say these administrative personnel have to have training? Everybody wants training when they have to do something different. Will that be an issue?

Josh Hicks:
Are you talking about consolidation in the jobs? The jobs are primarily going to be on the administrative levels, so we do not anticipate too much training being necessary. We feel the agency will be able to handle this as it goes.

Assemblywoman Kirkpatrick:
What do you mean by administrative?

Josh Hicks:
They are primarily clerical positions. I do not have a breakdown of those positions with me, but I will get you that information.

Chair McClain:
Does anyone have any other questions on the $0.04 or the gaming markers? [There were none.] I have a question on the 3 percent room tax from the advisory question in Washoe and Clark Counties that is calculated in the budget [see (Exhibit C)]. Could you explain how you arrived at that $140 million? I believe there was some discrepancy in the way it was calculated, and I would like to know how you came up with it.

Josh Hicks:
Do you want to know how we calculated the $292 million? That was calculated by the Chief Economist, Janet Rogers, who is not here. I would be happy to have her give you a detailed breakdown.

Chair McClain:
Would staff like to explain our quandary? We have three separate numbers.

Russell Guindon, Senior Deputy Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau:
When this information was received by your Fiscal Division staff, we looked at the estimates for the 0.375 percent, which is the $17.7 million in FY 2010 and the $18.7 million in FY 2011—there was an attachment that came with the budget to support those numbers. As most of you know, the 0.375 percent is the statewide mandatory rate that comes back to and funds the Nevada Commission on Tourism. The Governor is proposing to reallocate this money to the General Fund instead of having it fund the Nevada Commission on Tourism. Tourism would become a General Fund agency under that proposal.

We looked at those estimates and then looked at the 3 percent estimate based on the advisory question provision, which would only be for Clark and Washoe Counties. The advisory question allows a maximum rate up to a 3 percent increase, not to exceed 13 percent.

Washoe County cannot take advantage of much of that 3 percent increase because Sparks and downtown Reno are already at 13.5 percent. Those two areas cannot implement any increase. Unincorporated Washoe County and the non-downtown areas of Reno are already at 12 percent, so they could increase their rate by only 1 percent.

Clark County can implement the full 3 percent increase, except for the City of Las Vegas. There the issue becomes whether an establishment has more or less than 75 rooms.

As we looked at the analysis of this, we had concerns regarding the estimate included in the Governor's Executive Budget involving the 3 percent provisions. A 3 percent increase is 8 times 0.375 percent. If you multiply the $17.7 million shown in the budget by 8, you get $141.6 million, which, rounded up, is the $142 million shown in the Governor's Executive Budget for the advisory question for FY 2010. The math works similarly for FY 2011. We are concerned that that estimate is too high because it does not take into account that the advisory question allows an increase of up to 3 percent, but not to exceed 13 percent.

Based on the Fiscal Analysis Division's attempts to calibrate this against FY 2008 actual room tax collections, our analysis shows if you applied that 3 percent increase statewide, but not to exceed 13 percent, you could only get about 90 percent of the figure in the Governor's Executive Budget. We have done some of our own estimates and applied analysis, and the Budget Office has provided us some information. We believe the figures quoted in the Governor's Executive Budget could be overstated by approximately $15 million to $30 million per fiscal year.

Chair McClain:
Do you understand what he is trying to say, that because of the provisions of the ballot question, you cannot just do a flat, across-the-board calculation?

Josh Hicks:
I understand the concern. That would best be answered by our economist who could go into the technical details.

Chair McClain:
Could you have her get that information to our staff this week? That is a potential hole in the Governor's balanced budget.

Josh Hicks:
I would be happy to do that. I expect the economist has a good answer for that. She has been very accurate this past year any time she has been asked to project anything.

Chair McClain:
We really have to nail those figures down because we need to act on that within 37 days. We are already a third of the way there.

Washoe County has lowered their assessed valuations across the board. Do you know if Clark County is contemplating something like that? They could all go the Board of Equalization and get their assessed valuations lowered. Did you envision anything like that happening when you were looking at that $0.04?

Josh Hicks:
I do not know the answer to that. The question would be better directed to a county official.

Chair McClain:
If you are pulling that $0.04 out of the combined tax rate, and you expect the counties to foot the bill totally, what about the cities included in the combined rate?

Josh Hicks:
Right now, the thought was that it would come out of the county piece, not the city pieces. There are a lot of different ways it could be structured.

Chair McClain:
Here is my problem. If you are using this as a hammer to make counties lower salaries, cities such as Henderson, Las Vegas, and North Las Vegas are not down on the same scale as the state salaries. They are up on the same scale as the county salaries. Where is the fairness in that?

Josh Hicks:
I do not have the information on city salaries, but we do have that information on the counties. That is why the recommendation was made that way.

Assemblywoman Kirkpatrick:
I am sorry. The cities are in your report. That goes back to the point I was trying to make earlier that the counties take the hit, but in local governments, with exemptions and abatements, the cities could do whatever they liked and the counties had to make up the difference. That would be one more thing that was not quite fair.

Josh Hicks:
There is some city information in there, but it is rather limited, especially for Reno. There is some information from Las Vegas, though. We did not feel we had the depth of information for cities that we did for the counties.

Assemblyman Aizley:
When you were presenting the revenue for the 3 percent room tax increase, did you break it down separately into Washoe County and Clark County instead of one lump?

Josh Hicks:
It depends on where in the county. As Mr. Guindon said, the rate will change depending on where the property is located in the county.

Assemblyman Aizley:
I would like to see how much revenue was coming from Clark County as a result of a 3 percent increase in room tax versus how much was coming from Washoe County.

Josh Hicks:
There is actually significantly more coming from Clark County because it is not as close to the cap as Washoe County. I believe we have provided those figures, but I would be happy to follow up with you.

Chair McClain:
I think our Fiscal staff would like to clarify something.

Russell Guindon:
You raised a good point about the information that was available when these property tax projections were produced. The Fiscal Analysis Division; staff from the Budget Division, Department of Administration; and staff from the Department of Taxation participated in a joint effort in December to produce these property tax estimates for the $0.75 operating piece that goes into the Distributive School Account (DSA). I believe the $0.04 estimate that is in the Governor's Executive Budget was derived using that $0.75 estimate.

However, an article last week from Joshua Wilson, the Washoe County Assessor, stated that the county had lowered assessed valuations by 15 percent across the board. Because of Assembly Bill No. 489 of the 73rd Session, though, most of the abatements are gone. Therefore, if I read the article correctly, the actual property taxes are now projected to go down by 3.5 percent.

Also, it is my understanding that perhaps 6,000 appeals are going to be going on in Clark County regarding the fact that, under the law, property owners can appeal their assessed valuations. So we may not see the same kind of thing as in Washoe County—the across-the-board downsizing of the assessed valuations—but there could probably be additional value taken off because of all the appeals going forward. In Clark County, they have created a special Board of Equalization that is meeting virtually around the clock to hear these appeals.

As your Fiscal staff, we would be concerned that the property tax estimates are probably too high. This might have to be addressed by the Budget Division with regard to producing a revised set of property tax estimates.

Josh Hicks:
Madam Chair, we would be happy to have our fiscal staff work with your Fiscal staff to make sure we are all in as close to agreement as possible on those projections.

Chair McClain:
Thank you. You are welcome to stay and listen to responses.

Washoe County did sign in, so welcome. If anybody else wants to weigh in on the property tax, the room tax, the markers, or the Sales and Use Tax collection, you are welcome to do so.

David Humke, Chair, Board of Commissioners, Washoe County, Reno, Nevada:
We took some serious notes on that presentation. The technical aspects of the testimony will be handled by Katy Simon, Washoe County Manager. I would like to make some preliminary remarks.

First, where is the bill? This is a major policy change, and you do not have a bill in front of you. That leads to my second comment. There has been no consultation with Washoe County by the Governor or his staff—none; zero. We get our consultation here. Announcements are released in dribs and drabs. That is not very good government, whether it be local or state or some new hybrid.

I made reference in my notes to salary adjustments, which you have fully investigated. The other side of that is contracts with labor organizations. It is well documented that this Legislature, in its infinite wisdom, approved collective bargaining for local governments some time back. To disturb those contracts with a stroke of the pen in drafting a State of the State address... There is a lot of legal follow-on action that has to take place. It is also known as breach of contract. This is very difficult to deal with.

I would just end by quoting Assemblywoman Pierce, who said "when we go marauding through." I would suggest there was one flaw in that statement. Why is it "we"? There are two branches of government involved. It is only "we" if you join.

Katy Simon, Manager, County Manager's Office, Washoe County, Reno, Nevada:

[Distributed a handout, "Washoe County Presentation to Assembly Taxation Committee, Nevada Legislature 75th Session, February 17, 2009" (Exhibit E).] We appreciate the opportunity to give you a quick overview of some of the impacts of the $0.04 proposal and to familiarize you with some of our issues. We appreciate the difficulty of the Legislature's task, which is the same task as ours but to a different degree: to provide adequate services to our citizens with inadequate revenues.

Washoe County's population has exceeded 400,000. We have about 2,900 employees now out of 3,200 positions, so almost 10 percent of our workforce is vacant and frozen, and it has been for some time. One important point is we recently did an analysis comparing our government to local governments nationwide. We only have 6.9 employees per 1,000 population compared to a national average of 10.44.

We are lean, and we are doing a very efficient job on behalf of your constituents. We have mandatory collective bargaining, and we have eight mandatory collective bargaining units.

The information you received about our salary increases from the Department of Personnel is incorrect. We actually bargained with our major union this year for a zero percent cost-of-living increase, and we just received a vote from our largest bargaining unit for a zero percent cost-of-living increase next year. They also took a 2.5 percent voluntary pay cut this year. The information some of this decision-making is based on is incorrect, and we wanted to point that out. Also, on page 2 of your handout, our bond rating is the highest in northern Nevada, and our fiscal management and fiscal conservatism has benefited your constituents.

Page 3 is a summary of the public services on which your constituents rely in Washoe County. The first two columns are services of which we are the only provider in our region. Page 4 shows our sources of revenue. This chart changes based on the share of revenues we get from various sources. As sales tax revenues have declined, a larger and more important part comes from property taxes, which are now 52 percent of our General Fund budget.

On page 5 are expenses by function. I would like to note that public safety and courts, including family courts, are 43 percent of our General Fund. These are important, essential services on which our collective constituents rely.

Page 6 is important because this shows where the pennies of the $3.64 tax rate go. Of that $3.64 cap, Washoe County's rate is $1.39, but we have bracketed two large boxes. One box is legislative overrides, which are mandated by the Legislature. The other box is voter overrides. Of that $3.64 of overlapping rate, only about $0.95 is controlled by Washoe County to provide the services you have seen.

You can see we have underlined and starred the Indigent Insurance program, which is the $0.015 that has already been swept. We have also underlined and starred the Capital Projects Fund—as a result of the last legislative session, $0.05 of that was shifted to the state over the next couple of years. Based on the allowable rates over the last decade, Washoe County has not imposed $0.30 of allowable tax rate. In Washoe County, we are at the overlapping rate of $3.64, so we have no capacity to raise revenues to offset the loss of $0.04.

You have talked a bit about the property tax abatement. Page 7 shows revenue we have not collected over the last few years because of the 3 percent property tax bill cap. We do not disagree with the legislation; we think it did work to stabilize property tax bills. However, that means there is about $32 million in revenue we are not collecting this year.

Page 8 is our economic outlook. Consolidated taxes are now down 13 percent compared to last year. When we prepared this slide, unemployment was at 7.8 percent. It is now at 9.0 percent. You know the situation with lost jobs and foreclosures as well as we do.

Page 9 is our fiscal outlook. Sales taxes have declined in Washoe County in 28 of the last 29 months. You have heard today about the reduction of taxable value by 15 percent, but that was on top of a prior reduction ranging from 25 percent to 30 percent in other areas of the county. We have had a massive reduction in our taxable values. In short, our revenue is not sufficient to meet our already reduced service levels.

Some examples of the impact of the economy on our service demands are shown on page 10. The average number of emergency room referrals has increased from a little less than 800 last year to 1,400 this year. Four hundred general assistance clients have to be wait-listed each month due to lack of capacity. Library visits are up. We have medical examiner workload increases. Throughout our system, in the state as well as the county, as our economy declines, quite often the demand increases for those safety net services we provide.

Page 11 contains a summary of our shortfall forecast over the next biennium. Originally, our most likely scenario was "Scenario 1: Base Case." In that scenario, we would be looking at a $47 million shortfall. An optimistic scenario forecasts a shortfall of $29 million. However, we now know that, since we prepared this list, the most pessimistic forecast has come to be. Because of our declines in assessed valuation and in sales tax, we know right now the most pessimistic forecast is most likely, and that is $47 million more in shortfall next year.

That is before a property tax shift to the state and before any service shifts that might come from the state to the county. As you can see on page 12, we have binding labor arbitration, pending property tax court cases, and indigent defense counsel issues—we may have to increase our staffing dramatically to provide lower caseloads for indigent defense.

Page 13 summarizes the components of the projected shortfall. We begin with the $47 million shortfall we are already facing based on economic conditions. Then we add $6 million a year for proposed property tax diversion, $3.9 million for the Capital Property Tax shift that has already taken place, and $10 million for the cost of decreasing caseloads for indigent defense.

Washoe County has in place a cap on growth and spending self-imposed by the Washoe County Board of Commissioners. We do not grow our budget more than the combined effects of the Consumer Price Index (CPI) and population growth, and we have not done so for ten years.

In the good years, that created some reserves for us, which we were able to use to see us through. Those reserves will run out this year, so we have been doing very dramatic budget cutting for three years.

We have in place what the Legislature has twice recognized as a fair and objective compensation system. We do a salary survey based on 29 employers, taking an average of comparable jobs in both the public and private sectors. The Hay Group, an international personnel firm, does that study for us. On page 15 is a chart showing that our salaries are in the middle of the range for those 29 employers to whom we compare ourselves.

Page 16 gives a quick summary of things we have already done to keep our local government lean and efficient. We have not been asleep at the wheel; we have been managing that budget shortfall. However, an additional $6 million a year for the next two years will have dramatic impacts on the already difficult issue of providing services to your constituents.

Assemblyman Anderson:
As always, that was a speedy presentation over some difficult facts. I have a couple of questions about the chart on page 15. As to the divergent lines marked "Market P75" and "Market P25," is that the overall range of those indicators? What is the other line you are comparing to Washoe practice? Also, what is the time period for this?

Katy Simon:
This is a survey of the 29-employer group. We take the average of the ranges for comparable positions. The green line would be the 50th percentile of that group; the top dotted line is the 75th percentile, and the bottom dotted line is the 25th percentile.

Assemblyman Anderson:
Should I conclude from this that you have grown further away from the bottom end of the overall line, but while that disparity is great, it is not as great as from the top end of the surveyed respondents?

Katy Simon:
That is correct. The Hay system sets compensation based on the complexity and difficulty of a job. That is what you see as "total job content points." It measures every job, compares it to every other job within the system, and compares it externally. It is designed to make sure you have internal equity as well as external equity.

There is no question that, in many cases, state salaries are lower than local government salaries. What we wanted to show you, though, is that the local government salaries, at least in Washoe County, are in the middle of the market. We have long understood that state salaries are below the market. We do not attract good workers to our state by lowering all salaries to the lowest possible level.

Assemblyman Anderson:
What would be the factor of the ratio of the number of employees to the citizenry of the county? Is that a factor they would weigh in the overall equation, given the population increase in the county?

Katy Simon:
It is not a factor. Workload is actually not counted as a factor. We do know the low ratio of employees per capita is not unique to Washoe County. It is also true in Clark County and elsewhere. I saw a report not long ago that showed employee salaries for Nevada governments being lower than elsewhere in the country because we have fewer employees.

Assemblyman Aizley:
Do you have a list of the 29 employers in the base comparison group?

Katy Simon:
I do not have that with me, but we will get that for the Committee. It does include comparable employers in Nevada as well as some of the other western states where we compete for such employees as engineers, social workers, and nurses.

Assemblyman Goedhart:
In regard to the Hay study, when you looked into a comparison of salaries in different geographical markets, was there also a correlation to cost of living versus pay? How did that factor into the study?

Katy Simon:
That does factor in. We strive very hard to get private sector employer data for comparable jobs. As you can imagine, private employers sometimes are not enthusiastic about sharing their salary information, but yes, that kind of information is factored in.

Assemblyman Goedhart:
When they conducted those salary surveys, did they also include a monetary value to days off, vacations, pensions, and other similar benefits?

Katy Simon:
That is not factored into this salary line. It is a separate analysis. We look at compensation and benefits as a package, but that information is not charted on this line. When we did the same kind of analysis comparing benefit packages, we also found Washoe County was in the middle of the range. We try hard not to be the lowest payer. It is the Board's position that we stay in the middle of the range.

There is one note in the presentation (Exhibit E) I did not highlight for you. Over the seven years of our salary program, the CPI increased 21.7 percent and Washoe County salaries increased 21.4 percent. The system is working to keep people at adequate, midrange compensation.

Assemblyman Goedhart:
When you look at attracting qualified individuals to a company, it is not always about the pay or benefits. Sometimes it is about such things as job security, workplace enjoyment, professional development or a plethora of other factors. I know a lot of people who took jobs that paid more but are now in the

unemployment line because they were in a salary-based field or on commission. I am sure there are a lot of applicants looking for jobs within the government sector because they seem a little more secure than those in the private sector.

Assemblyman Anderson:
I want to register, for the record, my disappointment with other counties closing their libraries. In Sparks, which is my district, that was devastating to children. I realize it is a reallocation of the older section of town. Those in the part of the community with the greatest need for that kind of service are the ones who seem less served. I am concerned about the determination of that, and I see it in the reallocation of libraries and some other services. That is one factor the county should take into consideration. Libraries are very important to me, but I recognize not everyone feels the same way.

Katy Simon:
The citizen-led committee that helped us with prioritizing budget reductions came up with a tiered reduction proposal that told us to take the smallest cuts from public safety, but we do take cuts from public safety, next to judicial and social services and health services. The next largest cuts were from services, such as technology, that support all the other programs. The largest cuts were taken from Washoe County Parks and Recreation and the Washoe County Library System.

They were all difficult cuts, but with public safety being such a huge part of our budget, if we take smaller cuts there, it means we have to take larger cuts elsewhere. These are very difficult choices, and we will take this input back to the Board of Commissioners.

Chair McClain:
I do not see any other questions. Thank you very much. I see Clark County has come up to the table.

Sabra Smith-Newby, Director, Administrative Services, Clark County, Las Vegas, Nevada:
I distributed a handout ["Clark County, Nevada—Presentation to Assembly Taxation Committee" (Exhibit F)], which we presented last week to the Senate Committee on Taxation. We put this together before we knew why Washoe and Clark Counties were targeted for the $0.04 in the Governor's Executive Budget. It is commonly thought property taxes fund local services and not state services. However, the state does receive a significant amount of property tax revenue.

On page 3 of the handout, we have separated all of the tax rates by their authority—the Legislature, the voters, and the local governing board. As you can see, the total rate in Clark County is a little under $3.00. Each one of those authorities controls about 1/3 of the total property tax rate. The Clark County operating rate is roughly $0.44, which I now hear is the rate we are being charged to take the $0.04 from.

On the next slide, page 4, you will see the property tax rates within Clark County from a number of the different cities and what percent they are of the $3.64. Page 5 shows property tax collections for different entities, including the State of Nevada. The next slide contains that information in the form of a pie chart showing all the different ways the property tax revenue is distributed in Clark County.

Chair McClain:
Back on page 5, is this the pot of money that could be affected by the thousands of appeals to the Board of Equalization?

Sabra Smith-Newby:
I believe not. I believe it is the next fiscal year.

Russell Guindon:
That would be correct. The appeals that are going on are for assessments that will determine the bills that will go out in July 2009 for FY 2010.

Chair McClain:
So these are the bills that went out in July 2008, then?

Sabra Smith-Newby:
I believe so. In summary, about half of the property taxes collected in Clark County fund the state and the public education system, which is a part of the state. Clark County retains 27.6 percent. The county and city governing boards do not control the majority of the property taxes. Moreover, those governing boards are restricted in the property taxes they levy by tax caps and voter approval requirements.

Page 8 gets into some of the questions about assessed valuation. While we do not have the final numbers yet, this shows that 99 percent of the total parcels in Clark County have decreased in their valuation. Page 9 shows that we expect about 370,000 of those parcels—over half of them—to have declined both in assessed valuation and in property tax collections. This is significant, when you think about the property tax caps that were put in place in 2005, to actually have property taxes lower when they should really be indexing to that growth they were getting over those years.

Page 10 is our attempt to apply the $0.04 of the property tax proposal from the Governor to Clark County's various rates to show what kind of revised revenue would result. Page 11 shows that information in the form of a pie chart. Page 12 shows the property tax impact, with the reallocated revenue in the center column. You can see the impact of the $0.04 reallocation on all of those different functions: family court, health district, social services, the emergency room, and other general services. It is important to note that $0.04 of the county operating rate is roughly 10 percent. As I recall, about 85 percent of our expenses go to people. So if you are applying 10 percent to 85 percent, that actually comes to a larger than 10 percent cut for salaries.

Finally, there are some other impacts of the Governor's proposals. I will not go over those in detail because they are covered in another handout ["Clark County's Response to Specific Proposals Included in the 2009–Biennium Executive Budget" (Exhibit G)]. Mind you, these are just the ones we know of so far. More seem to pop up every day. They do include the Indigent Supplemental Account, the Sales and Use Tax collection allowance, the redirection of the property tax, child welfare integration budget salary costs—our salaries were also cut; we are in the same situation as the teachers and foster care workers—Temporary Assistance for Needy Families (TANF), Emergency Assistance reductions, Emergency Shelter Fund reductions, graduate medical education (GME), and Medicare Part D clawback payments.

Assemblyman Goedhart:
Page 5, line 4, talks about the property tax collection rate for the different towns. I know the state cap is $3.64. Who sets that rate in each municipality?

Sabra Smith-Newby:
It depends. The tax rate is made up of a number of different items, as you will see on page 4. It is a combination of the local governing board, voters, and the Legislature.

Assemblyman Goedhart:
A lot of rural counties are already at the tax cap of $3.64. I wondered if you had the authority locally to increase that tax rate, bringing it closer to the cap. I am not sure who has that statutory authority.

Russell Guindon:
There is a formula in statute that local governments with property taxes—counties and cities—go through every year to determine their rates such that

their revenues cannot increase by more than 6 percent. That determines the maximum rate they can impose, except that if the previous year's rate was higher, they can impose that.

The bottom line is that when all the entities' rates are added up—the state debt rate, the school district rate, the school debt rate, the county and city rates—they cannot exceed $3.64. The entities have the authority within the law to do that calculation, which would determine the maximum rate they could impose. They can then make the decision whether to impose that maximum rate or not.

Washoe County's maximum rate is under the 6 percent growth rules—around $1.23—and they are only imposing around $0.90. They cannot impose that difference because it would put them over the $3.64 cap. The different government entities have to work together to stay within that 6 percent growth rule.

Sabra Smith-Newby:
The Board of Commissioners in Clark County has in place, by its own vote, a Taxpayers' Bill of Rights that lays out a conservative fiscal model for operating. It says our operating rate will not increase by anything more than the combination of growth times CPI, and that we will not raise taxes above the rate set in place when the Taxpayers' Bill of Rights originally passed.

Chair McClain:
Are there any other questions? [There was no response.] Do we have anyone else who would like to weigh in on the revenue proposal?

Jeff Fontaine, Executive Director, Nevada Association of Counties, Carson City, Nevada:
We recognize the state's revenue shortfall. We appreciate the Governor's need to submit a balanced budget. However, it is Nevada Association of Counties' (NACO) position that a cost shifting or redirection of county revenues to address the state's revenue shortfall is not a solution, and it does not meet the needs of our citizens.

Neither NACO nor the counties were consulted prior to hearing about any of the redirection of revenues in the Governor's State of the State speech. Counties are experiencing revenue shortfalls as well. They have taken many steps, as you have heard from Washoe and Clark Counties. I can assure you the rural counties are taking steps, and have taken steps, to balance their budgets, including layoffs and furloughs. They are doing this while continuing to provide essential services.

One of the charts I just received today in the packet handed out by the Governor's Chief of Staff shows an increase in local tax revenues relative to the state. I have not had time to analyze that chart, but one thing that strikes me about it is I do not think you can compare revenues without comparing services on the expenditure side. Many of those services the counties are expected to provide have, over the last 20 years, been unfunded or underfunded mandates.

Other aspects of the Governor's Budget indirectly impact county governments, including closing rural mental health clinics and an honor camp, streamlining museums, and things of that nature. We understand the need to reduce expenses, but this will also impact counties to varying degrees by eliminating or curtailing jobs. Many of those people will end up having to utilize county services. It is important to put the redirection of county revenues in perspective within the big picture, which is an increase in demand on county services.

As far as specific county revenues contained in the Governor's Budget that will be redirected, you have heard about the $0.04 in property tax from Clark and Washoe Counties and the consequences that will have on their budgets. There is also the increase in the collection fee on sales tax from 0.75 percent to 1.75 percent, which will affect all counties. Last but not least, a revenue redirection that has not been discussed is taking funding from the Indigent Supplemental Account to supplant general funds for Medicaid, which will also affect all counties.

When you add up Clark and Washoe Counties, the property tax being considered in this budget includes the $0.04 in property tax, as well as $0.025 in property tax in the Indigent Supplemental Account. That adds up to $0.065.

The counties have stepped up and tried to help the state in addressing at least the immediate budget shortfall. During the special session, NACO and the counties did not oppose the taking of the Indigent Supplemental Account to help address the current fiscal year's shortfall. The representation made by the administration at that time was that those claims could just be rolled forward into the next fiscal year. Here we are in next fiscal year, approaching the next biennium, and again the fund is going to be swept.

What was described as a short-term cash flow problem now becomes an immediate and critical cash flow problem for every county. In addition, the mineral lease funds and geothermal lease funds were redirected from counties, mostly rural counties, to help address the General Fund shortfall for this fiscal year.

We understand the magnitude of the problem. We understand the difficult decisions this Committee and the Legislature in general have to make, but we hope you will agree that continuing to redirect county revenues to help address a General Fund shortfall is not in the best interests of the citizens of our state.

Robert Stanley Hadfield, Management Consultant, Walker and Associates, Minden, Nevada:

I am familiar with the history of some of the things that are taking place. I was involved in discussions that took place in 1981 and 1983 when counties throughout the state were faced with the huge problem of accidents occurring on highways throughout our state for which counties have statutory responsibility to pay the cost. The counties tried to get out from under that obligation, but the federal government said we were responsible because the people involved were travelling through the state.

Prior to 1981, when I first became Douglas County Manager, I would go to Washoe Medical Center and negotiate a payment of county claims for these cases with the hospital. Sometimes I might get fifty cents on the dollar; sometimes I might get a better deal. That sort of arrangement was common throughout the state.

However, beginning in 1981, we began to see an escalation in the number of these accidents due to the growth of the state and an increase in the number of people passing through. A bus accident in Churchill County resulted in rather large expenses that were passed on to counties. Hospitals could no longer afford to negotiate with counties, so they were demanding we make full payment.

These accidents became greater, and we had more serious cases. So Washoe and Clark Counties, being the sites of the trauma centers in the state, ended up receiving most of these cases. The counties got together to come up with a system to solve the problem. All 17 counties agreed to levy a tax rate to go into a statewide fund where they would pool their resources to pay these claims. A small rural county might get a $250,000 claim, while their entire indigent budget might have been $70,000.

The counties came to the Legislature, and the result was legislation that created the Indigent Accident Fund and the Supplemental Fund (now known as the Indigent Supplemental Account). It was decided, through a collective process with the best brains we had, that instead of having the county commissions each levy the tax—at that time $0.015—the state would levy it. It would go into a state fund, but it would be county money. To make that point, a board of trustees comprised of county commissioners was put into the law to administer the fund. It was not, and was never intended to be, state revenue. It was always intended to be revenue for the counties to pay these indigent bills.

These funds are the funds of last resort. Once these funds are used to make payment, there can be no more litigation. There can be no hounding of individuals by turning claims over to collection agencies. It is all done.

There is a deductible on these funds. There are rules requiring counties to pay different deductibles, and they cannot have access to the Indigent Supplemental Account, which is an insurance fund against large claims. I specifically remember twins being born in Mineral County at a cost of $250,000, which was the responsibility of Mineral County because the family could not pay the bill. The fund paid the bills; otherwise, the county would have been bankrupted by those claims.

Those funds should be considered a local government tax rate. The funding was done that way as an administrative procedure, and it has worked very well.

The Spending and Government Efficiency Commission (SAGE Commission) made the recommendation to take that property tax piece that should go to the Indigent Supplemental Account. The SAGE Commission did not ask, did not communicate, and did not invite any discussion or dialogue on this issue. We found out about the decision at their final meeting. There was no exchange of views.

If the account goes away, some rural hospitals may not survive. Grover C. Dils Medical Center in Caliente, Nevada, would not have survived last year without these funds. Taking that money is a revenue enhancement for the state, but it does not remove the responsibility from the counties. It is a direct hit to all counties, and it will hurt the small rural counties tremendously. It will also hit the University Medical Center of Southern Nevada (UMC) to the tune of $12 million to $14 million a year. It will also hurt the trauma centers in Washoe and Clark Counties, as they receive a greater portion of the payment.

I urge you to consider that. The state Budget Division obviously did not bother to ask and does not know the nature of the account, so they do not even consider taking it as a revenue enhancement at the expense of the counties.

Jerrie Tipton, Vice Chairman, Board of Commissioners, Mineral County, Hawthorne, Nevada:
Mineral County's budget is roughly $5 million a year, which is not a lot of money. We have no county manager; the Board of Commissioners handles that

function. Mount Grant General Hospital in Hawthorne is facing a bill for a minimum of $250,000 the county will be liable for this year. That bill did not get processed last year because we have no more Indigent Accident Supplemental Account funds available. We cannot carry this forward another year. Now we are looking at another $20,000 coming out of our sales tax.

Chair McClain:
We can all relate. Are there any questions? [There was no response.] Mr. DiCianno, I think we are going to roll your bills, Assembly Bill 23 and Assembly Bill 37, to a future meeting, probably next Tuesday.

Assembly Bill 23: Revises provisions governing the crediting and refunding of overpayments of certain taxes and fees. (BDR 32-346) [Not heard]

Assembly Bill 37: Provides relief from paying the penalty for the late payment of the annual fee for a state business license under certain circumstances. (BDR 32-347) [Not heard]

Did anybody else want to testify on this issue? [There was still no response.] We are adjourned [at 3:13 p.m.].

RESPECTFULLY SUBMITTED:

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Mary Garcia
Committee Secretary

APPROVED BY:

____
Assemblywoman Kathy McClain, Chair

DATE:______________________________

EXHIBITS

Committee Name: Committee on Taxation

Date: February 17, 2009 Time of Meeting: 1:36 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C	Josh Hicks, Chief of Staff, Office of the Governor	"State of Nevada General Fund—Statement of Projected Revenues and Expenditures: Fiscal Years 2009-10 and 2010-11"
	D	Josh Hicks, Chief of Staff, Office of the Governor	Booklet: "Governor's Recommended Executive Budget: Comparison of Impacts to Nevada's State and Local Salaries and Tax Revenues"
	E	Katy Simon	PowerPoint presentation: "Washoe County Presentation to Assembly Taxation Committee, Nevada Legislature 75th Session, February 17, 2009"
	F	Sabra Smith-Newby	PowerPoint presentation: "Clark County, Nevada Presentation to Assembly Taxation Committee"
	G	Sabra Smith-Newby	"Clark County's Response to Specific Proposals Included in the 2009-2011 Biennium Executive Budget"