

**MINUTES OF THE  
SENATE COMMITTEE ON TAXATION**

**Seventy-fifth Session  
March 31, 2009**

The Senate Committee on Taxation was called to order by Chair Bob Coffin at 1:40 p.m. on Tuesday, March 31, 2009, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Bob Coffin, Chair  
Senator Terry Care, Vice Chair  
Senator Michael A. Schneider  
Senator Maggie Carlton  
Senator Randolph Townsend  
Senator Mike McGinness

**COMMITTEE MEMBERS ABSENT:**

Senator Maurice E. Washington (Excused)

**GUEST LEGISLATORS PRESENT:**

Senator John J. Lee, Clark County Senatorial District No. 1

**STAFF MEMBERS PRESENT:**

Russell J. Guindon, Senior Deputy Fiscal Analyst  
Joe Reel, Deputy Fiscal Analyst  
Kyle Casci, Committee Secretary

**OTHERS PRESENT:**

Renny Ashleman, City of Henderson  
Richard Perkins, City of Henderson  
Douglas C. Gillespie, Sheriff, Las Vegas Metropolitan Police Department

Senate Committee on Taxation  
March 31, 2009  
Page 2

Joseph K. Forti, Chief of Police, North Las Vegas Police Department  
Jutta G. Chambers, Chief of Police, City of Henderson Police Department  
David F. Kallas, Director of Governmental Affairs, Las Vegas Police Protective  
Association Metro, Inc.  
Stan Olsen, Las Vegas Police Managers and Supervisors Association

CHAIR COFFIN:

We will start today's meeting by receiving comments from Senator Lee regarding Senate Bill 294.

**SENATE BILL 294**: Revises the formula for the allocation of money distributed from the Local Government Tax Distribution Account. (BDR 32-1029)

SENATOR JOHN J. LEE (Clark County Senatorial District No. 1):

The Consolidated Tax is the city and county supplemental relief tax. It incorporates the cigarette tax, liquor tax, real property transfer tax and government service tax. I believe this bill needs to have an intermediate study done on this issue. Then, it would be better served to have this bill brought back to the Taxation Committee next Session after the study has been completed. I would like to have S.B. 294 transferred from the Taxation Committee to the Legislative Operations Committee.

CHAIR COFFIN:

I close the hearing on S.B. 294 and open the hearing on S.B. 158.

**SENATE BILL 158**: Revises provisions concerning tax increment areas created to benefit the Nevada State College. (BDR 22-905)

RENNY ASHLEMAN (City of Henderson):

There is a tax increment area of around 500 acres of the Nevada State College in Henderson, which has never had any tax revenue because it was transferred from the federal government. We intend to let the increment district support the Nevada State College as a supplement to other financial revenue. Our request is that there will be a Legislative record that the money should not be used to replace or supplant money available from other sources. That request is stated on page 3, lines 44 and 45.

SENATOR CARE:

Is this inserting additional language to something we addressed last Session?

Senate Committee on Taxation  
March 31, 2009  
Page 3

MR. ASHLEMAN:  
Yes, that is correct.

RICHARD PERKINS (City of Henderson):  
Yes, this bill is a minor wording change that will address any issues that may come up in the future for this issue.

CHAIR COFFIN:  
The supplanting portion may be controversial as people build budgets. I close the hearing on S.B. 158 and open the hearing on S.B. 202.

[SENATE BILL 202](#): Provides the legislative approval required for an increase in the tax imposed pursuant to the Clark County Sales and Use Tax Act of 2005. (BDR S-452)

DOUGLAS C. GILLESPIE (Sheriff, Las Vegas Metropolitan Police Department):  
In 2003, Sheriff Bill Young identified a need for more police officers within Clark County. He realized that the funding bodies within Clark County could not keep up with the rapidly growing need to hire more officers. Then, with the support of elected officials, he decided to look for another funding source. After much work the decision was made to pursue a sales tax increase. The voters were given literature ([Exhibit C](#)) in order to make an educated decision. In November 2004, the voters in Clark County approved the advisory question, and in May 2005 the Legislature approved the initial quarter cent. The tax was then enabled in August 2005 by the Clark County Commission. The first officers hired at the Las Vegas Metropolitan Police Department (Metro) began in January 2006. Since that time Metro has hired 600 officers. Many questions have been raised during the past three years. People want to know about the impact of the additional officers and whether we have used the money appropriately. An audit just completed by Clark County affirms that we have used the funds appropriately and effectively. I have provided you with a copy ([Exhibit D](#), original is on file in the Research Library) of the audit report. In summary, the report says we have done exactly what we told the public we would do with the funding. To show the effectiveness of our additional officers, I refer you to our latest published crime report ([Exhibit E](#)). Crime is down 27 percent in Metro's jurisdiction since 2004. In addition to that, we can compare the change in fatal traffic accidents. In 2006 we had 163 fatal traffic accidents, in 2007 133, in 2008 113, and so far this year we have had 19 fatal traffic accidents which represents a 37-percent decrease compared to 2008. Why enable the

second quarter cent? First, it is something the voters wanted. Secondly, even with the slow growth of our valley, we anticipate needing the next quarter cent to support sufficient staffing levels. The voting public advised us in 2004 what they wanted this money used for, and then in 2005 the Legislature enabled the first portion of that, asking us to come back this Session and prove that we have used the money as requested. I believe that the audit and the crime rates show that we have used this money responsibly. Therefore, we ask to have the second portion enabled.

JOSEPH K. FORTI (Chief of Police, North Las Vegas Police Department):

I have provided you a handout with some information ([Exhibit F](#)). Since the enactment of the sales tax increase, we have been able to hire an additional 105 police officers. However, based on current funding, we are unable to fill another 19 vacant positions. In 2008 and 2009, we are anticipating a \$6.3 million ending fund balance. In 2009 and 2010 we are anticipating a \$1.9 million ending fund balance. Then in 2010 and 2011, if the economy continues to decline, we will be looking at an approximate deficit of \$3.3 million. That deficit could equate to 30-plus layoffs. We have seen a great reduction in crime in North Las Vegas since the addition of officers. Since 2007, we have seen a 54-percent reduction in homicides. Robberies have decreased by 15 percent. However, aggravated assaults have only had a 4-percent decrease. Overall we have seen our violent crime total fall 8 percent. Property crimes have decreased, particularly in motor vehicle theft, which has gone down 28 percent. Burglary has dropped 8 percent. Larceny has gone down 1 percent. Overall in property crimes, we are down 10 percent. With the increase of officers we have been able to increase our detective bureau by six positions. We have seen an over 20-percent increase in solvability and clearance rate in our crimes. There is a resolution ([Exhibit G](#)) which will be going in front of our City Council tomorrow night in support of this request.

JUTTA G. CHAMBERS (Chief of Police, City of Henderson Police Department):

In 2005, the City of Henderson barely had one officer per 1,000 people. The only funding the Henderson Police Department has is the general funding for the city. Our department greatly needed the sales tax initiative. We have been able to increase our authorized staff by 117 positions and of that amount we have filled 93 positions. From 2006 to present, our crime in all areas has decreased. In violent crimes we are down 15 percent, and we are down 17 percent in property crimes, for a total reduction of a little over 17 percent in all crimes. At the moment we are at a rate of 1.4 officers per 1,000 people. Our officers have

more time to investigate the calls they receive compared to very severe time constraints they had on calls in previous years. We have provided you with a sampling of the letters ([Exhibit H](#), original is on file in the Research Library) that we have received from the citizens of Henderson in response to the time officers been able to spend with victims of crimes. The economy has created some budget challenges for us in the sales tax fund. We have 24 vacancies in that fund today, which we are unable to fill. In the process of moving forward, we would like to reach and maintain a ratio of 1.5 officers to 1,000 citizens. We have been able to take the money from the general fund and use it to address positions of support within the police department.

CHAIR COFFIN:

In a bit I would like each of you to address ideas you have to attack the drug trafficking issues that we may be seeing in the near future.

SENATOR CARE:

Do you have the data to demonstrate that what has happened to the crime rates in southern Nevada can be attributed to the increase in the sales tax compared to the crime rate in other jurisdictions of similar populations that have not had their sales tax rate increased?

MR. GILLESPIE:

It is difficult to compare cities when looking at crime. As I speak with colleagues across the country, they mention that they are seeing downturns in their crime rates compared to three years ago. Cities that have increased the number of police officers have seen a greater percentage in crime decrease. We have had fewer car accidents in 2008 than we did in 2007. I attribute that to the visibility of more police officers on the roadways. By having more officers available to us, we are able to have officers concentrate on certain areas within our jurisdiction, and we have not had the luxury to do so before now. This has helped the number of street robberies go down.

SENATOR SCHNEIDER:

Would you consider delaying the other quarter-cent increase, taking an eighth cent in both 2010 and 2011?

MR. GILLESPIE:

We would be willing to discuss that option.

SENATOR CARE:

I second the idea posed by Senator Schneider as an option to look into for strong consideration.

CHAIR COFFIN:

I was considering that the price of gas may have been a factor in the decrease of people speeding.

MR. GILLESPIE:

The price has gone down, but so has the number of wrecks. I have witnessed more people driving slower, and once again I attribute that to our ability to have more officers visible on the roadways.

CHAIR COFFIN:

What is keeping you from staffing your vacant positions? Is it a lack of money?

MS. CHAMBERS:

Yes, our problem is a lack of funding to pay for the salaries of those positions.

CHAIR COFFIN:

Is your funding for this class of employees walled off?

MS. CHAMBERS:

We have some police officers that are funded through the sales tax initiative, and those positions receive all of their funding through that. We have other police officer positions that are funded through the general fund. We have had to keep the vacant positions from the sales tax initiative vacant due to the lack of revenue coming into that account.

CHAIR COFFIN:

Did we require in legislation that you fence them off?

MS. CHAMBERS:

The two accounts are completely separate, and we do not supplement funds in either account. We manage vacancies in each one separately.

CHAIR COFFIN:

Are you staffed up on your general fund staffing?

Senate Committee on Taxation  
March 31, 2009  
Page 7

MS. CHAMBERS:  
Yes, we are.

MR. FORTI:  
We also do not have the revenue available to fill our vacant positions. We could fill them, but by the end of next year, we would be in trouble when it comes to funding those positions.

CHAIR COFFIN:  
Would you please tell us about your money reserve and what your goal is with the reserve?

MR. GILLESPIE:  
Our goal is over the life of the tax to be able to fund those positions. According to our calculations, we need the money in reserve in order to address issues that may arise.

CHAIR COFFIN:  
Is your money in reserve equivalent to one year's operating cost?

MR. GILLESPIE:  
I cannot say for sure. I could get those answers for you and your Committee.

CHAIR COFFIN:  
I would appreciate your retrieving that financial information for us. If there is a deferral of some kind, such as Senator Schneider mentioned, that may help you if in fact that has to happen.

MR. GILLESPIE:  
Our calculations are that we will be able to hire 600 total officers from the initial quarter-cent increase. We will not hire additional officers over that amount without the additional quarter-cent increase.

SENATOR SCHNEIDER:  
Our State's funding is \$3 billion short.

MR. GILLESPIE:

We police Las Vegas with fewer than two police officers per 1,000 permanent residents. I challenge you to find a major metropolitan area that does the same. I believe we have been very diligent with the money we have been afforded.

CHAIR COFFIN:

Now, would you each address the major problem of drugs, and how you are going to handle it?

MR. GILLESPIE:

Overall, any crime that occurs is important to us all. We approach it from a strategic standpoint. We develop strategies and tactics from past, present and future events. Collectively, we work very closely together. We all have detectives who participate in a High Intensity Drug Trafficking Area, a federal program. It does not stop at the county line. We work with our counterparts throughout the State as well as other states.

MR. FORTI:

We do not look at this as an individual problem but as a global problem. We have made a concise effort to build trust within the Hispanic districts of the city, because they are strongly seen as an area of victimization. We hope to have that trust built in before issues become a problem.

MS. CHAMBERS:

The More Cops sales initiative, [Exhibit F](#), has enabled us to have extra officers who work within the different task forces in southern Nevada. We have been able to help neighborhoods work at reducing crime in their areas.

SENATOR SCHNEIDER:

Does it cost more and take more manpower to run the police department as population increases?

MR. GILLESPIE:

Yes, it does.

SENATOR SCHNEIDER:

In a small town where they have a population of 5,000, you can have one police officer per 1,000 people. But when you reach a population of



Senate Committee on Taxation  
March 31, 2009  
Page 9

2 million, the one cop per 1,000 is ineffective. What ratio of cops to people are you, and what do you need that ratio to be as our population continues to rise?

MR. GILLESPIE:  
We are at a ratio of two cops per 1,000 residents.

SENATOR CARLTON:  
When you figure your cop-to-people ratio, which police forces are included in the ratio?

MR. GILLESPIE:  
The two-cops-per-1,000 ratio only includes the Metropolitan Police Department.

SENATOR CARLTON:  
Are there other police force subsets within your area?

MR. GILLESPIE:  
Yes, that is correct.

SENATOR CARLTON:  
In your ratio you are not including constables, Department of Public Safety, Highway Patrol, and any other police force that may be involved within Clark County.

MR. GILLESPIE:  
Correct. Also we do not include Henderson, North Las Vegas, Boulder City or Mesquite in those numbers.

DAVID F. KALLAS (Director of Governmental Affairs, Las Vegas Police Protective Association Metro, Incorporated):  
I speak in support of S.B. 202 on behalf of the over 4,000 officers who serve Clark County. We would approve and support any form and fashion of the bill including, if due to economic constraints, that the quarter-cent increase in the sales tax be spanned out over two years. The passing of this bill will help us ensure the protection of the community and will help us keep a strong cops-to-citizen ratio as our area grows.

Senate Committee on Taxation  
March 31, 2009  
Page 10

STAN OLSEN (Las Vegas Police Managers and Supervisors Association):  
We are in strong support of S.B. 202. The increase in officers not only ensures the community of safety, but it also ensures the safety of its officers.

MR. PERKINS:

When we discuss the cop-to-citizen ratio, one thing we forget to keep in mind is the 40 million tourists we see in the Las Vegas Valley every year. So at times those ratios can be misleading. The voters in 2004 not only approved the quarter-cent raise for then but the quarter-cent raise for now as well. I think the public case being made shows the need for the added quarter-cent increase to ensure police forces can grow at a rate to operate effectively with the increase in resident population and to ensure protection for tourists.

CHAIR COFFIN:

You are right. A cop-to-citizen ratio does not include our 40 million tourists as it should. I close the hearing on S.B. 202 and adjourn this meeting at 2:52 p.m.

RESPECTFULLY SUBMITTED:

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Kyle Casci,  
Committee Secretary

APPROVED BY:

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Senator Bob Coffin, Chair

DATE: \_\_\_\_\_