

**MINUTES OF THE  
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Eighty-first Session  
March 4, 2021**

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 1:02 p.m. on Thursday, March 4, 2021, Online. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Dina Neal, Chair  
Senator Julia Ratti, Vice Chair  
Senator Moises Denis  
Senator Ben Kieckhefer  
Senator Heidi Seevers Gansert

**STAFF MEMBERS PRESENT:**

Russell Guindon, Principal Deputy Fiscal Analyst  
Joe Reel, Deputy Fiscal Analyst  
Michael Nakamoto, Deputy Fiscal Analyst  
Alex Polley, Committee Secretary

**OTHERS PRESENT:**

Dylan Shaver, Chief of Staff, City of Reno  
Calli Wilsey, Senior Management Analyst, City of Reno  
Richard Daly, Laborers' Union Local 169  
Yvonne Sweeten  
Peter Krueger, Nevada Petroleum Marketers & Convenience Store Association  
Alexis Motarex, Nevada Association of Mechanical Contractors  
Janine Hansen, Nevada Families for Freedom  
Lynn Chapman, Nevada Eagle Forum  
Patricia Stewart  
Paul Moradkhan, Vegas Chamber  
Andrew MacKay, Nevada Franchised Auto Dealers Association  
Bruce Parks  
Gina St. Ores  
Barry Duncan, Nevada Taxpayers Association

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Paul Enos, Nevada Trucking Association  
Dagny Stapleton, Nevada Association of Counties  
Nick Vander Poel, Reno + Sparks Chamber of Commerce  
Lorraine Dougherty  
Jamie Rodriguez, Washoe County  
Rob Benner, Building and Construction Trades Council of Northern Nevada  
Jaime Schroeder, Director, Parks and Recreation, City of Reno  
Naomi Duerr, Councilmember, Ward 2, Reno City Council  
Tom Clark, Nevada Outdoor Business Coalition  
Jaina Moan, The Nature Conservancy  
Christi Cabrera, Nevada Conservation League  
David Pritchett, Commissioner, Recreation and Parks Commission, City of Reno  
Kevin Sigstad, Nevada Realtors  
Bryan Wachter, Retail Association of Nevada

CHAIR NEAL:

I will open the hearing on Senate Bill (S.B.) 11.

**SENATE BILL 11**: Authorizes certain incorporated cities to impose a supplemental governmental services tax. (BDR 32-433)

DYLAN SHAVER (Chief of Staff, City of Reno):

The method for financing local government in Nevada is dysfunctional. Senate Bill 11 will allow us to use an existing source of revenue to address the growing unsheltered population in our community. Slide 2 of my presentation ([Exhibit B](#)) shows a 76 percent increase in unsheltered population from 2019 to 2020. The City of Reno has been working diligently with existing resources. We have created the Community Homelessness Advisory Board, which brings together Washoe County and the City of Sparks to discuss how to approach this challenge regionally.

The City of Reno operates the Volunteers of America men's shelter. We also lead the Northern Nevada Continuum of Care program, which is the coordinating body between governmental bodies and nonprofits. Internally, we provide outreach and support to the unsheltered population. The goal is to use the right solution for the right situation. We do not want to utilize police force when it is unnecessary to solve a problem.

Washoe County manages Our Place, which hosts the homeless population that the City of Reno no longer interacts with. It has facilities for families, women and youth.

We utilized Coronavirus Aid, Relief and Economic Security Act funds to establish the Nevada Cares Campus, which may be ready in April. This shelter will provide a centralized space for the male population and broader services that are not offered at the current facility, which includes space for couples, pets and RV camping. A challenge with the Nevada Cares Campus is that it is funded by one-shot revenue.

Slide 6 of [Exhibit B](#) shows shelter operation costs. The City of Reno is responsible for 22.52 percent of costs. Washoe County provides 69.55 percent of funding. The County has provisions to use property taxes to provide this level of funding, whereas Reno and Sparks do not. A Reno and Sparks resident pays 50 percent more for these services than a County resident. A Reno resident pays \$19 per year toward homeless services while a County resident pays \$12 per year.

Funding streams for these services are running out. We could either cut into other services or seek new forms of revenue. *Nevada Revised Statutes* (NRS) 428.010, which gives county commissioners responsibility to provide aid and relief, does not consider that municipal entities fill in revenue gaps. We are trying to determine a broader revenue structure without sacrificing essential services to residents. We understand that the bill would interfere with normal authorities by allowing a city to enact and apply the Governmental Services Tax (GST) to other projects. However, we have a responsibility to address these challenges.

CALLI WILSEY (Senior Management Analyst, City of Reno):

Senate Bill 11 adds a new section to NRS 371 that will authorize cities within counties to impose a supplemental GST. The bill focuses on counties with a population between 100,000 and 700,000 residents, which is limited to Washoe County. Section 3, subsection 1, paragraph (c) adds an exemption for vehicles based in a city where the supplemental GST is already enacted. This prohibits vehicles from being charged twice for the same tax within a county. The supplemental GST imposes not more than \$.01 on each \$1.00 of a vehicle valuation.

Section 1, subsection 4 identifies how proceeds from the tax may be used. We intend to use these funds for programs that provide services and support to people who are homeless. The bill maintains NRS 371 language that allows funds to be used for construction, maintenance projects and operational costs to carry out general governmental functions. We are willing to narrow this language. The remainder of the bill includes conforming changes that ensure implementation in cities is the same as in counties.

This revenue stream is already authorized by NRS 371.043. However, the tax is not utilized and could be used to address homelessness in the community.

SENATOR RATTI:

If this bill passes, instead of Washoe County collecting the supplemental GST for every jurisdiction, would each jurisdiction have to collect it? Would Reno have to do this within city limits, Sparks within city limits and Washoe County within the unincorporated area?

Ms. WILSEY:

Yes. That is correct.

SENATOR KIECKHEFER:

Would the County be able to allocate its portion if it chooses to?

Ms. WILSEY:

Yes, it could within the unincorporated area.

SENATOR KIECKHEFER:

Which section is this in? Section 1 is specific to a city.

Ms. WILSEY:

Section 3 maintains the County's existing authority pursuant to NRS 371.043. Section 3, subsection 1, paragraph (c) adds an exception for a vehicle in a city that enacts the supplemental GST. This would allow the County to retain its collected revenue.

SENATOR KIECKHEFER:

How many vehicles are registered in Reno, Sparks and unincorporated Washoe County?

Ms. WILSEY:

I do not know. We are doing some analysis on the amount of revenue this bill would generate.

SENATOR KIECKHEFER:

Is there a nexus between the GST and your intended use of the supplemental GST? It appears to be a general fund revenue stream that would be unrestricted.

Homeless services are recognized as a regional issue. Have you discussed with Washoe County how to implement the supplemental GST to fund these services?

Ms. WILSEY:

We want to use the supplemental GST because it has already been authorized, but the County has not collected it. The Community Homelessness Advisory Board is addressing how to fund this issue. The County opposes this bill; however, conversations are ongoing.

SENATOR KIECKHEFER:

The Department of Motor Vehicles (DMV) submitted a fiscal note estimating \$9.2 million per year in revenue for the city. Do you agree with this estimate?

Ms. WILSEY:

We do agree with the estimate. We will be working with the DMV to work out implementation costs.

SENATOR KIECKHEFER:

Do you expect to use \$9.2 million as a total supplement to fund homeless services or will it be used to supplant funding in other areas?

Ms. WILSEY:

It will be used to support human services.

SENATOR KIECKHEFER:

Do you have a \$9.2 million gap in expenditures? How much do you need to meet regional obligations?

MR. SHAVER:

The bill does not impose the tax immediately. We have a sense of what the expenditure gap could be, but we will have to take the totality of needs, and the Reno City Council will have to decide what should be done to meet those needs. We would operate within the constraints granted by S.B. 11 to determine an approach.

SENATOR DENIS:

Would the County take over responsibilities to address homelessness?

MR. SHAVER:

If the County were to take over responsibilities, a series of revenue sources would supplement its effort; however, this is unlikely.

SENATOR SEEVERS GANSERT:

*Nevada Revised Statutes* 428.010 stipulates the County's duty to provide health and human services. Was the City of Reno the only entity that could have purchased the lot where Nevada Cares Campus is located? There are two campuses now, one owned and operated by the City of Reno and one by Washoe County.

MR. SHAVER:

The Nevada Cares Campus is done in partnership with the County and the City of Sparks. We had already been leasing the Governor's Bowl Park land, which made the process faster. We viewed the purchase as a long-term investment for the community and a way to supplement what the County does at the men's facility.

SENATOR SEEVERS GANSERT:

Senate Bill 11 appears to give the City responsibility for care services, but in Clark County, the county is responsible for providing homeless services. This may cause some confusion. The language in the bill is broad and does not just address homelessness. This is concerning.

SENATOR RATTI:

We have discussed how homelessness is the responsibility of the county based on "Duty of county to provide aid and relief to indigents" in NRS 428.010. I want legal counsel to determine the meaning of this language. Does indigent care contain medical care or homeless services—what does it include?

Although there are many deficiencies in homeless services, what are some advancements? The women, family and youth shelter, operated by the Eddy House, have gotten to case management ratios of 1 to 25 or 1 to 15. There has been progress in the men's shelter but not to the same degree. The Nevada Cares Campus will start with a basic level of services, but there are different services to contemplate. Do you have estimates for how to achieve reasonable case management ratios and basic services at the Nevada Cares Campus?

MR. SHAVER:

We are gathering that information. The Nevada Cares Campus has utilized a lot of resources due to a quick turnaround time.

MS. WILSEY:

We can share that information when it is available.

SENATOR RATTI:

An estimate will be a helpful starting point.

CHAIR NEAL:

It was stated the City of Reno would collect \$.01 on each \$1.00 of valuation of a vehicle, but Washoe County is still eligible to collect in the unincorporated area. The unincorporated area has the lowest population in the County. What is the effect on the unincorporated area if the City collects the supplemental GST?

MR. SHAVER:

We are requesting the unexcised portion of the supplemental GST. The County is authorized to collect the tax, but it has not. The County opted to not collect the tax at a Board of County Commissioners meeting in January.

MS. WILSEY:

The City of Reno makes up 54 percent of Washoe County, and the unincorporated area is 23 percent.

CHAIR NEAL:

What is the effect of section 4, subsection 3, which allows an incorporated city to "dispose of any residential real property purchased pursuant to this section"? Washoe County has this jurisdiction; will there be any conflict of authority overlap?

MS. WILSEY:

This section was added in the drafting process for consistency with existing NRS, and it is not a priority of ours. This language could be narrowed to focus more on homeless services.

CHAIR NEAL:

Is the City of Reno open to half a cent on each dollar of valuation of a vehicle?

MS. WILSEY:

We are open to conversations because of local and regional funding needs.

SENATOR SEEVERS GANSERT:

The GST is meant to fund roads.

SENATOR KIECKHEFER:

How would the one cent affect the registration cost of a new car in the City of Reno?

MS. WILSEY:

A two-year-old vehicle with a \$20,000 retail price would cost an additional \$60 per year.

SENATOR KIECKHEFER:

There is a registration cost of \$60 for every \$20,000 in value?

MS. WILSEY:

Yes.

SENATOR KIECKHEFER:

Registration fees are significant in Nevada. Some people pay over a \$1,000 per vehicle registration.

SENATOR RATTI:

The County is authorized to use the GST for the costs of certain projects related to the construction and maintenance of sidewalks, streets, avenues and boulevards; carrying out interlocal agreements between the County and the Regional Transportation Commission; paying the operating costs of the County and any other costs to carry out the governmental functions of the County. The authorization in NRS 371.043 includes the cost for "any" governmental function



of the County, and is not limited to roads. Statute is broader than the language in S.B. 11.

Does the County's authorization have an expiration?

MS. WILSEY:

I am unaware of an expiration.

RICHARD DALY (Laborers' Union Local 169):

We support S.B. 11. If the County is not going to use the revenue source for roads or governmental functions, the City of Reno should be allowed to use it for something productive. The revenue would be better used than not.

YVONNE SWEETEN:

I am opposed to S.B. 11.

PETER KRUEGER (The Nevada Petroleum Marketers & Convenience Store Association):

I oppose this bill. There is a cost burden to commercial operators. Although fuel-hauling vehicles are exempt in this bill, fuel delivery vehicles do not leave the County and would be subject to this tax. These vehicles are expensive; a \$150,000 vehicle would have a \$1,500 registration cost. Our members already pay federal, State, local and Regional Transportation Commission fuel taxes. This amounts to 90 cents per gallon of gasoline and 86 cents for diesel in Washoe County. The GST adds \$.04 per \$1.00 of valuation. Washoe County has a high gasoline tax, and costs continue to increase. The bill does not specify how vehicles will be audited, and I am unsure how a company will demonstrate that a vehicle has been driven intercounty. This will be a burden to document.

ALEXIS MOTAREX (Nevada Association of Mechanical Contractors):

We oppose S.B. 11. Taking authority away from Washoe County to implement the supplemental GST is not an appropriate way for Reno to augment its budget. The original purpose for the GST was to fund infrastructure, which is continually neglected. This bill will set a bad precedent of local jurisdictions taking authority from the County for revenue.

JANINE HANSEN (Nevada Families for Freedom):

Now is not an appropriate time to raise taxes on vehicle registrations. This bill would result in a \$150 increase for cars worth \$15,000. The pandemic has

resulted in economic loss for many people who now have tighter budgets. Individuals may have to decide between paying their car registration or food and rent. I do not support this bill.

LYNN CHAPMAN (Nevada Eagle Forum):

I do not support this bill. People have to pay for essentials. There are taxes in place to pay to homeless services.

PATRICIA STEWART:

I oppose S.B. 11. The testifiers were unsure of how many vehicles will be impacted by this tax, and they do not have a fiscal estimate. They ought to have an estimate prior to asking for revenue. I do not like the unrestricted uses of the tax. The testifier's math example of a \$60 registration fee for a \$20,000 vehicle did not make sense.

PAUL MORADKHAN (Vegas Chamber):

The Vegas Chamber opposes this bill because the fiscal policy change allows local governments to access the GST.

ANDREW MACKAY (Nevada Franchised Auto Dealers Association):

We are opposed to S.B. 11 because it will increase the cost to own and operate a vehicle. Increased vehicle prices inhibit people from buying safer and more environmentally friendly cars. This measure could be detrimental to expanding electric vehicle ownership.

BRUCE PARKS:

I oppose this bill. Giving more money to the City of Reno would be unproductive. Washoe County should maintain authority of the tax.

GINA ST. ORES:

I am opposed to S.B. 11. This bill will make necessities more expensive. The measure should be put to a citizen vote.

BARRY DUNCAN (Nevada Taxpayers Association):

We are opposed to this bill.

PAUL ENOS (Nevada Trucking Association):

The bill does not specify how to prove a vehicles has left the county for the exemption in section 1, subsection 1, paragraph (b). This tax will hurt carriers

that have more limited operations. Increased costs are a disincentive in a county that has high operational costs.

DAGNY STAPLETON (Nevada Association of Counties):

The redirection of regional revenues to individual entities will set a precedent that concerns the counties. The supplemental GST was created for counties to provide regional services. The counties provide general human services, senior services, homeless services, support to the State Medicare program for nursing home care and regional roads. We do not support this bill.

NICK VANDER POEL (Reno + Sparks Chamber of Commerce):

We do not support this bill.

LORRAINE DOUGHERTY:

I oppose this bill.

JAMIE RODRIGUEZ (Washoe County):

The County opposes S.B. 11. The County is not opposed to implementing the supplemental GST; rather, it wants to use the funds strategically. Since the tax is only collected once, we want to use it when needed most. We are concerned about local entities taking a resource away from regional service providers. Funds raised in an unincorporated county cannot be used for regional services, which limits what the tax can be used for.

Washoe County is taking steps to lead homeless shelter operations. In 2020, the County opened Our Place. The County funds 60 percent of the Nevada Cares Campus operations. The bulk of indigent funding consists of property taxes from the County, which are matched by the State. There is a multitude of services the County provides. Indigent is not exclusive to homeless. If this bill is enacted at the city level, the DMV should delineate who the increased tax will be assessed to. Unincorporated residents should not pay a city tax. County boundaries are clear, which makes assessing tax rate easier than at the city level.

ROB BENNER (Building and Construction Trades Council of Northern Nevada):

We testify neutral and recognize the need for infrastructure and homeless services. The tax revenue could be split for different projects. We want some clarification with the language.

CHAIR NEAL:

We will close the hearing on S.B. 11 and open the hearing on S.B. 73.

**SENATE BILL 73**: Allows the imposition of certain taxes or the reallocation of certain tax revenue to fund certain natural resources projects and services in the City of Reno based on the recommendations of a committee and voter approval. (BDR S-432)

MS. WILSEY:

We will begin with a presentation ([Exhibit C](#)) on S.B. 73. In 2017, the City of Reno adopted the *Relmagine Reno* Master Plan, which outlines how the community wants Reno to become a base for outdoor activities. The Master Plan has policy and implementation strategies to accomplish these wishes. We want to ensure parks, recreational facilities, trails and open spaces are well-maintained, accessible, interconnected, meet the demands and needs of residents, and conserve and protect Reno's natural resources.

Parks and recreational services impact the community. These services provide economic value in terms of property value, and visitors look at the outdoor opportunities the City provides. Investing in parks and recreational facilities should be integrated in our economic development strategies. Value comes from healthy lifestyles, environmental benefits and a better quality of life.

We face several challenges in fulfilling these requests. The barriers are population growth, demand for facilities and maintenance.

JAIME SCHROEDER (Director, Parks and Recreation, City of Reno):

Reno has steadily grown since 1990. People are drawn here for the outdoor amenities in the City and surrounding areas. We project the City's population will increase 25 percent between now and 2036.

Since 1991, we have added 27 parks for a total of 88, increased our trails by 25 miles, added 35 acres of street landscaping, built 2 recreation centers and expanded 7 parks. We have worked to meet the needs of a growing community. However, the Great Recession caused staff reductions, which caused challenges. In 1991, we had 80 full-time equivalents (FTEs), and we currently have 76 FTEs.

The use of parks and recreation facilities has grown since the start of the pandemic. In 2020, Reno Direct received 1,938 parks-related service requests. As a result of being understaffed, we have earned an average C-plus weekly park inspection grade.

Although there is demand for growth and new facilities, we still need to care for existing facilities. Over the next 10 years, there are 126 planned projects that we estimate will cost \$189 million. Annually, we receive \$1.5 million to address these needs. Projects that need attention are prioritized each fiscal year.

The map on Slide 10 of [Exhibit C](#) displays the service area gaps for outdoor activities in Reno. We have a long way to go to meet community needs. The community wants more pools. Only two pools operate year round, and two pools are outdoor and seasonal. There is a demand for flat field space for outdoor sports. The available fields are overused to accommodate demand. There are request for more dog parks. There are not enough recreation centers.

The table on Slide 11 of [Exhibit C](#) is a facility comparison. Reno has 1.5 pools per 100,000 residents, whereas larger cities in southern Nevada have 2.5 pools and Henderson has 4.2 pools per 100,000 residents.

We are updating a master plan for Parks and Recreation. The beginning of the Great Recession was the last time we developed a master plan. We were unable to implement much of the plan given the economic downturn. The new plan will include prospective parks and recreation facilities, ensure we meet service levels and provide financial information that specifies costs to build and maintain facilities.

MS. WILSEY:

Community involvement will be important to identify what is wanted and how much it will cost if the revenue from this bill is approved. A master plan is a tool to outline these requests.

Senate Bill 73 authorizes the Reno City Council to establish a committee to recommend to voters the imposition of certain taxes to fund parks, recreation facilities, open spaces and natural resource needs on the 2022 general election ballot. This bill does not directly create revenue but is a conversation about a process that can be held locally and be put to voters for a decision.

Sections 1 and 2 outline how the process will work. The Reno City Council would establish a committee via resolution. The committee would be formed with members who vet needs and potential revenues outlined in the bill. The Committee could recommend a potential tax solution, which would be placed on the 2022 general election ballot for voter consideration.

The specific committee member details are on Slide 15 of [Exhibit C](#). The bill outlines members and how each member is appointed. The goal is to promote community involvement and have industry representatives. All members must be City of Reno residents.

Section 4 of the bill restricts the use of funds to capital projects and ongoing operational costs for parks and recreational facilities, the preservation of open space and protection of the Truckee River and other natural resources.

Section 3 of the bill outlines which revenue sources may be considered as options. We have submitted an amendment ([Exhibit D](#)) that removes from the revenue options the transient lodging tax, sales tax and reallocation of tax revenue imposed to fund the Truckee River Flood Management Authority (TRFMA). The committee would have the opportunity to consider supplemental GST, Real Property Transfer (RPT) Tax and property tax under the proposed amendment. The amendment clarifies that an imposition of a supplemental GST authorized by voters would not impact the existing authority of Washoe County to impose the supplemental GST.

There are concerns that the bill does not provide accountability or transparency; we are open to amending the bill to achieve this. There were two fiscal notes on this bill from the State. The removal of sales tax as a revenue option should remove the fiscal note from the Department of Taxation. We will continue to work with the DMV to address cost concerns.

SENATOR KIECKHEFER:

Have you considered using NRS 318A.010—the Nevada Parks, Trails and Open Space District Act? The Act allows a city to create a district and use assessment fees to fund projects. Could this be used instead of [S.B. 73](#)?

MS. WILSEY:

We have considered this option, and it makes sense in some cases. There are concerns that organizing another level of government could lead to

inefficiencies. Parks and recreational services are intricate and connected to community planning, development and public safety services that the City of Reno provides. Ensuring seamless interconnection with these services may be difficult if there are additional entities managing operations and making decisions.

Senate Bill 73 does not preclude the parks district option. The Act allows a local government to contribute funds to support a park district, and S.B. 73 could develop a revenue source to fund park districts.

SENATOR SEEVERS GANSERT:

The Reno Aquatic Club has been trying to build a new pool, and another nonprofit is trying to improve Sky Tavern. Could the revenue developed from this bill be used to fund operating costs for a pool or Sky Tavern if these are leased by a nonprofit organization?

Ms. SCHROEDER:

The bill does not prevent potential revenue being used for those facilities. Although the spaces are leased out, they are still City of Reno's property.

SENATOR SEEVERS GANSERT:

Where and what types of open spaces are available to purchase? There is not much space within the City.

Ms. SCHROEDER:

This information will be updated in the new Parks and Recreation master plan. The landscape has changed since the previous plan, and we will consider spaces based on demand.

Ms. WILSEY:

The City of Reno manages 2,100 acres of open space. This will help maintain connectivity.

SENATOR KIECKHEFER:

This bill started with six revenue source options, and now has three. Are there enough options for the committee created by S.B. 73 to consider?

MS. WILSEY:

Each of the revenue options removed by the proposed amendment, [Exhibit D](#), would not promote the stability we need to provide services. The bill copies the funding options from the 2016 WC-1 ballot question that addressed Washoe County School District Capital Projects Funding. We removed reallocation of tax revenue that funds the TRFMA due to unfeasibility. The potential revenue options are limited, but multiple revenue sources may be used in tandem.

CHAIR NEAL:

Will using the RPT Tax increase housing costs for a buyer?

MS. WILSEY:

This would increase the tax for when a property transfer is completed. The impact cannot be determined until a committee makes a recommendation because the bill does not specify any rates for these options. The committee would recommend the rates.

CHAIR NEAL:

It is important to know the impact of the bill. Is it not that the cost of homes in Reno are increasing? Will people be priced out of the market and unable to purchase homes?

MS. WILSEY:

Whether people are priced out is dependent on the imposed rate. The impact on home affordability may be limited if the rate is low enough, but if too low, it may not be a viable option to fund parks and recreational facilities.

CHAIR NEAL:

How much revenue do you need to achieve your goals?

MS. WILSEY:

We are in the process of determining the amount. We estimate \$189 million for capital improvements. We still need to determine maintenance costs.

CHAIR NEAL:

How much does the City of Reno have to pay for these projects?



Ms. SCHROEDER:

We have \$1.5 million budgeted annually. We prioritize what needs to be done first, and use the remaining funds to complete smaller projects.

CHAIR NEAL:

You do not have the funds for capital projects. What is an estimate for maintenance?

Ms. SCHROEDER:

We prioritize safety maintenance and other projects if there are remaining funds.

CHAIR NEAL:

Slide 7 of [Exhibit C](#) shows staffing levels from 1991 to 2021. This is a long period of time to show loss. What happened during this period of time? What caused employee loss? Was it a fiscal issue?

Ms. SCHROEDER:

We use the International City/County Management Association (ICMA) as a standard. In 1991, we were meeting this standard. Staffing levels and amenities should have increased with the City's growth, but these have not. Over the past 30 years, our budget has remained the same portion of the general fund. Parks and Recreation is still 5 percent of the general fund budget as it was in 1991 while amenities have continued to grow. Amenities have increased due to development codes. We have homeowners' associations (HOA) maintain facilities because we are understaffed. There are instances when HOAs build a park and we take over maintenance. We need 31 FTEs to meet ICMA standards and receive a higher park inspection grade.

CHAIR NEAL:

There has been a concerted effort in Reno to develop trails, parks and outdoor-based tourism. What made up the funding to back the outdoor tourism efforts? Was there more than one funding source or a combination of multiple?

MR. SHAVER:

There has been investment in Parks and Recreation. We have provided new amenities. The challenge is facility upkeep with growth in the community. There are more parks than personal to maintain them. We want to maintain parks for years to come. There are parks that families no longer visit because we can only

afford to make sure they are reasonably clean. This is not how we want Reno represented, and it may hurt economic development.

MS. SCHROEDER:

There has been investment into parks with the residential construction tax funding mechanism in NRS 278.4983. This is the only way we are able to build new parks. The tax uses are limited to acquiring land and building parks; it cannot be used for maintenance or indoor facilities—pools, recreation centers or senior centers. Parks and Recreation receives \$500,000 from the Room Tax Fund, which goes toward the maintenance budget. This funding source helps, but it fluctuates based on the economy. We will potentially reduce our maintenance budget due to economic issues from the pandemic.

SENATOR RATTI:

The funding system is well designed to build parks. It is not well designed to maintain or refresh parks. This is an equity issue. Development fees may be used to build parks only within the district that funded it. Older districts that do not experience new development cannot replenish development fees to go toward refreshing existing parks with basic safety improvements and ongoing maintenance.

Older urban areas tend to be in lower-income neighborhoods, and a system that generates funding with new development fees leaves older neighborhoods with few resources. This issue is more than maintenance but a lack of resources in communities. The major funding source is property taxes, which depreciate. This deepens funding issues. Newer neighborhoods get nicer parks, and older neighborhoods have difficulties maintaining and refreshing parks. Having HOAs pay for parks is nice, but these differences still remain. The \$500,000 funding source from the Room Tax Fund is great, but it barely impacts the parks used as special event venues for entertainment. These parks require extra maintenance that may not be covered by the Room Tax Fund.

There is no structure to generate revenue to maintain parks, which leads to growing inequity in community parks and recreation facilities.

CHAIR NEAL:

There is a need for revenue. The City of Reno may want to discuss restructuring how parks are funded. Typically, older urban areas are in redevelopment; how flexible are redevelopment funds?

SENATOR RATTI:

Northern Nevada has many old neighborhoods. Not every neighborhood is in a redevelopment district.

NAOMI DUERR (Councilmember, Ward 2, City of Reno):

I support S.B. 73. The Reno community's biggest request for the Master Plan is an increase in outdoor spaces and recreation opportunities. Revenue has not kept up with the increase in population over the past 30 years. After the Great Recession, the Parks and Recreation department was disassembled. Sixty percent of employees were laid off, and they have not been rehired. We cut 368 temporary park employees during the pandemic. These employees work six to nine months a year. They support the pools and after-school activities. We have less staff during economic downturns.

We have reached out to charitable foundations to raise money to build new facilities. We received a grant of \$9 million that is contingent on matching funds, which we do not have. This bill may help raise funds. A challenge with a park district is the funding burden would be placed on a few houses when many city residents will use the facilities; this would be inequitable.

We have estimated that a park refresh in an old neighborhood would cost \$300,000; this would use up the \$500,000 Room Tax Fund. We used a portion of a Community Development Block Grant to fund the project. Most of the open space opportunities are in the City of Reno's boundaries, but we may be able to expand beyond these limits.

I support the proposed amendment. Using the RPT Tax is common in other states because it does not affect people buying their first homes.

The residential construction tax is limited in what it can be used for. The tax can be used to build facilities but not maintain them.

TOM CLARK (Nevada Outdoor Business Coalition):

We support this bill because it encourages outdoor recreation and tourism. This bill allows community input in which projects are pursued. The few swimming facilities have to support large populations.

JAINA MOAN (The Nature Conservancy):

We support the bill and proposed amendment. Adequate public investment and conservation of natural resources is critical for ensuring a healthy environment for people and nature. Investments in the Truckee River will ensure safe and clean water for the community.

CHRISTI CABRERA (Nevada Conservation League):

We support S.B. 73. Parks and outdoor spaces are essential to Nevadans' quality of life, physical and mental health. A 2020 study by the Center for Western Priorities found 79 percent of Nevadans support increased funding for maintenance and infrastructure of public lands and parks. This bill is a step to ensure parks, trails and open spaces are well-maintained and meet the needs of the community while protecting Nevada's natural resources.

DAVID PRITCHETT (Commissioner, Recreation and Parks Commission, City of Reno):

I support this bill. My neighborhood parks are dilapidated. Parks and Recreation has not fully recovered from the Great Recession. Suburban parks benefit from the residential construction tax, whereas older parks lack a consistent revenue stream. This bill will help. A combination of property tax and RPT Tax is the optimal source of revenue. Home buyer and seller can split the tax cost to ease the entry cost of housing.

Mr. VANDER POEL:

The Reno + Sparks Chamber of Commerce opposes S.B. 73. We are concerned the funds enter the general fund, which lacks accountability and transparency with audits. There need to be safeguards. This is an inopportune time for this bill.

KEVIN SIGSTAD (Nevada Realtors):

We oppose this bill. There is an affordability issue with the housing market. The average price of a home in Reno is nearly \$500,000. We oppose an increase to the RPT Tax because it raises the cost of housing—especially for first-time home buyers—and acts as a sales tax on homes. The tax must be paid at the time of closing and is bundled into closing cost. Closing costs cannot be financed and must be paid at the time of closing. First-time home buyers have difficulties coming up with cash to close a transaction, and an increase of the RPT tax will exacerbate this problem. Potential buys could be priced out of a property.

MR. PARKS:

I oppose this bill. The Reno City Council is fiscally irresponsible and should not receive more funding.

BRYAN WACHTER (Retail Association of Nevada):

The Association is opposed to S.B. 73. These types of community committees should be used sparingly and not for ongoing expenditures for normal city operations.

MR. MORADKHAN:

The Vegas Chamber opposes this bill.

MS. CHAPMAN:

I oppose this bill. This is a difficult time to raise taxes. Low-income property owners and retirees, who are on fixed incomes, have difficulties paying property taxes as housing prices increase. The parks along the river are not safe.

MS. RODRIGUEZ:

We are opposed to the bill as written. However, the proposed amendment that removes the Truckee River Flood Management Authority funds and the supplemental GST as an option to be considered for the ballot question lessens the impact on Washoe County. The Flood Management Authority fund is a regional tax collected by the County for public safety and flood management. Two projects bound to the tax revenue would be affected negatively if revenue were to be diverted. If the amendment is adopted, then the County position would be neutral.

MS. MOTAREX:

We are opposed to this bill. We oppose the supplemental GST included as an option for revenue. The original intent of the GST is to fund infrastructure.

MS. HANSEN:

We oppose this bill. We oppose raising RTP Tax, sales tax and property tax. This bill will contribute to difficulties finding affordable housing in the area. This is an inopportune time to raise taxes due to the pandemic.

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CHAIR NEAL:

We will close the hearing on S.B. 73 and reschedule the work session of S.B. 25 for the next meeting.

**SENATE BILL 25**: Revises provisions governing the determination of whether food for human consumption is subject to sales and use taxes. (BDR 32-282)

Seeing no public comment, the meeting is adjourned at 3:46 p.m.

RESPECTFULLY SUBMITTED:

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Alex Polley,  
Committee Secretary

APPROVED BY:

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Senator Dina Neal, Chair

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

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
S.B. 11	B	2	Dylan Shaver / City of Reno	Presentation
S.B. 73	C	1	Calli Wilsey / City of Reno	Presentation
S.B. 73	C	10	Jaime Schroeder / City of Reno	Presentation
S.B. 73	D	1	City of Reno	Proposed Amendment