

NEVADA LEGISLATURE - 54TH SESSION

SENATE COMMITTEE ON
FEDERAL, STATE, AND LOCAL GOVERNMENTS

Minutes of Meeting Held
 March 31, 1967
8:00 a.m.

The 33d meeting of the Senate Committee on Federal, State, and Local Governments was called to order at 8:10 a.m. on Friday, March 31, 1967, in Room 50, State Capitol, by the Chairman, Senator James I. Gibson.

All committee members were present except Senator Monroe, who joined the meeting at 8:48 a.m.

Also present were:

Mr. Curtis Blyth, Nevada Municipal Association
 Mr. Roy Robinette, President, Nevada North Shore
 Property Owners Association, Inc., Incline Beach
 Mr. Cy Ryan, Newsman (joined the meeting at 8:48 a.m.)

The Chairman called for consideration of:

A.B. 206: Extends requirement of approval of local government bond issues by county bond commission. Introduced by Mr. Howard.

Senator Gibson said this bill is of particular interest in Washoe County, that Assemblyman Howard F. McKissick, Jr. of Reno had talked to him in favor of the bill, and that Mr. Roy Robinette had asked to appear before the committee in support of the bill.

Mr. Robinette, President of Nevada North Shore Property Owners Association, Inc., distributed to the committee a sheet entitled, "Some Remarks Concerning Assembly Bill No. 206", a copy of which is attached to the Committee Secretary's copy of these minutes. Mr. Robinette said his Association is composed of property owners and residents of the area from the Point around to the end of Washoe County, mostly around Crystal Bay, but all of the portion of Washoe County around the Lake. He said some of their members are inside the Incline Village General Improvement District, and some are not. However, they are very interested in the Incline Village General Improvement District because it does comprise the bulk of the area up there. He urged passage of A.B. 206, which would require approval by the bond commission before authority may be given for the issue of special assessment or revenue bonds. This safeguard is felt necessary in that \$14 million in bonds are outstanding for the Incline Village GID, whereas the entire assessed valuation of the district is only \$16 million. In the event of default under the bonds, this indebtedness would become a general obligation of the entire district, subject to ad valorem taxes. This would immediately push the ad valorem tax to \$5 and cause hardships on the schools and local and county services in the

area, since general obligation bonds take priority over all other obligations in the ad valorem setup. Discussion followed, including remarks by Mr. Blyth of the Nevada Municipal Association, who favored holding the bill indefinitely "to see if abuses develop." (Senator Alleman left during this discussion, then re-entered the meeting, along with Senator Monroe and Mr. Cy Ryan, at 8:48 a.m.) Discussion continued, with Senator Monroe expressing the opinion that S.B. 408, now in the Judiciary Committee, would take care of the problems involved. Senator Gibson said he would like to have Mr. Russ McDonald discuss the bill with the committee.

✓ DISPOSITION: The Chairman announced that the bill would be considered further at a committee meeting tomorrow morning at 8:00 o'clock.

The Chairman stated the committee would meet again at 1:00 p.m. today.

The meeting adjourned at 9:00 a.m.

Respectfully submitted,


Louise Glover
Louise Glover - Secretary

I certify that the foregoing minutes are correct.

Senator James I. Gibson - Chairman

Presented at
3/31/67 Fed. St.
& Local Gov. Com.,
& am mtg. by
Mrs. Robertson.

SOME REMARKS CONCERNING ASSEMBLY BILL NO. 206

We feel that Assembly Bill No. 206 is a good bill which will give each county bond commission an opportunity to review all public bond issues of their county prior to the authorization of each bond issue, to determine if the issuance of such bonded indebtedness will be injurious to the general credit of the county and to determine if the indebtedness of any one political subdivision will be injurious to the needs of any other political subdivision of the county, including the county itself.

For instance, the Incline Village General Improvement District has outstanding over \$14,000,000 in special assessment bonds which, in the event of default, become a general obligation of the entire District, subject to Ad Valorem taxes.

The AdValorem tax rate for fiscal year 1966-67 for the Incline Village General Improvement District is \$4,3656, made up as follows:

Local Government rate	\$.3000
Fire district rate	.5000
Water conservation district rate	.0086
Washoe county school rate	2.0000
Washoe county government rate	1.2770
Nevada state government rate	<u>.2800</u>
Total combined rate	\$ 4.3656

This leaves only \$.6344 before the constitutional limit of \$5.000 is reached.

The assessed valuation of the District is \$16,001,170. Therefore it would appear, that even at present, there is not much leeway in the rate structure and that, in the event of default of any of the presently outstanding bonds, the limits of the various county functions would be frozen for some time to come.

Consequently, we feel that the addition of any further indebtedness would be imprudent.

Therefore, we strongly urge that Assembly Bill No. 206 be given a "Do Pass" recommendation.

Nevada North Shore Property Owners
Association, Inc.

 President

Incline Village, Nevada 89450