

Senate

COMMITTEE ON TAXATION

Minutes of Meeting -- March 27, 1969

Committee members present: James Gibson, Chairman  
 Carl F. Dodge  
 James Slattery  
 Mahlon Brown  
 Coe Swobe  
 M. J. Christensen  
 Marvin L. White

Also present were:

Clay Lynch	Las Vegas City Manager
Clint Wooster	Reno City Attorney
Curt Blyth	Nevada Municipal Association
I. F. Ashleman	State AFL-CIO
Theo. R. Lawson	So. Nevada Central Labor Council
Dick Vanderwoude	N.S.E.A.
James D. Vernon	City of Sparks
Doug Byington	City of Sparks
Charles R. Stone	Mayor, City of Sparks
John Brooke	City of Sparks
Pete Lemberes	City of Sparks
A. S. Pryor	City of Sparks
Keith J. Henrikson	Federated Fire Fighters of Nevada
Roy G. Bankofier	Mayor, City of Reno
Felix Scott	Mayor, Winnemucca
Oran Gragson	Mayor, Las Vegas
Hal Laird	

Press representatives

Chairman Gibson called the meeting to order, and stated that there were two bills under consideration.

SB-365 Proposed by Senator Farr.  
 Provides for city-county relief tax.

SB-422 Proposed by Committee on Federal, State and Local Governments.  
 Imposes a county-of-origin sales and use tax.

Senator Farr explained the purpose of SB-365 and the need for it. He referred to letters from the League of Women Voters, Mayor Gragson of Las Vegas, and Mr. Clay Lynch, City Manager of North Las Vegas (see attached).

Senator Farr then referred to some charts he had prepared which he felt were worthwhile to be presented to the committee -- not only for Sparks, but for all the people in the state. He pointed out that a relief tax, or a sales

tax, or whatever, in the State of Nevada, will develop \$12,800,000.00, after which he broke down this amount in regard to the various cities throughout the state on a county basis. He detailed the figures on his charts, and said that this proposal was more sufficient than any other that had been made to meet the required needs of the cities in most cases, although there are many cities that will not need or participate in this, and that's why this can be termed "permissive legislation." (See chart attached.)

Mr. Curt Blyth of the Nevada Municipal Association spoke in regard to SB-422 and SB-365, referring to a work sheet and various provisions in these bills. Senator Dodge questioned whether or not the Nevada Municipal Association had taken the position that if this tax were considered in Northern Nevada that it should be on a regional basis, to which Mr. Blyth concurred, and said that this would be an excellent approach. Senator Farr said that he had talked to Mr. Daykin of the Legislative Counsel Bureau in this regard, and that they felt the "regional approach" would not be possible at this time, but that the bill as presented now, would at least be "stop-gap" in the need today in the general law and the request of the Legislative Commission to study cities' proposals and their separate budgets. Mayor Bankofier said that in speaking for the City of Reno, that they do not support SB-365, but feel this should be done on a broad mandatory basis, rather than an option basis. Mayor Stone, speaking for the City of Sparks spoke in favor of this bill, and said that as far as he is concerned that this is what we need to help the cities now.

Mr. Hal Laird then presented the tentative budget of the City of Las Vegas for the fiscal year 1969-70, speaking on needed salary increases, and pointing out that the bulk of the increase is for police and street work (see attached). Mr. Clay Lynch, City Manager of the City of North Las Vegas, also spoke on the 1969-70 tentative budget for their city, (see attached). Mayor Gragson then presented "Selected State Revenues" for the calendar year 1967 versus 1968, (see attached) after which there followed some questions and discussion by the committee with regard to Clark County.

Mr. Ashleman of the State AFL-CIO then spoke in regard to this tax, stating that the cities had this problem two years, and the State AFL-CIO at that time supported the sales tax increase because of the need of the cities and it was felt that that one cent, as represented then, would solve these problems -- he added that unfortunately this money disappeared as the legislature took away other monies from the cities so that they were not left with a full one cent gain -- and he hoped that if this bill were passed the same thing would not happen again and other monies would not be taken away for the purposes of the state. Senator Dodge defended the prior position and action of the legislature, and there followed some discussion.

Mr. Keith J. Henrikson representing the Federated Fire Fighters of Nevada stated that they wholeheartedly support this or any other tax relief that this committee and the legislature can and will give to the cities -- that they are here to help the cities, just as they expect the cities to help them.

There was further discussion with regard to the various counties and their need for this tax. Chairman Gibson stated that he wanted to make it clear

that the committee is not disregarding the fact that the cities need assistance and all the proposals that have been made so far have been aimed purely and simply at local revenue relief and assistance -- that they will continue to consider this problem, until they can come up with something that has enough support to pass.

Respectfully submitted,

*Patricia F. Burke*

Patricia F. Burke,  
Committee Secretary

MAYOR ORAN K. GRAGSON

Commissioners

Philip M. Mirabelli  
S. Grant Stewart  
James Corey  
Wesley G. Howery

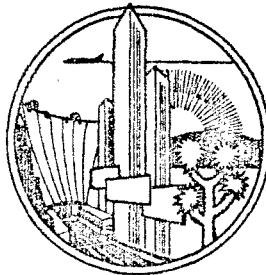
City Attorney,

Sidney R. Whitmore

City Manager

A. R. Trelease

CITY OF LAS VEGAS



Dear Legislator:

In the past two decades there has developed a great imbalance in the ratio of tax dollars received by local governments, as compared to state and federal governments. This imbalance has become all the more pronounced in recent years, at a time when local governments are being charged with the responsibility of providing more and more of the over all services rendered.

This situation has developed with the heavy concentration of people in our urban centers, and because of the limited tax revenues made available to cities by state legislatures. This is especially so in Nevada, with our \$5 constitutional ad valorem tax limit, out of which schools are guaranteed \$1.50 plus any amount required for debt retirement, thereby reducing each year the percentage of the ad valorem tax available to cities.

Therefore, it is my opinion that, if to any degree we are to correct this imbalance, it is an absolute must that the Nevada Legislature adopt the one cent county of origin sales tax for local governments, and thereby provide us a revenue source that to a degree increases in ratio to population and demands for services.

I realize tax increases of any nature are not the most popular move a legislative body can make. But I can assure you, it is no less popular for you, as legislators, to act favorably upon a tax increase than it is for me, as mayor of a local government, to request and advocate same.

To do less is a great injustice to local governments and to the citizens we represent. To maintain our present level of services, to permit minimum salary increases, and to provide for a new municipal complex, the \$3.5 million estimated revenue which the city would derive from this tax source is absolutely necessary. Therefore, I have no choice but to strongly urge your support for the one cent county of origin sales tax.

Very truly yours,

*Oran K. Gragson*  
ORAN K. GRAGSON, Mayor  
City of Las Vegas

*Amprist*

available, carry out such heavy work loads.

Hearings - Past and Future

On the Financial Plight of Cities and Counties Curtis Blythe, Executive Director of the Nevada Municipal Association, presented his organization's legislative proposals at a Joint Taxation Committee hearing on February 17th. The truly alarming fact emerging from his unemotional and well-documented presentation was the seriousness of the financial bind in which local governments find themselves. Caught between demands for increased services, rising inflationary costs for personnel and other overhead, and needed (but often too long postponed) capital expenditures on the one hand and a limited and largely inflexible tax base on the other, local governmental services are deteriorating and will continue to do so unless help is given. ~~Being summarized in 2007-08-09 indicate the combined fund requirements excluding education of counties, cities and towns total more than \$80 million. The cost of materials, supplies, services, etc., increases from 6% to 8% per year but most counties, at or very near the \$5 limit, have no place to go for new revenue.~~

The Municipal Association's principal recommendations for new money involve: (1) an additional 1% mandatory county-of-origin sales tax to be returned to the counties and distributed within each county on a population basis; (2) an increase in the cigarette tax from 7¢ to 10¢ per pack. Estimates indicate this would produce an additional \$2.4 million of the estimated \$12 million Mr. Blythe says local governments need. SB 236 (Federal, State and Local Government Committee) will if passed enact this increase.

Marriage Contract Bill This bill would permit couples to marry by simply signing a written contract before the County Clerk in the presence of two witnesses. A religious ceremony may be subsequently solemnized but is not required. George Flint, vice president of the State Wedding Chapel Association, told the Senate Judiciary Committee that the bill would destroy a \$100 million business in the state, and he presented several statements which he said were from religious leaders across the nation objecting to the bill on moral and religious grounds. Unfortunately for him, most of the statements were subsequently repudiated on the grounds that Mr. Flint had misrepresented his own position in his telephone calls to them or had misinterpreted their alleged views. Seven Carson City ministers strongly supported the bill. Another hearing is scheduled (see page 4). In this connection another bill which has strong ministerial backing is AB 392, which would require 30 days' notice before commencing action for divorce. It would, its proponents feel, give time for a cooling-off period and increase the possibility of reconciliation.

Collective Bargaining and Rights of Public Employees Legislative committees on governmental affairs held hearings on February 25th on controversial measures dealing with these thorny subjects. Almost a dozen bills have been introduced with the major polarization around two almost directly opposed to each other. AB 127, the Education Professional Negotiation Act, provides for the recognition of and negotiation with employee organizations, for the mediation of disputes through a fact-finding panel, and for binding arbitration. It does not, however, outlaw a strike unless

CITY OF NORTH LAS VEGAS  
INTER - OFFICE MEMORANDUM

DATE: March 27, 1969

TO: The Governor & Taxation Committees of the Legislature  
FROM: Mayor & City Council  
SUBJECT: 1969-70 NORTH LAS VEGAS TENTATIVE BUDGET (BRIEF)

This tentative budget is generally the same as the budget for the current fiscal year with a relatively minor anticipated increase in revenue and expenditures, except for the following:

- 1. On January 30, 1969, the District Court in Clark County ruled in favor of a petition circulated by the firemen and the Supreme Court dismissed an appeal on March 20. (Las Vegas lost their latest Court action on March 25) This effort, if eventually successful, would result in a wage increase of \$171 per month per person in all departments which is reflected separately in the expenditure appropriations, and which total \$ 451,528
- 2. By any recognized national standards this City should employ 20 additional personnel in the Police Dept. and 15 additional personnel in the Fire Dept., which is reflected on Page 5, for a total of \$ 325,219
- 3. The Tax Commission recommends a contingency fund of 3% which is reflected on Page 11, for a total of \$ 82,061
- 4. The Tax Commission recommends a closing balance sufficient to fund one month's operation, which is reflected on Page 11, for a total of \$ 227,948  
\$1,086,756
- 5. This is partially offset by anticipated General Fund revenue of \$ 36,424
- 6. The remainder which will be needed is reflected on Page "A" as "Legislative Relief" for a total of -- (\$1,050,332)

  
CLAY LYNCH  
CITY MANAGER



CL/hs

## NEVADA MUNICIPAL ASSOCIATION

SB 365

COUNTY & CITY	I POPULATION 1960	II POPULATION PERCENTAGE OF COUNTY	III YIELD TO COUNTY OF 1% TAX	VI 1968-1969 BUDGETS	VII ADVALOREM EQUIVALENT OF SALES TAX	VIII 1968-1969 ADVALOREM RATE
CHURCHILL FALLON	5,718 <u>2,734</u> 8,452	67.65 <u>32.35</u> 100.00	\$ 105,082.58 <u>50,250.13</u> 155,332.71	\$ 1,671,400.00 <u>400,607.00</u> 2,072,007.00	.4195 .7791	1.7820 1.0000
CLARK BOULDER CITY HENDERSON LAS VEGAS N. LAS VEGAS	27,605 4,059 12,525 64,405 <u>18,422</u> 127,016	21.73 3.20 9.86 50.71 <u>14.50</u> 100.00	1,436,491.80 211,540.40 651,808.96 3,352,254.97 <u>958,542.61</u> 6,610,638.74	23,813,179.00 454,675.00 1,055,475.00 19,169,458.00 <u>2,697,415.00</u> 47,190,202.00	.1967 2.4975 3.0702 1.0081 1.8272	1.0300 1.3107 1.2489 1.3769 1.3769
DOUGLAS	3,481	100.00	324,396.83	1,542,531.00	.5434	.1100
ELKO CARLIN ELKO WELLS	3,619 1,023 6,298 <u>1,071</u> 12,011	30.13 8.52 52.43 <u>8.92</u> 100.00	108,615.74 30,713.85 189,005.03 <u>32,155.81</u> 360,490.43	2,467,925.00 125,274.00 775,485.00 <u>172,078.00</u> 3,540,762.00	.1615 1.3070 1.0339 1.1127	1.1868 1.5700 1.5300 1.6600
ESMERELDA	619	100.00	12,706.18	303,477.00	.3044	2.5400
EUREKA	767	100.00	12,852.47	487,842.00	.0622	1.2400
HUMBOLDT WINNEMUCCA	2,255 <u>3,453</u> 5,708	39.51 <u>60.49</u> 100.00	69,322.13 <u>106,132.53</u> 175,454.66	1,065,187.00 <u>533,841.00</u> 1,599,028.00	.2130 1.2171	.8324 1.7000
LANDER	1,566	100.00	52,034.06	545,260.00	.3504	1.7800
LINCOLN CALIENTE	1,639 792 <u>2,431</u>	67.42 <u>32.58</u> 100.00	18,564.14 <u>8,970.93</u> 27,535.07	528,427.00 <u>65,775.00</u> 594,202.00	.1985 1.0940	1.3500 1.5000

COUNTY & CITY	I POPULATION 1960	II POPULATION PERCENTAGE OF COUNTY	III YIELD TO COUNTY OF 1%	VI 1968-1969 BUDGETS	VII ADVALOREM EQUIVALENT OF SALES TAX	VIII 1968-1969 ADVALOREM RATE
LYON	4,379	71.28	\$ 84,176.33	\$ 921,892.00	.2415	1.2600
YERINGTON	1,764	28.72	33,916.14	226,489.00	1.0767	1.1500
	<u>6,143</u>	<u>100.00</u>	<u>118,092.47</u>	<u>1,148,381.00</u>		
MINERAL	6,329	100.00	86,856.59	1,527,657.00	.9545	3.2500
NYE	3,604	82.40	61,948.45	1,156,601.00	.2937	1.8500
GABBS	770	17.60	13,231.71	77,192.00	.5728	1.8500
	<u>4,374</u>	<u>100.00</u>	<u>75,180.16</u>	<u>1,233,793.00</u>		
ORMSBY	2,900	35.97	96,371.78	1,259,974.00	.2434	1.5910
CARSON	5,163	64.03	171,551.00	1,131,145.00	.6155	1.1600
	<u>8,063</u>	<u>100.00</u>	<u>267,922.78</u>	<u>2,391,119.00</u>		
PERSHING	1,251	39.11	23,695.09	544,642.00	.1112	1.1200
LOVELOCK	1,948	60.89	36,890.67	188,861.00	1.2765	1.8900
	<u>3,199</u>	<u>100.00</u>	<u>60,585.76</u>	<u>733,503.00</u>		
STOREY	568	100.00	13,244.22	285,756.00	.3003	2.3000
WASHOE	16,655	19.65	688,967.57	10,440,818.00	.1683	1.4180
RENO	51,470	60.74	2,129,663.91	10,625,155.00	.8611	1.2040
SPARKS	16,618	19.61	687,565.10	4,261,380.00	1.2678	1.2040
	<u>84,743</u>	<u>100.00</u>	<u>3,506,196.58</u>	<u>25,327,353.00</u>		
WHITE PINE	5,790	59.03	115,110.60	1,654,953.00	.4076	1.4780
ELY	4,018	40.97	79,893.06	341,827.00	1.4267	1.4000
	<u>9,808</u>	<u>100.00</u>	<u>195,003.66</u>	<u>1,996,780.00</u>		
TOTALS	285,278	---	12,054,523.37	92,519,653.00		
				10,753,476.00		
				81,766,177.00		

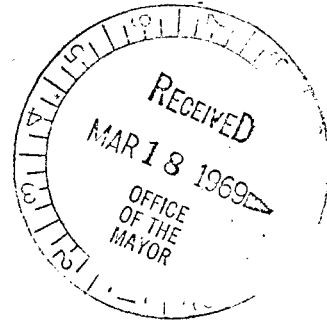


Nevada Tax Commission

CARSON CITY, NEVADA 89701

PAUL LAXALT, Governor, Chairman

ROY E. NICKSON, Secretary



Nevada Tax Commission  
State of Nevada  
Blasdel Building, Room 300  
Carson City, Nevada 89701

Gentlemen:

Submitted herewith is the Tentative - ~~11/11/69~~ Budget of \_\_\_\_\_  
the City of Las Vegas for the fiscal year 1969-70.

This budget contains two Appropriation Funds totaling  
\$12,505,163.83 (a) requiring a tax rate of \$ 1.6969, including  
Debt Service, on an assessed valuation of \$379,971,756.

This budget also contains twelve Expenditure Funds with estimated  
expenditures of \$ 8,921,994.81 (a).

Copies of this budget are filed for public record and inspection in  
the offices enumerated in Section 61 of the Local Government Budget Act  
(NRS 354.596).

CERTIFICATION:

APPROVED BY THE GOVERNING BOARD

I, *Paul Laxalt*  
(Signature)

\_\_\_\_\_  
City Manager  
(Title)

certify that all funds and financial  
operations of this Local Government  
are listed herein and are self-balanc-  
ing.

Dated: March 14, 1969

(a) Includes reserves as follows:	
Appropriation Funds	\$1,435,248.08
Other Funds	1,379,685.91
Total Reserves	<u>\$2,814,933.99</u>

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NOTICE OF PUBLIC HEARING

Notice is hereby given, pursuant to NRS 354.596, that a public hearing on the 1969/70 tentative budget of the City of Las Vegas will be held in the Council Chambers of the City Hall, 400 Stewart Avenue, Las Vegas, Nevada, at the hour of 2:00 pm April 15, 1969.

- Pages 1 & 2, Schedule "A", of the budget are published below and complete copies of the tentative budget are on file in the offices of the City Clerk, 400 Stewart Avenue, Las Vegas, Nevada, the Clark County Clerk, Clark County Courthouse, Las Vegas, Nevada, and the Nevada Tax Commission, Carson City Nevada. This notice and the following comments are attached to and made a part of the tentative budget.

Except for "Supplemental Items" mentioned below the budget contains no provision for salary increases other than normal increments nor does it provide for additional personnel.

Included in the budget are identifiable items contingent upon the availability of additional revenues, the sources and amounts of which are not presently known. These items are designated in the various departments as "Supplemental Items" and are explained in detail below:

Police Department #120, Page #9:

\$144 per month per commissioned officer to provide a pay schedule comparable to that of firefighters assuming the courts uphold the firefighters initiative measure

Salaries	\$569,335
7.85% Retirement and insurance	<u>144,693</u>
Total	<u>\$614,028</u>

The above increase would be effective 7/1/69 rather than retroactive to 7/1/68.

Fifty-five additional patrolmen with salaries at the rate shown above

Salaries	\$461,120
Incidental expenses 30.8%	<u>142,025</u>
Total	<u>\$603,145</u>

Capital Outlay

\$50,000

Fire Department #122, Page #9:

Salary increases of \$144 per month retroactive to 7/1/68 assuming court ruling in favor of firefighters

Salaries	\$865,714
7.85% Retirement & insurance	<u>67,959</u>
Total	<u>\$933,673</u>

Capital Outlay

\$50,000

Miscellaneous #189, Page #16:

Salary increases averaging 15% for all other employees. No increases have been granted since 7/1/67.

Salaries	\$738,835
7.85% Retirement & insurance	<u>57,999</u>
Total	<u>\$796,834</u>

In the interest of simplicity these items have not been allocated to departments in the tentative budget.

Finance, #110, Page #7:

Capital Outlay

\$18,000

Street, #150, Page #12

Capital Outlay

\$409,320

Public Works, #155, Page #12:

Capital Outlay

\$25,000

Total Supplemental Items

\$3,500,000

(Continued)

(Notice of Public Hearing, Continued)

In the event additional revenue sources do not materialize the Board of City Commissioners proposes to reduce the final budget as it deems appropriate prior to its adoption on or before April 30, 1969.

The administration is also aware of the necessity to augment the General Fund appropriations for the current fiscal year, 1968/69 in an amount presently estimated to be \$766,094.

*Edwina M. Cole*  
Edwina M. Cole, City Clerk

( Schedule "A" follows )

## SELECTED STATE REVENUES

CALENDAR 1967 vs 1968

<u>Statewide Totals:</u>	<u>1967</u>	<u>1968</u>	<u>Increase</u>	
			<u>Dollars</u>	<u>Percent</u>
2% Sales Tax	23,965,689	27,119,772	3,154,083	13.2%
Gaming Licenses & Tax	21,144,082	26,117,931	4,973,849	23.5%
Casino Entertainment Tax	4,770,710	5,184,293	413,583	8.7%
Total	49,880,481	58,421,996	8,541,515	13.9%
<u>Originating in Clark County:</u>				
2% Sales Tax	12,014,479	14,447,663	2,433,184	20.3%
Gaming Licenses & Tax	12,253,092	15,832,378	3,579,286	29.2%
Casino Entertainment Tax	3,641,169	4,104,806	463,637	12.7%
Total	27,908,740	34,384,847	6,476,107	18.9%
<u>Originating in Other Areas:</u>				
2% Sales Tax	11,951,210	12,672,109	720,899	5.2%
Gaming Licenses & Tax	8,890,990	10,285,553	1,394,563	15.7%
Casino Entertainment Tax	1,129,541	1,079,487	(50,054)	(4.5%)
Total	21,971,741	24,037,149	2,065,408	9.4%

Source of Information:

Nevada Tax Commission and Nevada Gaming Commission