

MEMBERS PRESENT:

Chairman Price	Assemblyman Bergevin
Vice Chairman Craddock	Assemblyman Marvel
Assemblyman Chaney	Assemblyman Rusk
Assemblyman Coulter	Assemblyman Tanner
Assemblyman Mann	Assemblyman Weise

MEMBERS ABSENT:

Assemblyman Dini (excused)

A quorum being present, Chairman Price called the meeting to order at 3:05 p.m. He stated that the purpose of the meeting was to hear from Howard Barrett of the State Department of Administration on the Governor's Tax Plan. He called upon Mr. Barrett to come forth and present his testimony.

Mr. Barrett began by distributing a memorandum regarding this proposed tax reform plan. This is attached to these minutes as EXHIBIT A. Beginning on page 1, Mr. Barrett stated that this was a summary of the amounts saved to the taxpayer by this plan. He explained that the Title XIX program that is paid for by the 11¢ that is levied would not be cut back but would receive the same amounts of money from the general fund rather than from the counties. The 70¢ property tax which by law must be levied as part of the school support will be omitted. School aid will not be hurt as the money will be picked up from general funds. He explained that there has been some apprehension expressed by the schools that this will strengthen state control over the school districts. However, this will have no effect on school financing or on the control. There will be enough money in the Distributive School Fund to pay the county school districts 30 cents times whatever their assessed valuation is.

Mr. Barrett stated that the estimated loss in sales tax income was based on previous Tax Commission studies which estimated approximately 12% of the sales tax was sales tax on food. Since January 1 the Tax Commission has done another survey and they indicate that this may only be 10.4%. He added that this page does not show the additional savings to the taxpayer by the loss to the counties and cities of the sales tax of their 1/2%. This would be approximately another 3-3 1/2 million dollars each year.

Mr. Barrett went on to explain that the counties have been billed for 1/3 of that portion of county foster care that the federal government does not pay. This is by state law. The budget is based on the state not billing the county for that portion but having the general fund assume this. Another item covered was the county gaming tax which by statute is imposed on the county. This is collected by the counties and 25% comes to the state. They are proposing that this stay with the county and/or city

where it is collected. The final tax discussed by Mr. Barrett on this page was the Real Estate Transfer tax which is imposed by law, collected by the counties and they must turn over 75% to the state. They are suggesting that this amount of money stay with county.

Mr. Bergevin inquired whether the 75% on the county gaming tax was allocated evenly amongst the counties. Mr. Barrett stated that goes to the tax rolls of the county of origin. If it is collected in the city the city gets 50, county 25, and state 25 and if it is collected in the county, the county gets 50, city 25 and state 25.

Mr. Barrett went on to explain that this tax reform is based on taxes that are uniform and does not apply to special tax district that is set by the city or county locally.

Mr. Chaney inquired whether by omitting the collecting of the 11¢ would it prohibit the counties from continuing to collect it. Mr. Barrett stated that they would not be allowed to collect it and this would include the 25¢, 70¢ and additional 30¢ listed on the first page, which they would not be allowed to collect. He commented that they would probably have to tighten up a little below the existing taxes.

Mr. Craddock asked if with the proposed tax reform would there be any surplus as there had been in the past or would the surplus presently existing have to be used to implement the reform. Mr. Barrett answered that there would be a surplus and it has been estimated that it would be \$34,000,000 at the end of the biennium. He added that they feel this is a conservative estimate. Mr. Mann added that the Ways & Means Committee feels that this is underestimated by \$11,000,000 over the three year period.

Mr. Weise stated that one of the things he was concerned about was the long range forecast of about 10 years because so many of these taxes will be offset by surplus monies. Mr. Barrett replied that the tax reduction is not being offset by surplus but is being offset by a projected reduction in income to the state. He added that they are not using the one time windfall of surplus to finance future tax relief. He continued by stating that surplus monies are used to allow them to reduce future expenditures. He cited the example of recommending an appropriation for the retirement of the bonds to do away with the interest. This would reduce the operating income and operating expenditures by \$2,500,000.

Mr. Mann stated that the schools have felt very comfortable on knowing that they were tied into a fixed tax base and would not have to come back every two years to the legislative body for a large portion of their money. Mr. Barrett stated that he did not feel that this made any real changes for the schools. Presently they have the 80¢ set by law and this is not being changed as the county will levy up to the 50¢ and the remaining 30¢ will be obtained through general fund of the state. Mr. Mann pointed out that this would take an act of the money committees of the legislature every session. Mr. Barrett pointed out that they do that now.

Mr. Barrett then moved to the second page explaining that this was perhaps more extensive than the committee had anticipated but they had the figures and felt they would be of interest.

Mr. Barrett explained that the tax plan would leave local government with a maximum of \$2.70 and a limit on all government of \$3.50. This maximum for local government may be exceeded where school and general improvement bonds are presently existing or may be exceeded by a vote of the people in the taxing jurisdiction up to the \$5.00. The second year all government limit would be \$3.20. If all government were able to go to the \$3.50 the first year this would be a 30% reduction from the present \$5.00 limit. The second year if they were to go to the \$3.20 limit it would be a reduction of 36%.

Mr. Mann inquired whether there was need for legislation to make sure that the 11¢ that will no longer need to be collected will be passed onto the taxpayers. Mr. Barrett stated that the legislation that will back up this plan will do this.

Mr. Mann then inquired what would happen to the bonding ratings of the school districts. Mr. Barrett stated that there would be no change as this does not change the assessed valuations so it does not decrease their bonding capacity. Also, since they can exceed the maximum of \$2.70 by a vote of the people, they will have the assured rate beyond the limit. Where it will have the effect is that people may be less inclined to vote for a school bond issue as it will increase their taxes where presently in the \$5.00 limitation it does not increase their taxes.

Mr. Bergevin stated that there would probably be problems in Douglas County with the proliferation of districts at Lake Tahoe and asked Mr. Barrett how this would be handled. Mr. Barrett stated that he would get to that as they went further on.

Mr. Marvel inquired what the reaction of the city and county government to not being able to absorb this 11¢. Mr. Barrett stated that he knew of no reaction.

Mr. Weise stated that he was concerned that perhaps the local government could take advantage of this and circumvent the lid that has been placed. They could allocate the full amount of \$2.70 for general purposes and force a school bond. He wondered if there was any way the public could force the incorporation of some portion of the \$2.70 for school bond. Mr. Barrett stated that they had looked at that but the problem is that the school bond is far from uniform. They could see no way they could make any kind of an allocation of part of \$3.50 and reserve it for school bond. Mr. Weise then stated that not all areas are at the maximum of \$5.00 at this point but everyone has to live within the \$5.00. Most areas will soon be to the maximum and if they spend all that money for operations exclusive of school bonds they will definitely have to pass school bond and this will raise their taxes. Mr. Barrett stated that the school bond would have to go to a vote of the people and the people would have to see that local government stayed within limits.

Mr. Craddock inquired where the \$5.00 maximum came from in the first place. Mr. Barrett replied that he goes back 20 years and existed before he came there.

Mr. Mann stated that the legislature can give the people the tax relief that they have asked for and if they wish to raise additional taxes for schools, etc. they have the opportunity to do so by the vote.

Mr. Weise went on to say that right now when you vote for a school bond you are in essence stating that the school is needed and the people of the area are willing to sacrifice something else to get this going. If the area is at the \$5.00 tax rate something else must be backed up in order to maintain the bond. This plan is a different situation where tax base is fixed and no money has been set aside for schools and the schools are not within that limited tax base. Mr. Weise wondered if perhaps this would give the local government entities a "cop-out", and make the people pay additional for all the schools.

Mr. Bergevin stated that if the area is in a situation where they need school bonds, their assessed valuation is growing and so they should equalize out as they have in the past. The counties that have them have a rather constant figure over the last 10-12 years and haven't increased their bond redemption. He also stated that he understood they were planning to put a cap on local expenditures.

Mr. Chaney inquired how they arrived at the \$2.70 maximum figure. Mr. Barrett stated that they first arrived at the \$3.50 which is the same reduction as it would be if the assessed valuation were reduced from the current 35% to 25%, which would be a 30% decrease. They have not touched the tax rate and the people have a chance to vote if they wish to go higher.

Mr. Coulter inquired whether this needs "self destruct" mechanism should this pass and Question 6 still be passed by the people. Mr. Barrett stated that they feel this will offset any need for Question 6.

Mr. Weise pointed out that Washoe County could have a rate of \$3.81 next year and \$3.51 the following year. He inquired whether the \$3.51 figure would be reduced as the bonds retire or does this figure remain constant for the life of the outstanding bonds. Mr. Barrett replied that this was a problem because some bonds have balloon payments and some don't. Some are amortized over a period of time. If they have either an equal payment or a declining payment then the bond rate declines as the assessed valuation grows. Mr. Weise then went on to say that it would be difficult to tell the people they were going to get a reduction of 36% when the 31¢ is still going to be tacked onto their tax figures.

Mr. Mann stated that he felt Mr. Weise presented a very interesting question. He stated that school bonds have been the easiest thing to get passed of all kinds of bonds. He stated that he could see local governments working up to the maximum and then taking the

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most popular bond, a school bond, and increasing it. Mr. Mann stated that he felt this definitely needed to be addressed.

Mr. Barrett then continued on page 3 of the memo. He stated they did not know what the effect would be of putting on the limit of counties and cities in how much each will get in the limited share. They have assumed that the ratio will stay the same.

Mr. Mann inquired whether the ratio should be mandated by law rather than assume that it will stay the same. Mr. Barrett stated that the counties vary so much in their needs in relation to their cities that this would vary considerably. He explained that the local governments have to sit down and work this out and if they cannot work it out they have to go to the Department of Taxation to iron this out.

Mr. Barrett then went on to page 4 and 5 of the memo. He pointed out that in comparing existing revenue with estimated revenue for the next year all the counties except Pershing, Storey, and White Pine, have an increase in revenues. The problem is not severe in Pershing or Storey but in White Pine it will be rather serious. Mr. Mann inquired rather this could be solved by a state grant. Mr. Barrett stated that there were some legal problems in that state cannot make direct grants and he added that White Pine is one of the four counties of the state that have chosen not to impose the 1/2% sales tax allowed.

Mr. Marvel inquired whether they were following Question 6 on their estimated raises in assessed valuation. Mr. Barrett stated that was not part of this package.

Mr. Mann stated that something really needed to be done about the inflation factor besides tax relief. Mr. Barrett suggested that this was something that would have to come from the Tax Commission.

Mr. Barrett pointed out that the second to the last page of his memo translates the previous information into reduction in tax rate for the various counties and cities. Mr. Barrett stated that there may be some problems in the some of the small general improvement districts around the state but that he did not feel that they were major at this point.

Mr. Mann stated that he would like to see figures on Question 6 in the same manner as these and asked the Chairman if this would be possible. Mr. Dan Miles, Deputy Fiscal Analyst, stated that the League of Cities was presently do a report on Question 6 and that he also was gathering information of this type although it would not be quite as detailed as this information.

Mr. Weise stated that he would understand that under this proposal that people from Incline Village (his example) would pay \$3.20 in 1981 plus 31¢ for bonds plus 76¢ for improvements districts.

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Mr. Barrett replied not unless they are getting by with less now and they are getting by with less now. He went on to say that this would require some modification because there are some districts in Douglas County (his example) that have low county rates and high general improvement rates. He added that some of the small districts at the lake may have some problems which will have to be worked out. Mr. Weise stated that his concern was for those areas where improvement districts provide much of the services not be hit with the \$3.20 plus so much for schools plus so much for the improvement district.

Mr. Barrett then continued with the last page which is a copy of the Distributive School Fund. Mr. Barrett explained briefly what this covered.

Mr. Price asked if Mr. Barrett would like to comment on the proposed cap on expenditures. Mr. Barrett stated that he felt the Tax Commission would be the better place to get that information.

Mr. Weise stated that there had to be an infusion somewhere of the lost revenue in the school tax in reference to the Distributive School Fund. He wondered where this could be found. Mr. Barrett stated that this is being made up from general fund as found on the bottom of the bottom page.

Mr. Price inquired of where the governor's package was as it pertained to bills. The answer to this was that it would be ready in a few days. Mr. Mann inquired if there would be a committee introduction on all this and thus save a lot of time.

Mr. Price explained to committee some of the things that would be coming up in the committee. He stated that he would hope that the committee would be able to start narrowing down the package that would be finally introduced. He added that it was plan to cover all the proposals and to do justice to them all as far as consideration is concerned. There are some time restrictions that have to be considered in respect to getting some of the proposals on the ballot.

Mr. Mann stated that the Ways and Means Committee will have to have a look at the various food tax proposals and so there needs to be time allowed for this.

Mr. Weise asked Mr. Price to request Frank Daykin come before the committee and give it a "do or die" as to which, if any of the proposed plans can be handled by a trigger mechanism, in the event that Question 6 passes. Mr. Price stated that he would.

Mr. Price stated that there would be at least a bill where the essentials are the same as Question 6 for the committee's consideration. Mr. Weise went on that point to ask about introduction of bills. He stated that he would like clarification on introduction of bills.

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Mr. Price stated that he felt it was important to have any package come out with a committee introduction and not under individual sponsors. He added that it was his intention, because of the fact that this issue was so important to each legislator, to read into the record the lists of BDRs and those who proposed them so that there would be no question politically on this issue.

A discussion was held regarding some the bills already in the committee which were individually sponsored and there were some members who had withdrawn bills because of the understanding that all bills would have committee introduction. Mr. Price stated that the question of tax reform is important to all and he would take any "heat" that comes out on this but that it is his proposal that all major tax reform bills will have a committee introduction.

Mr. Craddock cited a situation in the 1973 session when a bill that was very important to him personally got tacked onto another bill as part of a package. At the time he stated he was quite upset but having seen it become a part of the judicial system has made him very pleased. He added that everyone has pride of authorship; but, what is good for the majority must be considered.

Mr. Mann stated he indeed felt that any bill should have only the committee introduction or there would be a large number of bills on every tax reform issue there is. He felt that it should be made known that this was the way it was going to be handled. It is necessary to make this a nonpartisan issue, if possible.

Mr. Price stated that when he began he was just talking about the major tax reform issues and not the minor ones that would be coming in. He referred to property tax reform, personal property, caps on spending, food tax etc.

Mr. Chaney stated that he felt that this was the first time he had seen any committee agree to come together for something that beneficial to all. He felt that this was being done for the good of all and not just for the campaign.

Mr. Tanner moved that the committee make no exceptions on this issue and any bill that comes out of the committee be a committee introduction bill only. Mr. Mann seconded the motion. It was pointed out that perhaps there would be bills from the Senate that would not comply. Mr. Price stated that he would look into this and take care of it. The motion passed unanimously with Mr. Dini absent.

Mr. Price then stated that Mr. Chaney and Mr. Bergevin had been appointed to subcommittee dealing with the highway fund which has since blossomed into what appears will be a full fledged interim study on highway.

Mr. Price then stated that he would like to hold some hearings outside of Carson City and stated he would like to go to

Minden, Fallon, Reno and places like that. He asked Mr. Bergevin to look into arrangements for Minden and Gardnerville and Mr. Rusk to see if he could make some arrangements for Reno perhaps in the Sun Valley area. This would give the people that can not make it to Carson to have an opportunity to be heard. Mr. Marvel was asked to look into the possibilities in Fallon.

A discussion was held as to whether the committee should go outside of Carson before a package had been proposed or afterwards. Some of the members felt that it would be better to have something to present to the people for their comments while others felt that the people should be heard before the package is developed. It was decided that perhaps enough information on the various proposals would be available to inform the people and get their reactions to them.

Mr. Weise then asked Mr. Price if he would make no policy statements to the press regarding the tax reform package until such a package has been developed. It was determined that although this had not happened as yet, it would be the policy of the Chairman to simply state what the committee was working on but not the position being taken.

As there was no further business to discuss, Chairman Price adjourned the meeting at 5:15 p.m.

Respectfully submitted,

Sandra Gagnier

Sandra Gagnier
Assembly Attache

January 24, 1979

MEMORANDUM

TO: Committee on Taxation
FROM: Department of Administration
SUBJECT: Tax Reform

	<u>1979-80</u> <u>Loss to State</u>	<u>1980-81</u> <u>Loss to State</u>
Omit 25 Cent Tax	\$14,187,400	\$ 16,080,000
Omit 11 Cent Tax	8,184,156	7,075,200
Omit 70 Cent Tax	39,500,702	45,024,000
Reduce 80 Cent Tax to 50 Cent Tax	0	19,296,000
Drop Sales Tax on Food		
Distributive School Fund	\$ 7,425,612	\$ 8,539,581
General Fund	18,334,404	19,784,080
Total Tax Relief	<u>\$83,552,274</u>	<u>\$114,798,861</u>

	<u>1979-80</u> <u>Loss to State</u>	<u>1980-81</u> <u>Loss to State</u>
Assume County Foster Care	\$ 260,180	\$ 303,960
County Gaming Tax	2,575,000	2,729,000
Real Estate Transfer	2,400,000	2,800,000
Total Given Up By State	<u>\$88,787,454</u>	<u>\$120,631,821</u>

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EXHIBIT A

COUNTY TAX RATES

<u>County (City)</u>	<u>Current County Tax Rate Less 11¢</u>	<u>Current Largest City Rate</u>	<u>Combined Rate</u>	<u>School Bond Rate</u>	<u>Other</u>	<u>Combined Local Rate</u>	<u>Limit On Rate</u>
Carson City	\$1.4120	\$1.1830	\$2.5950	\$0.3700	\$0.0040	\$2.9690	\$2.9690
Churchill (Fallon)	1.5260	1.2000	2.7260	0.4100	0.0040	3.1400	3.1100
Clark (Las Vegas)	1.0205	1.4122	2.4327	0.7023	0.0035	3.1385	3.1385
Douglas (Minden)	0.5300	1.4000	1.9300	0.6200	0.4588	3.0088	3.0088
Elko (Elko)	0.8900	1.1036	1.9936	0.3000	0.2500	2.5436	3.5436
Esmeralda (Goldfield)	1.8900	0.9500	2.8400	0.0000	0.0000	2.8400	2.7000
Eureka	1.4800	0.5000	1.9800	0.0800	0.0000	2.0600	2.0600
Humboldt (Winnemucca)	1.0500	1.6500	2.7000	0.3200	0.0000	3.0200	3.0200
Lander (Battle Mountain)	1.8800	1.0800	2.9400	0.2000	0.0000	3.1400	2.9000
Lincoln (Caliente)	1.2900	1.4000	2.6900	0.4500	0.0000	3.1400	3.1400
Lyon (Yerington)	1.6980	1.0860	2.7840	0.3560	0.0000	3.1400	3.0560
Mineral (Hawthorne)	2.8590	0.0000	2.8590	0.2810	0.0000	3.1400	2.9310
Nye (Tonopah)	1.5500	1.1900	2.7000	0.2900	0.0000	3.0300	2.9900
Pershing (Lovelock)	1.3500	1.7200	3.0700	0.0700	0.0000	3.1400	2.7700
Storey (Virginia City)	2.7600	0.2000	2.9600	0.4200	0.0000	3.3800	3.1200
Washoe (Reno)	1.6908	1.1310	2.8218	0.3142	0.0040	3.1400	3.0142
White Pine (Ely)	1.7400	1.4000	3.1400	0.0000	0.0000	3.1400	2.7000

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
Uniform In All Counties			
State	\$.25	\$.00	\$.00
Title XIX	.11	.00	.00
School Operating	1.50	.80	.50
Sub-Total	<u>\$1.86</u>	<u>\$.80</u>	<u>\$.50</u>
Maximum for Use by Other Local Governments	3.14	2.70*	2.70*
Limit for All Government	<u>\$5.00</u>	<u>\$3.50</u>	<u>\$3.20</u>

*Limit will be \$2.70 or existing rate whichever is lower. That limit can be exceeded for existing school bonds, or limit may be exceeded up to \$5.00 maximum by a vote of citizens.

PROPERTY TAX RATES

	<u>Existing County Rate</u>	<u>Existing City Rate</u>	<u>Existing Other Districts</u>	<u>School Bond Rate</u>	<u>Current Combined Rate</u>	<u>Proposed County Rate</u>	<u>Proposed City Rate</u>	<u>Proposed Other Rate</u>	<u>School Bond Rate</u>	<u>Proposed Combined Rate</u>
Carson City	\$1.4120	\$1.1830	\$.0040	\$.3700	\$2.9690	\$1.4120	\$1.1830	\$.0040	\$.3700	\$2.9690
Clarchill (Fallon)	1.5260	1.2000	.0040	.4100	3.1400	1.5092	1.1868	.0040	.4100	3.1100
Clark (Las Vegas)	1.0205	1.4122	.0035	.7023	3.1385	1.0205	1.4122	.0035	.7023	3.1385
Douglas (Minden)	0.5300	1.4000	.6200	.4588	3.0088	0.5300	1.4000	.6200	.4588	3.0088
Elko (Elko)	0.8900	1.1036	.2500	.3000	2.5436	0.8900	1.1036	.2500	.3000	2.5436
Esmeralda (Goldfield)	1.8900	0.9500	.0000	.0000	2.8400	1.7968	0.9032	.0000	.0000	2.7000
Eureka	1.4800	0.5000	.0000	.0800	2.0600	1.4800	0.5000	.0000	.0800	2.0600
Humboldt (Winnemucca)	1.0500	1.6500	.0000	.3200	3.0200	1.0500	1.6500	.0000	.3200	3.0200
Lander (Battle Mountain)	1.8600	1.0800	.0000	.2000	3.1400	1.7083	0.9917	.0000	.2000	2.9000
Lincoln (Caliente)	1.2900	1.4000	.0000	.4500	3.1400	1.2900	1.4000	.0000	.4500	3.1400
Lyon County (Yerington)	1.6980	1.0860	.0000	.3560	3.1400	1.6467	1.0533	.0000	.3560	3.0560
Mineral (Hawthorne)	2.8590	0.0000	.0000	.2810	3.1400	2.7000	0.0000	.0000	.2810	2.9810
Nye (Tonopah)	1.5500	1.1900	.0000	.2900	3.0300	1.5274	1.1726	.0000	.2900	2.9200
Perkins (Lovelock)	1.3500	1.7200	.0000	.0700	3.1400	1.1872	1.5128	.0000	.0700	2.7760
Storey (Virginia City)	2.7600	0.2000	.0000	.4200	3.3800	2.5175	0.1825	.0000	.4200	3.1200
Washoe (Reno)	1.6908	1.1310	.0040	.3142	3.1400	1.6155	1.0808	.0039	.3142	3.0142
White Pine (Ely)	1.7400	1.4000	.0000	.0000	3.1400	1.4961	1.2039	.0000	.0000	2.7000

*assumed that in lowering rate county + city are lowered
in some ratio*

EXHIBIT A

ASSESSED VALUATION FOR COUNTIES

	1978	1979*	Existing Tax Rate	Proposed Tax Rate	Estimated Revenue Existing Tax Rate		Estimated Revenue Proposed Tax Rate	
					1978	1979	1978	1979
Carson City	\$ 171,766,470	\$ 199,871,536	\$1.7860	\$1.7860	\$ 3,067,749	\$ 3,569,706	\$ 3,067,749	\$ 3,569,706
Churchill	58,313,840	66,000,000	1.9400	1.9232	1,131,288	1,280,400	1,121,492	1,262,312
Clark	2,463,414,881	2,877,142,736	1.7263	1.7263	42,525,931	49,668,115	42,525,931	49,668,115
Douglas	175,871,528	193,458,681	1.6088	1.6088	2,829,421	3,112,363	2,829,421	3,112,363
Elko	148,583,033	163,441,336	1.4400	1.4400	2,139,596	2,353,555	2,139,596	2,353,555
Esmeralda	15,627,430	17,292,470	1.8900	1.7968	295,358	326,828	280,794	310,711
Eureka	35,623,897	37,594,543	1.5600	1.5600	555,733	586,475	555,733	586,475
Humboldt	71,461,729	80,594,538	1.3700	1.3700	979,026	1,104,145	979,026	1,104,145
Lander	31,022,467	37,000,000	2.0600	1.9083	700,863	762,200	649,251	702,071
Lincoln	25,320,122	29,500,000	1.7400	1.7400	440,570	513,300	440,570	513,300
Lyon	83,005,105	90,000,000	2.0540	2.0027	1,704,925	1,848,600	1,662,343	1,802,430
Mineral	28,373,339	30,000,000	3.1400	2.9810	890,923	942,000	845,809	892,300
Nye	89,968,521	120,000,000	1.8400	1.8174	1,655,421	2,208,000	1,635,088	2,120,220
Pershing	38,507,507	40,500,000	1.4200	1.2572	546,807	575,100	484,116	509,166
Storey	10,165,152	10,368,455	3.1800	2.9375	323,252	329,717	298,601	301,573
Washoe	1,280,109,788	1,568,177,152	2.0090	1.9336	25,717,406	31,504,679	24,752,203	30,222,273
White Pine	53,147,724	49,000,000	1.7400	1.4961	924,770	852,600	795,143	720,059
	\$4,783,282,531	\$5,609,941,447			\$86,429,039	\$101,537,783	\$85,062,866	\$99,911,154

*Estimated

EXHIBIT A

ASSESSED VALUATION FOR CITIES

	1978	1979*	Existing Tax Rate	Proposed Tax Rate	Estimated Revenue Existing Tax Rate		Estimated Revenue Proposed Tax Rate	
					1978	1979	1978	1979
Carson City (Urban District)	\$ 97,794,985	\$118,794,244	\$2.9690	\$2.9690	\$ 2,903,533	\$ 3,378,551	\$ 2,903,533	\$ 3,378,551
Fallon	16,924,553	19,155,209	3.1400	3.1100	531,431	601,474	526,354	595,727
Las Vegas	682,122,257	796,650,584	3.1385	3.1385	21,408,407	25,002,879	21,408,407	25,002,879
Minden	4,823,029	5,305,332	3.0088	3.0088	145,115	159,627	145,115	159,627
Elko	46,461,291	51,107,420	2.5436	2.5436	1,181,789	1,299,968	1,181,789	1,299,968
Goldfield	858,493	949,923	2.8400	2.7000	24,381	26,978	23,179	25,648
Eureka	928,375	979,714	2.0600	2.0600	18,125	20,182	19,125	20,182
Winnemucca	18,455,277	20,813,861	3.0200	3.0200	557,349	628,578	557,349	628,578
Battle Mountain	3,975,057	4,322,874	3.1400	2.9000	124,817	135,738	115,277	125,363
Caliente	1,422,651	1,657,531	3.1400	3.1400	44,671	52,046	44,671	52,046
Yerington	7,513,532	8,146,923	3.1400	3.0560	235,925	255,813	229,614	249,970
Hawthorne	13,872,779	14,139,039	3.1400	2.9810	419,905	443,966	398,643	421,435
Tenopah	6,373,606	8,501,116	3.0300	2.9900	193,120	257,584	190,571	254,183
Lovelock	4,695,000	4,937,732	3.1400	2.7700	147,423	155,045	130,052	136,775
Virginia City	2,285,063	2,330,764	3.3800	3.1200	77,235	78,780	71,294	72,720
Reno	681,038,545	834,272,218	3.1400	3.0142	21,384,610	26,196,148	20,527,864	25,146,633
Ely	17,794,278	16,406,324	3.1400	2.7000	558,740	515,159	480,446	442,971
					<u>\$49,957,576</u>	<u>\$59,208,516</u>	<u>48,953,283</u>	<u>58,612,306</u>

*Estimated

EXHIBIT A

COUNTY TAX RATES - Continued

	Existing		Proposed			Proposed			Percent Change Over Biennium
	County Combined Rate	City Combined Rate	County Combined Rate	City Combined Rate	Percent of Change	County Combined Rate	City Combined Rate	Percent of Change	
	1978-79	1978-79	1979-80	1979-80		1980-82	1980-81		
Carson City									
Ormsby Taxing District	\$3.6460		\$2.5360		(29.07%)	\$2.2860		(11.60%)	37.36%
Urban Taxing District		\$4.8339		\$3.7680	(22.03%)		\$3.4690	(7.96%)	28.24%
Churchill County	3.8000		2.7232		(28.33%)	2.4232		(11.02%)	36.23%
Falton		5.0000		3.9100	(21.80%)		3.6100	(7.67%)	27.80%
Clark County	3.5828		2.5263		(29.49%)	2.2263		(11.86%)	37.86%
Las Vegas		4.9985		3.9385	(21.21%)		3.6385	(7.61%)	23.21%
Douglas County	3.0100		2.4088		(19.97%)	2.1088		(12.45%)	29.94%
Minden		4.8688		3.8088	(21.77%)		3.5088	(7.82%)	27.93%
Elko County	3.0500		2.2400		(26.56%)	1.9400		(13.39%)	36.39%
Elko		4.4036		3.3436	(24.07%)		3.0436	(8.97%)	30.83%
Esmeralda County	3.7500		2.5968		(30.75%)	2.2968		(11.55%)	38.75%
Goldfield		4.7000		3.5000	(25.53%)		3.2000	(8.57%)	31.91%
Eureka County	3.4200		2.3600		(30.99%)	2.0600		(12.71%)	39.77%
Eureka		3.9200		2.8600	(27.04%)		2.5600	(10.49%)	34.69%
Humboldt	3.2300		2.1700		(32.81%)	1.8700		(13.82%)	42.11%
Winnemucca		4.8800		3.8200	(21.72%)		3.5200	(7.85%)	27.87%
Lander County	3.9200		2.7083		(30.91%)	2.4083		(11.08%)	38.56%
Battle Mountain		5.0000		3.8200	(23.60%)		3.5200	(7.85%)	29.60%
Lincoln County	3.6000		2.5400		(29.44%)	2.2400		(11.81%)	37.78%
Caliente		5.0000		3.9400	(21.20%)		3.6400	(7.61%)	27.20%
Lyon County	3.9140		2.8027		(28.39%)	2.5027		(10.70%)	36.06%
Yerington		5.0000		3.8560	(22.88%)		3.5560	(7.78%)	28.88%
Mineral County	5.0000		3.7810		(24.38%)	3.4810		(7.93%)	30.38%
Hawthorne		5.0000		3.7810	(24.38%)		3.4810	(7.93%)	30.38%
Nye County	3.7000		2.8174		(29.26%)	2.3174		(11.46%)	37.37%
Tonopah		4.8900		3.7900	(22.49%)		3.4900	(7.92%)	28.63%
Pershing County	3.2800		2.5072		(23.56%)	2.2072		(11.97%)	32.71%
Lovelock		5.0000		3.5700	(28.60%)		3.2700	(8.40%)	34.60%
Storey County	4.7900		3.4875		(27.19%)	3.1875		(8.60%)	33.46%
Virginia City		4.9900		3.9200	(21.44%)		3.6200	(7.65%)	27.45%
Washoe County	3.8690		2.7336		(29.34%)	2.4336		(12.33%)	37.10%
Reno		5.0000		3.8142	(23.72%)		3.5142	(7.87%)	29.72%
White Pine County	3.6000		2.2961		(36.22%)	1.9961		(13.07%)	44.55%
Ely		5.0000		3.5000	(30.00%)		3.2000	(8.57%)	36.00%

EXHIBIT A

DISTRIBUTIVE SCHOOL FUND

	<u>1977-78</u>	<u>1978-79</u>	<u>% of Change</u>	<u>1979-80</u>	<u>% of Change</u>	<u>1980-81</u>	<u>% of Change</u>
<u>Before Recommended Tax Reform</u>							
Weighted Enrollment	140,077	142,610	1.8%	145,462	2.0%	148,371	2.0%
Basic Support	\$1,035	*\$1,159	12.0%	\$1,252	8.0%	\$1,331	6.3%
Total Basic Support	\$144,979,695	\$165,284,990	14.0%	\$182,118,424	18.2%	\$197,481,801	8.4%
Special Education**	10,560,000	11,088,000	5.0%	11,520,000	3.9%	11,700,000	1.6%
Prior Year Adjustments	649,325	0		0		0	
Total Need	\$156,189,020	\$176,372,990	12.9%	\$193,638,424	8.8%	\$209,181,801	8.0%
70¢ Property Tax	(28,137,989)	(33,482,978)	19.0%	(39,500,720)	18.0%	(45,024,000)	14.0%
1¢ School Support Tax	(43,370,547)	(53,345,773)	23.0%	(61,881,097)	16.0%	(71,163,262)	15.0%
State Responsibility	\$ 84,680,484	\$ 88,544,238	3.7%	\$ 92,256,607	3.6%	\$ 93,994,539	0.8%
General Fund***	\$ 73,449,500	\$ 81,164,950	10.5%	\$ 88,830,825	(18.8%)	\$ 63,972,390	(2.8%)
Slot Tax	9,603,370	11,000,000	14.5%	12,000,000	9.1%	14,000,000	16.7%
Revenue Sharing	5,737,742	5,800,000	1.1%	5,900,000	1.7%	5,900,000	0%
Investment Income	760,871	750,000	(1.4%)	750,000	0%	750,000	0%
Mineral Land Lease	3,886,359	3,800,000	(2.2%)	3,800,000	0%	3,800,000	0%
Out-of-State Sales Tax	2,881,035	3,457,302	20.0%	3,975,782	15.0%	4,572,149	15.0%
Balance Forward from Previous Year		11,638,393					
Balance Forward to New Year	11,638,393						

Approximate Reversion

\$ 28,066,306

*Includes Trigger at \$28 per Enrollee

**Special Education Units
Price/Unit

600	630	640	650
\$17,600	\$17,600	\$18,000	\$18,000

After Recommended Tax Reform

General Fund (Line 10 Above)	\$ 88,830,825	\$ 63,972,390
General Fund to Replace 70¢ Property Tax	39,500,720	45,024,000
General Fund to Replace Sales Tax on Food	7,425,612	8,538,591
General Fund to Replace 30¢ of 80¢ Property Tax	0	19,296,000
Total General Fund	\$135,757,157	\$136,831,981

EXHIBIT A