

MEMBERS PRESENT:

CHAIRMAN PRICE	ASSEMBLYMAN BERGEVIN
VICE CHAIRMAN CRADDOCK	ASSEMBLYMAN MARVEL
ASSEMBLYMAN CHANEY	ASSEMBLYMAN RUSK
ASSEMBLYMAN COULTER	ASSEMBLYMAN TANNER
ASSEMBLYMAN DINI	ASSEMBLYMAN WEISE
ASSEMBLYMAN MANN	

MEMBERS ABSENT:

NONE

Chairman Price called the meeting to order for the purpose of discussing AB 616, the Assembly tax package.

Mr. Price began the meeting by distributing a copy of a letter of Roy Nickson regarding the impact of AB 112 on this state. A copy of this information is attached to these minutes as Exhibit A.

Mr. Price went on to say that the Senate had amended AB 250 and asked the committee whether they wanted to concur or not with this amendment. The Senate had allowed the percentage of space occupied to be left in the bill but had removed the sections dealing with people who sign their property over to their children or similar situations.

Mr. Mann stated that based on what the committee was doing did they feel that they should have this special exemption for senior citizens. A discussion was held on this point and it was decided that the senior citizen should continue to get a break and that break was a percentage based on household income. As the ad valorem rate drops this will be reflected in the amount they receive so in a sense the tax relief proposal will take some of their break away.

Mr. Marvel moved to concur with the Senate amendment and Mr. Rusk seconded the motion. The motion passed unanimously.

AB 616

Roy Nickson, State Tax Department, stated that he was interested in obtaining some indication as to intent of the legislature regarding items that should come under food tax exemption. He stated that he had been advised that it will probably be taken to court if they attempt to impose a tax on "potato chips" that come out of a vending machine and not of those that come out of the grocery store.

Mr. Nickson suggested that perhaps any item that is covered by food stamp should be the items exempt from sales tax. This would be similar to the way it is done in Iowa. He stated however that he would like some input as to intent of the legislature before they write the regulations which will govern this.

(Committee Minutes)

Mr. Mann stated that he would have no problems with giving him a letter of intent but that the committee had decided to leave this matter broad enough for the department's descretion but not so broad as to cause problems.

Mr. Tanner stated that he felt that there were problems in the Iowa food stamp list and asked for time to bring this to the committee's attention. He stated that he would have it available as soon as possible.

Chairman Price stated that the committee would work on this and that Mr. Nickson would receive whatever was necessary to allow him to do his work.

Chairman Price then announced that the Senate had extended another invitation to the Assembly Taxation Committee to meet with their Taxation Committee on Tuesday, April 3. It was hoped that Mr. Miles and Mr. Schorr could go through each bill and discuss the various areas where they differ. The committee decided that they would like to get AB 616 moving on the floor before meeting with the Senate Taxation Committee.

Mr. Price pointed out that the time schedule for getting the vote of the people part of the food tax on the ballot was running down. The normal time is 58 days and that date would be April 8 for the June 6 elections. However, Mr. Daykin has stated that they could get this time frame down to 30 days but that it would create some problems.

A discussion was held regarding the process for the getting AB 616 out of committee. Mr. Price pointed out that some members wanted to get the bill out of committee immediately without any additional hearings.

Mr. Dini stated that he felt that after the final bill is printed that the people should have a chance to come before the committee and testify on the bill. He added that they may find technical flaws that the committee was not aware of.

Mr. Mann stated that he felt that they have had enough hearings on the bill and they he did not feel that it was necessary to have any more hearings on it.

Chairman Price then asked each member of the committee to express their feelings on this issue. Mr. Price began by stating that he felt that they should give some time for a hearing on the bill itself although he did feel that the committee had been through everything that was in the bill. He finished by stating that he would hate to rush anything.

Mr. Tanner stated that he could see no point for more hearings.

Mr. Bergevin stated that he felt that the two subcommittees had had dozens of hearings and everybody was given a chance to speak.

He stated that he had gone through the final draft of the bill and found it technically sound. He finished by stating that he would like to see it move.

Mr. Mann stated that he had "read the bill during lunch" and also found it technically correct and the he would like to see it out on the floor of the Assembly.

Mr. Coulter stated that he felt it was appropriate to hold more hearings.

Mr. Craddock stated that he would support the concept of additional hearings and if they had another hearing, they could during this time work in some "conversation" with the Senate about the bills.

Mr. Dini stated that he too felt that there should be additional hearings and suggested that they hold them this Friday afternoon.

Mr. Chaney stated that he felt there should be additional hearings but not Friday afternoon.

Mr. Weise stated that he would like to take action tomorrow afternoon. He stated that there has been enough input on philosophy but not on the technical parts of the bill. He felt that they could have this technical input ready by tomorrow afternoon and then the committee could take action on the bill.

Mr. Marvel stated that he would like to get the bill out to the floor as soon as possible.

Mr. Rusk stated that he too feels that it should be out of committee by tomorrow afternoon. He added that he felt that they should spend whatever time it takes tomorrow and get it done tomorrow.

Mr. Price asked those in attendance, such as Marvin Leavitt and Gary Milliken, if they could have this bill "digested" by tomorrow and ready for technical input in they have any. Most of those in the audience felt that they could be ready by 2:00 tomorrow afternoon.

Mr. Weise moved that the committee suspend their rules regarding time frame required for posting of agendas and that final action be taken on this bill tomorrow afternoon. Mr. Mann seconded the motion. The motion passed with Mr. Dini opposed to the motion.

Mr. Marvin Leavitt, City of Las Vegas, stated that he would have a few comments at this time. He stated that had he not been in attendance during the many hearings that were held, he might have some problems with interpretation of language. He pointed out that he was concerned with language found on pages 8 and 63 of the xeroxed copy of the bill. This deals with Section 11 on page 8 regarding the ending balance. The part that they questioned would be the term "including any amount allowed as an ending balance for that fiscal year". On page 63 this is

partially defined. It is not very clear in the bill what is allowed as a ending balance. There has however been discussion in committee as to what this should be. Mr. Leavitt point out Section 160, subsection 2 found on page 63 of the xeroxed bill. He stated that they have in hand several ending balances at this point, which include balance projected for this current year that was filed last April 10, there is a beginning balance for July 1 and they also know what the actual ending balance was as of that date and they also have supposevely the Tax Department has the right to adjust that ending balance to some other figures.

Mr. Miles stated that the intent was that under regulations the Tax Department would take out whatever they had budgeted for an ending balance and plug in one that was uniform and throughout the state. Mr. Miles stated further that he was not sure whether this language does that.

Mr. Leavitt stated that existing regulations specify that ending balance should be between 4 and 8.4%.

Mr. Mann inquired if rather then amending the bill could this be done with a letter of intent. Mr. Miles stated that they probably could and that when this was discussed with Frank Daykin it was decided that it should be done by regulations rather then by specifying what the ending balance should be.

Mr. Mann stated that they wanted the Department of Taxation to handle it and that is why it is not in the bill.

Mr. Bergevin asked Roy Nickson of the Tax Department if he would have any problem with this language and did he feel that he could handle it by regulation. Mr. Nickson replied that yes they could handle it and pointed out that if an individual entity ended up with a huge ending balance, this is what would be adjusted.

Mr. Weise stated that if they leave it to regulation they would have a lot more flexibility. Mr. Nickson stated that the regulations are adopted upon the advise of the Local Government Advisory Committee. Mr. Mann added that they also would have to approved by the legislature by a procedure that was just adopted.

Mr. Price stated that the committee would then hear any technical comments during the hearing the following day.

The committee then discussed the Comparison of Senate (SB204) and Assembly (AB 616) Cap Bills and Effect on School Districts which was presented to the committee by Jim Shields, NSEA. This is attached to these minutes as Exhibit B.

Mr. Shields stated that the last table shows the comparison with the Senate bill as it was passed today. He stated that this accumulative effect of AB 616 was to reduce spending 3.1% and the Senate bill by 2 1/2%. Teachers are very concerned about the effects of AB 616, not so much next year, but because the formula includes 80% of CPI. This is much more detrimental to

schools over the long run then the Senate Bill. They would ask the Assembly to adopt the Senate Cap formula. This formula would put a ceiling on the revenues that can be generated by the 80¢ ad valorem tax which is the optional local property tax. The remaining part of the concept is that the legislature determines through setting the basic support guarantee rate, the total dollars that would be generated under the Distributive School Fund. You would have between the DSF cap and the 80¢ cap, at least 90% of the budget would be capped. This is a cap that they see is a way of connecting in the decisions that the legislature makes with regards to spending and the amount of revenue that will be accepted as permissible for appropriations to the school districts. By studying the figures, Mr. Shields stated that you can see that cap proposal that the committee has adopted would permit less spending per student than the Governor's appropriation recommendations would allow. They believe the Governor's appropriation proposal is very minimal and will be difficult to live with and the Assembly cap proposal would not even allow them to spend all of that.

Mr. Bergevin asked if they were assuming that they are going to get the Governor's proposal. Mr. Shield stated that for the record that these tables were prepared by the Doug Sevren of the Department of Education and they assume that they would receive the Governor's proposal.

Mr. Bergevin went on to state that this leaves wide open the negotiations made with the money committees to get all that they can. Therefore the formula would be meaningless in that respect as it wouldn't put a cap on what they could get out of those committees. The Assembly proposal would put a limit on this.

Mr. Mann stated that what they are saying in essence is that there would be no spending cap on education because whatever they could get out of the money committees for the Distributive Education Fund would be whatever they could spend. Therefore they would have eliminated the cap. Mr. Shields stated that they cannot spend more dollars than the legislature appropriates. It would be correct that they could spend whatever the legislature would appropriate.

Mr. Price asked if under the Senate version which has left in tack the 80¢ and 70¢ and this is basically what Mr. Shields was asking the Assembly to leave in tack. Mr. Shields stated that the philosophy of this bill could be plugged into the remaining 50¢ of that cap.

Mr. Mann pointed out that this would destroy the trigger mechanism because they could go to the legislature and instead of the trigger lowering the ad valorem, the trigger would go through the Distributive Education Fund and to education.

Also presented to the committee for their information is information from the Fiscal Analysis Division regarding AB 616 and a memo from Dan Miles regarding Local Government Levy Limitations. These are attached to these minutes as Exhibits C and D.

As there as no further information to be heard, Chairman Price adjourned the meeting.

Respectfully submitted,

Sandra Gagnier

Sandra Gagnier
Assembly Attache



Department of Taxation

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ROBERT LIST, *Governor*

ROY E. NICKSON, *Executive Director*

March 29, 1979

Honorable Robert Price
Chairman Assembly Taxation Committee
Legislative Building
Carson City, Nevada 89701

Dear Assemblyman Price:

As requested, information concerning the impact of Assembly Bill 112, authorizing annualization of reporting of net proceeds of mines, is furnished. Had this Bill been in effect in 1978 the total decrease in the valuation of net proceeds of mines would have been \$1,768,428. At an average tax rate of \$3.92 (the combined rate for Lander County) this would have meant the loss to the State and its political subdivisions of approximately \$70,000. As noted on the enclosure the bulk of the loss would have been sustained by Lander County.

If I can provide any additional information, please contact me.

Highest personal regards.

Very respectfully,

A handwritten signature in cursive script, appearing to read "Roy E. Nickson".

Roy E. Nickson
Executive Director

REN:rms
Enclosure

Fiscal Impact

AB 112

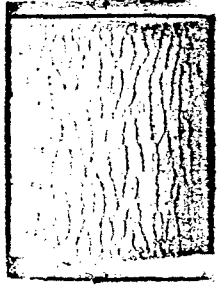
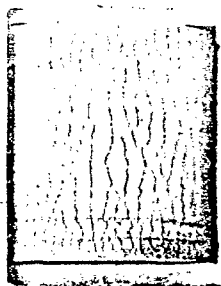
FY 2000-2001

COUNTIES

Revenue in value to counties

Carson City	
Churchill	
Clark	15,868
Douglas	
Elko	1,264
Esmeralda	2,399
Eureka	
Humboldt	
Lander	1,660,174
Lincoln	
Lyon	
Mineral	1,183
Nye	19,031
Pershing	63,327
Storey	5,192
Washoe	
White Pine	
TOTALS	1,768,428

7257



COMPARISON OF
SENATE (SB 204) AND ASSEMBLY (AB 616) CAP BILLS
AND
EFFECT ON SCHOOL DISTRICTS

PREPARED FOR SENATE TAXATION COMMITTEE

March 26, 1979

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COMPARISON OF
SENATE (SB 204) AND ASSEMBLY (AB 616)
CAP BILLS

BASE YEAR:

- Assembly - - Uses 1978-79 budgeted expenditures as the base year with increases for enrollment and inflation.
- Senate - - - Uses 1977-78 actual expenditures as the base year with increases for enrollment and inflation.

ENROLLMENT INCREASES:

- Assembly - - Permits increase in weighted enrollment from September 1978 to projected enrollment for September 1979.
- Senate - - - Permits increase in weighted enrollment in base year (September 1977) to enrollment for September 1978. (Note: Calculations include increase in enrollment from September 1976 to September 1978 to establish consistency with C.P.I.).

INFLATION INCREASES:

- Assembly - - Provides for increase of 80% of the last five year average of the C.P.I. (Nov. 1973 = 137.6, Nov. 1978 = 202.0 = $9.36\% \times 80\% = 7.48\%$).
- Senate - - - Provides for increase in C.P.I. from November 1976 to November 1978 (Nov. 1976 = 173.8, Nov. 1978 = 202.0 = 16.2%).

EXPENDITURE LIMIT:

- Assembly - - Provides for 1979-80 Budget Limit which includes an expenditure limit plus a 3% to 5% ending balance.
- Senate - - - Provides for 1979-80 Expenditure Limit with no provision for ending balance.

SCHOOL DISTRICT COMPARISON
OF SENATE AND ASSEMBLY CAP PROPOSALS ON EXPENDITURES

EXHIBIT B

School District	FY 1979-80 Expenditure Limit	Increase From FY 1978-79	Percent of Increase	FY 1979-80 Tenative Budget	FY 1979-80 Decrease	Percent of Decrease	Tax Rate Adjustment
Conson City							
Assembly	\$ 10,264,367	\$ 900,679	9.6%	\$ 10,494,522	\$ 230,155	2.2%	\$.05
Senate	\$ 9,759,006	\$ 395,318	4.2%	\$ 10,494,522	\$ 735,516	7.5%	None
Churchill							
Assembly	4,759,407	439,654	10.2	5,039,215	279,808	5.9	.14
Senate	4,750,451	430,698	10.0	5,039,215	288,764	6.1	None
Clark							
Assembly	144,513,314	13,732,257	10.5	148,627,756	4,114,442	2.8	.13
Senate	137,457,930	6,676,873	5.1	148,627,756	11,169,826	8.1	None
Douglas							
Assembly	5,976,091	339,333	6.0	6,851,612	875,521	14.7	.42
Senate	6,598,367	961,609	17.0	6,851,612	253,245	3.8	None
Elko							
Assembly	7,373,559	522,065	7.6	7,107,112	-0-	-0-	*
Senate	6,835,875	(15,619)	-0-	7,107,112	271,237	4.0	None
Esmeralda							
Assembly	505,025	43,319	9.4	382,196	-0-	-0-	-0-
Senate	421,827	(39,879)	-0-	382,196	-0-	-0-	None
Eureka							
Assembly	842,469	113,385	15.6	809,911	-0-	-0-	*
Senate	744,532	15,448	2.1	809,911	65,379	8.8	None
Humboldt							
Assembly	3,553,090	280,330	8.6	3,451,064	-0-	-0-	*
Senate	3,411,761	139,001	4.3	3,451,064	39,303	1.2	None
Lander							
Assembly	1,932,581	215,705	12.6	1,803,026	-0-	-0-	.15
Senate	1,800,811	83,935	4.9	1,803,026	2,215	.1	None
Lincoln							
Assembly	1,952,768	48,296	2.5	2,049,411	96,643	4.9	.50
Senate	2,463,590	559,118	29.4	2,049,411	-0-	-0-	None
Lyon							
Assembly	5,017,482	742,096	17.4	5,105,655	88,173	1.8	.14
Senate	4,195,226	(80,160)	-0-	5,105,655	910,429	21.7	None
Mineral							
Assembly	2,732,075	192,432	7.6	2,563,540	-0-	-0-	*
Senate	2,460,135	(79,517)	-0-	2,563,540	103,405	4.2	None
Nye							
Assembly	3,961,031	491,798	14.1	4,167,950	206,919	5.2	.15
Senate	4,043,190	573,957	16.5	4,167,950	124,760	3.1	None
Pershing							
Assembly	1,473,831	95,264	6.9	1,380,537	-0-	-0-	.15
Senate	1,353,849	(24,718)	-0-	1,380,537	26,688	2.0	None
Storey							
Assembly	530,127	68,471	14.8	494,357	-0-	-0-	.08
Senate	510,649	48,993	10.6	494,357	-0-	-0-	None
Washoe							
Assembly	56,047,028	4,319,549	8.4	57,828,659	1,781,631	3.2	.14
Senate	53,664,356	1,936,877	3.7	57,828,659	4,164,303	7.8	None
White Pine							
Assembly	3,578,724	249,059	7.5	3,175,161	-0-	-0-	*
Senate	3,131,884	(197,781)	-0-	3,175,161	43,277	1.4	None
Statewide							
Assembly	\$255,012,969	\$22,793,692	9.8%	\$261,331,684	\$ 7,673,292	2.5%	\$.17
Senate	\$243,603,439	\$11,384,153	4.9%	\$261,331,684	\$18,198,347	7.3%	None

Note 1

Note 1 - Amounts in this column represent tentative budget with Governor's 3% recommendation for each district less opening fund balance.

- Exemption of food from sales tax or exemption of household property, inventories and livestock would allow a higher rate than current rate.

SCHOOL DISTRICT COMPARISON OF
SENATE AND ASSEMBLY CAP PROPOSALS ON EXPENDITURES
EXPRESSED PER PUPIL

EXHIBIT B

634

School District	1979-80 Tenative Budget	Assembly		Senate	
		Limit	Decrease	Limit	Decrease
Carson City	\$1,700	\$1,663	\$37	\$1,581	\$119
Churchill	1,687	1,593	94	1,590	97
Clark	1,721	1,673	48	1,592	129
Douglas	1,953	1,704	249	1,881	72
Elko	2,026	2,102	-0-	1,949	77
Esmeralda	3,323	4,392	-0-	3,668	-0-
Eureka	4,354	4,529	-0-	4,003	351
Humboldt	1,953	2,011	-0-	1,931	22
Lander	1,968	2,110	-0-	1,966	2
Lincoln	2,411	2,297	114	2,898	-0-
Lyon	1,935	1,901	34	1,590	345
Mineral	1,935	2,062	-0-	1,857	78
Nye	2,475	2,352	123	2,401	74
Pershing	2,030	2,167	-0-	1,991	39
Storey	2,472	2,651	-0-	2,553	-0-
Washoe	1,843	1,787	56	1,711	132
White Pine	1,851	2,087	-0-	1,826	25
Totals	\$1,790	\$1,747	\$43	\$1,669	\$121

COMPARISON OF
SENATE (SB 204) AND ASSEMBLY (AB 616) CAP BILLS
WITH PROPOSED SENATE AMENDMENT ON 80¢ AD VALOREM TAX

BASE YEAR:

- Senate - - - Uses average of assessed valuation in 1975-76, 1976-77, and 1977-78 as base amount.
- Assembly - - - Uses 1978-79 budgeted expenditures as the base year with increases for enrollment and inflation.

ENROLLMENT INCREASES:

- Senate - - - Permits increase in weighted enrollment from average of September 1975, 1976, and 1977 to weighted enrollment in September 1978.
- Assembly - - - Permits increase in weighted enrollment from September 1978 to projected enrollment for September 1979.

INFLATION INCREASES:

- Senate - - - Provides for increase in C.P.I. from November 1976 to November 1978 (Nov. 1976 = 173.8, Nov. 1978 = 202.0 = 16.2%).
- Assembly - - - Provides for increase of 80% of the last five year average of the C.P.I. (Nov. 1973 = 137.6, Nov. 1978 = 202.0 = $9.36\% \times 80\% = 7.48\%$).

EXPENDITURE LIMIT:

- Senate - - - Provides for a limit on 80¢ ad valorem tax with no provisions for limitation of budget or expenditures.
- Assembly - - - Provides for 1979-80 Budget Limit which includes an expenditure limit plus a 3% to 5% ending balance.

SCHOOL DISTRICT COMPARISON
OF SENATE AND ASSEMBLY CAP PROPOSALS
WITH PROPOSED 80¢ SENATE AMENDMENT

School District	1	2	3	4	5	6	7
	1979-80 Tenative Budget	80¢ CAP Reduction	Senate After Reduction	% Decrease	Proposed Reduction	Assembly After Reduction	% Decrease
Carson City	\$ 10,670,459	\$ 300,740	\$ 10,369,719	2.9%	\$ 98,161	\$ 10,572,298	.9%
Churchill	5,098,687	21,003	5,077,684	.4	101,310	4,997,377	2.0
Clark	152,727,756	3,051,304	149,676,452	2.0	3,879,043	148,848,713	2.6
Douglas	7,242,637	152,973	7,089,664	2.2	967,741	6,274,896	15.4
Elko	7,505,386	26,316	7,479,070	.3	-0-	7,505,386	-0-
Esmeralda	495,086	16,021	479,065	3.3	-0-	495,086	-0-
Eureka	812,859	34,629	778,230	4.4	-0-	812,859	-0-
Humboldt	3,724,403	25,813	3,698,590	.7	-0-	3,724,403	-0-
Lander	2,092,462	42,135	2,050,327	2.0	63,252	2,029,210	3.1
Lincoln	2,223,987	19,106	2,204,881	.9	173,581	2,050,406	8.5
Lyon	5,416,821	87,311	5,329,510	1.6	148,465	5,268,356	2.8
Mineral	2,724,494	27,113	2,697,381	1.0	-0-	2,724,494	-0-
Nye	4,357,950	225,891	4,132,059	5.5	198,867	4,159,083	4.8
Pershing	1,609,646	-0-	1,609,646	-0-	62,123	1,547,523	4.0
Storey	567,694	2,491	565,203	.4	11,061	556,633	2.0
Washoe	60,069,511	2,558,142	57,511,369	4.4	2,341,072	57,728,439	4.1
White Pine	3,175,161	-0-	3,175,161	-0-	-0-	3,175,161	-0-
Totals	\$270,514,999	\$6,590,988	\$263,924,011	2.5%	\$8,044,676	\$262,470,323	3.1%

SCHOOL DISTRICT COMPARISON OF
 SENATE AND ASSEMBLY CAP PROPOSALS ON TOTAL BUDGET
 WITH PROPOSED 80¢ AD VALOREM AMENDMENT - EXPRESSED PER PUPIL

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EXHIBIT B

School District	1979-80 Tentative Budget	Senate		Assembly	
		Limit	Decrease	Limit	Decrease
Carson City	\$1,729	\$1,680	\$49	\$1,713	\$16
Churchill	1,707	1,700	7	1,673	34
Clark	1,768	1,733	35	1,724	44
Douglas	2,065	2,021	44	1,789	276
Elko	2,140	2,132	8	2,140	-0-
Esmeralda	4,305	4,166	139	4,305	-0-
Eureka	4,370	4,184	186	4,370	-0-
Humboldt	2,108	2,093	15	2,108	-0-
Lander	2,284	2,238	46	2,215	69
Lincoln	2,616	2,594	22	2,412	204
Lyon	2,053	2,020	33	1,996	57
Mineral	2,056	2,036	20	2,056	-0-
Nye	2,588	2,454	134	2,470	118
Pershing	2,367	2,367	-0-	2,276	91
Storey	2,838	2,826	12	2,783	55
Washoe	1,915	1,833	82	1,840	75
White Pine	1,851	1,851	-0-	1,851	-0-
Totals	\$1,853	\$1,808	\$45	\$1,798	\$55

SCHOOL DISTRICT SUMMARY OF
ASSEMBLY AND BOTH SENATE CAP PROPOSALS ON TOTAL BUDGET

School District	1	2	3	Senate		5	6	7
	1979-80 Tenative Budget	Proposed Reduction	% Decrease	80% CAP Reduction	% Decrease	Proposed Reduction	Assembly Proposed Reduction	% Decrease
Carson City	\$ 10,670,459	\$ 735,516	7.4%	\$ 300,740	2.9%	\$ 98,161		.9%
Churchill	5,098,687	288,764	6.0	21,003	.4	101,310		2.0
Clark	152,727,756	11,169,826	7.9	3,051,304	2.0	3,879,043		2.6
Douglas	7,242,637	253,245	3.6	152,973	2.2	967,741		15.4
Elko	7,505,386	271,237	3.7	26,316	.3	-0-		-0-
Esmeralda	495,086	-0-	-0-	16,021	3.3	-0-		-0-
Eureka	812,859	65,379	8.7	34,629	4.4	-0-		-0-
Humboldt	3,724,403	39,303	1.1	25,813	.7	-0-		-0-
Lander	2,092,462	2,215	.1	42,135	2.0	63,252		3.1
Lincoln	2,223,987	-0-	-0-	19,106	.9	173,581		8.5
Lyon	5,416,821	910,429	20.2	87,311	1.6	148,465		2.8
Mineral	2,724,494	103,405	3.9	27,113	1.0	-0-		-0-
Nye	4,357,950	124,760	2.9	225,891	5.5	198,867		4.8
Pershing	1,609,646	26,688	1.7	-0-	-0-	62,123		4.0
Storey	567,694	-0-	-0-	2,491	.4	11,061		2.0
Washoe	60,069,511	4,164,303	7.4	2,558,142	4.4	2,341,072		4.1
White Pine	3,175,161	43,277	1.4	-0-	-0-	-0-		-0-
Totals	\$270,514,999	\$18,198,347	7.2%	\$6,590,988	2.5%	\$8,044,676		3.1%

SCHOOL DISTRICT SUMMARY OF
ASSEMBLY AND BOTH SENATE CAP PROPOSALS ON TOTAL BUDGET
EXPRESSED PER PUPIL.

School District	1	2	3	Senate		6	7
	FY 1979-80 Tenative Budget	Proposed Limit	Amount of Decrease	80¢ CAP Limit	Amount of Decrease	Proposed Limit	Assembly Amount of Decrease
Carson City	\$1,729	\$1,609	\$120	\$1,680	\$49	\$1,713	\$16
Churchill	1,707	1,610	97	1,700	7	1,673	34
Clark	1,768	1,639	129	1,733	35	1,724	44
Douglas	2,065	1,992	73	2,021	44	1,789	276
Elko	2,140	2,062	78	2,132	8	2,140	-0-
Esmacalda	4,305	4,305	-0-	4,166	139	4,305	-0-
Eureka	4,370	4,019	351	4,184	186	4,370	-0-
Humboldt	2,109	2,086	22	2,093	15	2,108	-0-
Lander	2,284	2,282	2	2,238	46	2,215	69
Lincoln	2,616	2,428	188	2,594	22	2,412	204
Lyon	2,053	1,706	345	2,020	33	1,996	57
Mineral	2,056	1,978	78	2,036	20	2,056	-0-
Nye	2,588	2,514	74	2,454	134	2,470	118
Pershing	2,367	2,328	39	2,367	-0-	2,276	91
Storey	2,838	2,838	-0-	2,826	12	2,783	55
Washoe	1,915	1,782	133	1,833	82	1,840	75
White Pine	1,851	1,820	31	1,851	-0-	1,851	-0-
Totals	\$1,853	\$1,728	\$125	\$1,808	\$45	\$1,798	\$55

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April 2, 1979

MEMORANDUM

TO: Assembly Taxation Committee
FROM: Fiscal Analysis Division
SUBJECT: A.B. 616 - Assembly Taxation Proposal

Attached is a package of materials that briefly explain the major features of A.B. 616 as currently drafted. The following are brief comments concerning each part:

1. Assembly Taxation Proposal - Summarizes the estimated fiscal impact of A.B. 616 and A.B. 58 (Household Property). These amounts are estimates at this time and the actual cost of the state funded school support will depend on actual assessed values in FY 1979-80 and FY 1980-81 and school enrollments in those years.
2. Property Tax Relief - Details the major features of the Committee's property tax proposals. The impact on taxpayers is calculated at an assumed \$5.00 tax rate. The same tax relief will be gained statewide but only if governments in areas that are currently under the maximum \$5.00 rate do not raise their existing rates.
3. Family Tax Relief - Gives an example of total tax relief to a hypothetical family of four. This presentation combines the property tax relief, exemption of household property and the elimination of sales tax on food.
4. Expenditure Limitations - Explains the major features of the local government and state expenditure limits.

Assembly Taxation Committee
April 2, 1979
Page 2

5. Expenditure Limitation Estimates - Projects the cap against local government tentative budgets for FY 1979-80. These estimates predict significant budget decreases for many local entities. The tax rate adjustment is the amount the existing tax rate would have to be adjusted to fit within the estimated cap. Actual rate reductions are dependent upon many variable factors including fund structures, revenue estimates, estimated surplus, fund transfers and accounting practices and there is no guarantee that any rate reduction will be realized at all. These estimates should be used, therefore, only as a guide to what could occur and not necessarily what will occur.

6. Estimated Tax Rates - Details local tax rates at the current level, after property tax relief and after expenditure limitations are implemented. The existing rates are actual. The rates after tax relief are the current rates less \$1.36 and will be realized if local governments are prohibited from increasing existing rates. Estimated tax rates with expenditure limitations are the rates adjusted for reductions detailed on the previous schedule and described in number 5 above. For the same reasons as number 5 above, these rates must be used cautiously because they only represent potential rates.

DM:ca
attachments

ASSEMBLY TAXATION PROPOSAL

<u>State Relief:</u>	<u>1979-80</u>	<u>1980-81</u>
Food Tax - State 2¢	\$ 13,600,000	\$ 16,000,000
Food Tax - Schools 1¢	6,900,000	8,000,000
State 11¢ Share	6,207,000	7,137,000
State 25¢ Share	14,307,000	16,453,000
Schools 70¢ Share	40,471,000	47,412,000
Schools 30¢ Share	17,345,000	20,319,000
	<u>\$ 98,830,000</u>	<u>\$115,321,000</u>
<u>Local Relief:</u>		
Household Personal Property	\$ 3,500,000	\$ 4,000,000
Food Tax - Cities/Counties 1/2¢	3,400,000	4,000,000
	<u>\$ 6,900,000</u>	<u>\$ 8,000,000</u>
<u>Total Tax Relief:</u>	<u>\$105,730,000</u>	<u>\$123,321,000</u>
Biennial Total	<u>\$229,051,000</u>	

PROPERTY TAX RELIEFFeatures:

- . Maximum tax rate reduced from \$5.00 to \$3.64
- . State would fund the entire \$1.36 reduction as follows:
 - 11¢ Medicaid would be state funded
 - 25¢ State Tax would not be levied
 - 70¢ Mandatory school levy would be state funded
 - 30¢ School levy (part of current 80¢) would be state funded
- \$1.36
- . Remaining 50¢ school levy would be made optional putting schools on equal basis with other local government entities
- . Across-the-board tax relief to all taxpayers
- . Self-destruct if Question 6 passes in November 1980
- . Exempt household property
- . Trigger additional relief in FY 1980-81 if state revenues exceed expectations

Fiscal Impacts:

State:		<u>1979-80</u>	<u>1980-81</u>
Property Tax Relief (State funded)	11¢	\$ 6,207,000	\$ 7,137,000
	25¢	14,307,000	16,453,000
	70¢	40,471,000	47,412,000
	30¢	17,345,000	20,319,000
		<u>\$78,330,000</u>	<u>\$91,321,000</u>
Trigger - additional 2¢ to 18¢	18¢		<u>\$12,200,000</u>
Local Impact: (Household Property)		<u>\$ 3,500,000</u>	<u>\$ 4,000,000</u>

Impact on Taxpayers:

Assuming \$50,000 Residence:	<u>Current Method</u>	<u>Proposed</u>	<u>% Relief</u>
Value	\$50,000	\$50,000	
	35%	35%	
Assessed Value	<u>\$17,500</u>	<u>\$17,500</u>	
Rate	5.00	3.64	
Tax	<u>\$ 875</u>	<u>\$ 637</u>	<u>27.2%</u>

FAMILY TAX RELIEF

Assume:

Family of 4
 Income \$19,000
 \$50,000 Residence

<u>Property Tax:</u>	<u>Current Method</u>	<u>Proposed</u>	<u>% Relief</u>
House: Value	\$50,000	\$50,000	
	35%	35%	
	<u>\$17,500</u>	<u>\$17,500</u>	
Rate	5.00	3.64	
Tax	<u>\$ 875</u>	<u>637</u>	27.2%
Household: @ 5% of home	44	0	5.0%
<u>Food Tax:</u>	83	0	
Total Tax Burden	<u>\$ 1,002</u>	<u>\$ 637</u>	<u>\$36.4</u>

EXPENDITURE LIMITATIONSBasic Features

- . Base Year 1978-79 (Current year budgets as of July 1, 1978)
- . Population Increases - with an appeal process
- . Inflation - 80% of the last 5 years average CPI
- . Funds - limit all funds receiving property taxes
- . State Expenditures - limit state General Fund expenditures in the same manner as A.B. 438. (Base 1975-77 Biennium)
- . Overrides - limits may be exceeded to protect life and property and by a vote of the people
- . Trigger - allow additional tax relief if state revenues exceed expectations

Population Factor

- . Population changes for the state are those of the U.S. Department of Commerce
- . Population changes for local governments are those certified by the Governor with appeals to the Tax Commission
- . Population changes for schools are weighted enrollments certified by the State Board of Education

Inflation Factor (1979-80)

- . State Index is July 1974 to July 1978 (32.91%)
- . Local Index is November 1973 to November 1978 at 80% (7.48%)

Formula Example

Expenditure Base: 1978-79 Budget	\$1,000,000
Times: Population Increase	1.06
	<u>\$1,060,000</u>
Times: Inflation Index	1.0748
Expenditure Limit 1979-80	<u><u>\$1,139,288</u></u>

ASSEMBLY TAXATION COMMITTEE
EXPENDITURE LIMITATION ESTIMATES

<u>Entity</u>	<u>FY 1979-80¹</u> <u>Budget Limit</u>	<u>Increase from²</u> <u>FY 1978-79</u>	<u>FY 1979-80³</u> <u>Tentative Budget</u>	<u>FY 1979-80⁴</u> <u>Decrease</u>	<u>Tax Rate⁵</u> <u>Adjustment</u>
Carson City	\$ 11,498,966	\$ 1,998,695	\$ 9,782,556	-0-	-0-
Schools	10,572,298	900,679	10,670,459	\$ 98,161	\$.05
Churchill County	3,163,142	317,974	3,306,570	143,428	.08
Schools	4,997,377	439,654	5,098,687	101,310	.14
Fallon	1,367,756	129,372	1,476,094	108,338	*
Clark County	86,389,365	9,354,385	87,911,299	1,521,934	.04
Schools	148,848,713	13,732,257	152,727,756	3,879,043	.13
Boulder City	2,316,611	269,739	2,524,752	208,141	*.24
Henderson	5,883,358	619,214	6,157,706	274,348	.07
Las Vegas	50,458,173	5,989,278	48,726,250	-0-	**
North Las Vegas	10,164,347	1,005,827	10,570,863	406,516	**
Douglas County	5,810,583	791,983	5,702,538	-0-	**
Schools	6,274,896	339,333	7,242,637	967,741	.42
Elko County	3,639,662	209,124	4,007,300	367,638	.21
Schools	7,594,766	522,065	7,505,386	-0-	**
Carlin	349,804	28,066	377,450	27,646	*
Elko	2,317,306	199,758	2,424,115	106,809	.32
Wells	331,506	21,972	332,225	719	**
Esmeralda County	852,705	48,130	969,659	116,954	.91
Schools	530,276	43,319	495,086	-0-	-0-
Eureka County	1,562,393	176,228	1,577,210	14,817	.05
Schools	884,592	113,385	812,859	-0-	**
Humboldt County	3,695,470	399,085	3,551,144	-0-	**
Schools	3,730,745	280,330	3,724,403	-0-	**
Winnemucca	1,261,172	139,839	1,357,330	96,158	*--**
Lander County	1,822,215	136,289	2,284,222	462,007	.48
Schools	2,029,210	215,705	2,092,462	63,252	.15
Lincoln County	1,355,713	139,935	1,555,074	199,361	.56
Schools	2,050,406	48,296	2,223,987	173,581	.50
Caliente	131,930	5,623	142,343	10,413	*.14
Lyon County	3,612,364	(53,724)	4,555,507	943,143	1.19
Schools	5,268,356	742,096	5,416,821	148,465	.14
Yerington	503,101	15,737	584,657	81,556	.61
Mineral County	2,813,630	383,286	2,261,210	-0-	**
Schools	2,868,679	192,432	2,724,494	-0-	**
Nye County	4,687,555	471,984	5,228,443	540,888	.48
Schools	4,159,083	491,798	4,357,950	198,867	.15
Gabbs	190,495	16,098	165,382	-0-	-0-

EXHIBIT C

<u>Entity</u>	<u>FY 1979-80¹ Budget Limit</u>	<u>Increase from² FY 1978-79</u>	<u>FY 1979-80³ Tentative Budget</u>	<u>FY 1979-80⁴ Decrease</u>	<u>Tax Rate⁵ Adjustment</u>
Pershing County	1,715,452	151,643	1,591,012	-0-	**
Schools	1,547,523	95,264	1,609,646	62,123	.15
Lovelock	317,159	28,941	365,056	47,897	*.69
Storey County	879,071	95,004	952,745	73,674	.46
Schools	556,633	68,471	567,694	11,061	.08
Washoe County	45,912,945	7,876,746	48,190,941	2,277,996	.28
Schools	57,728,439	4,319,549	60,069,511	2,341,072	.14
Reno	35,073,875	3,964,502	40,449,454	5,375,579	.54
Sparks	11,018,516	1,227,468	11,909,595	891,079	*.20
White Pine County	3,166,611	306,080	4,467,597	1,300,986	1.60
Schools	3,757,660	249,059	3,175,161	-0-	**
Ely	798,138	12,531	990,000	191,862	*.07
Totals	\$568,460,741	\$59,270,504	\$586,963,298	\$23,834,563	
		12.1%		4.1%	

Note: Expenditure Limit uses 1978-79 Budgeted expenditures as the base with increases allowed for population and inflation. Population increase is from 1977 to 1978 as prepared by the State Planning Coordinator. Enrollment increases are weighted enrollments from September 1978 to projected enrollment September 1979. Inflation increase is 80% of the last five year average of the CPI.
(Nov. 1973 = 137.6, Nov. 1978 = 202.0 = 9.36% X 80% = 7.48%).

Footnotes:

1. 1979-80 Budget Limit is expenditure limitation plus a 3% to 5% ending balance.
2. Increase from FY 1978-79 is the amount of expenditure increase provided over 1978-79 budgeted expenditures before allowance for ending balance.
3. FY 1979-80 Tentative Budget is total budget filed with Department of Taxation on Feb. 20, 1979.
4. Decrease Required is adjustment of tentative budget.
5. Tax Rate adjustment is amount of estimated decrease from the existing (FY 1978-79) tax rate.

* Tentative 1979-80 rate higher than current 1978-79 rate.

** Exemption of food from Sales Tax or exemption of household property, inventories and livestock would allow a higher rate than current rate.

ESTIMATED TAX RATES

Entity	Existing Rate FY 1978-79	Tax Rate After ¹ Major Tax Relief	Estimated Tax ² Rate w/Expenditure Limits FY 1979-80
		FY 1979-80	
Carson Urban	\$4.83	\$3.47	\$3.42
Rural	3.65	2.29	2.24
Churchill County	3.80	2.44	2.22
Fallon	5.00	3.64	3.64
Clark County	3.58	2.22	2.05
Boulder City	5.00	3.64	3.23
Henderson	5.00	3.64	3.40
Las Vegas	5.00	3.64	3.47
North Las Vegas	5.00	3.64	3.47
Douglas County	3.01	1.65	1.23
Minden	4.87	3.51	1.48
Elko County	3.05	1.69	1.48
Elko	4.40	3.04	2.83
Esmeralda County	3.75	2.39	1.48
Goldfield	4.70	3.34	1.68
Eureka County	3.42	2.06	2.01
Eureka	3.92	2.56	2.06
Humboldt County	3.23	1.87	1.87
Winnemucca	4.88	3.52	3.52
Lander County	3.92	2.56	1.93
Battle Mountain	5.00	3.64	2.10
Lincoln County	3.60	2.24	1.18
Caliente	5.00	3.64	2.44
Lyon County	3.91	2.55	1.22
Yerington	5.00	3.64	1.70
Mineral County	5.00	3.64	3.64
Nye County	3.70	2.34	1.71
Gabbs	4.95	3.59	2.96
Pershing County	3.28	1.92	1.77
Lovelock	5.00	3.64	2.80
Storey County	4.79	3.43	2.89
Virginia City	4.99	3.63	2.89
Washoe County	3.87	2.51	2.09
Reno	5.00	3.64	2.68
Sparks	5.00	3.64	3.02

Entity	Existing Rate	Tax Rate After ¹	Estimated Tax ²
	FY 1978-79	Major Tax Relief FY 1979-80	Rate w/Expenditure Limits FY 1979-80
White Pine County	\$3.60	\$2.24	\$.64
Ely	5.00	3.64	1.97
Maximum Allowable Rate	5.00	3.64	

1. Tax Rate After Major Tax Relief is the existing tax rate less \$1.36 proposed for state funding (11¢ share, 25¢ share and 1.00 for schools)
2. Estimated Tax Rate with Expenditure Limits is the estimated rate after major tax relief and expenditure limitations based on 1978-79 budgets, population growth and 80% of the 5 year average CPI. These rates are based on tentative budgets filed February 20, 1979 and, therefore, can only be considered estimates at this time. Reductions in rate because of the expenditure limitation occur largely because of large beginning balances for FY 1979-80. These rates will go back up in 1980-81 in many cases.

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April 2, 1979

MEMORANDUM

TO: Assemblyman Joe Dini

FROM: Dan Miles, Deputy Fiscal Analyst

SUBJECT: Local Government Levy Limitations

Attached is a brief analysis of a levy limitation using the same base year, population and inflation factors as the expenditure cap in A.B. 616. As you can see, the estimated impact on local governments in most cases is somewhat less under the levy limitation.

The rate adjustments under the expenditure limitations are dependent on a large number of variables and are merely estimates of what might happen and not necessarily what will happen. The levy limitation rate adjustments are based on projected assessed values and are, therefore, estimates also.

Under the levy limitation, those areas where assessed values are increasing faster than population and general inflation because of temporary or artificial market conditions the cap will come into effect and cause a reduced tax rate. In those areas where assessed values are more stable and do not increase faster than population and general inflation, the tax rate would be allowed to remain at its present level or even increase if the area were under the \$3.64 maximum.

Attached also is a graph that shows what might have happened, had this levy limitation been in effect from 1974-75 through 1979-80. The graph includes total property taxes and does not exclude debt service, however, the general trend would probably be the same if we excluded debt from both the base year and each year to be limited. Under this comparison, we see that statewide assessed values have increased at a greater rate than population and inflation and the levy cap would have held

Assemblyman Joe Dini
April 2, 1979
Page 2

property taxes in check. The degree to which the property tax would be limited depends on the factors selected such as the 80% CPI. The impact from locality to locality would have varied depending on the actual increases in population and assessed values that occurred.

In the long run, the levy limitation may prove to be more effective in controlling property taxes than the expenditure limits because it acts directly on the property tax and local governments don't have the option of reducing other revenue sources. In addition, the levy limitation does not eliminate the incentive of local governments to look to user fees and other revenue sources to fund specific programs.

If you would like to discuss this matter further, please let me know.

DM:ca

LOCAL GOVERNMENT CAPLevy Limitation

A levy limit, in contrast to an expenditure limitation, establishes the maximum revenue that can be raised by a jurisdiction via the property tax, as seen in the basic property tax formula of:

$$\text{Assessed Value} \times \text{Rate} = \text{Levy}$$

Controlling the levy acts directly upon the rate as the assessed valuation changes. If, as an example, assessed values in a jurisdiction rise faster than the rate at which the levy is allowed to rise, the rate must be reduced.

Currently, twelve states have a levy limitation of some type. These range from flat percentage increase limitations such as 6 percent per year, to limits controlled by increases in inflation, population or personal income. In one state, the rate must be reduced by the equivalent amount that assessed values increased so that the aggregate revenue raised from the property tax remains the same.

The attached schedule compares the expenditure limitation estimates prepared for A.B. 616 to levy limitations using identical criteria. The base is the 1978-79 levy increased by the same population and enrollment factors and 80 percent of the five year average Consumer Price Index. As can be seen in this comparison, under the levy limit, there is less of an immediate impact upon many local governments. The attached schedule describe the levy limits and the factors used in the calculations.

Possible Advantages

The following are some of the possible advantages of a levy limitation:

1. The levy limit is clean, straightforward and easily understood.
2. The levy limit imposes less restriction on local governments, but does control property tax.
3. In areas where assessed values are increasing more rapidly than inflation and population tax rate reductions are required. Unlike the expenditure limits changes in fund structure, revenue shifts and expenditure transfers would be ineffective in attempting to bypass the limits.

4. Current local government budgeting practices and flexibility would remain intact.
5. The levy limit doesn't eliminate the incentive for local governments to turn to other revenue sources such as user fees to solve their problems. Under the expenditure limit local governments could choose to reduce other revenues and keep property taxes high.
6. The levy limit provides a smoother transition into the cap for local governments than does the expenditure limit in many cases. Under the expenditure limit, those entities with a large surplus this year may have to make a large reduction in their tax rate in 1979-80, but the rate would rebound in 1980-81 since the surplus no longer exists. The levy limit would smooth this out as the rate is controlled by the increase in population, inflation and assessed values.
7. The rate reductions required if assessed values increase faster than inflation and population under the levy limit will actually become tax relief to the taxpayers. Under the expenditure limitations, the tax rate is dependent on the fund structure, revenue estimates, surplus fund estimates, fund transfers, newly created funds and accounting transactions and there is no guarantee that any rate reduction will be realized. The levy limit, on the other hand, would only exempt property taxes for debt service and new General Obligation Bonds must be voted by the people.
8. Under the expenditure limitation, if federal funds or some other specific program revenues declined in future years, property taxes could be increased to replace the loss. Under the levy limitation, the loss could not be made up with property taxes unless the local government were under its limit or without a vote of the people.

Possible Disadvantages

The following are some of the possible disadvantages of a levy limitation as opposed to an expenditure limit.

1. The levy limit does not limit expenditures from other tax sources.
2. The expenditure limitation establishes a greater degree of control over local governments provided there is no way to avoid the limits.
3. The levy limit impacts local governments that are highly dependent on property taxes more than those that are less dependent on property taxes. Local governments that are

highly dependent on property taxes include schools and many special districts. Cities are probably the least dependent on the property tax. Under the Assembly tax proposal schools, however, are going to become more dependent on the Distributive School Fund.

4. If assessed values increase slower than population and inflation, the cap would not be reached and no control is exercised. Theoretically, however, increasing inflation and population should also be accompanied by increased assessed values.

LEVY LIMITATIONBasic Features

- . Base year 1978-79 (Current year's levy)
- . Population Increases - with an appeal process
- . Inflation - 80% of the last 5 years average CPI
- . Funds - limits all property tax levies except for existing debt
- . Override - limits may be exceeded to protect life and property and by a vote of the people

Population Factor

- . Population changes for local governments are those certified by the Governor with appeals to the Tax Commission
- . Population changes for schools are projected weighted enrollments certified by the State Board of Education

Inflation Factor (1979-80)

- . Local Index is November 1973 to November 1978 at 80% (7.48%)

Formula Example

Tax Base: 1978-79 Levy	\$1,000,000
Times: Population Increase	1.06
	<u>\$1,060,000</u>
Times: Inflation Index	1.0748
Allowable Levy 1979-80	<u><u>\$1,139,288</u></u>

CAP COMPARISON 1979-80

<u>Entity</u>	<u>1979-80¹</u> <u>Tentative Budget</u>	<u>Expenditure CAP - A.B. 616²</u> <u>Reduction Rate Adj.</u>		<u>Levy Limitation³</u> <u>Reduction Rate Adj.</u>	
Carson City	\$ 9,782,556	\$ -	\$ -	\$ -	\$ -
Schools	10,670,459	98,161	.05	57,917	.03
Churchill County	3,306,570	143,428	.08	65,871	.04
Schools	5,098,687	101,310	.14	20,666	.02
Fallon	1,476,094	108,338	*	229,361	.07
Clark County	87,911,299	1,521,934	.04	1,393,334	.03
Schools	152,727,756	3,879,043	.13	920,667	.03
Boulder City	2,524,752	208,141	.24	44,952	*
Henderson	6,157,706	274,348	.07	42,552	**
Las Vegas	48,726,250	-	-	1,321,185	.09
North Las Vegas	10,570,863	406,516	**	-	-
Douglas County	5,702,538	-	-	129,065	.05
Schools	7,242,637	967,741	.42	146,454	.06
Elko County	4,007,300	367,638	.21	-	-
Schools	7,505,386	-	-	48,893	.01
Carlin	377,450	27,646	**	22,291	*
Elko	2,424,115	106,809	.32	-	-
Wells	332,225	719	-	-	-
Esmeralda County	969,659	116,954	.91	-	-
Schools	495,086	-	-	-	-
Eureka County	1,577,210	14,817	.05	-	-
Schools	812,859	-	-	-	-
Humboldt County	3,551,144	-	-	33,056	**
Schools	3,724,403	-	-	19,901	.02
Winnemucca	1,357,330	96,158	-	78,852	*
Lander County	2,284,222	462,007	.48	334,604	.17
Schools	2,092,462	63,252	.15	13,516	.03
Lincoln County	1,555,074	199,361	.56	49,274	.09
Schools	2,223,987	173,581	.50	25,110	.08
Caliente	142,343	10,413	.14	17,928	.58
Lyon County	4,555,507	943,143	1.19	36,787	.29
Schools	5,416,821	148,465	.14	10,021	.01
Yerington	584,657	81,556	.61	25,079	*
Mineral County	2,261,210	-	-	-	-
Schools	2,724,494	-	-	-	-

EXHIBIT D

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CAP COMPARISON 1979-80

<u>Entity</u>	<u>1979-80¹ Tentative Budget</u>	<u>Expenditure CAP - A.B. 616² Reduction Rate Adj.</u>	<u>Levy Limitation³ Reduction Rate Adj.</u>
Nye County	\$ 5,228,443	\$ 540,888	\$.48
Schools	4,357,950	198,867	.15
Pershing County	1,591,012	-	-
Schools	1,609,646	62,123	.15
Lovelock	365,056	47,897	.69
Storey County	952,745	73,674	.46
Schools	567,694	11,061	.08
Washoe County	48,190,941	2,277,996	.28
Schools	60,069,511	2,341,072	.14
Reno	40,449,454	5,375,579	.54
Sparks	11,909,595	891,079	.20
White Pine County	4,467,597	1,300,986	1.60
Schools	3,175,161	-	-
Ely	990,000	191,862	.07
Totals	\$586,797,916	\$23,834,563	\$7,926,206

Footnotes:

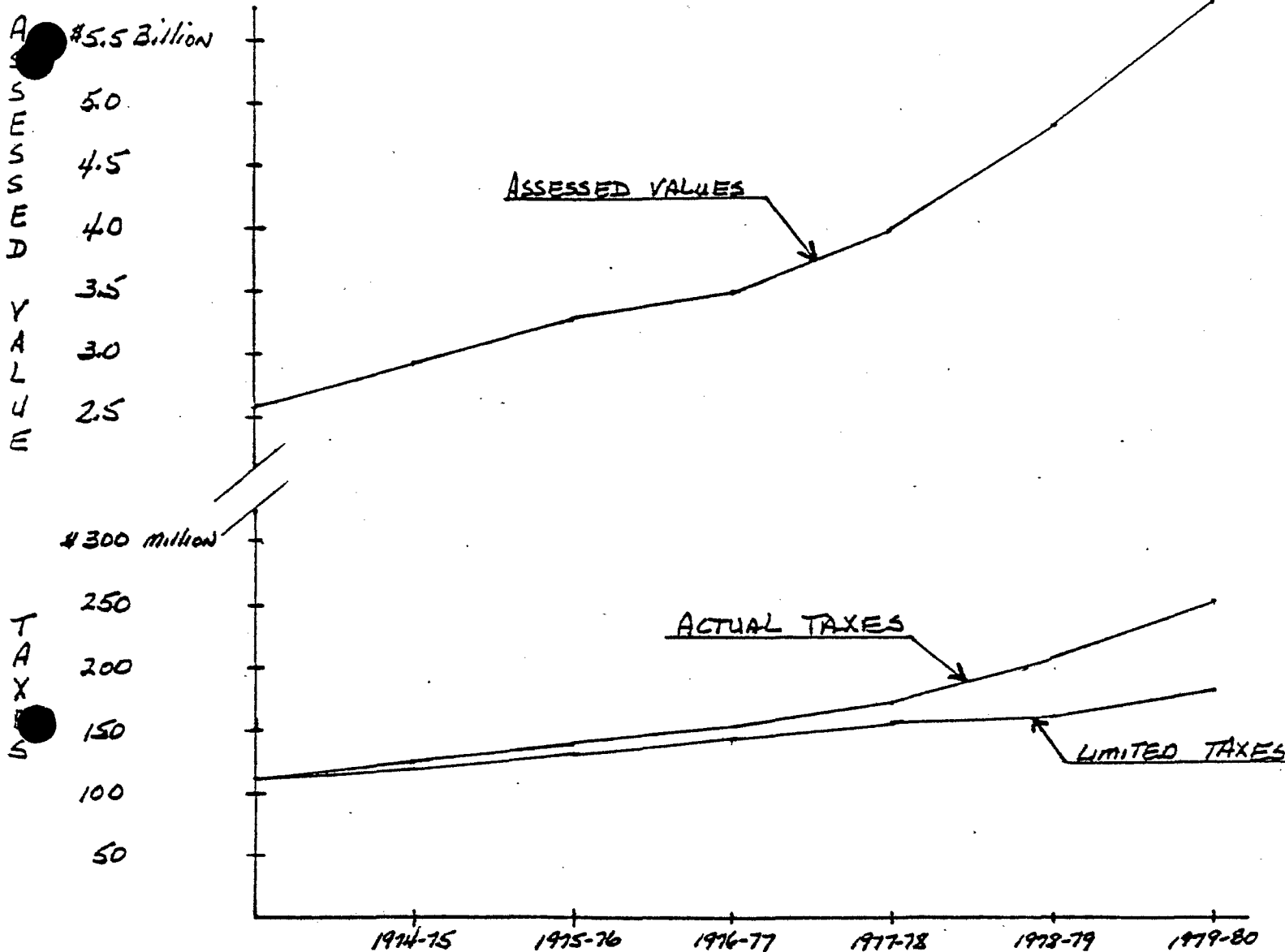
1. Tentative Budget 1979-80 is total budget filed with Department of Taxation on Feb. 20, 1979.
 2. Expenditure CAP - A.B. 616 is based on 1978-79 budget with increases for population, enrollments and 80% of 5-year average CPI. Rate adjustment assumes total budget reduction would be accomplished through property tax rate reductions. This may not be true since other resources available and accounting procedures may change to reduce or eliminate any rate reduction.
 3. Levy Limitation uses the same criteria as the expenditure limit for base population and inflation. Taxes for debt are excluded and schools are included only to the extent of the 50¢ optional levy.
- * Tentative 1979-80 rate higher than current 1978-79 rate.
- ** Exemption of household property or sales tax on food allows a higher rate or reduces rate adjustment required.

EXHIBIT D

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LEVY LIMITATION

1. Base Year - FY 1978-79 Tax Levy, that is, the assessed value of the jurisdiction times the certified rate. (Do not use actual property tax collections). The tax levy should be reduced by that amount for debt service and 11¢ times the assessed value in the case of counties. For schools the base year levy would be 50¢ times the district's assessed value.
2. Population Increases - Increase certified by the Governor with appeal to the Tax Commission. For cities and counties it would be the previous year's increase or decrease, for example, 1977 to 1978 for the 1979-80 budget preparation. For schools it would be the increase or decrease in weighted enrollments from the current year to that projected for the new year. Schools should be required to hold in reserve any property tax derived from over projection to reduce their rate in the ensuing year by a like amount. (Similar to A.B. 616)
3. Inflation - 80% of the last five years average CPI for all urban consumers. The calculation desired for 1979-80, for example, is: Nov. 1978 Index, minus Nov. 1973 Index, divided by Nov. 1973 Index, times 100, divided by 5 times 80%. (Same as A.B. 616)
4. Override - allowed only by a vote of the people and not to exceed a combined rate of \$3.64.
5. Tax Rate - One local government should not be allowed to increase their rate as a result of a forced rate reduction of another overlapping local government. This also could be controlled by freezing each taxing district's rate to the current level unless increased by a vote of the people to be affected.



YEAR	ASSESSED VALUE		ACTUAL TAXES		LIMITED TAXES	
	\$	%	\$	%	\$	%
1973-74	\$2.6 Billion		\$111.8 Million		\$122.2 Million	9.1
1974-75	2.9	11.8%	125.2	12.0%	133.3	9.1
1975-76	3.3	12.5	140.8	12.4	143.5	7.1
1976-77	3.5	7.2	151.8	7.8	155.1	8.1
1977-78	4.0	12.6	172.6	13.6	155.1	7.1
1978-79	4.8	19.9	207.9	20.4	167.0	9.1
1979-80	5.8	20.8	251.9	21.1	193.2	13.1

6 YEAR SAVINGS = \$145.9 million 13.1

NOTE: Assumes levy limitation on total property taxes including debt service. Uses 1973-74 base and allows population increases and 80% of 5 year average

Assembly Taxation Committee

Levy Limitation

Base: 1978-79 Levy (less debt)
 CPI: 5% average @ 80%
 Pop: Governor's 1977-1978
 Expenditures 1975-1979

Entity	Total Levy 1978-79	Less: Debt Levy	Less: H.A. medical	Net: 1978-79 Levy	Population Enrollments	1979-80 Levy Limit 4% 1978	1979-80 Tentative Levy	Loss	Current 1978-79 Rate/Levy	1979-80 Rate/Levy	Rate Adj. 1979-80
Parson City Schools	3770669	252800	187000	3010869	1.1233	1237077	3848223		114	114	114
Churchill County Schools	1531101		64006	867095	1.0102	141140	777357	2127	53	53	53
Fallon	203095			203095	1.0257	204703	454830	227314	50	50	50
Clark County Schools	27765018	2571234	2709750	22755134	1.0474	25645019	27038353	1393234	50	50	50
Boulder City	443547			443547	1.0281	439105	550332	41152	50	50	50
Hemlock	938932	99768		839164	1.0600	865350	780041	48523	19	19	19
Las Vegas	9639230	148540		8450690	1.0400	9639230	10221027	1521185	15	15	15
North Las Vegas	1950942	783820		1167122	1.0360	1309160	128254		50	50	50
Douglas County Schools	112415		192600	93155	1.0058	108061	1077676	12965	53	53	53
Elko County Schools	1148970	27355	163411	1018504	1.0602	1022029	1148533	146454	51	51	51
Carlin	69410			69410	1.0212	70954	81845	4873	50	50	50
Elko Wells	512997	2106		491931	1.0160	500120	458077		50	50	50
Eureka County Schools	84394		15870	68524	1.0000	68524	87373		50	50	50
Eureka County Schools	264477		39050	225427	1.0630	239233	283855		50	50	50
Humboldt County Schools	178119			178119	1.0107	180108	20600		50	50	50
Humboldt County Schools	829173	52181	78607	698385	1.0550	736916	506644		50	50	50
Winnemuccia	357308			357308	1.0051	358712	40780	19901	50	50	50
Winnemuccia	204512			204512	1.0101	206573	223487	7885	50	50	50
Landover County Schools	669005		31100	637905	1.0220	654033	723487	85582	50	50	50
Lincoln County Schools	170412			170412	1.0099	171954	102090	33604	50	50	50
Lincoln County Schools	353980	2080	27350	319100	1.0173	324432	205000	43516	50	50	50
Caliente	126600	2080		124520	1.0135	126086	407100	49274	50	50	50
Lyon County Schools	179117			179117	1.0450	187810	154120	25110	50	50	50
Lyon County Schools	1187211	3410	11305	1172496	1.0220	120850	138778	17928	50	50	50
Verdunton	115025			115025	1.0467	130109	1406481	30787	50	50	50
Verdunton	81601			81601	1.0979	887061	877054	10021	50	50	50
Mineral County Schools	342264	2842	31210	308212	1.0620	327111	179450	25077	50	50	50
Mineral County Schools	111864			111864	1.0557	118057	848238		50	50	50
NYE County Schools	1113360	11100	2700	1100560	1.0000	1100560	150117		50	50	50
NYE County Schools	114842			114842	1.0673	1223611	650000	322113	50	50	50
Esbs	73483			73483	1.0210	75057	80557	13687	50	50	50

EXHIBIT D

Assembly Taxation Committee
Levy Limitation

Entity	Total Levy 1978-79	Less: Debt Levy	Less: 114 Medical	Net: 1978-79 Levy	Population Enrollments	1979-80 Levy Limit 4% CRI	1979-80 Tentative Levy	Loss	Current 1978-79 Rate - 1978	1979-80 Allowable Rate	Rate Adj. 1979-80
Pershing County Schools	562100	22100	42358	497642	1,0226	547458	555660	8205	109	10	
Lovelock Schools	192537			192537	1,1147	205841	205000		124		
Stoey County Schools	270200	21577	11181	237442	1,0495	295347	362501	67159	259	11	
Washoe County Schools	508225			508225	1,0289	58242	39327		10	10	
Washoe County Schools	23591117	1480344	1408100	9070257	1,1001	251146098	22945264		158		
Cono Sparks	6400548			6400548	1,0081	6935030	8073650	1138622	10	13	17
White Pine County Schools	7649901	124254		6407647	1,0590	72855519	8072761	507444	25	14	16
Ely	272000	95475		237525	1,0570	2483790	2485505	1715	98		
	978650	71944	58190	848516	1,0355	1114360	1121242	66876	100	10	
	265738			245738	1,0000	85615	239504		50	50	
	252000			252000	1,0000	256113	425762	169659	100		
Totals	16130940	624637	525054	10225154		16194799		716606			
						1490					

Notes:
Levy = Rate X Base (Rate X assessed values)

Footnotes: by column

- Total Levy 1978-79: Per 1978-79 Budget for schools it is all assessed values X rate since the tax proposal only levies schools at 1978-79
- Debt Levy: As shown in 1978-79 Budgets
- Medical Levy (114): As shown in 1978-79 Budget or calculated if not separately identified (county only)
- Net Levy 1978-79: Column 4, Less 2 and 3
- Population: As certified by State Planning Commission 1977 & 1978
- Enrollments: 1978 - Sent to Nevada on 1979-80 Budgets - (WEL 114)
- Levy Limit 1979-80: Net Levy 1978-79 (column 4) times population and CRI (with 5% column) 7.48%
- 1979-80 Tentative Levy: From Tentative Budgets (50% plus 5% column)
- Loss: Amount to be deducted from tentative 1979-80 Levy
- Current Rate: 1978-79 1978 rate less debt levied in Budget
- 1978-79 allowable rate: Is Levy Limit (column 6) divided by assessed values adjusted for household variations in household
- Rate adjustment: 1979-80: Is amount current rate may be reduced to meet minimum levy allowable