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# Board of County Commissioners

COUNTY OF ELKO  
569 COURT STREET • ELKO, NEVADA 89801

ELKO COUNTY MANAGER  
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April 3, 2003

Senator Mike McGinness, Chairman  
Senate Taxation Committee  
Nevada State Legislature  
Legislative Building  
Carson City, NV 89701

Re: Senate Bill 465 - Makes certain changes to basic governmental services tax distribution.

AN ACT relating to education; making certain changes to the method of calculating the amount of the basic governmental services tax to be distributed to a county school district; and providing other matters properly relating thereto.

Chairman McGinness and distinguished members of the Senate Taxation Committee:

Assembly Bill 501, passed by the 2001 Legislature, changed the apportionment factors used in distributing the basic government services tax (formerly motor vehicle privilege tax) to school districts, cities and counties. Prior to the passage of this bill, property tax rates enacted pursuant to NRS 387.3285, were not included in this formula. AB501 included this rate to the apportionment formula. This change created additional dollars for school capital projects at the expense of the school's general operating budgets. Additionally, the general operating funds of the county and all other incorporated cities and towns were also negatively impacted.

The pay-as-you-go tax rate established by NRS 387.3285 was intended as a capital related property tax, this is substantially different from a debt rate. Historically, the debt rates are relatively low, while to establish a capital rate under pay-as-you-go tax requires a significantly higher rate to ensure the success of the capital project plan. Elko County taxpayers have approved a capital related property tax pursuant to NRS 387.3285 since Fiscal Year 1986-1987 under the belief that it was fiscally prudent to pay for improvements as the school district grew rather than the issuance of 30 year bonded indebtedness. It should be noted that Elko County School District is the only District to have successfully received a voter approved capital project rate under NRS 387.3285. It should be noted that the School District lost operating revenues of approximately \$214,000. These dollars were shifted to capital. With the current pay as you go tax rate of .75 cents the School District has sufficient capital dollars for their infrastructure needs.

Senate Bill 465 is intended to restore the language prior passage of Senate Bill 501. The attached schedule identifies the impacts to the School District and other local governments.

This bill was presented to the Legislative Committee for Local Government Taxes and Finance and received their approval for submission during this legislative session.

EXHIBIT G Committee on Taxation

Date: 4/3/03 Page 1 of 3

We appreciate your careful consideration of SB465 and encourage your support and passage of this bill. Should you have any questions do not hesitate to contact us.

Respectfully submitted,

John Ellison, Chairman  
Board of Elko County Commissioners

By: 

Cash A. Minor  
Chief Financial Officer  
Elko County

Attachment: Fiscal Impacts

**COUNTY OF ELKO  
FISCAL IMPACT TO GOVERNMENTAL SERVICES TAX APPORTIONMENT  
JUNE 30, 2003**

03-Apr-2003  
07:31 AM  
FILE: Audit\_02/mvpt\_dot  
PREPARED BY: Cash A. Milner

LOCAL GOVERNMENT TAXING UNIT:	PROPERTY ASSESSED VALUE	TAX RATE		TAX RATE	THEORETICAL TAX LEVY PER \$100 VALUE	% DECIMAL	AB501 PROJECTED REVENUE	SB465 OLD LAW	DIFF
		OPERATING	DEBT						
ELKO COUNTY: GENERAL FUND	X 941,632,885 (1)	0.7056	0.1509	0.8565	8,065,086	0.219738	512,888.35	635,089.14	(122,200.79)
JACKPOT TOWN	X 28,424,422 (1)	1.8000	0.0000	1.8000	511,640	0.013940	32,537.04	40,289.31	(7,752.27)
MONTELO TOWN	X 699,619 (1)	0.5417	0.0000	0.5417	3,790	0.000103	241.01	298.43	(57.42)
MOUNTAIN CITY TOWN	X 946,377 (1)	0.2882	0.0000	0.2882	2,727	0.000074	173.45	214.78	(41.33)
ECCA	X 452,960,494 (1)	0.0604	0.2643	0.3247	1,470,763	0.040072	93,531.19	115,815.93	(22,284.74)
ELKO TV DISTRICT	X 511,738,607 (1)	0.0296	0.0000	0.0296	151,475	0.004127	9,632.83	11,927.94	(2,295.12)
SCHOOL DISTRICT	X 941,632,885 *	1.5000	0.0000	1.5000	14,124,493	0.384830	898,228.29	1,112,240.18	(214,011.89)
SCHOOL DISTRICT - Pay As Go	X 941,632,885	0.7500	0.0000	0.7500	7,062,247	0.192415	449,114.14	0.00	449,114.14
SCHOOL DISTRICT - DEBT	X 941,632,885 #	0.0000	0.0000	0.0000	0	0.000000	0.00	0.00	0.00
CARLIN	X 21,823,597 (1)	2.0194	0.0000	2.0194	440,706	0.012007	28,026.09	34,703.59	(6,677.50)
ELKO	X 295,138,546 (1)	1.0915	0.0226	1.1141	3,288,139	0.089587	208,104.78	258,926.09	(49,821.31)
WELLS	X 16,740,297 (1)	1.7000	0.0000	1.7000	284,585	0.007754	18,097.81	22,409.79	(4,311.98)
WEST WENDOVER	X 86,501,323 (1)	1.1100	0.3900	1.5000	1,297,520	0.035352	82,514.04	102,173.84	(19,659.80)
					<u>36,703,169</u>	<u>1.000000</u>	<u>2,334,089.02</u>	<u>2,334,089.02</u>	<u>0.00</u>

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SOURCE: 2001-02 RED BOOK IN TREASURERS OFFICE

X - 2001-02 assessed valuation in Red Book

(1)-allocation based on rates in effect for the fiscal year beginning 7/1/80.

# - represents the greatest sum of D/S rate plus Capital Projects pursuant to NRS 387.3285 since 7/1/78 (.30).  
Per Anne Collins of Department of Taxation the D/S rate is zero if no debt.

\*- represents the school dist G/F rate for fiscal yr beginning 7/1/78, includes Debt Service Rate (1.500)