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**Testimony re AB 361—April 17, 2003**

**Senate Taxation Committee**

Washoe County School District  
Dr. Dotty Merrill, Senior Director  
Public Policy, Accountability & Assessment

Senator McGinness, members of the Committee, and staff—for the record. . . .

Thank you for the opportunity to testify on behalf of the Washoe County School District Board of Trustees and Superintendent in support of Assembly Bill 361 as suggested by the Legislative Committee for ~~Local Government Taxes and Finance Working Group~~ <sup>previously referenced</sup>. This bill addresses several of the major concerns about which the school district has previously testified before this Committee regarding Senate Bill 442.

It is important to reiterate that the school district remains concerned when revenue is lost because taxable property is purchased by governmental units and becomes tax exempt. Such an entity gets the benefit of not paying the property taxes yet there is no existing mechanism by which school districts or other affected local governments can recover lost revenue or get relief from fees required by the new entity.

We want to note that Sections 3 and 4 define an "affected local government" as any local government that will receive less money as a direct result of the acquisition of any public utility or the expansion of any facilities by a local government. LCB Legal staff has verified that this language includes school districts. We believe that Sections 7, 8, and 9 of this bill set forth a process that will resolve such situations in a fair and equitable manner for local affected governments.

We particularly support the process in Section 9 that will result in an eventual agreement between a local government and an affected local government. The process of review and public hearing described in Section 9 culminate with the Nevada Tax Commission making a determination about what

is described on page 5 of the bill, subsection 3, lines 3 and 4, as " the terms of a fair and equitable interlocal agreement." Then, after the hearing where these terms are announced, in subsection 4, lines 7 and 8, the parties must within 30 days enter into "an interlocal agreement in accordance with that determination."

To update you on the school district's progress in reaching an agreement with the Truckee Meadows Water Authority as described in our testimony before this Committee on April 3, 2003, we want the Committee to know that meetings have been held with the Chairman and Board of the Truckee Meadows Water Authority and WCSD staff. Recommendations were presented to the TMWA Chairman and Board on April 10, 2003. Those recommendations were discussed on April 16, 2003. WCSD staff will be taking the same recommendations to the school district Trustees on April 29, 2003, for their consideration. Thank you, Mr. Chairman, for your legislative impact upon the progress of these negotiations. The school district appreciates the progress that has been made in this regard with the Truckee Meadows Water Authority Chairman, Board, and staff.

To conclude, it is the school district's view that Assembly Bill 361 provides a critical process now missing from statute. This process will promote resolution of revenue differences that are important to the financial stability of all affected local governments. The Washoe County School District Board of Trustees and Superintendent strongly encourage your support of Assembly Bill 361.