

TAXTOPICS

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2012 GENERAL ELECTION BALLOT QUESTIONS

In addition to electing candidates for federal, state and local offices this general election, voters will also vote on ballot questions. In 10 counties, voters will have only the one statewide question to vote on.

While a number of initiatives were proposed, all but one were withdrawn either by the proponents, due to court rulings or in one case because the filing deadline had been missed for a petition to amend the Constitution. It was expected that there would be one other statewide ballot question, the legislative counter proposal to the “arena” initiative of 2010. That proposed question was to provide for a uniform sales tax rate in each county. However, when the arena initiative was removed from the ballot by the court, another opinion was issued and the counter proposal was also removed from the ballot.

The only remaining initiative currently being circulated is the refiled petition by the unions to statutorily impose a business tax. Initiative petitions for a statutory change must have signatures submitted by this November 13. If there are sufficient signatures to qualify, the petition will be delivered to the 2013 Legislature and must be acted on in the first 40 days. If not approved by the Legislature, the initiative will appear on the 2014 general election ballot.

The Statewide Question

Question No. 1 - Call of Special Legislative Sessions by Legislators

Amendment to Article 4 of the Nevada Constitution. Assembly Joint Resolution No. 5 of the 75th Session (2009) and approved again in the 77th Session (2011).

Shall the Nevada Constitution be amended to expressly provide that the Legislature may, on extraordinary occasions, convene a special legislative session upon a petition signed by two-thirds of the Legislators of each House; to limit the bills passed at a special session; to limit the duration of a special session to 20 consecutive calendar days except for proceedings involving impeachment, removal or expulsion from office; and to require the Legislature to adjourn all sessions on their final day not later than midnight based on the actual time on the clock?

Note: To read the full text of AJR 5 go to: <http://www.leg.state.nv.us/Session/75th2009/Reports/>, click onto “History of Legislation” and enter AJR 5.

Explanation - This question has four components. First, it allows two-thirds of each house of the Legislature to call itself into a special session “on extraordinary occasions” (not defined). Second, it provides that the Legislature may not introduce, consider or pass any bills at a special session whether convened by the Legislature or the Governor.

Exceptions for bills related to the business specified in the petition or the Governor’s proclamation and bills necessary to pay for the cost of the special session are provided. Third, a special session is limited to 20 consecutive calendar days unless the special session is called for the purpose of impeachment, removal or expulsion from office. Fourth, Legislative sessions must be adjourned “not later than midnight based on the actual time on the clock.” If the question is approved by the voters, it would supersede a decision by the Nevada Supreme Court which provided that the Legislature may continue its session until 1:00 a.m. Pacific daylight time because such time is equivalent to “midnight Pacific standard time.”

Financial Impact - Cannot be determined. If this proposal is approved there would be costs associated with convening and holding a special session called by the Legislature, but the financial impact cannot be established with any degree of certainty because the number and duration of such special sessions cannot be predicted. The costs to organize and hold a special session convened by the Legislature would be the same as a special session convened by the Governor. The State may incur minimal costs to develop and circulate the petition required to convene a special session under the proposal, which should have no adverse fiscal impact on the State.

continued next column

Information on local ballot questions begins on page 2.

THE LOCAL BALLOT QUESTIONS

In 10 counties, the only question that will appear on the ballot is the statewide question. In the remaining seven counties, there are 11 local questions which will also appear on the ballot; eight are tax questions. There are no countywide or local questions in Churchill, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Pershing, or White Pine Counties.

The questions, as they will appear on the ballot, are shown in italics. The explanation and anticipated financial impact have been edited by NTA staff for brevity. Thanks to the County Clerks and Registrars of Voters in Clark County and Washoe County for supplying the questions that will appear on their ballots.

Types of local ballot questions

Advisory - Advisory questions are used: (1) to request voter approval for a statutory change; (2) to ask voters to authorize or grant authority to a local government to increase a tax, usually for a specific purpose; or (3) to gauge the opinion of the voters on an issue. No legal requirement is placed on any elected official or officer of the entity to enact the provisions contained in the question, including the imposition of a tax, if the question is approved. Generally advisory questions that ask for approval of a tax will require the local government to request the Legislature for a statutory change to allow the tax to be imposed.

Long term debt - Any debt 10 years or longer. Voter approval at a statewide general election is required. Questions seeking approval to issue long term debt generally ask for approval to finance that debt through:

The issuance of general obligation (G.O.) bonds funded by a property tax levy; or

The issuance of revenue bonds which will be repaid from a revenue source other than property tax.

For any question seeking approval to issue G.O. bonds, the sample ballot will contain the purpose of the issue; a disclosure of the property tax rate anticipated and the dollar amount of interest; the impact to a \$100,000 home; and an explanation of how the operating and maintenance costs of the facility will be paid. The actual tax rate necessary to pay the bonds may be higher or lower than the estimate depending on: the interest rates at the time the bonds are sold; maturity schedule and term of bonds as actually issued; and the actual assessed values of property in the district at the time bonds are sold. The question must also identify if the property tax rate will be outside the property tax bill partial abatement. An explanation of the partial abatement is found on this page, under the heading of "Miscellaneous."

Pay-as-you-go - This type of question is generally used by school districts to provide for a property tax rate to fund the building refurbishing of school facilities as funds are accrued. The rate cannot be imposed for longer than 20 years and the sale of bonds is prohibited.

Property tax rollover - This mechanism allows school districts to ask voters to approve a continuation of the existing debt rate to build facilities. A school district which has received voter approval for the "rollover" may issue debt against any property tax rate that becomes available because of prior debt being retired. Bonds may only be issued for a period of 10 years after voter authorization is received. However, the term of the bonds will generally be for 20 years.

Tax override - This allows a property or sales tax rate to be set for operational expenses, such as additional public safety personnel. A property tax override may not be levied for longer than 30 years and may be discontinued sooner.

Miscellaneous

Property tax bill partial abatement - In 2005 the Legislature approved a partial property tax abatement to restrict the increases in property tax bills due to increases in assessed valuation exceeding the Consumer Price Index (CPI). The total property tax bill is limited to a maximum 3% increase over the prior year for an owner-occupied single family residence or residential rental property if the rent charged is equal to or less than the final fair market rents as published by HUD. For all other property, the increase cannot exceed a maximum of 8%.

If a ballot question seeks a property tax levy/rate outside of the abatement, it must be stated in the question. If the question is approved by the voters, the revenue generated by that levy/rate is **not** subject to the partial abatements.

How to calculate a property tax rate increase - If your ballot contains a question to increase the property tax you can calculate the impact based on your home's value as follows:

The taxable value of your home (as shown on your tax bill) X 35% = assessed value X the tax rate = property taxes that will be due on your property (without the abatement) if the ballot question is approved.

CARSON CITY

Question No. CC1 - Knowledge and Discovery Center Library: Sales Tax Increase

Shall Carson City, Nevada be authorized to impose an additional sales tax of up to ¼ of 1 percent pursuant to NRS Chapter 377A to finance the design, construction, and maintenance of a library and public plaza park in the downtown on lands donated by the Hop and Mae Adams Foundation?

Explanation: The revenue to be collected from the new sales tax would be used to pay the principal and interest on general obligation bonds additionally secured by the sales tax increase. The project, known as the Knowledge and Discovery Center library, would include traditional library functions, a technology and business support center, arts and culture areas, meeting and conference rooms, associated retail areas, a community auditorium and a public plaza park.

Anticipated financial effect: The sales tax increase would last for up to 30 years. The average annual cost of the increase is expected to be \$25 per household or roughly \$12.50 for a typical consumer based on taxable purchases estimated at \$9,646 using U.S. Census and IRS data for Carson City.

Additional information: NRS 337A authorizes the imposition of the sales and use tax for special purposes (libraries and parks included).

CLARK COUNTY

Question No. 2 - School District Capital Projects: Property Tax Increase

Shall the Clark County School District be authorized to levy an additional property tax rate of up to 21.2 cents per \$100 assessed valuation for capital construction for schools for a period of up to 6 years, commencing on July 1, 2013? The cost for the owner of a new \$100,000 home is estimated to be \$74.20 per year. If this question is approved by the voters, any property tax levied as authorized by this question will be outside of the caps on a taxpayer's liability for property (ad valorem) taxes established by the legislature in the 2005 session.

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Explanation: The rate of the capital projects tax will be set each year at a rate that raises no more than \$120 million in that year. The proceeds of the tax will only be used for capital projects for schools, including but not limited to, constructing and equipping school improvements and replacements, and acquiring school sites. The projects approved for funding would be on a pay-as-you-go basis; bonds would not be sold.

Anticipated financial effect: The District anticipates that the tax rate of not more than 21.2 cents per \$100 of assessed value will provide revenue of approximately \$110 million to \$120 million per year during the six years it will be in effect. The tax rate will not exceed \$120 million in revenue for capital projects in any year. Should the anticipated revenue exceed \$120 million, the tax rate will be lowered. The additional cost to the owner of a new home with a taxable value of \$100,000 is estimated to be \$74.20 per year.

City of Henderson

Question No. 1 - Libraries: Property Tax Increase

Shall the Board of Trustees of the Henderson District Public Libraries be authorized to levy an additional property tax rate for library purposes, including, without limitation, operating and maintaining library facilities (excluding employee salaries and benefits), and acquiring, constructing, equipping and improving library facilities, and the repayment of debt issued therefor, of up to 2 cents per \$100 assessed valuation for a period of up to 30 years commencing July 1, 2013? The cost for the owner of a new \$100,000 home is estimated to be \$7 per year. If this question is approved by the voters, any property tax levied under this question will be outside of the caps on a taxpayer's liability for property taxes established by the legislature in the 2005 session.

Explanation: The revenue from the additional property tax levy is to operate and maintain libraries (excluding employee salaries and benefits) and to improve library facilities. A portion of the amount will be used for the acquisition, construction, equipment and improvement of library facilities, which may be financed with medium-term or installment-purchase financing. The remaining amount will be used for the duration of the tax levy for operating and maintaining library facilities and purchasing books and materials.

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City of Henderson - Question No. 1 - Continued

Anticipated financial effect: From the additional \$0.02 cents per \$100 of assessed valuation, the District anticipates additional revenue ranging from \$1,613,701 in the first year to \$2,068,042 in the thirtieth and final year. The cost to the owner of a new home with a taxable value of \$100,000 is estimated to be \$7.00 per year.

LYON COUNTY**North Lyon County Fire Protection District****Question - For Emergency Medical Services: Property Tax Increase**

Shall the North Lyon County Fire Protection District be authorized to levy an additional property tax upon all North Lyon county property owners (within the City of Fernley boundary, NLCFPD's boundary) to be used solely for Emergency Medical Services ("EMS") in the amount of \$0.08 per \$100 of assessed property valuation for a period of up to 20 years to ensure operating capital for emergency medical responses and be exempted from the tax cap provisions of NRS 361.4722 through NRS 361.4724, inclusive, the first year implemented?

Note: The NRS cites above refer to the partial abatement. See page 2 under the heading "Miscellaneous" for an explanation.

Explanation: The additional property tax would be used for the support and funding of emergency medical services, including the maintenance of ambulances, and other medical equipment. The revenues derived from this new tax will reduce the need of subsidizing the EMS budget from the District's General Fund budget.

Anticipated financial effect: The property tax would be levied for up to 20 years. The cost to the owner of a new home with an assessed value of \$100,000 is estimated to be \$28.00 per year. However, some taxpayers may be granted a one year partial abatement on their property tax bill which would expire after, and be limited to, one year. See page 2 for an explanation of the partial abatement.

MINERAL COUNTY**Question No. 1 - Senior Citizens Program: Property Tax Continuance**

Should the Mineral County Board of Commissioners be authorized to assist in funding operation of the Mineral County Care and Share Senior Citizens Center for senior citizens of Mineral County by reinstating the current ad valorem property tax in the amount of six cents (\$.06) per \$100.00 of assessed value during an eight (8) fiscal year period 2013-2021, commencing July 1, 2013 and ending June 30, 2021?

Explanation: This question is to continue the current property tax rate of 6 cents (\$.06) per \$100 of assessed valuation. The revenue would be used to provide meals, transportation, and various other programs and facilities for senior citizens within Mineral County. The levy ceases June 30, 2021.

Anticipated financial effect: The cost to the owner of a new home with a taxable value of \$100,000 is estimated to be \$21.00 per year.. The tax is expected to generate approximately \$60,000 in fiscal year 2012-2013 and, thereafter, will generate revenue in an amount determined by that year's assessed valuation of the taxable property within Mineral County.

NYE COUNTY**RTC #1 - Fuel Tax Increase: Advisory Question***

Shall the Nye County Board of Commissioners seek through the ordinance amendment process a three-year increase in the "Motor Vehicle Fuel Tax" as defined in Nevada Revised Statutes, Chapter 373 from its existing level of four cents (\$.04) per gallon to a new level of seven cents (\$.07) per gallon on gasoline motor vehicle fuel sold within the boundaries of Nye County which if received would provide the Nye County Regional Transportation Commission additional funding for replacing worn out roads within Nye County?

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Let us never forget that government is ourselves and not an alien power over us. The ultimate rule of our democracy are not a President and senators and government officials, but the voters of this country.

Franklin D. Roosevelt, 32nd President

RTC #1 - Fuel tax Increase continued

Explanation: If approved and enacted, the revenue would be used by the Nye County Regional Transportation Commission to fund road projects that, reduce traffic congestion, reduce airborne dust, improve the air quality and repair and maintain roads in Nye County. This tax rate has not been increased since its inception more than twenty-five (25) years ago.

Anticipated financial effect: The annual cost to be incurred by affected taxpayers will depend on personal variables (miles traveled annually and the fuel efficiency of vehicles, i.e., miles per gallon). At the proposed increase of three cents, based on 12,000 miles traveled per year in a vehicle that gets an average of 15 miles per gallon, the additional cost would be \$24.00 dollars annually. This tax is proposed to be levied until repealed by the Nye County Board of County Commissioners. There will be no revenue bonds sold in connection with this proposed tax levy. Additionally, the proposed tax increase would cease at the end of the 2015/2016 fiscal year unless reauthorized by the Board of County Commissioners.

Additional information: Nye County Commissioners have the authority to levy up to an additional five cents without a vote.

*See page 2 for an explanation of an Advisory Question.

Question # 2 - Discontinue Pahrump Town Board

Shall the Pahrump elected town board form of government be discontinued.

Explanation: The town of Pahrump has had an elected town board form of government since 1984. If the town board form of government is discontinued, the town board will cease to function at the end of the terms of office of the incumbent members. The government of the town and all of its assets and liabilities will revert to the Nye County Board of Commissioners. The Board of Commissioners may establish a town advisory board for the residents of the unincorporated town of Pahrump.

Anticipated financial effect: None

STOREY COUNTY**School District Bond Roll Over Question**

Shall the Storey County School District be authorized to issue general obligation school bonds to finance the acquisition, construction, improvement and equipping of school facilities? Taxes generated by the District's existing school bond property tax rate may be used for capital projects if they are not needed for the payment of the bonds and purposes related to bonds, including the required reserves. District projections at the time the bonds are issued must indicate that issuance of the bonds will not result in an increase of the existing school bond property tax rate of 14.47 cents (\$0.1447) per \$100 of assessed value. If approved, this authorization will expire November 6, 2022.

Explanation: Allows the School District to issue bonds, between the date of the authorization and November 6, 2022, if it is expected that issuance of the bonds will not cause the existing property rate for repayment of school debt to increase during the term of the bonds; and/or to fund capital projects on a pay-as-you-go basis. Funds will finance the acquisition, construction, improvement and equipment of schools and school support facilities, as needed between now and November 6, 2022. If the proceeds of the tax generated are not needed for payment of the bonds and purposes related to bonds the proceeds may be used to pay for capital projects.

Anticipated financial effect: The maximum amount of bonds to be issued will not exceed that which can be repaid without increasing the District's existing tax levy (14.47 cents per \$100 assessed value) for school bonds. The maximum term of the bonds is 30 years, but the Board expects the bonds will have a 20-year term. The estimated annual operation, maintenance, and repair costs of the District are not expected to increase as a result of the projects associated with the bonds. The Board anticipates that those costs will be paid from the District's general operating budget, and will not result in any increase in the tax rate.

Don't forget to

VOTE!

WASHOE COUNTY

WC- 1 - 2012 Public Safety Automatic Aid: Advisory Question*

Should local governments be required to provide closest unit emergency response to fire and medical emergencies, regardless of jurisdiction?

Explanation: Automatic aid agreements for emergency services are used to automatically dispatch the closest public safety resources to an emergency incident. Such agreements are entered into by two government entities to lend assistance regardless of jurisdictional boundaries. Resources are dispatched from the nearest emergency facility, such as a fire station, regardless of which side of the boundary the incident is located. Automatic aid agreements are generally reciprocal in nature, such that both parties benefit from the agreement. Because of the mutual benefit, automatic aid through such agreement is typically provided without expectation of reimbursement for the first twelve to twenty-four hours of the incident. Beyond the commitment of response time, automatic aid agreements typically include reimbursement based on rates established in an agreed upon operating plan.

Anticipated financial effect: The fiscal effect of passage of this advisory ballot question on local governments cannot be determined with any reasonable degree of certainty. Implementation of such agreement is not expected to result in a new tax or fee, and would be paid from existing resources of the participating fire or emergency service entities.

WC 2: 2012 Public Services Funding - Advisory Question*

Should more funding for essential public services such as senior services, public safety services, and public infrastructure be provided by increasing the Government Services Tax from the current rate of 4% to a maximum of 5% of the depreciated value of a motor vehicle?

Explanation: The Washoe County Board of County Commissioners is seeking the advice of the voting public in Washoe County regarding raising the Government Services Tax (GST), which is a tax on the depreciated

value of a motor vehicle. Currently, the GST in Washoe County is 4%. The Board of County Commissioners currently has authority to increase the GST by up to 1% of the depreciated value of a motor vehicle. The Board was approached by the City Councils of Reno and Sparks, and by other groups and individuals to increase funding for Senior Services in Washoe County. They also identified additional services such as public safety services and infrastructure that could benefit from increased funding.

Anticipated financial effect: The fiscal impact on an individual owner of a motor vehicle will vary depending on the age of the vehicle and the original manufacturer's suggested retail value of the motor vehicle. If the tax were increased by 1% in Washoe County, the average additional cost to a motor vehicle owner would be approximately \$43 per year. It is estimated that \$9.4 million in annual revenue to Washoe County would be generated.

City of Reno

Question-1: City Council Ward Voting - Advisory Question*

Shall the five (5) City Council members representing wards continue to be voted upon by all registered voters of the City in the General Election?

Explanation: The Reno City Council is seeking the advice of the voters as to whether the existing procedure for electing members of the Council should be changed.

Anticipated financial effect: None

*See page 2 for an explanation of Advisory Question.

Early Voting Begins
Saturday, October 20
&
Ends
Friday, November 2

2012 GENERAL ELECTION DATES OF IMPORT

October 7 (Sunday)..... Last day to register to vote online or by mail*.

October 16 (Tuesday)..... Last day to register to vote in person.

October 20 (Saturday)..... Early voting begins.

November 2 (Friday)..... Early voting ends.

November 6 (Tuesday)..... General Election.

*Must be postmarked by this date.

To confirm your voters' registration or to obtain a list of early voting locations in your county, contact your local election department or county clerk's office; information provided below.

Carson City - Alan Glover, County Clerk
775/887-2087
www.carson.org

Churchill County - Kelly Helton, County Clerk
775/423-6028
www.churchillcounty.org

Clark County - Larry Lomax, Registrar of Voters
775/455-8683
www.clarkcountynv.gov

Douglas County - Ted Thran, County Clerk
775/782-9023
<http://cltr.co.douglas.nv.us>

Elko County - Carol Fosmo, County Clerk
775/753-4600
www.elkocountynv.net

Esmeralda County - Lacinda "Cindy" Elgan, County Clerk
775/485-6367
www.accessesmeralda.com

Eureka County - Beverly Conley, County Clerk
775/237-5262
www.co.eureka.nv.us

Humboldt County - Tami Rae Spero, County Clerk
775/623-6343
www.hcnv.us

Lander County - Sadie Sullivan, County Clerk
775/635-5783
www.landercountynv.org

Lincoln County - Lisa Lloyd, County Clerk
775/962-5390
www.lincolncountynv.org

Lyon County - Nikki Bryan, County Clerk
775/463-6501
www.lyon-county.org

Mineral County - Cherrie George, County Clerk
775/945-2446
www.mineralcountynv.us

Nye County - Sandra Merlino, County Clerk
775/482-8127
www.nyecounty.net

Pershing County - Lacey Donaldson, County Clerk
775/273-2208
www.pershingcounty.net

Storey County - Vanessa DuFresne, County Clerk
775/847-0969
www.storeycounty.org

Washoe County - Dan Burk, Registrar of Voters
775/328-3670
www.co.washoe.nv.us/voters

White Pine County - Lin Burleigh, County Clerk
775-293-6509
www.whitepinecountyonline.com

Secretary of State - Election Center
www.nvsos.gov

DEMOCRACY IS NOT A SPECTATOR SPORT

REMEMBER TO VOTE!

TAX TOPICS

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