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Washoe, city officials gird for impact of Legislature

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Reno, Sparks and Washoe County officials said they need to pay attention to follow all the potential hits on local governments in the final days of the Nevada Legislature session.

"More so than ever, a guy needs a scorecard to keep track of bills, vetoed bills, what's alive and what contents have been amended to another bill," said Washoe County Commission chairman Dave Humke, who spent 20 years in the Assembly. "There's been a high degree of effort to control local government by the state.

In some ways, more enhanced than past sessions."

A state Senate bill to enable local officials to expand the Truckee River flood control project and enable a joint powers board to use the county credit rating for bond sales was returned Thursday to the Assembly after the Senate rejected language, added by the Assembly, on basing regional planning on a sustainable water supply.

Assemblywoman Sheila Leslie, D-Reno, who added the amendment, said she is hoping to find a solution after meeting with Reno Councilwoman Jessica Sferrazza, a member of the flood control board, Thursday afternoon. The bill faces a possible veto.

Only four days remain for an override vote on Senate Bill 201 that would allow Washoe County to increase gasoline and diesel taxes at a rate equal to construction inflation, raising an estimated \$2.6 billion for street and highway projects over

30 years.

Gov. Jim Gibbons on Thursday vetoed SB 543 that would take about

\$8 million from the county in property taxes next year and \$800,000 in added fees for collecting county sales taxes. Reno Mayor Bob Cashell testified in support of the county keeping all of its

property rates.

Gibbons originally proposed taking the property tax in his budget in January.

But the bill he vetoed also gave counties the option of adding 1 cent per \$1 of value for registering vehicles to offset what the state was taking.

"That's the goofiness of this thing," Humke said.

Humke said the county was on the defensive before the session began. Last December, the state took

\$3.7 million of the county's dedicated property taxes that pay for hospital medical bills for indigents.

Reno and Sparks officials said they hoped they will be spared from most of the impacts of the property tax bill if the Legislature overrides the governor's veto. As of Thursday afternoon, the bill did not take property taxes from the cities but imposed a higher state fee for collecting taxes.

Reno officials assume they would lose \$1.7 million in property taxes in 2009-10 and budgeted \$1.2 million to pay the higher collection fee.

Scheduled meetings

The Reno City Council meets Monday to authorize laying off 44 employees if labor groups aren't willing to give up two scheduled raises in the next year.

Sferrazza said it's too soon to say what to do about the \$1.7 million and wants a full report on the city's financial picture. She said it might be needed as an added cushion against declining sales and property taxes.

The Washoe County Commission is scheduled to meet June 23 to finalize its budget. County Manager Katy Simon has said the county might be hit with a number of expenses not budgeted for next year that could exceed \$27 million set aside in general fund reserves and rain-day funds.

Additional costs

In addition to the property tax loss of about \$8 million, the Nevada Board of Equalization could decide a case involving Incline Village property taxpayers that could cost the county \$11 million to \$13 million, scheduled to be heard June 10.

New rules by the Nevada Supreme Court could cost the county \$5 million to defend indigents charged with crimes.

The commission already plans to lay off 92 employees, while 144 employees will take early retirement.

Additional Facts

Related bills

Assembly Bill 543

Takes 4 cents per \$100 of valuation of the Washoe County property tax rate, estimated at \$5.7 million in revenue, and all of the county's 5-cent capital improvement tax shared with the cities, another \$3.7 million. Adds \$800,000 to the state fee for collecting sales taxes.

Status: Vetoed Thursday.

Senate Bill 201

Allows Washoe County to index motor fuel taxes to the rate of construction inflation, as approved by voters in November. Would generate \$2.6 billion for road projects over 30 years.

Status: Vetoed last week.

Senate Bill 175

Expands the definition of flood control to include terraces, restored wetlands and other elements planned for the Truckee River and enables a flood control authority to take advantage of the county's good credit rating to sell bonds.

Status: Approved by the Assembly with an amendment requiring regional planning be based on sustainable water supplies, approved by voters in November. The Senate rejected the amendment and returned the bill to the Assembly.

Senate Bill 162

Would move the primary election from the 12th Tuesday before the general election (in August) to the second Tuesday in June, a different fiscal year. The county has not budgeted \$600,000 for an election in that fiscal year.

Status: On the governor's desk.

Assembly Bill 422

Transfers sales tax revenue from Tourism Improvement Districts to support education. The districts are created in issuing Sales Tax Anticipated Revenue bonds and include Cabela's and the downtown baseball entertainment district in Reno and the Legends at Sparks Marina in Sparks.

Status: Approved by the Assembly and sent to the Senate.

Assembly Bill 458

Would take 3 percent of property taxes in fiscal year 2009-10 and increase that by 1 percent a year to a 15 percent maximum from redevelopment agencies to support schools.

Status: On the governor's desk.
