

'09 NEVADA  LEGISLATURE

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Lawmakers rescue crucial Washoe bills

FUEL TAX: Legislature votes to override veto; becomes law immediately

FLOOD CONTROL: Passes in the Legislature; sent to Gov. Jim Gibbons

STAR BONDS: Proposal killed after developers ask for amendments



PHOTOS BY DAVID B. PARKER/RGJ

Termed-out state Sen. Randolph Townsend, left, gets a hug from fellow state Sen. William Raggio on Monday as he and several other outgoing senators were honored during the final day of the Nevada Legislature.

Legislative session finishes ahead of 1 a.m. deadline

WASHOE COUNTY FLOOD CONTROL ②

Senate Bill 175

SPONSOR: Government Affairs Committee
PURPOSE: The bill would allow a joint powers authority in Washoe County authorized to assess rates, tolls, charges or fees from those benefiting and seek low-interest bonds for flood management.

WHAT HAPPENED: The bill easily passed the Senate, but then Assemblywoman Sheila Leslie, D-Reno, amended the language of a vetoed bill into the measure. Local officials worried that would cause the governor to veto it. After negotiating with local governments, Leslie agreed to remove the amendment and the measure was sent to the governor.

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TUESDAY, JUNE 2, 2009 ③

Legislature/Major work done

From 1A

Lawmakers concluded the major work of the session, replacing Gibbons' widely-denounced \$6.2 billion budget with their own \$6.6 billion budget for 2009-11 and passing a \$781 million tax increase to help fund it, more than a week before the session's final day.

"In the last 120 days, we've been dealing with an economic inferno," said Assembly Majority Leader John Ocegüera, D-Las Vegas, a firefighter by profession. "We had to put out that fire. It wasn't pretty and it wasn't easy, but we did so to save lives."

But their budget will leave the next Legislature with another revenue shortfall to deal with and fell short of solidifying the state's tax base as Democratic leaders had hoped to accomplish.

"Our work, however, is far from over," state Senate Majority Leader Steven Horsford, D-North Las Vegas, said. "It is time for Nevada to take a bigger look at its revenue sources. We must establish a long-term solution to revenue stability so that we are not in this same situation every two or four years."

The Assembly adjourned Sine Die, Latin for without a day, to applause at 11:55 p.m., as the Senate continued to finish debate on measures including an omnibus elections bill that eventually passed. Senators also narrowly approved Gibbons' renewable energy legislation, which had been heavily amended by lawmakers.

WHAT SUCCEEDED

BUDGET AND TAX PACKAGE

Legislative leaders from both parties rejected Gov. Jim Gibbons' proposed \$6.2 billion budget because of its massive cuts to higher education, state worker and teacher salaries and mental health programs and spent much of the session crafting a budget and tax plan to help fund it. Their \$6.6 billion budget, and a \$781 million tax package, was the negotiated outcome, with Senate Republicans insisting on changes to the Public Employees Retirement System and Public Employees Benefits System before they would accept the tax package. Their demands were met, the budget and tax package were passed and the Governor's promised veto was overridden by both houses.

K-12 EDUCATION

While virtually every department in state government suffered reductions in the session, the K-12 education budget fared about the best. The Legislature approved \$1.2 billion for 2009-10 and \$1.26 billion in 2010-11 for the State Distributive School Account. Per-pupil funding will average \$5,251. Gibbons vetoed Assembly Bill 562, which funded K-12 education, but both houses of the legislature voted overwhelmingly to override the veto. The Assembly passed the override 40-2 and the Senate 20-1.

GREEN ENERGY

One of the few areas in which the Legislature, Democrats and Republicans alike, and the governor's office reached consensus this session, was on a package of bills on renewable energy. Measures included property tax abatements and incentives for renewable energy, including solar, geothermal and wind; the establishment of the position of Nevada Energy Commissioner and requirements for auto dealers to provide information on emissions.

DOMESTIC PARTNERSHIPS

With the passage of Senate Bill 283, the Nevada Domestic Partners Act, domestic partners can receive many of the same benefits of married couples such as hospital visitation, funeral planning and community property rights.

Gibbons' veto was overridden in both houses.

WASHOE COUNTY FUEL TAX

Road construction projects in Washoe County received a boost when the Legislature successfully overrode the veto of Senate Bill 201. It will allow the Washoe County commission to increase motor fuel taxes each year at the rate of inflation for construction materials. Officials said it would be about 2 cents this year and 2 cents in 2010 and would eventually generate about \$250 million for road construction. The Regional Transportation Commission has indicated it is ready to break ground on numerous projects, including the widening of Vista Boulevard in Sparks and a Meadowood Mall interchange on U.S. 395 in Reno.

STATEWIDE TRANSPORTATION

Late in the session, Senate Majority Leader Steven Horsford, D-North Las Vegas, launched an effort for a new funding mechanism to help meet a \$6 billion shortfall in transportation funding over the next decade. An effort to increase the diesel tax by 7 cents a gallon failed. But as part of the tax package, legislative leaders agreed to divert the increase in the government services tax to the highway fund after four years. That tax increase, paid on vehicle registrations, is expected to bring in \$94 million over the next two years.

OFF-HIGHWAY VEHICLE REGISTRATION

Owners of off-highway vehicles - ATVs, snowmobiles, dune buggies and all-terrain motorcycles - will be required to title and register their vehicles and display a registration decal on the vehicles. SB394, crafted by an OHV Working Group that included sportsmen, retailers, environmental groups, ranchers and other users, also creates a Commission on Off-Highway Vehicles and the Fund for Off-Highway Vehicles. The new regulations are at least two years away as the working group must raise \$500,000 in private funds, which will go to the DMV for start-up costs of the program.

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WHAT FAILED

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The Senate finished at 12:25 a.m. today.

Although lawmakers met their 1 a.m. deadline, tensions remained high to the end.

Just before adjournment, state Sen. Maurice Washington, R-Sparks, loudly rebuked Assemblywoman Debbie Smith, D-Sparks, for the death of one of his bills, physically blocking her from leaving an office and then following her into the Assembly chambers.

Two fellow lawmakers had to escort him from the chambers. Smith was visibly shaken and upset.

Earlier in the day, after being used as a potential political bargaining chip through most of the session, the Washoe County motor fuel tax measure, Senate Bill 201, was cleared to become law when the Assembly joined the Senate in overriding Gibbons' veto.

The bill, allowing the county commission to enact a voter-approved motor vehicle fuel tax increase for road projects, was trapped in the Senate for most of the session, despite intense lobbying by Washoe County transportation officials who wanted to begin using the money at the start of construction season and hailed the final 35-6 Assembly override vote.

"We got the override, now lets start building some roads," said Fred Hillerby, lobbyist for the Regional Transporta-

NEW TAXES

Democratic leaders entered the session with plans to look at a variety of new taxes. Perhaps the most creative new tax proposed was Senate Bill 369, by Sen. Bob Coffin, which would have imposed a \$5 tax on prostitution services. A hearing on the bill in the Senate Taxation Committee brought prostitutes from the Moonlite BunnyRanch to testify in favor of it. The bill died in committee. In addition, plans to increase taxes on mining fell flat during the session, when Senate Republicans insisted they would only support a tax plan that considered existing taxes.

TAX ABATEMENTS

Assembly Speaker Barbara Buckley, D-Las Vegas, began the session intent on examining each of the state's tax abatements and exemptions in an effort to wring out additional money to help with the revenue shortfall. An exhaustive study was conducted by the Legislative Counsel Bureau during the interim but produced sparse legislative results. Lawmakers learned many of the exemptions were written in the constitution, making them difficult to change. While some work was

tion Committee.

Lawmakers also rescued a bill critical to Washoe County's flood control efforts, removing a hostile amendment they feared would prompt a veto. Senate Bill 175, which would expand the authority of a joint flood management authority, made it out of the Assembly.

But Smith failed in her effort to reform an increasingly popular tax incentive program that has drawn extensive criticism in Northern Nevada.

Chaired by state Sen. Randolph Townsend, R-Reno, the Senate Government Affairs Committee killed As-

sembly Bill 422, which would have changed the way cities use Sales Tax Anticipation Revenue bonds to spur retail development in blighted areas.

"It's appalling to me that we know we have a problem, and we're just going leave here without fixing it," Smith said, vowing to revisit the issue in 2011 if re-elected.

Townsend promised to assist during the interim before he ends his final term.

Under the current program, retail developments that can prove half their business comes from tourists can use up to 75 percent of the

done to protect sales taxes meant for public schools, no broad repeal of tax exemptions was attempted.

WATER FLUORIDATION

A bill to require the Truckee Meadows Water Authority to add fluoride to drinking water in Washoe County died Monday in the Assembly Health and Human Services Committee. The bill was backed by dental and health organizations but was opposed by TMWA, which wanted the issue to go to Washoe County voters before such a program could be implemented. Voters had rejected adding fluoride on three previous ballot questions.

CULTURAL AFFAIRS FUNDING

Perhaps the hardest hit area in the state's budget woes was the Department of Cultural Affairs, that even after add-backs in the Legislature's budget, included cuts of more than 30 percent. Hardest hit were employees, including curators and directors in museums and libraries, who had their hours cut from 40 to 32 hours per week, a 20 percent pay cut. Also cut were operating hours of museums and libraries, limiting access to the public.

sales tax they generate to pay for construction bonds.

Smith's bill would have increased reporting and auditing requirements and would have prevented existing businesses from closing and moving into a tourism improvement district to take advantage of STAR bond tax breaks.

But developers lobbied hard against a provision that would have protected sales tax revenue meant for public schools from being used in the incentive.

Smith blamed a lobbyist for a pending STAR bonds development in downtown Reno for killing her bill.