

TAX TOPICS

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NEVADA SUPREME COURT RULES ON THE COMSTOCK RESIDENTS ASSOCIATION PUBLIC RECORDS CASE

The Nevada Supreme Court has made a ruling on a case involving the disclosure of records where members of Lyon County Board of Commissioners conducted county business on private cell phones and email accounts. In 2013, the Lyon County Board of Commissioners received an application to alter the zoning within Lyon County to allow for industrial development. The Board received reports from the county's planning staff and held public hearings, after which they voted to recommend denying the proposed zoning change. At a subsequent meeting of the county commissioners, the issue was reintroduced and the zoning change approved.

Appellant, the Comstock Residents Association (CRA), brought suit against the Board, challenging the approval of the zoning change. Comstock resident Joe McCarthy requested all records, including records from commissioners' private phone and emails, relating to Comstock Mining Inc's application with Lyon County. Lyon County provided phone records, emails, and other records that were created or maintained on county equipment and some public records created on private devices as well. However, Lyon County also notified CRA that it did not provide or pay for phones or email accounts to any commissioner.

CRA filed a writ of mandamus to compel the county to disclose all public records of the commissioners' communications regarding the change to the county's zoning plan, including those communications contained on the commissioners' private cell phones and email accounts. The district court denied CRA's petition, reasoning that the records were not (1) open to public inspection, (2) within the control of the county, and (3) records of official actions of the county or paid for with public money. The Nevada Supreme Court concluded the grounds which the district court denied the records request were erroneous and remanded the case to the district court to determine whether the requested records concern "the provision of a public service".

<i>In this Issue.....</i>	<i>Page</i>
<i>Nevada Supreme Court.....</i>	<i>1</i>
<i>Employment Report.....</i>	<i>2</i>
<i>Employment Security.....</i>	<i>2</i>
<i>Annual Meeting Notes.....</i>	<i>3</i>
<i>Memoria.....</i>	<i>4</i>
<i>Nevada Elections.....</i>	<i>5</i>
<i>Local Gov't Services.....</i>	<i>6</i>
<i>Adopted Regulation.....</i>	<i>7</i>

BUREAU OF LABOR STATISTICS RELEASE FEBRUARY 2018 EMPLOYMENT SITUATION SUMMARY

The Bureau of Labor Statistics released the April 2018 Employment Situation Report on Friday, May 4. The report shows the unemployment rate edged down to 3.9 percent, following 6 months at 4.1 percent. The number of unemployed persons, at 6.3 million, also edged down over the month. The number of persons employed part time for economic reasons, also referred to as involuntary part-time workers, was essentially unchanged at 5.0 million in April. Employment in manufacturing increased by 24,000 in April, with most of the gain coming in the durable goods component. Healthcare added 24,000 jobs in April, mining added 8,000, and employment in professional and business services increased by 54,000.

For more information on the Employment Situation Report for April 2018, click [here](#).

EMPLOYMENT SECURITY DIVISION REGULATION

The Employment Security Division of the Department of Employment, Training, and Rehabilitation (DETR) will hold a hearing on May 31, 2018 to adopt the amended regulation for the electronic filing of unemployment insurance contribution and wage reports. The purpose of the hearing is to receive comments from all interested persons regarding the proposed amendment to the regulation pertaining to Nevada Administrative Code (NAC) 612, pursuant to Nevada Revised Statute NRS 233B.061. The proposed amendment will establish the Electronic Filing of Unemployment Insurance Contribution and Wage Reports for Nevada employers effective July 1, 2018.

This regulation will require Nevada employers to file electronically, all reports required by NRS 612.535-612.580. Employers who fail to file electronically shall be subject to penalties set forth in NRS 612.740. An employer may request a waiver from the electronic filing requirements. DETR may grant the waiver when the employer has established to the satisfaction of the Administrator that there is a lack of automation, a severe economic hardship, or other good cause. The purpose of the regulation is to mandate electronic filing which will ultimately make the filing process more efficient, cost effective, and improve accuracy.

DETR reports that as of the 4th quarter of 2017, 67 percent of Nevada's employers are already filing reports electronically. Options for employers to file electronically include using the UINV system or hiring a payroll service to file on the employers behalf. If an employer finds these options create or cause a hardship, a waiver may be requested.

DETR states that 84 percent of all manual filers have ten or fewer employees and are likely unaware of the overall efficiency gains the UINV system will provide. Once an employer has created an account in the UINV system, they have three options to report their data; manual data entry, electronic filing W-2-EFW2, or upload a spreadsheet.

AWARDS AND SPECIAL HONORS HIGHLIGHT ANNUAL MEETING

The NTA Officers and Board of Directors election results were announced during the 96th Annual Membership Meeting and Luncheon held at the Excalibur Hotel/Casino in Las Vegas:

Chairman of the Board:	David W. Turner , Turner Loy & Co
1 st Vice Chairman:	Thomas Sheets , McDonald Carano
2 nd Vice Chairman:	Jennifer Lewis , Lewis Management Co.
Secretary:	John Gianoli , First National Bank of Ely
Treasurer:	Patrick Foley , Wells Fargo Bank

Election results for the three-year board member term ending December 2020 are:

Nathan Anderson, Union Pacific Railroad; **Jan Jones Blackhurst**, Caesar's Entertainment Corporation; **Debra Gallo**, Southwest Gas Corporation; **Fred D. Gibson, Jr.**; **Terry K. Graves**, The Graves Company; **Gregory Hafen**, Pahrump Utility Company, Inc.; **Sharon Rigby, Esq.**, Rigby Law; **Thomas R. Sheets**, McDonald Carano.

They join continuing board members: **Barbara Smith Campbell**, The Ferraro Group; **Robert Carroll**, The Howard Hughes Corporation; **Tim Cashman**, The Cashman Companies; **Patrick Foley**, Wells Fargo Bank; **John Gianoli**, First National Bank of Ely; **John R. Gibson**; **Josh Hicks**, McDonald Carano; **Jennifer Lewis**, Lewis Management Company; **Daniel Morales**, Walmart; **Berlyn Miller**, Berlyn Miller & Associates; **John Pettibone**, Haws Corporation; **Randy Robison**, CenturyLink; **Jack Stanko**, Champion Chevrolet; **D.J. Steines**, Newmont Mining Corporation; **Judy Stokey**, NV Energy; **Scott Swain**, McDonald Carano; **David Turner**, Turner Loy & Co.

During the luncheon the **University of Nevada, Reno, Police Services** received the 20th Annual Cashman Good Government Award in recognition of the consolidation of police services at UNR, the Desert Research Institute, and the Truckee Meadows Community College.

Other finalists in the competition were the **Clark County Recorder's Office eRecording Project**, the **City of Henderson Finance Department**, and the **Nevada Secretary of State's SilverFlume, Nevada's Business Portal**.

While the criteria for the Cashman Good Government Award centers upon improvements and innovation in government services, the Selection Committee recognized that the October 1st tragedy was a unique circumstance that arose and tested the resiliency and responsiveness of our governmental entities. The extraordinary efforts of **UMC**, the **City of Las Vegas Healing Garden**, and the **Clark County Resiliency Center** were recognized, applauded, and commemorated with a special award.

NTA's thanks go to the 2018 Selection Committee, chaired by **Tim Cashman** (Las Vegas), which evaluated and scored each of the 20 entries to determine the finalists and the winner. The members of the Selection Committee are: **Susan Fisher** (Las Vegas), **Guy Hobbs** (Las Vegas), **Ann O'Connell** (Las Vegas), **Sharon Rigby** (Elko), and **David Turner** (Reno).

(continued on page 4)

Annual Meeting (continued from page 3)

To begin the luncheon program, **Steve Hill**, President & COO of the **Las Vegas Visitors and Convention Authority** delivered opening remarks. Mr. Hill discussed his successful efforts while with the Governor's Office of Economic Development in bringing businesses to Nevada which have created thousands of jobs and bolstered the state's economy.

A dynamic keynote presentation was delivered by **Kerry Bubolz**, President & COO of the **Vegas Golden Knights**. Mr. Bubolz's informative and entertaining speech, accompanied by a powerpoint presentation, focused on the "**Economic Engine of Professional Sports in Nevada**". Following his presentation, much to the pleasure of the hundreds of guests in attendance, Mr. Bubolz interacted with attendees and answered their many questions.

With appreciation to the sponsors of the 96th Annual Membership Meeting & Luncheon:

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Sierra Air Conditioning
Southwest Gas
Wells Fargo Bank

IN MEMORIAM – FRED D. GIBSON, JR. 1927 – 2018

It is with heartfelt grief that we have learned of the passing of NTA retired Chairman of the Board Fred "Ted" Gibson at the age of 90 on May 5, 2018. Ted was much esteemed in Nevada for his legacy of community service. With his father, he helped found PEPCON in 1955. Ted became CEO in the 60's and led the company until his retirement in 1997. Fred Sr., Fred Jr., and Jim Gibson were fundamental in the development and growth of Henderson. He was active in many community and government organizations. Notably, Ted's service on the NTA Board of Directors with over a decade serving as its Chairman of the Board illustrate the degree to which he was sincere, earnest, industrious, and self-sacrificing. The passing of such a great champion of public service will be felt not only by the NTA and throughout Nevada, but the nation.

Our deepest sympathy to his family.

IN MEMORIAM – DEAN A. RHOADS 1935-2018

We note with deep regret the passing of long-time public servant, former State Senator, and NTA Board Member Emeritus Dean Rhoads at the age of 82 on April 23, 2018. Senator Rhoads, a Tuscarora rancher, represented rural Nevada for 35 years in Carson City having been first elected to the Nevada Assembly in 1976. He served in the State Senate until 2012 when he reached his term limit. Dean never dodged a responsibility, never refused to take on a hard job if it needed to be done. Honored and respected, the example he set will long continue to influence and inspire us at the NTA as it will all Nevadans.

Our condolences to his family.

2018 NEVADA ELECTIONS

Elections for State Senate and Assembly will take place in November 2018. The candidate filing deadline was March 16, 2018. **A closed primary election will be held on June 12, 2018.** There are a total of 11 seats out of the Senate chamber's 21 that are up for election. Nevada State Senators serve staggered 4 year terms with half of the Senate up for election every 2 years. All 42 Assembly seats are up for election. Nevada Assembly members serve two year terms with all seats up for election every two years.

Nevada Secretary of State Barbara Cegavske announced a net decrease of 63,107 active registered voters in Nevada during the month of March 2018. Currently, the total number of statewide active registered voters is 1,415,009, a reduction of 4.27% compared to February 2018. The reduction in active registered voters is attributed to regularly scheduled voter list maintenance as required by federal and state voting rights laws.

Democratic Party active registered voters decreased by 27,501 (4.82%), while Republican Party active registered voters decreased by 12,931 (2.60%). Nonpartisan active registered voters decreased by 17,443 (5.52%), Independent American Party active registered voters decreased by 2,546 (3.89%), and Libertarian Party of Nevada active registered voters decreased by 569 (3.94%). Active registered voters from a compilation of "other" minor political parties decreased by 2,117 (13.26%).

Of the 1,415,009 active registered voters in Nevada:

- 542,582 are Democrats (38.34%);
- 483,498 are Republicans (34.17%);
- 298,288 are Nonpartisan (21.08%);
- 62,906 are members of the Independent American Party (4.45%);
- 13,887 are members of the Libertarian Party of Nevada (0.98%); and
- 13,848 are members of other minor political parties (0.98%).

Voter registration figures can be found [here](#) and [here](#).

A list of judicial candidates who have filed with the Secretary of State can be found [here](#).

A list of non-judicial candidates who have filed with the Secretary of State can be found [here](#).

Petitions

The deadline to submit to the County Clerk or Registrar of Voters for signature verification a petition to have any statute or resolution enacted by the Legislature submitted to a referendum vote of the people is June 19, 2018. This is also the deadline to submit a petition proposing an amendment to the Nevada Constitution. A referendum seeks to approve or disapprove an existing state or local law. All statewide referendum petitions must be filed with the Secretary of State's office prior to circulating. There must be 112,544 valid signatures to qualify a petition. Of those 112,544 signatures, 28,136 must be collected in each of Petition Districts 1, 2, 3, and 4. If the law subject to the referendum is approved by the voters, the law remains as is and cannot be changed in the future except by a direct vote of the people. If the law subject to the referendum is disapproved, the law becomes void and of no effect.

You can find more information on 2018 Petitions [here](#).

LOCAL GOVERNMENT SERVICES

Ratio Study

The Division of Local Government Services at the Department of Taxation has released the Report of Assessment Ratio Study for 2018-2019. NRS 361.333 requires the Department to determine the ratio of the assessed value of each type or class of property, for which the county assessor has the responsibility of assessing in each county, to the taxable value of that property as determined by the Department through appraisals of individual parcels. The ratio is in compliance with statute if the ratio of assessed value to taxable value is more than 32 percent or less than 36 percent.

Under NRS 361.333, the Nevada Tax Commission is obligated to equalize property under its jurisdiction. Equalization is the process by which the Commission ensures “that all property subject to taxation within the county has been assessed as required by law”. There are two types of information the Commission considers to determine whether property has been assessed equitably. The first comes from a ratio study, which is a statistical analysis designed to study the level and uniformity of the assessments. The second type of information comes from a review to determine whether each county has adequate procedures to ensure that all property subject to taxation is being assessed in a correct and timely manner.

You can find more information on the Ratio Study [here](#). The 2018-2019 Ratio Study will be posted shortly.

Personal Property Manual

The Division of Local Government Services at the Department of Taxation has released the Personal Property Manual for 2019-2020. This publication provides interpretive guidelines for use by county assessors to establish taxable value, pursuant to the requirements of NRS 361.227(4) and NAC 361.1365 and 361.1375. Personal property is defined in NRS 361.030, and includes (j) “all property of whatever kind or nature, except vehicles as defined in NRS 371.020, not included in the term ‘real estate’.” Real estate is defined in NRS 361.035, and includes land, houses, buildings, fences, ditches, structures, erections, railroads, other improvements, and property rights. Real property is further defined in NAC 361.11715 as land, fixtures, improvements; on-site enhancements; and any rights, interests, benefits and privileges belonging or attached to the land.

You can find the Personal Property Manual [here](#).

DID YOU KNOW?

*Taxable Sales for Adult-use Marijuana have reached **\$263.72** million for FY 2018.*

*Combined Medical and Adult-use taxable sales are **\$336.43** million.*

*Projected tax revenue from marijuana is projected to reach **\$50.32** million.*

There have been 316 licenses granted for marijuana establishments. 115 Cultivation, 80 Product Manufacturing, 61 Retail Stores, 34 Distribution, and 9 Laboratories.

Improvement Factor Study

The Division of Local Government Services at the Department of Taxation has released the 2019-2020 Improvement Factor Study. NRS 361.260(5) provides that assessors may either apply a factor to improvements in non-reappraisal areas or they have the option of determining the replacement cost and subtracting all applicable depreciation and obsolescence for improvements in non-reappraisal areas. The Department calculates the improvement factor based on the change in costs reported by the Marshall and Swift Costing Service from the previous year.

For the 2018-2019 tax cycle, the Department recommends that a statewide factor of 1.02 be applied to non-reappraised improvements. This is a statewide average supported by the source listed above. The factor represents building cost trends but does not include all applicable depreciation and obsolescence, which must be calculated at the local level. The factor is contained within the range of reasonable representations of cost changes. A statewide factor displays less volatility than regional factors while still maintaining values between the mandated range of 32% to 36% required by NRS 361.333 and improving uniformity among jurisdictions.

You can find the Improvement Factor Study [here](#). The 2019-2020 Improvement Factor Study will be posted shortly.

ADOPTED REGULATION

The Nevada Tax Commission approved a revised regulation pertaining to food bouquets. Existing law exempts food for human consumption from the sales and use taxes imposed in this State, but excludes from that exemption prepared food intended for immediate consumption. This regulation adopts provisions governing the application of sales and use taxes to amounts charged for an order for the delivery of a basket, box or other arrangement containing prepared food that is intended for immediate consumption. Under this regulation: (1) amounts charged for such an item are treated in the same manner as amounts charged by a florist for an order for the delivery of flowers; (2) the sales and use taxes apply to the entire amount charged for the delivery of the basket, box or other arrangement, including delivery charges other than separately stated transportation, shipping or postage charges; and (3) the sales and use taxes do not apply to separate charges made for a telegram or amounts received by a food bouquet business who makes a delivery for another florist

You can find this regulation [here](#).

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www.nevadataxpayers.org ❖ info@nevadataxpayers.org

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