



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: March 28, 2017

DATE: Monday, March 13, 2017

TO: Board of County Commissioners

FROM: Cathy Hill, Comptroller
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THROUGH: Christine Vuletich, Assistant County Manager
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SUBJECT: Creating agency fund “Washoe County School District Sales Tax Fund” to track the imposed additional sales and use taxes as required by the passage of Washoe County Ordinance 1590, Bill No. 1774 (All Commission Districts).

SUMMARY

On November 8, 2016, registered voters of Washoe County approved the imposition of an increased tax of 0.54% on the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in Washoe County. The proceeds of this increase to the sales and use tax are restricted to the acquisition, construction, repair and renovation of Washoe County School District’s school facilities. The Board of County Commissioners adopted ordinance 1590, Bill No. 1774 imposing the taxes upon approval of the voters. A fiduciary fund to track these revenues needs to be established.

Strategic Objective supported by this item: *Stewardship of our community.*

PREVIOUS ACTION

On March 22, 2016, the Board of County Commissioners (Board) adopted a resolution designated as the “2016 School Financing Election Resolution”, approving the submittal of a question to the registered voters of Washoe County at the General Election on Tuesday, November 8, 2016, concerning the imposition of an increased sales and use tax rate of 0.54%. This was done consistent with the requirements of Senate Bill 411 of the 78th Legislature session.

On November 29, 2016, the Board of County Commissioners approved the request by the County Manager’s Office through the County to amend the Washoe County Code (Chapter 21) to enact the increase to the County’s sales and use tax rate as approved by voters in Washoe County on November 8, 2016, and directed the Clerk to submit the

request to the District Attorney for preparation of a proposed ordinance pursuant to Washoe County Code 2.04

On January 5, 2017, the Board of County Commissioners approved the introduction and first reading of the Ordinance No. 1590, bill No. 1774 imposing additional sales and use taxes as required by the passage of S.B. 411 of the 78th Nevada legislature and Washoe County Question 1 (2016) by amending chapter 21 of the Washoe County Code.

On January 24, 2017, the Board of County Commissioners approved the second reading and adoption of Ordinance No. 1590, Bill No. 1774.

BACKGROUND

The Washoe County Public Schools Overcrowding and Repair Needs Committee ("Committee") was created by resolution of the Washoe County School Board of Trustees pursuant to Senate Bill 411 of the 78th Nevada Legislature session. This Committee was created to address overcrowding and repair needs in the Washoe County School District. The Committee was charged with preparing and submitting its recommendations to the Board of County Commissioners for the imposition of one or more taxes in Washoe County to provide funding for capital projects for the School District.

The Committee unanimously voted to recommend the imposition of an increased tax of 0.54% on the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the County. The Committee adopted its recommendation on March 4, 2016, which confirmed the above referenced tax and requested that the Board of County Commissioners place Question 1 (2016) on the ballot. On November 8, 2016, registered voters of Washoe County approved the imposition of the increased tax of 0.54%. In accordance with Senate Bill 411, the Board of County Commissioners adopted Ordinance No.1590, Bill No. 1774 imposing the taxes upon approval of the voters.

FISCAL IMPACT

There is no fiscal impact to the County related to the imposition of this sales tax other than a small cost of staff time to distribute sales taxes collected by the State to the Washoe County School District.

RECOMMENDATION

It is recommended that the Board of County Commissioners introduce a resolution to create the agency fund, Washoe County School District Sales Tax fund.

POSSIBLE MOTION

Should the Board approve, a possible motion would be: Move to "introduce on behalf of the Board of County Commissioners a resolution creating an agency fund called the Washoe County School District Sales Tax Fund."

A RESOLUTION CREATING THE
WASHOE COUNTY SCHOOL DISTRICT SALES TAX AGENCY FUND

WHEREAS, Washoe County Ordinance 1590, bill no. 1774 imposed an additional 0.54 percent sales and use tax; and

WHEREAS, Senate Bill 411 amended chapter 21 of the Washoe County Code (Miscellaneous And Additional Taxes) by adding section 21.212 (Imposition and rate of an additional sales tax) to impose an additional 0.54% sales tax, and by adding section 21.382 (Imposition and rate of additional use tax) to impose an additional 0.54% use tax; and

WHEREAS, the 0.54 percent sales and use tax will fund the acquisition, construction, repair, and renovation of school facilities; and

WHEREAS, the resources and disbursements relative to the sales and use tax increase need to be separated from other County financial activities in a separate agency fund; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF WASHOE, IN THE STATE OF NEVADA:

Section 1. That the Washoe County School District Sales Tax Fund is hereby created as an agency fund, effective April 1, 2017.

Section 2. That the Comptroller's Department is hereby directed to establish said funds on the official books and records of Washoe County for the purposes of accounting for the Washoe School District Sales Tax funds and interest earnings on the assets of each fund and expenditures and disbursements from the funds.

Section 4. This Resolution shall be effective on passage and approval.

Section 5. The County Clerk is hereby directed to disburse executed copies of the Resolution to the Department of Taxation, the Comptroller, the Washoe County School District and the Budget Division within 30 days.

ADOPTED this ___ day of March, 2017

Chairman, Washoe County Commission

County Clerk