



STEVE SISOLAK
Governor
JAMES C. DEVOLLD
Chair, Nevada Tax Commission
MELANIE YOUNG
Executive Director

STATE OF NEVADA
DEPARTMENT OF TAXATION

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NEVADA TAX COMMISSION
NOTICE OF HEARING

March 30, 2020

CERTIFIED MAIL – 9171 9690 0935 0010 7765 27

Mr. Raymond Ritchie
Chief Operating Officer
Nye County School District
P.O. Box 113
Tonopah, Nevada 89049

Date and Time: May 4, 2020 - 9:00 a.m.

This meeting will be a teleconference. Teleconference: 1-877-873-8017 Access Code: 6605169.

Legal Authority and Jurisdiction of the Nevada Tax Commission: NRS 387.332

The Nevada Department of Taxation will present to the Nevada Tax Commission for its review, approval, or adoption the following:

Review and Consideration of Approval on the Renewal of the Residential Construction Tax

Nye County School District

If you have any questions, please call 775-684-2095.


Jeffrey Mitchell, Deputy Director

cc: Nevada Tax Commission
Southern Administration Office, Nye County School District

NEVADA TAX COMMISSION
May 4, 2020

TOPIC: Review and approval of continuing need for Nye County School District's Residential Construction Tax.

AUTHORITY: NRS 387.329 – NRS 387.332

EXPLANATION: On August 17, 2004 a residential construction tax was imposed on construction in Nye County pursuant to a resolution passed by the Board of Nye County Commissioners. The purpose for this tax was for the construction, remodeling and making additions to school buildings.

The tax currently imposed in Nye County is \$1,600 per new residential unit. The Nye County School District has provided a list of completed projects that the residential construction tax has funded in recent years. They have also provided a list of future projects they hope to fund.

NRS 387.331(2) requires the board of trustees of the school district to request the board of county commissioners to impose the residential construction tax. The meeting was scheduled for of March 25, 2020, and recently rescheduled to April 22, 2020 due to the COVID-19.

RECOMMENDATION: The Nye County School District has demonstrated the need to levy the residential construction tax in order to modernize and repair existing buildings and capital projects. Based on the school district's need and the County's support, the Department recommends approval of the residential construction tax.

Nye County School District

Dale A. Norton
Superintendent

Evangelyn Visser
Associate Superintendent

Kyle Lindberg
Associate Superintendent

Raymond Ritchie
Chief Operating Officer

Southern Administration Office
484 S. West Street
Pahrump, Nevada 89048
Phone 775-727-7743
Fax 775-727-7768



Every Student A Success

BOARD OF TRUSTEES
Larry Small, President
Teresa Stoddard, Vice-President
Sean Hastings, Clerk
Mark Hansen
Roger Morones
Mark Owens
Tim Sutton

Northern Administration Office
P. O. Box 113
Tonopah, Nevada 89049
Phone 775-482-6258
Fax 775-482-8573

Corr:010:20

MEMORANDUM

Date: March 12, 2020
TO: Board of Trustees
FROM: Raymond Ritchie, Chief Operating Officer
SUBJECT: Request permission for the Residential Construction Tax renewal

I am requesting permission to move forward with the Residential Construction Tax renewal to the Nevada Tax Commission.

RR:es

Cc: Dale A. Norton, Superintendent

Nye County School District

Dale A. Norton
Superintendent

Evangelyn Visser
Associate Superintendent

Kyle Lindberg
Associate Superintendent

Raymond Ritchie
Chief Operating Officer

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Corr-008-20

March 2, 2020

Ms. Evelyn Barragan, Budget Analyst
Department of Taxation
Division of Local Government Services
1550 E. College Parkway
Carson City, Nevada 89706

RE: Residential Construction Tax

To Whom It May Concern:

The Nye County School District (NCSD) is requesting that the \$1,600 Residential Construction Tax which was approved by the NCSD, Nye County Commissioners and the Tax Commission on August 16, 2004, be continued for levy in the Pahrump area of Nye County in accordance with NRS 387.331.

Attached you will find our support documentation seeking continuance of this residential tax for new construction.

Sincerely,


Raymond Ritchie
Chief Operating Officer

RR:es

Attachments

Nye County School District

Dale A. Norton
Superintendent

Evangelyn Visser
Associate Superintendent

Kyle Lindberg
Associate Superintendent

Raymond Ritchie
Chief Operating Officer

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Corr:007:20

March 5, 2020

Ms. Evelyn Barragan, Budget Analyst
Department of Taxation
Division of Local Government Services
1550 E. College Parkway
Carson City, Nevada 89706

RE: Residential Construction Tax

Dear Ms. Barragan,

Please find attached the letter and package to be considered by the Department of Taxation for the continuance of the Residential Construction Tax by Nye County School District.

Sincerely,


Raymond Ritchie
Chief Operating Officer

RR:es

Attachments

RESIDENTIAL CONSTRUCTION TAX

A PROPOSAL

By: Nye County School District

March 2, 2020

REQUEST

Nye County School District is requesting that the Nevada Tax Commission approve a renewal of the Residential Construction Tax to be levied in the Pahrump area.

WHAT IS THE LEGAL AUTHORITY

NRS 387.331 allows for a Tax on Residential Construction. Money raised from this tax is to be used for construction, remodeling and additions to school buildings in the District (See NRS 387.331 attached).

- Counties of less than 55,000 residents can impose a Residential Construction Tax
- Up to \$1,600 in Residential Construction Tax can be imposed on:
 - ✓ New Homes (manufactured or stick built)
 - ✓ New Apartment Buildings per Unit

HOW CAN SCHOOL FACILITIES KEEP PACE WITH STUDENT GROWTH?

- Each new residence brings 0.3 potential students (per current Pahrump students divided by number of houses in Pahrump)
- One new student = \$17,347 cost for facilities when present schools are full based on current per square foot construction costs
- The maximum Residential Construction Tax of \$1,600 covers only part of the cost of growth
- The Residential Construction Tax (Impact Fees) as detailed in Appendix A (4 sheets attached) has provided the Nye County School District with facility upgrades, land purchases, and new construction.
 - 2016 – Schedule of Capital Projects Activity Sheet (audited) \$265,020
 - 2017 – Schedule of Capital Projects Activity Sheet (audited) \$603,540
 - 2018 – Schedule of Capital Projects Activity Sheet (audited) \$306,841
 - 2019 – Schedule of Capital Projects Activity Sheet (audited) \$255,868

HOW MUST NYE COUNTY SCHOOLS USE RESIDENTIAL CONSTRUCTION TAX?

Residential Construction Tax shall be used for Capital Projects only. These funds may not be used for the daily operation of the schools. Residential Construction Tax money can only be spent in the area collected.

Residential Construction Tax money shall be used for:

- Building new facilities based on enrollment
- Purchasing land for schools
- Renovating and updating present facilities based on District's Facilities Master Plan
- Purchase of major equipment (for kitchens, science and technology labs, etc.)

HOW ARE CAPITAL PROJECTS DETERMINED?

- Health and Safety Issues
- Growth Patterns:
- Educational issues such as the need for alternative school sites and vocational/technology centers

WHAT HAS THE NYE COUNTY SCHOOL DISTRICT DONE TO ADDRESS NEEDS IN PAHRUMP?

1. Residential Construction Tax and Bond Money have allowed the Nye County School District to provide the following:
 - 66 additional classrooms (modulars)
 - 5 additional offices (modulars)
 - Construction of Floyd Elementary School
 - Improvement at all existing schools
 - JG Johnson Kitchen Remodel
 - PVHS Reclaimed Water Project
 - JG Johnson Fire Alarm System
 - PVHS Building Restoration
 - Fiber Optic Installation all Pahrump School
 - PVHS Roof
 - JG Johnson Roof
 - PVHS Baseball Field and Track Renovation
 - Security Equipment
 - Audio Enhancement
 - Construction of a new Manse Elementary School
 - Renovation and New Addition to Pahrump Valley High School
 - Increased the Transportation Yard
2. The bond rollover option was approved by the Governor through SB207 in the 2015 legislative session. The bond rollover along with the Residential Construction Tax will continue to meet the needs.

HOW CAN THE RESIDENTIAL CONSTRUCTION TAX GET COLLECTED?

Nye County retains 1% of taxes collected to offset collection costs. The Residential Construction Tax appears on Building Permits.

- Maybe combined.

WHAT ARE THE CAPITAL NEEDS IN PAHRUMP?

| | |
|---|---------------------|
| • Hafen Elementary – New telephone, and Audio Enhancement | \$ 244,440 |
| • J. G. Johnson Elementary – Carpet, Audio Enhancement, Security Camera | \$ 327,000 |
| • Floyd Elementary – Control System for HVAC | \$ 60,000 |
| • Rosemary Clarke Middle School – Slurry coat, restripe all paving, Audio Enhancement and Roofs | \$ 794,400 |
| • Pahrump Valley High School – Renovate Gymnasium and (4) locker rooms | |
| Effluent water system, Water heaters and score boards for Baseball/Softball fields | \$ 4,886,830 |
| • “A” and “B” Buildings – Renovations | <u>\$ 1,200,000</u> |
| TOTAL | \$ 7,512,670 |

**ARE THERE OTHER REVENUE SOURCES
FOR CAPITAL PROJECTS?**

Capital money comes from: Bonds
General Governmental Services Tax

Capital funds can be used for the purchase of real estate, construction for new schools, addition of classrooms, improvement of existing school facilities, and payment of debt to cover these capital projects.

NYE COUNTY SCHOOL DISTRICT
REPORTING REQUIREMENTS-NEVADA REVISED STATUTES 354.6113
APPENDIX A
June 30, 2016

SCHEDULE OF CAPITAL PROJECTS ACTIVITY

Nevada Revised Statutes 354.6113.

1. Indicate in detail the capital projects that have been constructed with money from the fund

Response

The following is a schedule of capital expenditures:

| | Building & Sites | Residential Construction Tax | Capital Projects | Bond Issues Fund | Totals |
|--|---------------------|------------------------------------|---------------------|---------------------|------------------|
| AES-Building Improvements | - | - | 12,903 | - | 12,903 |
| AES - Improvements | 467 | - | - | - | 467 |
| BES - Building Improvements | 8,000 | - | 9,350 | - | 17,350 |
| BES - Improvements | 456 | - | 4,626 | - | 5,082 |
| BHS - Equipment | - | - | 13,630 | - | 13,630 |
| BHS - Building Improvements | - | - | 17,852 | - | 17,852 |
| BHS - Improvements | 8,160 | - | 1,162 | - | 9,322 |
| District - Equipment | - | - | 106,549 | - | 106,549 |
| District - Building Improvements | - | - | 34,837 | - | 34,837 |
| District - Improvements | 1,392 | - | 202,182 | - | 203,574 |
| District-Bus Lease | - | - | 37,886 | - | 37,886 |
| Duckwater-Equipment | - | - | 13,572 | - | 13,572 |
| FES - Improvements | - | - | 6,225 | - | 6,225 |
| Gabbs - Improvements | 5,369 | - | - | - | 5,369 |
| JGJ - Building Improvements | - | - | 6,900 | - | 6,900 |
| JGJ - Improvements | - | - | 5,456 | - | 5,456 |
| MES - Building Improvements | - | - | 5,363 | - | 5,363 |
| MES - Improvements | 940 | - | 6,225 | - | 7,165 |
| Old Manse - Equipment | 8,920 | - | - | - | 8,920 |
| Old Manse - Building Improvements | 13,700 | - | - | - | 13,700 |
| Old Manse - Improvements | 5,825 | - | - | - | 5,825 |
| MCES - Improvements | - | - | 2,957 | - | 2,957 |
| Pahrump Maint. - Equipment | - | - | 5,776 | - | 5,776 |
| Pahrump Bus - Equipment | - | - | 24,965 | - | 24,965 |
| Pahrump District Office - Improvements | 356 | - | - | - | 356 |
| PVHS - Building Improvements | - | - | 14,000 | - | 14,000 |
| PVHS - Equipment | - | - | 13,035 | - | 13,035 |
| PVHS - Land Improvements | - | 265,020 | - | - | 265,020 |
| PVHS - Improvements | 3,353 | - | 1,162 | - | 4,515 |
| RCMS - Building Improvements | - | - | - | 15,176 | 15,176 |
| RCMS - Improvements | 3,500 | - | 9,249 | - | 12,749 |
| RCMS - Site Survey | - | - | - | 18,550 | 18,550 |
| RMES - Building Improvements | - | - | 40,726 | - | 40,726 |
| RMHS - Building Improvements | - | - | 14,788 | - | 14,788 |
| TES - Building Improvements | - | - | 7,990 | - | 7,990 |
| THS - Equipment | - | - | 14,275 | - | 14,275 |
| THS - Building Improvements | - | - | 13,307 | - | 13,307 |
| THS - Improvements | - | - | 4,000 | - | 4,000 |
| Totals | 60,438 | 265,020 | 650,948 | 33,726 | 1,010,132 |

NYE COUNTY SCHOOL DISTRICT
REPORTING REQUIREMENTS-NEVADA REVISED STATUTES 354.6113
APPENDIX A
June 30, 2017

SCHEDULE OF CAPITAL PROJECTS ACTIVITY

Nevada Revised Statutes 354.6113.

1. Indicate in detail the capital projects that have been constructed with money from the fund

Response

The following is a schedule of capital expenditures:

| | Building & Sites | Residential Construction Tax | Capital Projects | Bond Issues Fund | Totals |
|-------------------------------------|---------------------|------------------------------------|---------------------|---------------------|------------------|
| AES-Building Improvements | - | - | 26,951 | - | 26,951 |
| AES - Improvements | - | - | 15,937 | - | 15,937 |
| BES - Improvements | 4,767 | - | - | - | 4,767 |
| BHS - Equipment | - | - | 14,388 | - | 14,388 |
| BHS - Building Improvements | - | - | 15,949 | - | 15,949 |
| BHS - Improvements | 8,568 | - | 2,959 | - | 11,527 |
| District - Equipment | - | - | 15,630 | - | 15,630 |
| District - Improvements | 4,646 | - | 62,260 | - | 66,906 |
| District-Bus Lease | - | - | 37,886 | - | 37,886 |
| FES - Equipment | - | 3,091 | - | - | 3,091 |
| Gabbs - Improvements | 2,251 | - | - | - | 2,251 |
| HES - Equipment | - | 2,832 | - | - | 2,832 |
| JGJ - Building Improvements | - | 236,583 | 436 | - | 237,019 |
| JGJ - Improvements | - | - | 40,516 | - | 40,516 |
| JGJ - Equipment | - | 1,624 | - | - | 1,624 |
| MES - Improvements | 1,132 | - | - | - | 1,132 |
| MES - Equipment | - | 11,148 | - | - | 11,148 |
| Old Manse - Building Improvements | 34,597 | - | - | - | 34,597 |
| Old Manse - Improvements | 9,538 | - | - | - | 9,538 |
| Pahrump Bus - Equipment | - | 19,448 | - | - | 19,448 |
| Pahrump Bus - Improvements | - | - | 7,405 | - | 7,405 |
| Pahrump District Office - Equipment | - | 5,921 | - | - | 5,921 |
| PVHS - Building Improvements | 7,013 | 271,953 | 460 | - | 279,426 |
| PVHS - Equipment | 19,590 | 4,980 | - | - | 24,570 |
| PVHS - Improvements | 7,780 | 35,975 | 23,899 | - | 67,654 |
| RCMS - Improvements | 2,725 | - | 89,654 | - | 92,379 |
| RCMS - Equipment | - | 9,985 | - | - | 9,985 |
| RMES - Improvements | - | - | 23,520 | - | 23,520 |
| RMHS - Improvements | - | - | 6,400 | - | 6,400 |
| TES - Building Improvements | - | - | 75,967 | - | 75,967 |
| TES - Improvements | - | - | 8,016 | - | 8,016 |
| THS - Building Improvements | - | - | 119,874 | - | 119,874 |
| THS - Improvements | 3,870 | - | 10,329 | - | 14,199 |
| Totals | 106,477 | 603,540 | 598,436 | - | 1,308,453 |

NYE COUNTY SCHOOL DISTRICT
REPORTING REQUIREMENTS-NEVADA REVISED STATUTES 354.6113
APPENDIX A
June 30, 2018

SCHEDULE OF CAPITAL PROJECTS ACTIVITY

Nevada Revised Statutes 354.6113.

1. Indicate in detail the capital projects that have been constructed with money from the fund

Response

The following is a schedule of capital expenditures:

| | Building & Sites | Residential Construction Tax | Capital Projects | Bond Issues Fund | Totals |
|--|---------------------|------------------------------------|---------------------|---------------------|------------------|
| AES - Building Improvements | - | - | 5,792 | - | 5,792 |
| AES - Equipment | - | - | 12,996 | - | 12,996 |
| BES - Building Improvements | 1,000 | - | 6,359 | - | 7,359 |
| BES - Improvements | 1,940 | - | - | - | 1,940 |
| BES - Equipment | - | - | 4,720 | - | 4,720 |
| BHS - Equipment | 397 | - | 16,695 | - | 17,092 |
| BHS - Building Improvements | - | - | 8,797 | - | 8,797 |
| BHS - Improvements | 2,381 | - | - | 1,050,305 | 1,052,686 |
| District - Equipment | 2,621 | - | 87,228 | - | 89,849 |
| District - Improvements | 4,817 | - | - | - | 4,817 |
| District - Building Improvements | - | - | 13,355 | - | 13,355 |
| FES - Equipment | 892 | - | - | - | 892 |
| HES - Equipment | 337 | - | 20,125 | - | 20,462 |
| JGJ - Building Improvements | - | 113,751 | 9,998 | - | 123,749 |
| JGJ - Improvements | 2,229 | - | 5,000 | - | 7,229 |
| MES - Improvements | 477 | - | - | - | 477 |
| MES - Equipment | 2,701 | - | 5,308 | - | 8,009 |
| Old Manse - Building Improvements | 3,425 | - | - | - | 3,425 |
| Old Manse - Improvements | 10,101 | - | - | - | 10,101 |
| Old Manse - Equipment | 2,116 | - | - | - | 2,116 |
| PVHS - Building Improvements | - | 193,090 | 22,153 | - | 215,243 |
| PVHS - Equipment | 2,974 | - | 7,749 | - | 10,723 |
| PVHS - Improvements | 657 | - | 2,450 | - | 3,107 |
| Pathways - Building Improvements | - | - | 18,969 | - | 18,969 |
| RCMS - Improvements | 275 | - | - | - | 275 |
| RCMS - Equipment | 3,656 | - | - | - | 3,656 |
| RMES - Equipment | - | - | 24,719 | - | 24,719 |
| RMHS - Building Improvements | - | - | 12,083 | - | 12,083 |
| RMHS - Equipment | - | - | 12,688 | - | 12,688 |
| Superintendent's House - Improvements | 1,200 | - | - | - | 1,200 |
| Superintendent's House - Building Improvements | 8,543 | - | - | - | 8,543 |
| TES - Improvements | 89 | - | - | - | 89 |
| TES - Equipment | 9,139 | - | - | - | 9,139 |
| THS - Building Improvements | - | - | 33,588 | - | 33,588 |
| THS - Equipment | 986 | - | 55,549 | - | 56,535 |
| THS - Improvements | - | - | 23,993 | - | 23,993 |
| Totals | 62,953 | 306,841 | 410,314 | 1,050,305 | 1,830,413 |

NYE COUNTY SCHOOL DISTRICT
REPORTING REQUIREMENTS-NEVADA REVISED STATUTES 354.6113
APPENDIX A
June 30, 2019

SCHEDULE OF CAPITAL PROJECTS ACTIVITY

Nevada Revised Statutes 354.6113.

1. Indicate in detail the capital projects that have been constructed with money from the fund

Response

The following is a schedule of capital expenditures:

| | Building & Sites | Residential Construction Tax | Capital Projects | Bond Issues Fund | Totals |
|----------------------------------|---------------------|------------------------------------|---------------------|---------------------|------------------|
| AES - Building Improvements | - | - | 6,690 | - | 6,690 |
| AES - Improvements | - | - | 100,630 | - | 100,630 |
| AES - Equipment | 1,288 | - | - | - | 1,288 |
| BES - Building Improvements | - | - | 6,690 | - | 6,690 |
| BES - Improvements | - | - | 1,600 | - | 1,600 |
| BES - Equipment | 627 | - | - | - | 627 |
| BHS - Equipment | 778 | - | 19,297 | 11,420 | 31,495 |
| BHS - Building Improvements | - | - | 96,016 | - | 96,016 |
| BHS - Improvements | 5,120 | - | 900 | 582,435 | 588,455 |
| District - Equipment | - | - | 1,399,305 | - | 1,399,305 |
| District - Building Improvements | 36,448 | - | 61,635 | - | 98,083 |
| District - Improvements | 1,715 | - | - | - | 1,715 |
| FES - Equipment | - | - | 19,950 | - | 19,950 |
| Gabbs - Improvements | - | - | 4,350 | - | 4,350 |
| HES - Equipment | - | - | 5,886 | - | 5,886 |
| JGJ - Building Improvements | - | 223,696 | 30,345 | - | 254,041 |
| JGJ - Improvements | 912 | - | - | - | 912 |
| JGJ - Equipment | - | - | 31,969 | - | 31,969 |
| MES - Improvements | 619 | - | - | - | 619 |
| MCES - Building Improvements | - | - | 118,927 | - | 118,927 |
| PVHS - Building Improvements | - | 32,172 | - | - | 32,172 |
| PVHS - Equipment | 8,000 | - | - | - | 8,000 |
| PVHS - Improvements | 3,171 | - | 31,637 | - | 34,808 |
| RCMS - Improvements | - | - | 48,500 | - | 48,500 |
| RCMS - Equipment | 1,270 | - | 27,787 | - | 29,057 |
| RMES - Building Improvements | - | - | 35,160 | - | 35,160 |
| RMES - Improvements | - | - | 2,800 | - | 2,800 |
| RMES - Equipment | - | - | 24,719 | - | 24,719 |
| TES - Building Improvements | - | - | 18,678 | - | 18,678 |
| THS - Building Improvements | - | - | 230,666 | - | 230,666 |
| THS - Improvements | - | - | 3,440 | - | 3,440 |
| Totals | 59,948 | 255,868 | 2,327,577 | 593,855 | 3,237,248 |