



Washoe County School District

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March 31, 2023

Committee on Local Government Finance
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937

Subject: April 7, 2023 Workshop on Regulations

Thank you for the opportunity to provide feedback and suggestions on the streamlining of the Department of Taxation's and Committee on Local Government Finance's regulations, as required by the Governor's Executive Order No. 2023-003. We appreciate the intent of the Governor's order, as we concur it is a good practice to periodically review regulations, policies and practices to ensure they are still needed and relevant to today's issues.

We understand that neither the Department nor CLGF can consider statutory changes as part of this process and that many CLGF's regulations directly follow statute. However, there are two processes and requirements in current regulations that we believe are not specifically required by statute, which we believe the Committee should consider eliminating. These are:

- **Property tax revenue report** (NAC 354.566-354.577) - this is a report that compares a county treasurer's collections of school district property taxes to what the school district is reporting it has received. Under the old Nevada Plan, this report was used in the true-up of Distributive School Account (DSA) revenues for school districts.

With the implementation of a new funding formula for school districts in Nevada, effective July 1, 2021, all property taxes revenues generated by the 75-cent school district operating rate are now remitted by county treasurers to the State to be deposited to the State Education Fund. Therefore, the State – not school districts – knows exactly how much was collected for this tax. Moreover, there is no longer a true-up process based on property taxes received, so there is no longer a reason for this report.

- **Quarterly economic survey report** (NAC 354.559(2)(d)) – this is a quarterly report showing an agency's fund balances and cash, major economic developments, and certain other items. While the intent of this report may be justified, we are unsure how Taxation really uses this report and what authority the Department would have to take action based on the information submitted by all local governments on a quarterly basis. Thus, in our view, this is less of a black-and-white issue than the issue above, and more of a cost-benefit issue, i.e., is the value of this information worth the effort of local governments to provide this report four times a year? We would urge the Committee to consider also deleting this regulation. Alternatively, there may be other solutions such as exception reporting that can be considered as well.

Again, thank you for the opportunity to present these suggestions to you.

Sincerely,

Mark Mathers
Chief Financial Officer

