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59 Damonte Ranch Pkwy, STE B-550
Reno, Nevada 89521

October 26, 2015

Nevada Department of Taxation
Committee on Local Government Finance
4600 Kietzke Lane, Building L, Suite 235
Reno, Nevada 89502
Facsimile: (775)688-1303

VIA U.S. Priority Mail and Facsimile

Please be advised that I, Rajan O. Dhungana, am writing this formal complaint and request for information to the State of Nevada, Department of Taxation, Committee on Local Government Finance (hereinafter "CLGF"), on behalf of Mr. Jeffrey Church, as his legal representative.

Mr. Church makes the following request for information and formal complaint to the CLGF.

BACKGROUND INFORMATION

In 1998, the voters of the City of Reno approved a ballot measure R-3 authorizing to levy an ad valorem property tax, for the purpose of "*improving fire protection in the City [of Reno] by hiring additional fire fighting personnel **and** providing facilities and equipment therefor **and** the cost of operation and maintenance thereof.*" (**emphasis added**) **See Exhibit A.**

Since 1998, the City of Reno has grown from an approximate population of 163,000 to approximately 233,000 in 2013. Consequently, the tax levied under ballot measure R-3 has grown to approximately \$4,000,000.00 today, but the number of fire fighting personnel and facilities and equipment has actually not only decreased as a proportion of the population and the tax being levied, but has decreased in actual numbers compared to 1998.

My client, Jeffrey Church, owns four properties in the City of Reno that are subject to the ad valorem tax. Numerous inquiries to various agencies with the City, County, and State have not yielded any answers as to where the tax revenues are going, when the intent of the ballot is clear and unambiguous on its face.

My client has requested information as to the actual breakdown of taxes levied, and how the tax monies have been appropriated. Mr. Church has previously attempted several requests with the City of Reno Treasurer, the Reno City Attorney, and the State

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Department of Taxation, and has not received a clear response as to how the money is being appropriated. The lack of transparency and “passing the buck” has led my client to believe that there may be misappropriation of funds occurring with respect to the monies raised from the ad valorem tax approved by R-3. At the very least, the lack of transparency is not conducive to fostering public trust in local government.

REQUEST FOR INFORMATION AND FORMAL COMPLAINT

My client hereby requests that the Committee on Local Government Finance conduct an investigation into the appropriate taxing authorities and the recipients of the revenues from the R-3 ad valorem tax to see if there has been negligent or willful misappropriation of funds. So far, Mr. Church’s queries as a concerned citizen and taxpayer have been met with silence, responses that do not address the issue at hand, or responses that have “passed the buck.” **Mr. Church makes a formal complaint toward the CLGF to investigate both the taxing authority responsible for collecting revenues under the R-3 tax ballot measure, as well as the appropriate agencies that are appropriating the R-3 tax revenues.**

The Supreme Court of Nevada has opined that “when the plain language of the statute is clear and unambiguous on its face, it is not necessary to go beyond the language in determining the legislative intent.” *City of N. Las Vegas v. Eighth Judicial Dist. Court*, 122 Nev. 1197, 1205, 147 P.3rd 1109, 1115 (2006). In this case, the plain meaning of the approved ballot measure is clear and unambiguous – the tax revenue raised is to be used for “*improving fire protection in the City [of Reno] by hiring additional fire fighting personnel and providing facilities and equipment therefor and the cost of operation and maintenance thereof*”. I have emphasized the word AND to point out that the tax revenues were not approved for EITHER additional fire fighting personnel OR facilities and equipment OR cost of operation and maintenance.

At the very least, Mr. Church requests CLGF to obtain the information requested, or provide information where the taxpayers of the City of Reno may request clear, unambiguous, and thorough information as to where and how the tax revenue is being appropriated.

Mr. Church requests to be notified in writing if the CLGF shall commence an investigation or take any relevant action regarding Mr. Church’s request.

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Furthermore, should the CLGF decline to conduct an investigation, or should the CLGF lack the authority and jurisdiction to do so, Mr. Church requests that such a determination be provided in writing to Mr. Church or his legal representative.

Sincerely,



Rajan O. Dhungana, Esq.
Sahara Legal Group
59 Damonte Ranch Pkwy, STE B-550
Reno, Nevada 89521

Attorney for Jeffrey Church

EXHIBIT A

R-3

CITY OF RENO FIRE PROTECTION QUESTION

Shall the City Council of the City of Reno be authorized to levy an ad valorem property tax at a rate (to be determined each year by the City Council) not to exceed 7.15 cents per \$100 of assessed valuation, for the period commencing fiscal year 1998 to and including fiscal year 2027, for the purpose of improving fire protection in the City by hiring additional fire fighting personnel and providing facilities and equipment therefor and the cost of operation and maintenance thereof? (This question is estimated to raise between \$2,428,900 and \$7,574,900 annually.)

Yes ☐

No ☐

Explanation: A "yes" vote would permit the City of Reno to levy up to 7.15 cents per \$100.00 of assessed valuation for 30 years to be used for fire protection purposes including, the acquisition, construction, improvement and equipment of fire protection facilities, the operation and maintenance of fire protection facilities, hiring additional firefighters, equipment and other expenses related to fire protection. This would cost the owner of a \$100,000 home approximately \$25.03 per year.

A "no" vote would prevent the levy of such a tax at this time.

Argument For the Question: Fire protection is of critical importance to the residents of Reno. A new fire station has not been built in the City since 1985. Passage of the question will enable the City to build a new fire station to accommodate growth in the City, add additional needed fire fighters, equipment and other expenses necessary for the Reno Fire Department. This will provide for improved fire protection coverage in all areas of the City. It will also shorten response time and expand fire protection services to better protect the residents of the City and their property.

Argument Against the Question: Passage of the question will increase property taxes by 7.15 cents per \$100 assessed valuation, or \$25.03 per year for a \$100,000 home.