

June 25, 2019

Nevada Department of Taxation
Nevada Tax Commission
1263 S. Stewart St., Rooms 301 & 302
Carson City, NV 89712

Dear Nevada Tax Commission:

“As Jefferson famously put it, “to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhor[s] is sinful and tyrannical,” as quoted in *Janus and Pacific Gas & Electric (PG&E) v. Public Util. Comm.* (1986)

There are three City of Reno tax issues I request you address under June 25 meeting agenda item IV A-1 and at a minimum ask for internal review, reporting and perhaps a future agenda item. I’m sorry for the late notice.

The main issue is the tax assessments conducted in the geographic area known as the Reno Business Improvement District (BID) run by a Downtown Management Organization (DMO) even though the so called YES Only ballot had three times as many No votes as Yes @ 300 (yes) vs 1542 (no) approx.

The main issues here: Is the BID Tax Assessment a tax? That is the big question!

May the Treasurer seize and sell property for non payment of the assessment portion of a tax bill?

Do NRS 361.4724 and Nevada Constitution Art 10 restraints apply to the Assessment?

Did Reno follow proper procedure in applying the assessment without a hearing i.e. a true hearing as defined by NRS and Reno Municipal Code (RMC)? Copy of those codes on request.

Is it proper that the Citywide taxpayer supplement the BID with Ad Valorem Taxes?

Are any of these under the Tax Commission and Taxation jurisdiction as they deal with Ad Valorem taxes?

DETAILS:

If it is tax does it exceed and caps under NRS? Some folks had their last Assessment increase by 50%! The law allows a 5% annual increase under NRS 271. Is it proper that the Citywide taxpayer supplement and supplant the BID with Ad Valorem Taxes?

If it is a tax, then how can they tax exempt church property?

See attached, note the words Gross Tax and Net Tax! But it's not a tax?

[https://nv-washoe-](https://nv-washoe-treasurer.manatron.com/Tabs/TaxSearch/AccountDetail/BillDetail.aspx?p=00753001&a=5331956&b=2018166301&y=2018&t=4166942)

[treasurer.manatron.com/Tabs/TaxSearch/AccountDetail/BillDetail.aspx?p=00753001&a=5331956&b=2018166301&y=2018&t=4166942](https://nv-washoe-treasurer.manatron.com/Tabs/TaxSearch/AccountDetail/BillDetail.aspx?p=00753001&a=5331956&b=2018166301&y=2018&t=4166942)

APN: 00753001, INTERNATIONAL COMMUNITY CHRIST, BID1.0000000000 Gross Tax \$312.15 \$0.00 Net Tax \$312.15

Article 10, Section 2 of our Nevada Constitution limits the total tax levy to 5% of assessed value.

NRS 361.4724: "The Legislature hereby finds and declares that many Nevadans who cannot afford to own their own homes would be adversely affected by large unanticipated increases in property taxes, as those tax increases are passed down to renters in the form of rent increases and therefore the benefits of a charitable exemption pursuant to subsection 8 of Section 1 of Article 10 of the Nevada Constitution should be afforded to those Nevadans through an abatement granted to the owners of residential rental dwellings who charge rent that does not exceed affordable housing standards for low-income housing."

As it shows up on the Tax bill Gross Tax/ Net Tax and is subject to seizure under NRS 361, would NRS 361.4724 apply?

A first issue is that The County gives the money to Reno that was claimed to give it to the BID 501c6 but in reality the majority is retained by Reno for Police & City Crews: \$1,200,000 (see Bid DMO contract" The funds are "retained" bu Reno. These assessment funds police & City crew but isn't that a governmental TAX purpose?

From the BID/ DMO "Downtown Reno Partnership" website:

"The Downtown Reno Partnership is a 501(c)6 nonprofit business improvement district that replaces two previous City of Reno special assessment districts that paid for maintenance and additional police in Reno's core.

Property owners will see a line item on their annual Washoe County property tax bill. That assessment is based on their property's value, their location in the district, type of property and type of business. Washoe County collects those taxes and funnels the specific line item to the City of Reno, which then writes a check to the Downtown Reno Partnership.

NV SOS: DOWNTOWN RENO PARTNERSHIP, Status: Permanently Revoked, Type: Domestic Non-Profit Corporation, Entity Number: C14590-2000, NV Business ID:NV20001315672

The Assessment is really a tax: The Assessment shows up on ones Tax Bill. It is listed under "Net Tax". If you don't pay, even if you pay other taxes but not the Assessment, the Washoe Tax Treasurer takes the position the County will seize and

sell your property under NRS 361. However NRS 361 *NRS 361.535, et al) ONLY allows such sales for unpaid "taxes". Regular taxes go for government functions including police & city maintenance. The majority of the Assessment is "retained" by the City for police & city crews- never reaching the BID.

NRS 361.535 Date taxes become delinquent; penalty for delinquency; collection by seizure and sale of personal property or alternative methods; disposition of excess proceeds from sale of certain property. . If the person, company or corporation so assessed neglects or refuses to pay the taxes within 30 days after demand, the taxes become delinquent.

From: "Davis, Tammi S."
Sent: Dec 17, 2018 12:47 PM
To: "'Retired Renocop@earthlink.net'"
Subject: RE: Reno Business Improvement District "fee" or tax

The BID fees are collected on the tax bill, as provided in NRS and directed by the City's ordinance document. Once a fee is added to the tax bill it is collected and treated in the same manner as taxes (which is why we take great care that there is proper authority before adding anything to the bill). So a delinquency would eventually lead to sale of the property.

Tammi Davis
Washoe County Treasurer
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PO Box 30039, Reno, NV 89520-3039

It seems the state, county & City can't have it both ways. If it is NOT a tax and an assessment as Reno claims: then it can't be seized under NRS 361. If it is a tax then it is a tax subject to all NRS and Nevada Taxation regulations.

Which is it? I ask the Tax Commission to clarify this.

The BID/DMO is a 501c6 Advocacy organization that may violate forced association Free Speech case law See Janus v. American Federation of State, County and Municipal Employees, No. 16-1466. June 27, 2018, Fleck v Welch, Bierman v Walz, PG&E, West Virginia Bd. of Ed. v. Barnette, 319 U. S. 624, 642, 1943, and many others. Taxpayers must be able to 'opt out'.

BIDs may not be subsidized by taxpayers outside the BID. (*See Knox, Spring Creek and Silicone Valley cases these and additional on request)

"The general public should not be required to pay for special benefits for the few, and the few specially benefitted should not be subsidized by the general public."

Yet it is, both via direct tax dollars and the indirect payment of assessments. "The City of Reno has committed to fund the remaining funds with a combination of city general fund allocations ...for the first three years of the BID." (BID Plan)"

www.irs.gov/charities-non-profits/other-non-profits/business-leagues :
501c6 groups that run BIDs must meet the IRS requirements, there must be a "common business interest" and have dues paying members.. "To meet the requirements of IRC 501(c)(6) and Reg. 1.501(c)(6)-1, an..Characteristics organization must possess the following characteristics: of an IRC 501(c)(6)
1. It must be an association of persons having some common business Organization interest and its purpose must be to promote this common business interest;
2. It must be a membership organization and have a meaningful extent of membership support;... An IRC 501(c)(6) organization is a membership organization characteristically supported by dues

The DMO 501c6 by charter has no members, no dues- it is supported by tax assessment funds. There is no common business interest in churches, casinos, non-profits, vacant land, retired senior citizen condo owners, etc.

The City is required to hold hearings on protests and never did. The definition and legislative intent of a "hearing" is found in NRS as well as Reno Charter/ code: The City never held any such hearings nor responded to protests.

NRS 271.377 1. On or before June 30 of each year ...assessment roll. Notice must be given and the hearing conducted in the manner provided in NRS 271.380 and 271.385...

(a) Fix a time and place when and where complaints, protests and objections made in writing or verbally concerning the assessment roll, by the owner of any tract or any person interested, will be heard.

Two legal actions are pending in Washoe District Court involving two churches and former manorial candidate Eddie Lorton.

In Summary, whether as part of \IV,1. A. LOCAL GOVERNMENT SERVICES:
1) Certification of Ad Valorem Tax Rates for Fiscal Year 2019-2020 pursuant to NRS 361.4547 (for possible action)

or as a general citizen concern, I ask the Nevada Tax Commission and Nevada Department of Taxation to examine and review NRS 271 as it relates to taxation.

Simply put, is the BID Assessment a tax or not?

May the Treasurer seize and sell property for non payment of the assessment portion of a tax bill?

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The Secondary issues are unrelated. I try to keep this short but documentation on request.

Voters passed two measures for more police & fire but the money has been diverted to the General Fund and the number of police and fire (zero in some cases) has not matched the revenue received. More info on request.

Safety 88 promised us 88 new officers for a minimum of 313 sworn.

Nevada Attorney General's Opinion #2011-4 which in part said:

"The number of police officers funded by sources other than the revenue received under the Act must be at least the same number of officers as were funded and supported prior to the time the act became effective ..."

The Police Override revenue for FY 2017 was \$10,908,501.14. Estimated at over \$11 million today.

The Fire Override revenue for FY 2017 was \$4,236,161.56.

The Fire Station Override revenue for FY 2017 was \$4,690,264.29.

RPD has about 303 sworn vs the 313 promised (excluded grant and BID funded officers). This means taxpayers are paying about \$500,000 for each officer! RFD @ 218 so \$4,690,000 getting less firefighters than the 226 at time of R3 passage.

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Jeff Church

www.RenoTaxRevolt

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owner: DRS Law Enforcement Consulting

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