

January 27, 2020 Nevada Tax Commission meeting

My name is Neal Jones.

I ask that this written statement be included in the minutes of this meeting.

I sit before you this morning to ask for your assistance, because this Commission is the head of the Department of Taxation and is designed to supervise the overall administration and operations of the Department of Taxation.

At issue here is the tax revenue collection, distribution and accounting practices of Nye County, the use of restricted funds to balance the General fund and over \$300,000 of unaccounted for revenue collected by Nye County from taxes related to marijuana.

On October 15, 2019, the County Treasurer, whom was appointed to the position to clean up the County finances is told by a County Commissioner, in a public meeting, to engage in "plug accounting", to just plug numbers in, so that required reports may be submitted to the State, because that is the way his predecessors did the job. Dependence on plugging has been described as "indicative of a dysfunctional finance and accounting system".

When this was brought to the attention of the Committee on Local Government Finance (CLGF), their response was: "It isn't the practice of the Department of Taxation, Local Government Finance to comment on Board of County Commissioner meetings. The auditor for Nye County is very good and we review the audits annually once completed so as to ensure compliance and determine any corrective action if deemed necessary at that time."

A Nye County resident, Mr. John Bosta, has made repeated requests for documentation from Nye County regarding these marijuana tax funds and why they have not been distributed in accordance with NRS 453D and NRS 269 as the laws were written and established.

The Legislative Counsel Bureau (LCB), issued an interpretation clarifying how revenue from marijuana was to be distributed according to NRS 269. This revenue belonged to the unincorporated towns not the County.

Nye County Commissioners Wichman and Koenig have stated that the LCB's ruling was incorrect and that the County would do what they wanted with these funds, not what the laws stated.

The County Comptroller has not been able to provide clarity as to where the funds have gone or fund account numbers for these restricted funds.

The Auditor for the County has refused to address these issues.

Mr. Bosta has provided the CLGF with the supporting documentation and requested a response to his concerns, through phone calls, e-mail and the US Mail. The CLGF, so far, has refused to respond or even acknowledge receipt of the information.

So, in working through the chain of command, this request has now come to the Tax Commission as a whole.

We ask this Commission to investigate or direct the CLGF to investigate and respond to citizens' concerns regarding the accounting practices of Nye County and the possible misallocation and disappearance of these tax revenues by Nye County.

Thank you for your anticipated interest and action to these concerns.

Neal Jones

