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**To:** [Tina Padovano](#)  
**Cc:** [Chali Spurlock](#)  
**Subject:** Re: Nevada Tax Commission - June 2, 2021 PUBLIC COMMENT  
**Date:** Thursday, May 27, 2021 2:50:49 PM  
**Attachments:** [Tax Commission BID.doc](#)  
[Reno BID Dept of Taxation Letter.doc](#)

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State Department of Taxation

1550 E. College Parkway

Carson City, NV 89706

For Public Comment, Nevada Tax Commission, June 2

Dear Nevada Tax Commission

Subj: Downtown Reno Business Improvement District (BID)

The Department of Taxation has determined that the BID is a local government per NRS. The BID continues to operate as an alleged non-profit 501c6.

“At a minimum, the Reno BID/DMO is subject to the jurisdiction of the Department pursuant to the Local Government Budget and Finance Act, pursuant to NRS 354.474(1). For instance, the creation of a special assessment/local improvement district pursuant to NRS 271 would appear to trigger budget reporting responsibilities for contracts associated with the expenditure of the special assessment levies pursuant to NRS 354.5965.”

Complaints were filed with both the IRS and Secretary of State on this matter. I ask the Tax Commission/ Department of Taxation to open an inquiry on BID compliance with Nevada laws and the conflict between claiming 501c6 status vs the correct Taxation finding that they are “At a minimum” a “Local Government”. Included in that please review their IRS Form 990 filings since inception and IRS rules on membership and common business interests as opposed to their Bylaws and operation.

For those unfamiliar, the BID operates based on 99% funding from a tax assessment that appears on the property owners tax bill in the District (all property owners from non-profits, condo residents, vacant land, businesses etc) and failure to pay the

mandatory assessment results in actions by the County Treasurer the same as unpaid taxes. Further, the BID is subsidized by the taxpayers City and Countywide with no public vote. The BID was established with no formal public vote but rather a mail in Yes Only letter.

I have extensive documentation upon request.

Sincerely,

Jeff Church

[RenoTaxRevolt@SBCGlobal.net](mailto:RenoTaxRevolt@SBCGlobal.net)



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Mr. Church,

Please find enclosed various answers to questions posed in regards to the Reno Business Improvement District.

**1. The main issues here: Is the BID Tax Assessment a tax?**

No. The Reno BID assessments are special assessments, not general ad valorem taxes. The Reno Business Improvement District replaced two existing Special Assessment Districts.

**2. May the Treasurer seize and sell property for nonpayment of the assessment portion of a tax bill?**

Yes, NRS Chapter 271 specifically authorizes assessment lien sales by the municipal treasurer. *See NRS 271.545 through 271.630.*

NRS 271.410 states that any installment payment that is not paid in full on its due date shall cause the entire balance of the assessment (including unpaid interest) to come due and be payable immediately at the option of the municipality. If such action is taken by the municipality, it must be accompanied by foreclosure proceedings upon the property. (NRS 271.420 states that the payment of the assessment is secured by an assessment lien against the property.) If the unpaid installment is made prior to the day of the sale, however, foreclosure proceedings are stopped, and the right of the property owner to make annual installments on the remaining balance is restored as it was prior to the foreclosure action.

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

No, the partial abatements specified by NRS 361.4724 do not apply to the Reno BID assessments because the NRS 361.4724 only abates "the ad valorem taxes levied by a county" and the Reno BID is a municipal assessment.

No, Art. 10 Section 2 does not apply directly to the Reno BID special assessments. However, as codified by NRS 271.270(2), bonds issued pursuant to NRS Chapter 271 are subject to the five cents per dollar limitation set forth in Art. 10 Section 2.

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

The Reno BID is a special assessment pursuant to NRS 271, not a tax pursuant to NRS 361. NRS Chapter 271 does not contain exemptions for churches and the exemption for churches set forth in NRS 361.125 does not apply.

#### 5. As discussed today, the additional question if Taxation has jurisdiction is that the BID/DMO would then be subject to Nevada Taxation oversight as they are a public body making governmental decisions including the annual increase.

At a minimum, the Reno BID/DMO is subject to the jurisdiction of the Department pursuant to the Local Government Budget and Finance Act, pursuant to NRS 354.474(1). For instance, the creation of a special assessment/local improvement district pursuant to NRS 271 would appear to trigger budget reporting responsibilities for contracts associated with the expenditure of the special assessment levies pursuant to NRS 354.5965.

#### **NRS 354.474 Applicability to local governments; “local government” defined.**

1. Except as otherwise provided in subsections 2 and 3, the provisions of [NRS 354.470](#) to [354.626](#), inclusive, apply to all local governments. For the purpose of [NRS 354.470](#) to [354.626](#), inclusive:

(a) “Local government” means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes, without limitation, counties, cities, towns, boards, school districts and other districts organized pursuant to [chapters 244A, 318, 318A](#) and [379](#) of NRS, [NRS 450.550](#) to [450.750](#), inclusive, and [chapters 474, 541, 543](#) and [555](#) of NRS, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision.

(b) “Local government” includes:

(1) The Nevada Rural Housing Authority for the purpose of loans of money from a local government in a county whose population is less than 100,000 to the Nevada Rural Housing Authority in accordance with [NRS 354.6118](#). The term does not include the Nevada Rural Housing Authority for any other purpose.

(2) A regional authority formed pursuant to [NRS 315.7805](#) but, except as otherwise provided in subparagraph (1), does not include any other housing authority created by or pursuant to [chapter 315](#) of NRS.

2. An irrigation district organized pursuant to [chapter 539](#) of NRS shall fix rates and levy assessments as provided in [NRS 539.667](#) to [539.683](#), inclusive. The levy of such assessments and the posting and publication of claims and annual financial statements as required by [chapter 539](#) of NRS shall be deemed compliance with the budgeting, filing and publication requirements of [NRS 354.470](#) to [354.626](#), inclusive, but any such irrigation district which levies an ad valorem tax shall comply with the filing and publication requirements of [NRS 354.470](#) to [354.626](#), inclusive, in addition to the requirements of [chapter 539](#) of NRS.

3. An electric light and power district created pursuant to [chapter 318](#) of NRS shall be deemed to have fulfilled the requirements of [NRS 354.470](#) to [354.626](#), inclusive, for a year in which the district does not issue bonds or levy an assessment if the district files with the Department of Taxation a copy of all documents relating to its budget for that year which the district submitted to the Rural Utilities Service of the United States Department of Agriculture.

(Added to NRS by [1965, 726](#); A [1967, 937, 1387](#); [1969, 1390](#); [1971, 13, 1013, 1341](#); [1977, 539](#); [1979, 361](#); [1993, 1150](#); [1995, 815, 2553](#); [2005, 576](#); [2011, 1377, 1689, 2727](#); [2013, 2711](#); [2017, 1960, 2037, 2721](#))

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Jeffrey Mitchell, Deputy Director