



# WASHOE COUNTY

Integrity Communication Service  
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CM/ACM	<u>X</u>
Finance	<u>X</u>
DA	<u>X</u>
Risk Mgt	<u>n/a</u>
HR	<u>n/a</u>
Other	<u>n/a</u>

## STAFF REPORT

BOARD MEETING DATE: February 14, 2017

**DATE:** January 12, 2017  
**TO:** Board of County Commissioners  
**FROM:** Mark Mathers, Budget Manager  
(775) 328-2071, [mmathers@washoecounty.us](mailto:mmathers@washoecounty.us)  
**THROUGH:** Christine Vuletich, Assistant County Manager  
(775) 328-2016, [cvuletich@washoecounty.us](mailto:cvuletich@washoecounty.us)  
**SUBJECT:** Recommendation to approve the Amended Cooperative Agreement between the County and the State Department of Taxation for collection of the 0.54 % sales and use taxes approved by voters on November 8, 2016 and imposed pursuant to S.B. 411. (All Commission Districts).

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### SUMMARY

On November 8, 2016, registered voters of Washoe County approved the imposition of an increased tax of 0.54% on the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the County. The proceeds of this increase to the sales and use tax are restricted to the acquisition, construction, repair and renovation of Washoe County School District's school facilities. Pursuant to Senate Bill 411 (2015), the Board of County Commissioners has adopted an ordinance imposing the taxes upon approval of the voters. The State Department of Taxation requires an agreement to collect this additional tax, which takes effect on April 1, 2017.

**Strategic Objective supported by this item:** *Stewardship of our community.*

### PREVIOUS ACTION

On March 22, 2016, the Board of County Commissioners (Board) adopted a resolution designated as the "2016 School Financing Election Resolution", approving the submittal of a question to the registered voters of Washoe County at the General Election on Tuesday, November 8, 2016, concerning the imposition of an increased sales and use tax rate of 0.54%. This was done consistent with the requirements of Senate Bill 411 of the 2015 legislative session.

On November 29, 2016, the Board of County Commissioners approved the request by the County Manager's Office through the County to amend the Washoe County Code to enact the increase to the County's sales and use tax rate as approved by voters in Washoe

AGENDA ITEM # 5.C

County on November 8, 2016, and directed the Clerk to submit the request to the District Attorney for preparation of a proposed ordinance pursuant to Washoe County Code 2.04.

On January 10, 2017, the Board of County Commissioners introduced and held a first reading of the ordinance.

On January 24, 2017, the Board of County Commissioners conducted a second reading and adopted the ordinance.

### **BACKGROUND**

The Washoe County Public Schools Overcrowding and Repair Needs Committee ("Committee") was created by resolution of the Washoe County School Board of Trustees pursuant to Senate Bill 411 of the 2015 legislative session. This Committee was created to address overcrowding and repair needs in the Washoe County School District. The Committee was charged with preparing and submitting its recommendations to the Board of County Commissioners for the imposition of one or more taxes in Washoe County to provide funding for capital projects for the School District.

The Committee unanimously voted to recommend the imposition of an increased tax of 0.54% on the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the County. The Committee adopted its recommendation on March 4, 2016, which confirmed the above referenced tax and requested that the Board of County Commissioners place the question on the ballot. On November 8, 2016, registered voters of Washoe County approved the imposition of the increased tax of 0.54%. In accordance with Senate Bill 411, the Board of County Commissioners adopted an ordinance imposing the taxes upon approval of the voters.

To collect this additional tax, the Department of Taxation requires execution of the attached Amended Cooperative Agreement. The agreement provides for monthly collection of the sales and use tax by the State and distribution to the County of these revenues after the State deducts a fee in the manner provided by NRS 374.785(3). The County will then transmit these revenues to the Washoe County School District.

### **FISCAL IMPACT**

There is no fiscal impact to the County related to the imposition of this sales tax other than a small cost associated with the staff time to distribute sales taxes collected by the State to the Washoe County School District on a monthly basis.

### **RECOMMENDATION**

It is recommended that the Board of County Commissioners approve the Amended Cooperative Agreement between the County and the State Department of Taxation for collection of the 0.54 % sales and use taxes approved by voters on November 8, 2016 and imposed pursuant to S.B. 411. (All Commission Districts).

**POSSIBLE MOTION**

Should the Board approve, a possible motion would be:

Move to “approve the Amended Cooperative Agreement between the County and the State Department of Taxation for collection of the 0.54 % sales and use taxes approved by voters on November 8, 2016 and imposed pursuant to S.B. 411. (All Commission Districts).”

## COOPERATIVE AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_ day of \_\_\_\_\_, 2017, by and between Washoe County, a political subdivision of the State of Nevada, the "County," and the State of Nevada Department of Taxation, the "Department," collectively the "Parties."

WHEREAS, pursuant to Senate Bill No. 411 of the 2015 Legislative Session of the Nevada Legislature, entitled the "2016 School Financing Election Act" (the "Act"), the County has adopted an ordinance designated Bill No. 1774 (the "Ordinance"), imposing an additional tax of .54 of 1 percent on the gross receipts of any retailer from the sale of all tangible personal property sold at retail or stored, used or otherwise consumed in the County, including incorporated cities in the County effective April 1, 2017;

WHEREAS, pursuant to the Act and the ordinance, the County entered into a contract on February 14, 2017, with the Department to perform all functions incident to the administration or operation of the tax in the County; and

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the County and the Department agree as follows:

1. The Department shall continue to administer and enforce all provisions of the Act, as amended by the Nevada Legislature, incident to the collection of the tax provided for by ordinances enacted by the County, including the Ordinance.
2. The County shall continue to reimburse the Department for the costs of collecting the tax imposed by its Ordinance adopted pursuant to the Act, as amended. The amount of the collection costs to be reimbursed by the County hereunder shall be computed in the manner provided by NRS 374.785(3). Before distributing any revenue to the County pursuant to paragraph 3 below, the Department shall deduct said collection costs from the amount to be distributed.
3. Except for the amount described in paragraph 2, above, the Department shall distribute to the County once each month the revenue collected pursuant to this Agreement. With each distribution, the Department shall provide the County Treasurer with a monthly statement setting forth the amount collected and any collection costs deducted by the Department.
4. The County agrees that the Department shall have the power to make all necessary rules and regulations and prescribe all necessary forms or other requirements for the purpose of making the administration of the County Ordinance effective.

5. The Department shall have all the powers, duties, and responsibilities as provided by the County Ordinance and Chapter 374 of the Nevada Revised Statutes and all amendments thereto, and all other State laws pertaining to the collection of sales and use taxes.
6. This Agreement shall remain in effect while the Act, as amended from time to time, is in effect.
7. This Agreement may be executed in counterparts.
8. If any term or provision of this Agreement is deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.
9. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which will be extended by a period of time equal to the period of the delay.
10. This Agreement is binding upon and inures to the benefit of the permitted successors and assigns of the parties hereto. None of these parties shall assign any of the rights or delegate any of the duties of this Agreement without the express written consent of the other party.
11. Except as otherwise expressly provide, this Agreement (including all Exhibits attached hereto) constitutes the entire contract between the Parties hereto and may not be modified except by an instrument in writing signed by the party to be charged.
12. The Parties hereto expressly agree that this Agreement will be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada.

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IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed on its behalf by an authorized representative.

**BOARD OF COUNTY COMMISSIONERS  
WASHOE COUNTY NEVADA**

By: \_\_\_\_\_  
Bob Lucey, Chair

Dated this 14<sup>th</sup> day of February, 2017.

ATTEST

\_\_\_\_\_  
Nancy Parent, County Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
County Counsel

**DEPARTMENT OF TAXATION**

By: \_\_\_\_\_  
Deonne E. Contine, Director

Dated this \_\_\_\_ day of \_\_\_\_\_, 2017.

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Deputy Attorney General