

# Washoe considers countywide vehicle tax to help pay Incline Village property owners

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Washoe County residents could pay an additional 1 percent tax to register their vehicles to help pay Incline Village property owners \$17 million as ordered by the Nevada Supreme Court and to help balance the county budget for years to come, as proposed in a new study.

John Breternitz, commission chairman, on Tuesday told a review panel that the tax is one option commissioners will consider next week to pay tax refunds owed to 8,000 village residents for the 2006-07 tax year. The vehicle excise tax would generate \$8 million a year.

The Supreme Court ruled July 7 that former county treasurer Bill Berrum should have reduced their property taxes after the county board of equalization voted in February 2006 to roll back their property values to 2002-03 levels to comply with an earlier court case.

In a January 2006 ruling, the Carson District Court determined that former county assessor Robert McGowan's methods of appraising Tahoe views, beaches and other unique features were unconstitutional because they were not sanctioned by the state.

In February 2006, the state Supreme Court delayed enforcement of that district ruling calling for refunds while the case was being appealed. The Supreme Court also advised the county to follow the reasoning given by the district court judge, Bill Maddox.

The study by Management Partners, meanwhile, points to the vehicle excise tax as one means of balancing future budgets.

In 2009, the Nevada Legislature authorized the county to collect the 1 percent tax to partially make up for taking county tax

revenue. Given the slow recovery, the county commission decided early last winter not to impose the tax in the current budget year.

Residents already pay a 4 percent tax on their vehicles, with the values set by the state Department of Motor Vehicles, that goes to support the county and local schools. DMV charges a \$33 fee for cars and a higher fee for larger vehicles.

The \$8 million that could be raised from the 1 percent tax is more than half of \$14 million in savings or new revenues listed by Management Partners that's totally within the county commission's powers to enact

## The numbers

Greg Peek, chairman of the county's Organizational Effectiveness Committee, said he personally would support the tax increase if the county continues to work on making government more efficient.

In all, the study identified 64 ways the county could save \$27.5 million. The county commission is scheduled to review its final report on Aug. 9 and then decide which ideas it wants to pursue first on Sept. 23.

The consultants were tasked with finding at least \$5 million in savings for the current fiscal year that began July 1 and another \$10 million in the next fiscal year, creating \$15 million in permanent reductions.

The county already has cut 700 employees and \$154 million in expenses in the last five years. Given that, Management Partners president Jerry Newfarmer said the county already has picked all the low-lying, easy-to-reach fruit to realize savings.

"I have never seen such a bare tree in my life," said Newfarmer, a former city manager

for Cincinnati and Fresno and San Jose in California.

The recommendations include a consideration of hiring correctional officers rather than deputies to staff the jail and rent empty jail space to California prisons to raise money.

Sheriff Mike Haley said he would support management and the deputies association working on an agreement that would allow lower trained officers to oversee the jail in the future. But current deputies who work in the jail would still keep their jobs, he said.

As a standard rule of thumb, Newfarmer said every \$1 million in savings will require \$100,000 in analysis and planning work. And most of the proposals require more study.

While \$14 million in cuts or new taxes are entirely within the county commission's powers to approve, another \$8 million in saving proposals would require the support of other elected county officials or county boards. And another \$4.8 million would require the support of labor groups, Reno and Sparks or the legislature to change laws.

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