

**Round Hill General Improvement District  
Board of Trustees Meeting  
Public Hearing  
November 19, 2013**

**Tuesday**

**6:00pm**

**1. Meeting Called to Order. (Side A/c#1)**

Meeting was called to order by Chairman Glen Smith.

**2. Pledge of Allegiance. (Side A/c#2)**

Pledge of Allegiance was led by Chairman Glen Smith.

**3. Roll Call. (Side A/c#6)**

Chairman Glen Smith, Vice Chairman Steve Teshara and Trustee Steve Seibel were present. Trustees Chuck Fagen and Wes Rice were absent. The District Manager and Administrative Assistant were present. Jen Mahe of Allison MacKenzie was present as District Counsel. District Counsel Pat Fagan was absent. Beth Farley of Kohn & Company was present.

**4. Public Comment. (Side A/c#9)**

None

**5. Approval of Agenda. (Side A/c#12)**

Motion to approve the agenda. Teshara/Seibel 3-0 approved.

**6. Presentation of the 2012 / 2013 Audit Report by Kohn & Company and acceptance and adoption of the current year recommendations. (Side A/c#15)**

Beth Farley gave an overall presentation of the District's audited financial records. Kohn & Company gave an unqualified opinion that had no findings. Beth stated that the District was in good standing. Motion to approve the 2012 / 2013 Audit Report presented by Beth of Kohn & Company. Teshara/Seibel 3-0 approved.

**7. Discussion and possible action to authorize the District Manager to move forward in developing an Ad Valorem Tax for inclusion in the 2014 / 2015 budget process. (Side A/c#290)**

Manager Reed reported that the few residents present at the September Board Meeting were contacted prior to this meeting as requested. Also at the September meeting was Jeff Holmes, President of the Pinewild HOA. He stated that some residents had concerns with the fact that they would be taxed but would receive no road repairs at the HOA. The Board recognized this concern and requested that the District's Legal Counsel review the issue. Counsel's response is attached. RHGID must tax all residents equally, or tax none at all.

Vice Chairman Teshara questioned whether the Board could somehow compensate Pinewild residents for their percentage of paid Ad Valorem Tax. Counsel stated that the Board is bound by State Laws for Ad Valorem Taxes.

Motion to authorize the District Manager to move forward in developing an Ad Valorem Tax for inclusion in the 2014 / 2015 budget process. Seibel/Teshara 3-0 approved.

**8. Discussion and possible action to modify the District's water tariffs to include a separate connection fee of \$1,500.00 for public and private fire hydrant connections and private fire service connections. (Side A/c#410)**

As this issue was presented at a past Board Meeting and was approved as an emergency situation at the time, a motion was made to modify the District's water tariffs to include a separate connection fee of \$1,500.00 for public and private fire hydrant connections and private fire service connections. Teshara/Seibel 3-0 approved.

**9. Discussion and possible action to modify the District's sewer tariffs by re-calculating the sewer connection fee at \$2,100.00 per Equivalent Dwelling Unit (EDU). (Side A/c#518)**

Motion to modify the District's sewer tariffs by re-calculating the sewer connection fee at \$2,100.00 per Equivalent Dwelling Unit (EDU) based on the District's rate study attached analysis that was prepared by Farr West Engineering in 2010. Seibel/Teshara 3-0 approved.

**10. Discussion and possible action to adopt the modifications to the District's Emergency Response Plan. (Side A/c#595)**

After discussions, a motion was made to adopt the modifications to the District's Emergency Response Plan as presented. Teshara/Seibel 3-0 approved.

**11. Consent Calendar. (Side B/c#43)**

Motion to approve the consent calendar as amended. Seibel/Teshara 3-0 approved.

**12. Staff Reports. (Side B/c#108)**

The contract between RHGID and K.G. Walters was signed and the sewer manhole was installed prior to TRPA's October 15 construction deadline. The new sewer meter has been received and should be installed the week of November 25<sup>th</sup>. R.O. Anderson issued the District a check for the returned meter. DCSID notified the District that the relocation of the fuel tank at their main pump station to accommodate the new manhole will be accomplished at their expense.

DCSID notified the District that they were significantly over budget for fiscal year 2012 / 2013. RHGID's share of the cost overruns amounts to \$45,075.00. DCSID will spread these payments out for this amount over the next five years.

District staff met with representatives of Flyer's Energy to discuss pricing for fuel and the District will now be paying \$.20 over rack rate.

On October 15, 2013, District staff met with representatives of Nevada State Bank to discuss finalizing outstanding issues. As of this meeting, the issues have not been corrected. Staff also contacted Wells Fargo in anticipation of reverting back to them for banking and lockbox services. They have agreed to match the Nevada State Banks rates.

The radiator was replaced in the auxiliary generator at the office. The generator is a 40 year old propane generator. Staff anticipates putting replacement of the generator on the 2014 / 2015 budget.

Notification of bidding for the new upper tank was published. The bids are not due until January of 2014. Manager Reed rushed the notification so a pre-bid conference could be conducted on November 14, before the snow settled in for the winter, thereby preventing access to the site. The intent is to award the contract at the beginning of the year so that construction can be completed in the 2014 construction season.

District staff continues to follow the Tahoe Keys Aquatic Invasive Species working group as it appears that representatives of the Keys desire to utilize an herbicide to combat their weed infestation problem.

The Lake Tahoe Nearshore Evaluation and Monitoring Framework has been completed. District staff has a copy of the Executive Summary for review. It is 17 pages long. Both the Executive Summary and the entire report are available on the TRPA website.

Castle Rock has decided to forego the installation of new water lines within their complex.

**13. Adjournment. (Side B/c#205)**

Move to adjourn. Teshara/Seibel 3-0 approved.

Attest:



Glen Smith  
Chairman



Wesley Rice  
Secretary

## MEMORANDUM

To: Greg Reed

From: Pat Fagan, Jen Mahe and Kevin Naughton

Date: October 3, 2013

Re: Round Hill GID, Exemptions from ad valorem tax for property owners not directly receiving benefit

### Question Presented

Can certain property owners be exempted from paying ad valorem taxes because they are not receiving the benefit identified as the purpose for levying the tax?

### Brief Answer

There is no authority that would allow a particular property owner to be exempted from paying an ad valorem tax on the basis that they will not receive the benefit for which the tax is levied.

### Facts

Round Hill General Improvement District ("RHGID") is planning on implementing an ad valorem tax to maintain and improve the streets and roads within its service area. A group of property owners have contacted RHGID claiming that they are located in a unique section of the RHGID's service area and they do not utilize the roads which will be maintained and improved by the funds raised pursuant to the proposed ad valorem tax. Those property owners are therefore requesting that they be exempted from the ad valorem tax so that they are not required to pay for a benefit they do not receive.

### Analysis

Article 10 § 1(1) of the Nevada Constitution provides that the legislature "shall provide by law for a uniform and equal rate of assessment and taxation, and shall prescribe such regulations as shall secure a just valuation for taxation of all property, real, personal and possessory." Article 10 § 1(8) provides that the legislature "may exempt by law property used for municipal, educational, literary, scientific or other charitable purposes, or to encourage the conservation of energy." The Nevada Supreme Court has held that this express list of exemptions creates an implied prohibition against creating exemptions for any other purpose. Gen. Elec. Credit Corp. v. Andreen, 74 Nev. 199, 202 (1958) citing State v. Carson City Savings Bank, 17 Nev. 146 (1882). Additionally, NRS Chapter 361 sets forth the specific exemptions provided by the legislature and there are no exemptions made for property owners on the basis that they do not directly benefit from a particular governmental expense.

The Nevada Supreme Court has also held that Art. 10 § 1 requires that all ad valorem taxes must be equal among various property types. U.S. v. State ex rel. Beko, 88 Nev. 76, 86-87 (1972) citing State v. Eastabrook, 3 Nev. 173(1867), Sawyer v. Dooley, 21 Nev. 390, 397 (1893), State v. Kruttschnitt, 4 Nev. 178 (1868), Boyne v. State ex rel. Dickerson, 80 Nev. 160, 166 (1964). The Nevada Supreme Court has held that it was error for an assessor in one county to apply a different valuation calculation to determine the value of property than assessors in other counties. State ex rel. State Board of Equalization v. Bakst, 122 Nev. 1403 (2006). Therefore, it would likely also be error for a tax assessor to assess or

collect a different amount of tax among properties of the same type within the same county or assessment area.

There appear to be two avenues under Nevada law in which certain property owners can be exempted from paying a particular tax for which they would otherwise be responsible: tax increment areas and redevelopment areas.

NRS 278C.130 defines a "tax increment area" as one which benefits from a particular "undertaking." Property owners within the "tax increment area" must be notified and given an opportunity to appear at a hearing on the proposed tax. NRS 278C.180 et seq. NRS 278C.250 provides that upon approval, property owners within a "tax increment area" may be taxed with the proceeds going towards the funding of the "undertaking." NRS 278C.140 defines an undertaking as either a drainage and/or flood control, overpass, sewerage, street, underpass, or water project. A tax increment area may only be created by "the governing board of a municipality." NRS 278C.150. NRS 278C.070 provides that "[m]unicipality" means any county or city in this State." Therefore, a general improvement district does not qualify as a municipality and may not create a tax increment area. This conclusion is further supported by NRS 278C.140 which describes the particular "undertakings" that a city or county may provide for by establishing a tax increment area.

NRS 279.410 defines a "redevelopment area" in which ad valorem taxes may be redistributed for the purpose of redeveloping blighted areas. This redistribution may be utilized to carry out a "redevelopment project" which is defined as any undertaking of an agency to carry out the provisions of NRS 279.382 to NRS 279.685, inclusive. NRS 279.412. NRS 279.426 provides that a redevelopment agency exists "in each community." NRS 279.392 defines a community as "a city or county." Therefore, a redevelopment agency does not exist in an area governed by a general improvement district and a general improvement district lacks the authority to initiate a redevelopment agency's actions pursuant to NRS 279.428.

### Conclusion

Absent the creation of a "tax increment area" or "redevelopment area," there does not appear to be any authority or statute that would allow a particular property owner to be exempted from paying an ad valorem tax. Further, RHGID does not have the statutory authority to create a "tax increment area" or a "redevelopment area." The Nevada Constitution specifically requires that ad valorem taxes be applied equally across various types of property and to all property owners absent a specific exemption. There is no statutory exemption in NRS Chapter 361 that would allow for the exemption of individual property owners on the basis that they are not receiving the benefit identified as the purpose for levying a particular ad valorem tax.