# DC commish says yes to gas tax, no to sales tax

**By Anne Knowles**

MINDEN – The Douglas County Board of County Commissioners this week voted to raise the gas tax to pay for road maintenance, but failed to pass a sales tax bump to fund a list of countywide projects.

The additional gas tax will make possible much needed road improvements, but the failure of the sales tax hike means the county may not be able to tap into some state and federal matching funds, and will likely struggle to find other ways to pay for each of the dozen projects.

Those proposed projects include total maximum daily load maintenance of catchments, including Kahle urban catchment, Logan Creek, Lakeridge and Lake Village general improvement districts and Cave Rock.

Burke Creek in Stateline is one storm drainage that has had work done to it. Photo/LTN file

The price tag for the county portion of those projects totals $14.3 million. The sales tax increase, which had an expiration date, was expected to generate $15 million over its 10-year life.

But the total cost is much higher. Some projects would be paid in total by the county, but others, such as a study for an alternative route for Highway 395, would be completed with $7.2 million in additional funds from the state and feds that could be obtained if the county puts up $1.8 million.

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“We have the opportunity to kill an awful lot of birds with a relatively small stone,” Commissioner Greg Lynn said at the Dec. 3 meeting while arguing in favor of the tax change. “If we don’t do this, each one will require a separate source now.”

The 5-cent per gallon jump in the county’s gas tax was passed with a vote of 4-1, with Commissioner Barry Penzel voting no.

“It’s a matter of principle,” Penzel said during a discussion before the vote. “When we’re talking about taking money out of taxpayers’ pockets we should at least ask their permission.”

The hike is expected to generate $900,000 annually.

Jim Nichols, county manager, said $600,000 would be earmarked for road maintenance.

The county has a huge backlog of road repairs, amounting to tens of millions of dollars, which it has recently been paying for through allocations from the county’s general fund.

plan/remediation projects – $500,000 • TDML maintenance of catchments – $450,000 • Highway 395 alternate route study – $1.8 million • Road maintenance – $4 million • Turn lane on Highway 208 at Albite Road – $200,000 •Roundabout at Highway 88-Centerville Lane – $650,000 •Roundabout at Highway 756-Waterloo Lane – $400,000 • Heybourne Road extension – $1.5 million • Muller Parkway extension – $3.8 million • Ranchos connectivity path – $800,000 •Martin Slough trail, phase II – $60,000 • Pony Express trail, upper portion – $100,000

Source: *Douglas County*

“We have been robbing Peter to pay Paul and not looking to the future,” Commissioner Steven Thaler said. “Public comment seems to be evenly divided. The roads need to be fixed. This is a no-brainer to me.”

During public comment, resident Bob Ballou echoed Penzel.

“These taxes, while they may be for good purposes, ought to be approved by the entire public,” Ballou said.

Nichols said the remaining $300,000 raised by the higher tax would be leveraged to get state and federal grants for the South Shore Revitalization Project, locally known as the loop road.

“We’re not going to benefit from a lot of this,” said Linda Foster, county resident, during public comment. “We’re paying for improvements at the lake that helps the business up there.”

Several people spoke in favor of the tax hike, including Bill Chernock, executive director of the Carson Valley Chamber of Commerce.

“We need an infrastructure that works. Everybody is paying, businesses, visitors, local residents. And there is a rough correlation between how much you pay and how much you use the roads,” said Chernock. “And as far as the Highway 50 portion to make the loop road, that is going to happen. We can start building that fund now and get proactive. That money does flow down the hill.”

The commission also passed a plan for projects to be paid for by the defeated infrastructure sales tax.

The resolution on the projects was required before the commission could take up the tax itself, which was a 0.25 percent increase in the sales tax.

The resolution passed relatively easily, although there was some dissatisfaction with the agreed upon list of projects, even among supporters.

“I support the tax. Do I like the list? No, I hate the list,” said county resident Carlo Luri. “But is it fair? Yes, it benefits the most people in the county."

Commissioner Lynn agreed.

"I don't like the list either, but it represents a wide array of stakeholders and will transform the county if all of them can be implemented," he said.

The tax itself needed a two-thirds majority or four votes. It failed, with Commissioners Doug Johnson and Penzel voting no.

"I'm not afraid of going out there and saying these are good projects, we need this tax," said Penzel. "This doesn't have to end the story. We can get it on the ballot."

District Attorney Doug Ritchie was asked if there is time to get a ballot approved before the next election. He said there are several types of measures and it would depend on which one was pursued.

The three commissioners in support of the sales tax hike each tried to persuade their dissenting colleagues.

Commissioner Thaler said the commission was elected to make big decisions and that the voters had the power to repeal the tax hike.

"They've done it before," he said. "If we don't pass this, it dies."

Commissioner Nancy McDermid pointed to Elko County, an equally conservative county, which this week passed a 0.25 percent increase in its sales tax.

"They are not a receiving county, they are a giving county," said McDermid.

McDermid was referring to the fact that some taxes collected by Nevada's 17 counties are pooled and redistributed through the consolidated tax distribution.

As a result, Clark, Washoe and Elko counties put in more money than they get back and the remaining 14 counties, including Douglas, receive more than they contribute.

“Now we’re going to hold out our hands while we let others tax themselves?” she asked. “How do we look at the people in Elko and say thank you for raising your taxes?”

Commissioner Lynn conceded it wasn’t an easy choice.

“The timing could be better. It is difficult to bring forward two taxes at once,” he said. “But the gas and sales tax are complementary and if we don’t do this, then shame on us.”