



February 21, 2012

Russell Guindon
Principal Deputy Fiscal Analyst
Fiscal Analysis Division
Legislative Building
401 S. Carson Street
Carson City, NV 89701-4747

Dear Mr. Guindon,

Please find attached possible concerns that Henderson District Public Libraries has regarding the CTAX. The transmittal was approved by the Board of Trustees on February 16, 2012 at a regular Board meeting. Due to limited resources, we have not been able to run models to determine the outcome of these points, but respectfully ask the committee to consider further analysis, if action is taken in modifying the CTAX distribution. We sincerely appreciate the opportunity to have a voice in the Interim Study, and we very much appreciate your efforts, those of the committee and the LCB staff in preparing for these discussions.

Respectfully,

A handwritten signature in black ink, appearing to read "Thomas F. Fay", is written over a horizontal line.

Thomas F. Fay
Executive Director
Henderson Libraries

cc: Senator Richard Bryan, Lionel Sawyer & Collins
Brin Gibson, Lionel Sawyer & Collins

Enclosure
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**Consolidated Tax
Identified Issues and Suggested Areas of Analysis for the Distribution Formula
February 2012**

With the passage of Assembly Bill 71 during the 2011 Legislature, the opportunity has become available to look at the structure of the Consolidated Tax (CTX) Distribution Formula. The Legislative Commission subcommittee has requested that all entities identify a list of potential issues for analysis and discussion during the Interim Study.

Libraries have seen incredible increases in use over the last decade, while experiencing incredible decreases in tax revenue over the last four years. Henderson Libraries appreciates the opportunity presented by the Legislative Subcommittee to present issues, and we value the discussions that have taken place thus far.

Henderson District Public Libraries has not had the means to run models against the identified issues listed below. However, Henderson Libraries has identified issues that may merit consideration by the subcommittee, and the Board of Trustees has reviewed and approved the forwarding of these issues to the Legislative Subcommittee. The issues are as follows:

Change in Population and the Excess Distribution Formula

Under the current formula, cities and counties receive their portion of excess distribution based on the sum of their 5 year average percentage change in assessed value and their 5 year average percentage change in population. Special districts receive their portion of excess distribution based on their 5 year average percentage change in assessed value only. Henderson District Public Libraries suggests further analysis to consider including the 5 year average percentage change in population to the formula for calculation of the library's excess distribution. Since 2007, library districts in Clark County serve distinct populations that are coterminous with their respective city or combination of city/county.

Fiscal 2012 saw negative assessed valuation. Possibly develop a long term solution to potential negative growth patterns.

Lack of Dynamic Base Adjustments

Since the base amounts were set in the 1990s, base adjustments grow on CPI only. CPI may not accurately reflect the growth of some communities as they are today and as they change in the future. Once again, we believe that population should be considered for libraries if base adjustments are made moving forward.

Henderson District Public Libraries thanks the committee members for their time and consideration in this matter and we look forward to continued discussion that will determine an equitable solution to the Consolidated Tax distribution.

Respectfully,

A handwritten signature in blue ink that reads "Colleen Bell".

Colleen Bell
Chair, Board of Trustees
February 16, 2012

Henderson District Public Libraries Contact Persons:

Tom Fay, 702-492-6590
Debbie Englund, 702-492-6583