



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL

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September 17, 2014

Via First Class Mail

Kathleen M. Orsley
1500 Truckee Lane
Fernley, Nevada 89408

Re: Open Meeting Law Complaint, A.G. File No. 14-018 City of Fernley

Dear Ms. Orsley:

We reviewed your Open Meeting Law complaint that alleges the City of Fernley failed to give the public notice of an increase in annual property tax rate during the City's budgeting process for fiscal year 2013/2014. After review of City of Fernley's comprehensive explanation of the budgeting process, wherein tax rates are proposed and finally set by the State, it is clear that no open meeting law violation occurred.

The City of Fernley has provided this office with a complete overview of the process it uses to adopt its annual budget. A combined tax rate is set by the State pursuant to state law for the next fiscal year beginning July 1, of each year. The property tax rate is based on examination of all taxable property within the county and the county auditor/assessor is required by statute to notify each individual property owner within the County with an informational regarding his/her property. NRS 354.596. This notification must indicate the property's assessed valuation, the combined tax rate applicable to the property and the percentage increase/decrease for the ensuing fiscal year, the amount of tax collected, and the percentage increase/decrease of the amount for the ensuing fiscal year.

The State of Nevada sets the process for budgeting for each governmental entity in the State and it determines what the final combined tax rate will be for each governmental entity in the County; the City does not set the final tax rate. NRS 361.4547. The annual budget for each governmental entity sets the property tax rate for the entity (it also sets other tax rates), but only after the City and other entities within Lyon County submit budgets to the Nevada Department of Taxation.

Kathleen M. Orsley
September 18, 2014
Page 2

NRS 354.598. It is the Department of Taxation which then finally sets a combined tax rate, but only after consideration of each governmental entity's final approved budget. NRS 361.4547.

State law mandates that certain notice be given to the public throughout the process. NRS 361.4545; NRS 354.596. On May 1, 8, and 15, 2013, the City of Fernley published a public notice of tentative budgets and tax rates in the Mason Valley News—Leader Courier. We were provided a copy of the Public Notice published in the Mason Valley News. Cost for publication over three days was \$1690.50. The tentative budgets and tax rates had been submitted to the State Department of Taxation on April 15, 2013 and were available for inspection by the public. Public hearings were scheduled to receive opinions from the public on the proposed budgets and tax rates prior to adoption of the City of Fernley's budget for fiscal year 2014. The public Notice was published in the Mason Valley News—Leader Courier. The public hearing on the tentative budget for City of Fernley was held on May 21, 2013, at City Hall at 5:00 p.m.

We are grateful to the City of Fernley for the comprehensive explanation of its budgeting process which includes an explanation of how the combined tax rate is set. We did not find a violation of the Open Meeting Law. We are closing our file on this matter.

Sincerely,

CATHERINE CORTEZ MASTO
Attorney General

By:


GEORGE H. TAYLOR
Senior Deputy Attorney General
Bureau of Government Affairs

GHT:smg

Cc: Brandi Jensen, City Attorney
Christopher Good, City Manager
Kelly Malloy, Councilwoman
Daniel McCassie, Councilman
Roy Edgington, Councilman
Susan Seidl, Ward 4 / Councilwoman
Cal Eilrich, Ward 5 / Councilman
Denise Lewis, Finance Director
LeRoy Goodman, City Mayor/Chairman