

A "Grab" To The Other Counties Because Clark County's Getting It

1-30-43

(Fallon Eagle)

Because Clark county is on the receiving end, to other counties of the state the Boulder dam power revenue split is a "grab" which is without justification, and all the advance dope was that the 1943 legislature would be asked to repeal the bill passed at the last session, granting to Clark county 20 per cent of the annual payment to this state of \$300,000.

Now Clark county didn't steal anything at the last session. The so-called Boulder dam bill had plenty of airing. Numerous hearings were held before the federal relations committee. Many responsible witnesses were called in. Their testimony established to the apparent satisfaction of a majority of the committee's members, two things: First, that the grant to Nevada from power revenues was to be "in lieu of taxes" which would have accrued from private development of the power site; second, that there would certainly have been private development.

Conceding that private development probably would not have been on so large a scale as that undertaken by the government, it must also be conceded that any private development, to have been worth anything at all to a community like Los Angeles, would have had to involve the investment of several millions.

Had such private development taken place, the incidental development in Clark county of other industries creating taxable property, would have been the same as under public development, and Clark county, instead of collecting only 20 per cent of the tax money, would have collected approximately 75 per cent. At the time the Boulder dam bill was passed, if memory serves correctly, the Clark county tax rate was \$2.30 or thereabouts, and the state rate was 58 cents. Thus, from each \$100 of taxable valuation, under private development, Clark county would have collected \$2.30 and the state of Nevada 58 cents, or just about one-fourth what Clark county would have received.

If it be accepted that the payments to the state are in lieu of taxes, then the Clark county settlement, on a 20-80 basis, with the state on the long end, was generous to the state—and, it is fair to assume, was a settlement which no other county in the state would have accepted without a battle had the development been in one of them instead of in Clark.

To argue that Clark county has profited otherwise, and is therefore not entitled to a split on power revenues, is the same as arguing that, if you owe a man money, you are not obligated to pay him if he is receiving plenty of money from other sources.

Either the payment to Nevada is in lieu of taxes or it is not. Either there would have been private development of the power site or there would not. But if, as witnesses established, the affirmative is true in both cases, the matter of whether Clark county profited by its geographical location in other ways, should not enter into the controversy.

The last legislature, we believe, acted in good faith in voting approval of the bill which gave Clark county the 20 per cent cut. The current session can find better things to devote its time to than an attempt to set aside an enactment by its predecessor.