

# Judge tosses Nevada ballot plans to raise casino taxes

A judge rejected last Friday two ballot initiatives to raise taxes on Nevada's biggest casinos to about 20 percent and generate up to USD 2 billion a year for teachers' pay, highway construction and other projects.

Carson City District Judge Bill Maddox said the initiatives, filed by Las Vegas lawyer Kermitt Waters, don't comply with a state law requiring an initiative to be limited to one subject.

Maddox said the plans called for an increase in license fees for resorts, and went beyond that to spell out how the tax revenue would be spent. One of the plans also sought to erase property taxes on primary residences. He also said the proposals, challenged by the Nevada Resort Association, would amount to an improper delegation of lawmakers' authority to tax and spend.

The judge's decision was praised by Bill Bible, head of the NRA, who said: „Had this initiative gone forward and become law it would have had disastrous consequences for Nevada's main industry and economic driver.“

In arguing against the proposals, NRA attorney Todd Bice raised the single-subject requirement that ensures unpopular measures aren't bundled with more popular proposals to improve their odds of passage.

Bice also argued that the proposals would result in „a fundamental revision of the structure of the Nevada Constitution,“ which can't be done through the initiative process.

Under both plans, 35 percent of the new revenue would be used

to help cover a shortfall in highway construction funding; 25 percent would be used to improve pay of teachers; and 25 percent would be used for alternative energy projects and water desalination plants in southern Nevada.

The rest of the revenue would be used to shore up the state's Millennium Scholarship program for university students; and to help support Nevada's court system.

The ruling by Maddox followed a recent District Court ruling that kept alive a teachers' union petition to increase gambling taxes, but required wording changes in that plan.

The proposal by the Nevada State Education Association would rise about USD 250 million a year for public education. The NSEA followed up on that court order with a revised petition which was filed February 5.

The surviving NSEA proposal would have to win voter approval in the 2008 and 2010 elections. To qualify for a spot on the ballot, it will need at least 58,628 signatures from supporters. Those signatures are due by May 20.