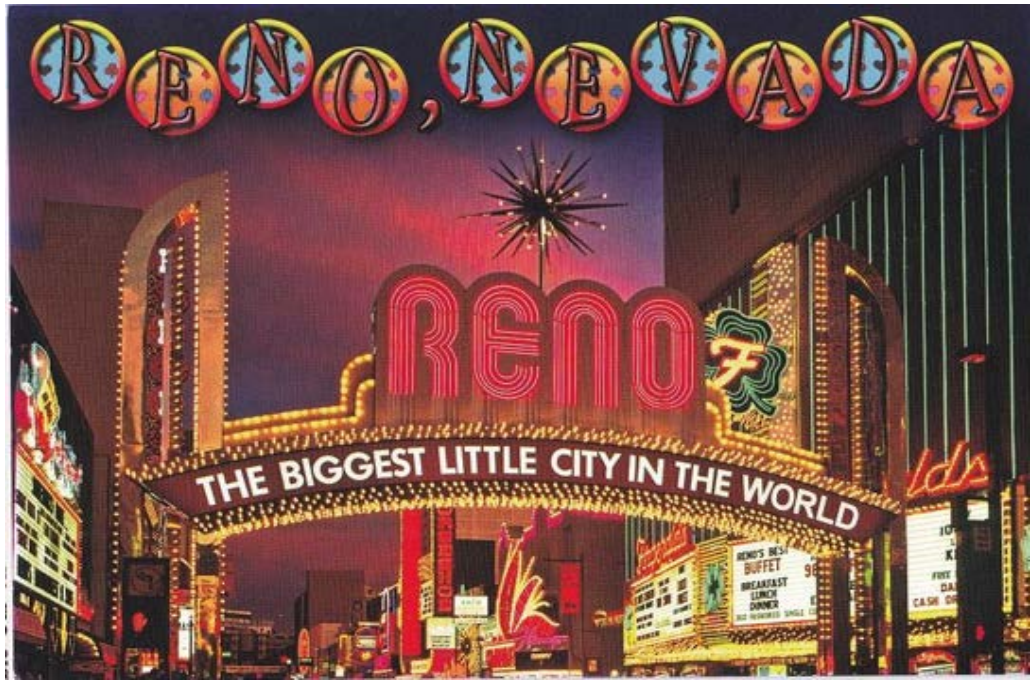
The Downtown Tax
BID/DRP “Fee”

Every Property Tax Owner is assessed: Churches, Non-Profits, condos owners all for a “Business Improvement District”



They call it a fee but it is on your tax bill and pay it for your property seized by the County Treasurer. Hummmm

The Downtown Reno Business Improvement District aka DRP claims to be a non-profit 501c6 advocacy organization (as opposed to a charitable 501c3). They receive a taxes/fees assessed on all local property owners in the downtown district. The NV Dept of Taxation has opined they are de facto subject to local government jurisdiction. We believe therefore they are subject to Open Meeting and Public Document Laws. Where are their IRS 990 annual filings? Even if they are a 501c6 Advocacy we believe taxpayers should not be forced to support such business advocacy esp non-business owners such as retirees in condos, churches, etc. It appears clear that taxpayers outside the District have and do subsidize the BID. The BID has No Members nor dues, nor any common business interest nor can one opt-out as required by the IRS for Non-Profits. Read On…

FROM THE NEVADA DEPARTMENT OF TAXATION

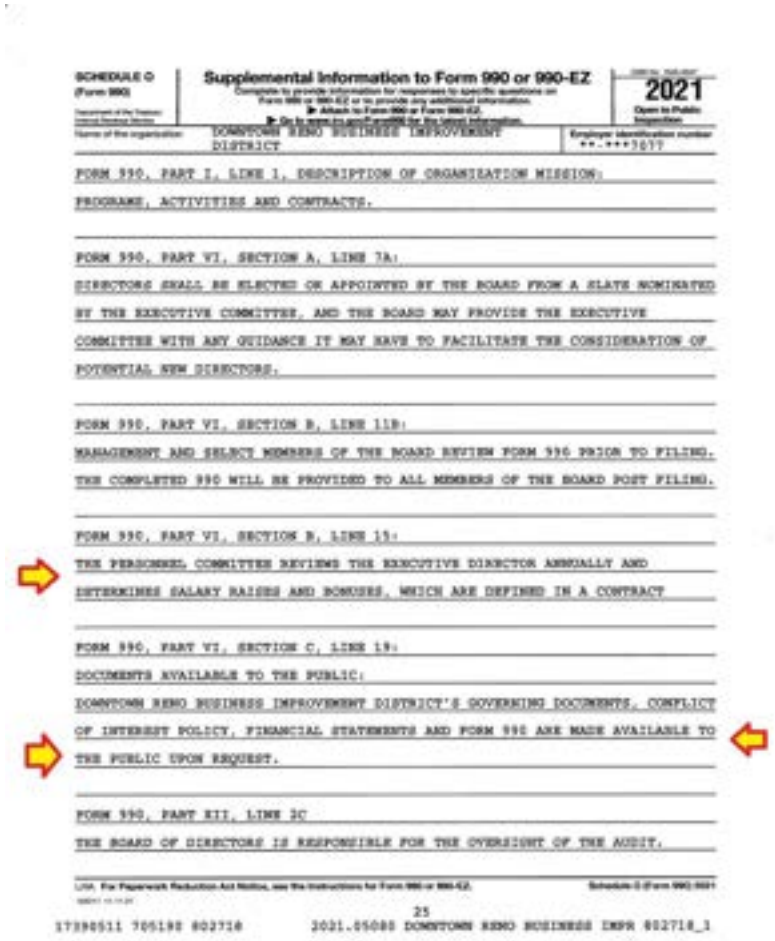
(The BID is really a local government! How can you be a non-profit 501C6 and a local government?)

“ As discussed today, the additional question if Taxation has jurisdiction is that the BID/DMO would then be subject to Nevada Taxation oversight as they are a public body making governmental decisions including the annual increase.

At a minimum, the Reno BID/DMO is subject to the jurisdiction of the Department pursuant to the Local Government Budget and Finance Act, pursuant to NRS 354.474(1). For instance, the creation of a special assessment/local improvement district pursuant to NRS 271 would appear to trigger budget reporting responsibilities for contracts associated with the expenditure of the special assessment levies pursuant to NRS 354.5965.

NRS 354.474 Applicability to local governments; “local government” defined.

Where are the 2022-2025 Annual IRS Tax Forms and Why can’t we see them?



SCHEDULE O (Form 990) — Supplemental Information to Form 990 or 990-EZ — 2021

DOWNTOWN RENO BUSINESS IMPROVEMENT DISTRICT

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:
PROGRAMS, ACTIVITIES AND CONTRACTS.

FORM 990, PART VI, SECTION A, LINE 7A:
DIRECTORS SHALL BE ELECTED OR APPOINTED BY THE BOARD FROM A SLATE NOMINATED BY THE EXECUTIVE COMMITTEE, AND THE BOARD MAY PROVIDE THE EXECUTIVE COMMITTEE WITH ANY GUIDANCE IT MAY HAVE TO FACILITATE THE CONSIDERATION OF POTENTIAL NEW DIRECTORS.

FORM 990, PART VI, SECTION B, LINE 11B:
MANAGEMENT AND SELECT MEMBERS OF THE BOARD REVIEW FORM 990 PRIOR TO FILING. THE COMPLETED 990 WILL BE PROVIDED TO ALL MEMBERS OF THE BOARD POST FILING.

FORM 990, PART VI, SECTION B, LINE 15:
THE PERSONNEL COMMITTEE REVIEWS THE EXECUTIVE DIRECTOR ANNUALLY AND DETERMINES SALARY RAISES AND BONUSES, WHICH ARE DEFINED IN A CONTRACT

FORM 990, PART VI, SECTION C, LINE 19:
DOCUMENTS AVAILABLE TO THE PUBLIC:
DOWNTOWN RENO BUSINESS IMPROVEMENT DISTRICT'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, FINANCIAL STATEMENTS AND FORM 990 ARE MADE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XII, LINE 2C
THE BOARD OF DIRECTORS IS RESPONSIBLE FOR THE OVERSIGHT OF THE AUDIT.

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990 or 990-EZ. Schedule O (Form 990) 2021

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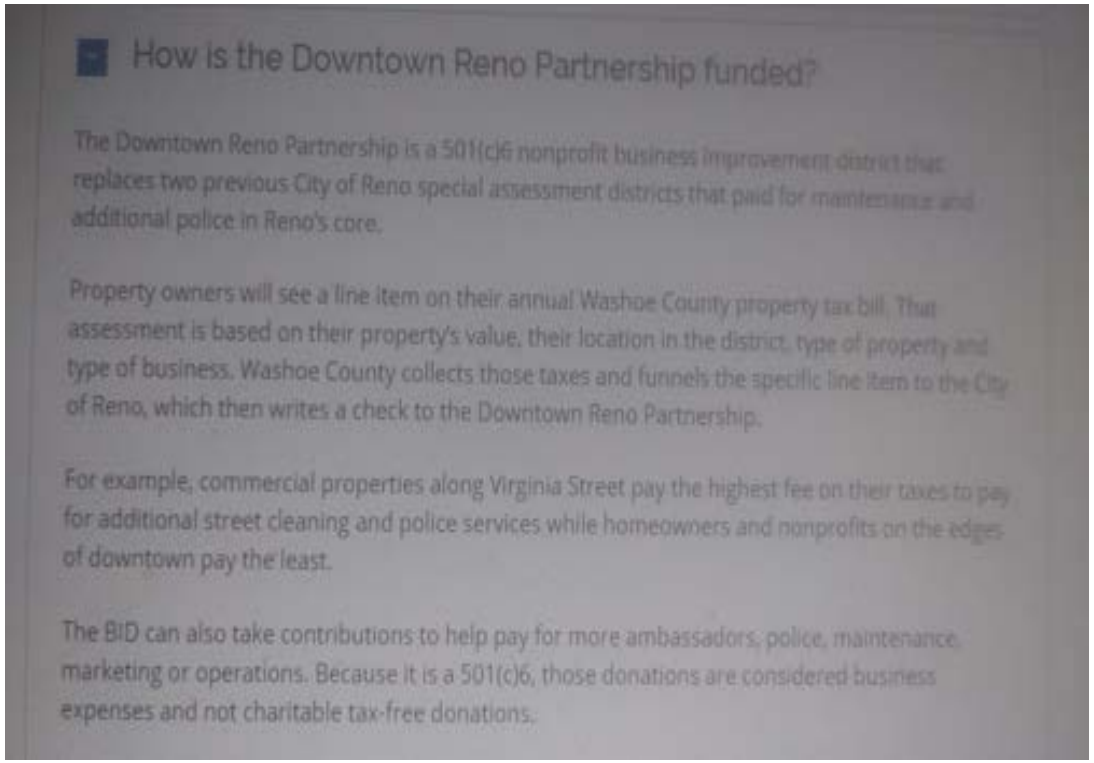
17390511 705198 802718 2021.05080 DOWNTOWN RENO BUSINESS IMPR 802718_1

From their Website and a Downtown Condo Tax Bill as a Tax (not fee) and funneled to Reno for a Business Improvement District

From the Official BID Website before they took it down. The BID is a 501C6 not a 501C3 Non Profit. I love the wording " Washoe County collects the taxes and funnels the specific line item to the City…" So taxes not fees and "funnels" the $ to Reno- so they are part of Reno, a local government.



How is the Downtown Reno Partnership funded?

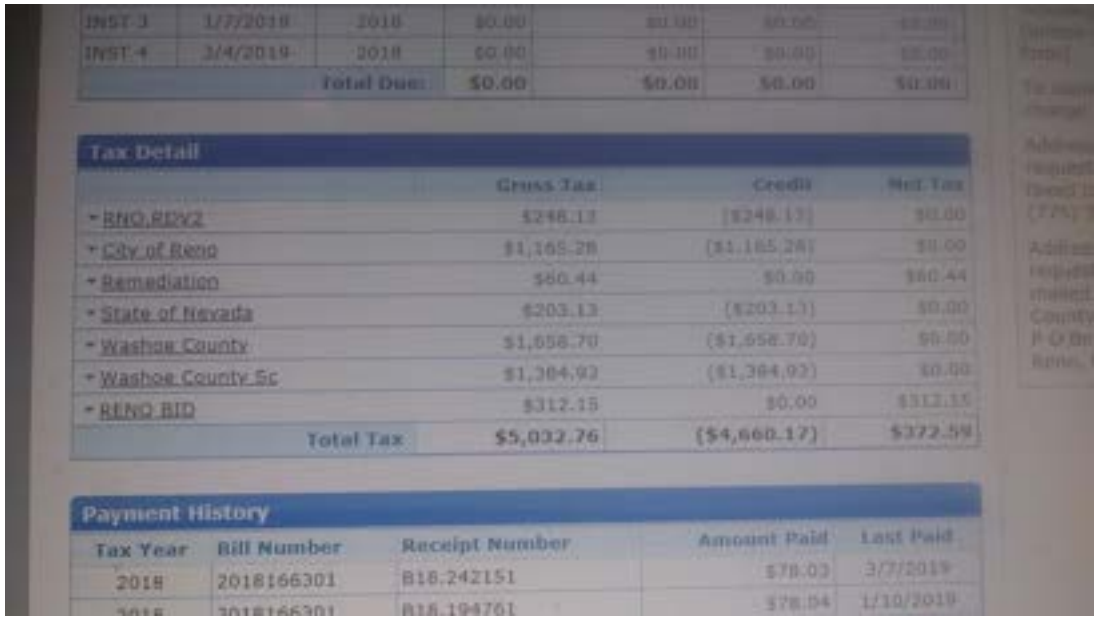
The Downtown Reno Partnership is a 501(c)6 nonprofit business improvement district that replaces two previous City of Reno special assessment districts that paid for maintenance and additional police in Reno's core.

Property owners will see a line item on their annual Washoe County property tax bill. That assessment is based on their property's value, their location in the district, type of property and type of business. Washoe County collects those taxes and funnels the specific line item to the City of Reno, which then writes a check to the Downtown Reno Partnership.

For example, commercial properties along Virginia Street pay the highest fee on their taxes to pay for additional street cleaning and police services while homeowners and nonprofits on the edges of downtown pay the least.

The BID can also take contributions to help pay for more ambassadors, police, maintenance, marketing or operations. Because it is a 501(c)6, those donations are considered business expenses and not charitable tax-free donations.

Sample Tax Bill: $312 for the BID



INST 3	1/7/2019	2018	$0.00	$0.00	$0.00	$0.00
INST 4	3/4/2019	2018	$0.00	$0.00	$0.00	$0.00
		Total Due:	$0.00	$0.00	$0.00	$0.00

Tax Detail

	Gross Tax	Credit	Net Tax
RNO RDV2	$248.13	($248.13)	$0.00
City of Reno	$1,165.28	($1,165.28)	$0.00
Remediation	$60.44	$0.00	$60.44
State of Nevada	$203.13	($203.13)	$0.00
Washoe County	$1,658.70	($1,658.70)	$0.00
Washoe County Sc	$1,384.93	($1,384.93)	$0.00
RENO BID	$312.15	$0.00	$312.15
Total Tax	$5,032.76	($4,660.17)	$372.59

Payment History

Tax Year	Bill Number	Receipt Number	Amount Paid	Last Paid
2018	2018166301	B18.242151	$78.03	3/7/2019
2018	2018166301	B18.194701	$78.04	1/10/2019

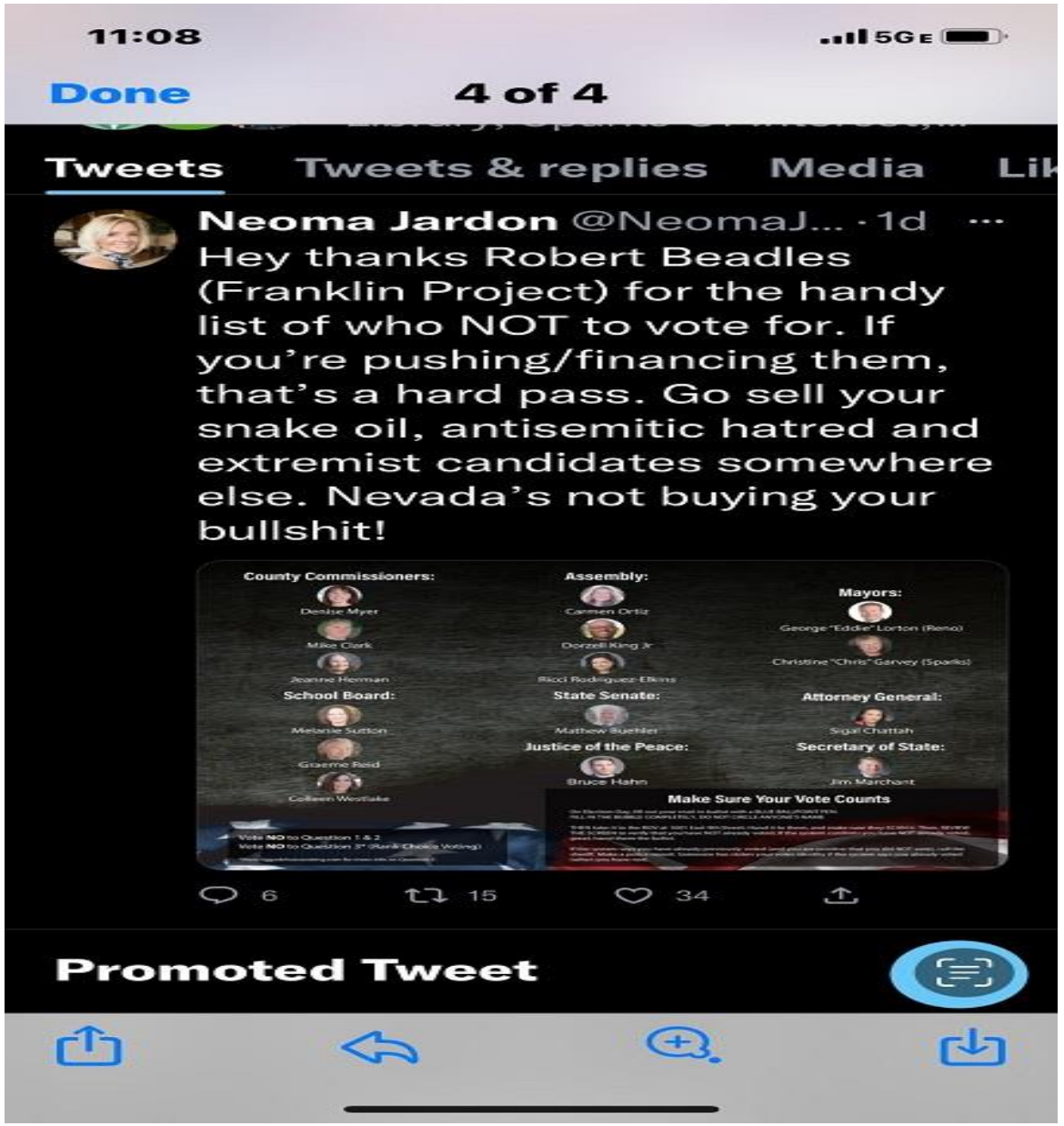
Should the BID/ DRP Be Subject to the Open Meeting Law (OML) and NRS 239 Public Documents law?

Compalint (ignored): We contend that DRBID is NOT a 501(c)(6) organization because it has no members, it has no membership support or dues, and it lacks a common business interest – all characteristics required by the I.R.S. DRBID is a government agency rather than a nonprofit 501(c)(6) organization. Also, DRBID has not filed Form 990 as required by the I.R.S."

"The City appointed the DRBID Board of Directors. At least two members were locally elected officials; one a City Council member. Since DRBID Bylaws clearly state there are no members, then it must be concluded that the DRBID Board Members are City appointees and not elected by DRBID members."

Because we believe they are a de-facto local government, yes they should be subject to Nevada's Open Meeting and Public Document laws but no one is willing to stand up and pursue that.

Jardon is the Director of the Reno BID and former City Council Member (See Ethics Complaint Case No. 22-098C) How convenient. Her political tweet hardly becomes a person in her position who is supposed to be non-partisan in her duties



EDITED FOR BREVITY, Comments refer to the BID:

STATE OF NEVADA BEFORE THE NEVADA COMMISSION ON ETHICS
In re Neoma Jardon, Former Member, City Council, Ward 5, City of Reno, and Former Chair, Regional
Transportation Commission Washoe, State of Nevada,
Ethics Complaint Case No. 22-098C

A. The Partnership is a unique entity. It was established by interested landowners specifically to work in support of the BID, which was **created by the City.** As such, it has **no marketplace competitors** for its services that are now at a disadvantage because of Jardon's employment. This nature of this type of **public/private partnership means there are not open competitors for these contracts** at this time.

B. The **services provided are quasi-public** such as city beautification and services of vulnerable populations.

e. **Jardon agrees to a civil penalty of $3,060.00, pursuant to NRS 281A.790(3),**

Reno Downtown Business Improvement District: Lets Summarize

Various opinion seem to agree that the BID is not really a non-profit but a part of the City of Reno as a local government.

- Thus it appears subject to Nevada Open Meeting Law and Public Document Law

If it were 501c6 non-profit it raises serious issues about the use of tax dollars for lobbying.

If it were a non-profit it seems to violate IRS law as it has no dues nor members, thus the appointed board cannot be voted in or out, and it has no common business interests such as with churches, non profits, retiree condo owners etc.

-Why won't it show us their 2022- 2024 IRS Form 990 required filings?

The Entire mess stinks and no one seems to care.

"The people of this state do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over instruments they have created." OML Manual