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MEMORANDUM

DATE: October 11, 2016

TO: Members of the 30th Special Session of the Legislature

FROM: Michael Nakamoto, Deputy Fiscal Analyst 
Fiscal Analysis Division

SUBJECT: Fiscal Note for Senate Bill 1 – Additional Response

Subsequent to the issuance of the fiscal note on Senate Bill 1, the following financial impact statement was submitted to the Fiscal Analysis Division:

LOCAL GOVERNMENT RESPONSE

Clark County

See attached.

Yolanda King, Chief Financial Officer

cc: Rick Combs, Director, Legislative Counsel Bureau
Brenda Erdoes, Legislative Counsel
Mark Krmpotic, Senate Fiscal Analyst
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Clark County Financial Impact SB1

Section 56 of SB1 caps the amount of Room Tax Collections distributed to the county and the cities to \$25 million. The current amount of Room Tax Collections for Fiscal Year 2016 is estimated to be \$25 million. The intent of the capped language is to hold harmless the cities and county. The growth of Room Tax Collections in excess of the \$25 million will be used as part of the funding model for the LVCVA's expansion.

The table below estimates the amount of Room Tax Collection Fees in excess of the \$25 million that will not be received by the county and the cities (column 2) and be redirected to the LVCVA. The amount of Room Tax Collection Fees in excess of \$25 million shown in column 2 of the table below is data provided as part of the LVCVA's funding model.

The County currently receives 43% of the Room Tax Collection Fees. The cities receive the remaining 57% of the Collection Fees. To demonstrate the amount of funding annually that will not be collected by the County and redirected to the LVCVA is shown in the table below. For example, in Fiscal Year 2017, the estimated amount in Room Tax Collection Fees that will exceed the \$25 million is \$2,543,543 (column 2). Since Clark County receives 43% of the Room Tax Collection Fees, the amount of fees that will not be received by the County is \$1,204,156 (column 3) which is 43% of column 2. This annual impact grows over time because it's assumed that the room taxes collections will increase 2% each year. Over a 33 year period, the amount of money not received by the County and redirected to the LVCVA is \$289.9 million.

Fiscal Year	Amount of Collection fees in	
	Excess of \$25M to be redirected to the LVCVA	County Annual Impact
2017	2,543,543	1,204,156
2018	3,499,771	1,656,850
2019	4,489,545	2,125,425
2020	5,514,037	2,610,437
2021	6,422,734	3,040,629
2022	7,358,760	3,483,760
2023	8,322,932	3,940,215
2024	9,316,095	4,410,395
2025	10,339,119	4,894,711
2026	11,217,002	5,310,316
2027	12,116,888	5,736,337
2028	13,039,326	6,173,034
2029	13,984,880	6,620,675
2030	14,954,127	7,079,533
2031	15,748,649	7,455,673
2032	16,559,106	7,839,357

2033	17,385,818	8,230,736
2034	18,229,109	8,629,964
2035	19,089,310	9,037,198
2036	19,966,759	9,452,597
2037	20,861,800	9,876,324
2038	21,774,785	10,308,546
2039	22,706,072	10,749,433
2040	23,656,027	11,199,158
2041	24,625,023	11,657,896
2042	25,613,440	12,125,830
2043	26,621,666	12,603,141
2044	27,650,097	13,090,017
2045	28,699,137	13,586,650
2046	29,769,197	14,093,234
2047	30,860,697	14,609,969
2048	31,974,066	15,137,056
2049	33,109,742	15,674,704
2050	34,268,168	16,223,122
Total		289,867,077