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BDR 32-122
A.B. 533

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 01, 2003

Agency Submitting: Department of Motor Vehicles

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Total				

Explanation (Use Additional Sheets of Attachments, if required)

The Department has reviewed this BDR and believes that there is not a significant Fiscal Impact to the Department as a result of the BDR.

Name Dennis R. Colling
Title Chief of Administration

DEPARTMENT OF ADMINISTRATION'S COMMENT

Date April 02, 2003

Agency's estimates appear reasonable.

Name John P. Comeaux
Title Director

BDR 32-122
A.B. 533

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 02, 2003

Agency Submitting: Washoe County, Counties

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Total				

Explanation (Use Additional Sheets of Attachments, if required)

In the Washoe County Recorder's Office we are operating an automated Recording System known as CrisPlus+ with Eagle Computer Systems as our vendor. The Assessor's Office bought licenses to our system that provide them with the same information the Recorder inputs in "real time". At the present time our system works very well. I am not certain this meets the requirements that would be mandated upon the Recorder. The counties would have to fund new operating systems for both the Assessor and the Recorder if this is mandated. This should be controlled at the local level. Kathy Burke - Washoe County Recorder

This legislation should be revenue neutral to the Washoe County Assessor's Office. John L. Faulkner, CAE Chief Deputy Assessor Washoe County, NV 89520

Name Washoe County
Title Recorder and Assessor

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 31, 2003

Agency Submitting: Division of Assessment Standards, Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Loss of Revenue to State Debt Fund (Revenue)			(\$374,613)	(\$771,717)
Revenue Loss to Local Governments (Revenue)			(\$7,306,951)	(\$15,052,595)
Administrative Cost (Expense)				
Total			(\$7,681,564)	(\$15,824,312)

Explanation (Use Additional Sheets of Attachments, if required)

The totals in this fiscal note reflect only property tax exemption amounts and do not include the dollars lost due to the veteran's vehicle exemption administered by the DMV. For purposes of this analysis, approximately 46% of all veterans use the exemption on property taxes. The remainder, or 54%, use the exemption on vehicle licensing.

Section 4 of the bill provides for adjustment of the exemption amount by the CPI. In the attached spreadsheet analysis, the CPI is assumed to grow at an average of 2% per year for the 2005-06 and 2006-07 fiscal years.

Sections 7 and 8 of the bill modify NRS 361.090 to include all veterans regardless of combat duty. They need only serve on active duty a minimum of 90 days. This results in an additional 93,200 veterans who would become eligible for the exemption, assuming that 240,000 veterans are Nevada residents. ($240,000 * 46\% = 110,400$. $110,400 - 16,800$ already eligible = 93,200 new eligible).

The fiscal impact of Section 3, in which residency may be established by possession of a Nevada driver's license, is unknown. The fiscal impact of Sections 15 and 16 cannot be determined. The fiscal impact of Section 17 is expected to be minimal. The improvement factor is designed to reflect current change in replacement cost new, which is what a "recosting" would also accomplish.

The fiscal impact of Section 33 is one of distribution of revenues at the local level. No revenue loss occurs to the state or local government.

The fiscal impact of Section 32 is unknown because it depends on what property is sold to governmental entities.

Name Dino DiCianno

Title Deputy Executive Director

DEPARTMENT OF ADMINISTRATION'S COMMENT

Date April 02, 2003

The Agency estimate of the fiscal impact appears to be reasonable.

Name John P. Comeaux

Title Director Dept of Admin.

BDR32-122

REVENUE IMPACT

2004-05

	PERCENTAGE	NUMBER	EXEMPTION	ASSESSED VALUE
BLIND	0.36%	430	3,000	1,290,000
ORPHANS	0.00%	2	1,000	2,000
WIDOWS	7.15%	8,600	1,000	8,600,000
VETERANS	91.50%	110,000	2,000	220,000,000
100% DISABLED	0.54%	650	20,000	13,000,000
80% DISABLED	0.06%	70	15,000	1,050,000
60% DISABLED	0.21%	250	10,000	2,500,000
SURVIVING SPOUSE	0.18%	220	15,000	3,300,000
ALL VETERANS	100.00%	120,222	2,077	249,742,000

TOTAL TAX DOLLARS LOST	AVG RATE	0.030758	7,681,564
STATE DEBT FUND LOSS		0.001500	374,613
LOCAL GOVERNMENT LOSS			<u>7,306,951</u>

2005-06

	PERCENTAGE	NUMBER	EXEMPTION	ASSESSED VALUE
BLIND	0.36%	430	3,060	1,315,800
ORPHANS	0.00%	2	1,020	2,040
WIDOWS	7.15%	8,600	1,020	8,772,000
VETERANS	91.50%	110,000	2,040	224,400,000
100% DISABLED	0.54%	650	20,400	13,260,000
80% DISABLED	0.06%	70	15,300	1,071,000
60% DISABLED	0.21%	250	10,200	2,550,000
SURVIVING SPOUSE	0.18%	220	15,300	3,366,000
ALL VETERANS	100.00%	120,222	2,119	254,736,840

TOTAL TAX DOLLARS LOST	AVG RATE	0.030758	7,835,196
STATE DEBT FUND LOSS		0.001500	382,105
LOCAL GOVERNMENT LOSS			<u>7,453,090</u>

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REVENUE IMPACT

2006-07	PERCENTAGE	NUMBER	1.04 EXEMPTION	ASSESSED VALUE
BLIND	0.36%	430	3,120	1,341,600
ORPHANS	0.00%	2	1,040	2,080
WIDOWS	7.15%	8,600	1,040	8,944,000
VETERANS	91.50%	110,000	2,080	228,800,000
100% DISABLED	0.54%	650	20,810	13,526,500
80% DISABLED	0.06%	70	15,610	1,092,700
60% DISABLED	0.21%	250	10,400	2,600,000
SURVIVING SPOUSE	0.18%	220	15,610	3,434,200
ALL VETERANS	100.00%	120,222	2,161	259,741,080

TOTAL TAX DOLLARS LOST	AVG RATE	0.030758	7,989,116
STATE DEBT FUND LOSS		0.001500	389,612
LOCAL GOVERNMENT LOSS			<u>7,599,505</u>

ASSUMPTIONS:

2002-03 USES ACTUAL SECURED & ESTIMATED UNSECURED EXEMPTIONS & ASSESSED VALU

2003-04 ASSUMES HISTORICAL AVERAGE OF 18,000 TOTAL VETERAN EXEMPTIONS

SUBDIVIDED BY HISTORICAL AVERAGE PERCENTAGE OF TOTAL

2004-05 AND BEYOND ASSUME THAT 240,000 ESTIMATED VETERANS WILL TAKE EXEMPTION,
AND THAT 110,000 OR ABOUT 46% WILL EXEMPT REAL PROPERTY.

TOTAL NUMBER OF DISABLED EXEMPTIONS SHOULD REMAIN UNCHANGED.

2005-06 & 2006-07 ASSUME CPI GROWTH OF 2% PER YEAR

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 08, 2003

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Total				

Explanation (Use Additional Sheets of Attachments, if required)

The Department of Taxation estimated that local governments would lose approximately \$7.3 million in property tax revenue in FY 2005 if this bill were executed. The Department of Motor Vehicles did not provide information regarding the revenue loss that would result to local governments or to the department.

Nevada's local governments provided the following responses:

City of Henderson - \$83,367 in FY 2004; \$96,397 in FY 2005; \$240,350 in future biennia.

City of Las Vegas - Costs to be determined to provide hardware/software consistency.

Carson City - Unknown.

Clark County - Potential material fiscal impact.

Douglas County - \$62,000 per year.

Eureka County - Minimal fiscal impact.

Lincoln County - Did not provide financial information.

As of April 2, 2003, no other local government had provided a response.

Name Rick Combs

Title Deputy Fiscal Analyst

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