

**EXECUTIVE AGENCY  
FISCAL NOTE**

**AGENCY'S ESTIMATES**

Date Prepared: February 3, 2015

Agency Submitting: Secretary of State

| <b>Items of Revenue or<br/>Expense, or Both</b>   | <b>Fiscal Year<br/>2014-15</b> | <b>Fiscal Year<br/>2015-16</b> | <b>Fiscal Year<br/>2016-17</b> | <b>Effect on Future<br/>Biennia</b> |
|---|--------------------------------|--------------------------------|--------------------------------|-------------------------------------|
| Loss of General Fund revenue due to<br>expanded home-based business exemptions<br>(Revenue) |                                | (\$15,000,000)                 | (\$15,000,000)                 | (\$30,000,000)                      |
| Total   | 0                              | (\$15,000,000)                 | (\$15,000,000)                 | (\$30,000,000)                      |

Explanation

(Use Additional Sheets of Attachments, if required)

This bill exempts certain home-based business entities from the business licensing requirements of Chapter 76 of Nevada Revised Statutes, including a requirement to pay an annual business license fee of \$200. Based on information available to the Office of the Secretary of State, it cannot be determined how many entities would be eligible to a claim home-based business exemption and therefore not be required to pay the annual \$200 business license fee. However, data from FY 2011 (before regulations were adopted to limit home-based business exemptions) indicates 24 percent of Title 7 business entities claimed home-based business exemptions. By applying this 24 percent exemption rate to the current number of non-exempt business entities (over 300,000), it can be estimated that this bill would result in a loss of business license fee revenue of approximately \$15 million in each year of the 2015-17 biennium.

Name Wayne Thorley

Title Deputy Secretary of State

**DEPARTMENT OF ADMINISTRATION'S COMMENTS**

The agency's response appears reasonable.

Date Tuesday, February 03, 2015

Name Julia Teska

Title Director