

BDR 32-401 AB 96

LOCAL GOVERNMENT FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 9, 2015

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses A.B. 96 / BDR 32 - 401

City/County: Churchill County

Approved by: Eleanor Lockwood, County Manager

Comment: If BDR 32-401 passes, there would be software programming set-up costs estimated at approximately \$7,000. It would take our IT company a minimum of 3 months after the bill passed to make the necessary programming changes to accommodate the requirements of this BDR. This would not give the County enough time to complete the tax mailings that are required to establish our new tax year. If the bill were to have an effective date of July 1, 2016 that would provide ample time to implement the required changes. Additionally, passage of this BDR may create more staff work on tax payments and may justify the need to hire a part time employee to assist with the walk-in customers and posting payments via mail.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$32,000	\$25,000	\$25,000	\$25,000

City/County: Carson City

Approved by: Nickolas A. Providenti, Finance Director

Comment: After considering as many ramifications as I could and discussing with ADS, our property tax software provider, our ballpark estimate would be between \$70,000 and \$85,000. In addition the treasurer would need additional staff for the increased workload throughout the year - we estimate that at \$15,000 per year.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$100,000	\$15,000	\$30,000

City/County: Clark County

Approved by: David Dobrzynski, Assistant Director of Finance

Comment: Fiscal impact: If enacted the law would increase the County's Treasurer Office printing costs for penalty notices, advertising costs associated with public notices of property taxes, require a full-time staff member to manage the administrative processes and increased workload, and require one-time programming changes. The bill would reduce the penalty assessment to 7% of the installment due rather than 7% of the total taxes owed, no estimate on that impact.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$50,000	\$125,700	\$128,900	\$267,300

City/County: Eureka County

Approved by: Michael Mears, Budget Director

Comment: \$70,000 split among 15 counties to add additional software programming. This will increase processing costs and add additional employee hours to the billing process. New forms will also have to be designed and purchased as our existing bills will not work.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$13,000	\$0	\$0	\$0

City/County: **Humboldt County**

Approved by: Sondra Schmidt, Comptroller

Comment: Additional staff needed. 4 additional publications. Increased printing and postage costs due to additional mailing. Printing costs for two separate types of bills. Programming costs. July 1st is not feasible as programming can't be in place by that time. August 5th is too soon for the first installment date, most Counties do not have their tax bill file to their printer by 30 days before this date due to year-end close.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$70,600	\$67,300	\$70,000	\$70,000

City/County: Lander County

Approved by: Grance Powrie, Treasurer

Comment: THIS BILL AFFECTS THE COUNTY TREASURER AND COULD IMPACT STAFF WORKLOAD DUE TO COLLECTING MONIES EIGHT MONTHS RATHER THAN QUARTERLY.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$63,000	\$65,000	\$67,500	\$0

City/County: Lincoln County

Approved by: Denice Brown, Admin Assistant

Comment: Has Impact

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$16,750	\$21,990	\$21,990	\$0

City/County: Lyon County

Approved by: Josh Foli, Comptroller

Comment: This would require an increase in staffing to process the additional volume of checks, a software change, and an increase the printing of the tax bills. Lyon County accepts partial payments, so a person could already make monthly payments if they wish without having to formalize it into a required amount of additional payments.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$10,000	\$103,000	\$103,000	\$206,000

City/County: Pershing County

Approved by: Karen Wesner, Admin. Assist.

Comment: This BDR will have a huge financial impact to Pershing County. The programming costs alone would be approximately \$6,000 and could not be done in the time allotted by the BDR. It would also require additional staff for the additional work.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: White Pine County

Approved by: Elizabeth Frances, Finance Director

Comment: Expanding from the current 4 payment schedule to the include the optional 10 payment schedule would require the reprogramming of the County's software to accommodate this option. There would also be training required for this. An increase of \$6,000 is estimated in the current fiscal year to enable this. Subsequent years would require an increase in salaries and benefits as there would be an increase in the traffic to the Treasurer's Office to make payments in more installments and the assessment of fines/interest on a more frequent basis.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$6,000	\$27,500	\$28,325	\$60,970

The following counties did not provide a response: Douglas County, Elko County, Esmeralda County, Mineral County, Nye County, and Storey County.

LOCAL GOVERNMENT FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 9, 2015

Agency Submitting: Washoe County

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

- 1) Excel Attachment
- 2) Word Attachment

Name Liane Lee

Title Government Affairs Manager

Estimated Fiscal Impact					
Washoe County Treasurer's Office					
BDR 32-401		8 Installment	8 Installments for tax bills		
	Estimated	Estimated	d One Time	Ongoing	Notes
Item	Quantity	Item Cost	t Cost	Annual Cost	
					1 position for correction of tax bill if installment selection is wrong at billing. For perspective - when AB489 was enacted, tax
Account Clerk II	,	1 \$ 61,000.00	001	\$ 61,000.00	Confections went from an average 1,500 annually to 14,000. Analge percentage of the nichease results from high to low cap or vice versa. Foresee a similar process for moving parcels from 4 to 8 installment process or the reverse.
					1 position to implement/manage the qualification process for 8 installment plan. Additional to manage Impacts for receipt of
					additional payment volume, customer service interactions, additional distribution processes, additional penalty administration, tracking of two different dq processes. Current workload requires that we restrict leave usage during certain periods
					around each installment due date. Applying these rules to the additional installment due dates results in 23 weeks of each year
Account Clerk		3 \$ 57,500.00	.00	\$ 172,500.00	when leave usage would not be allowed.
Ancillary costs for new positions		4 \$1,424.00	.00 \$5,696.00		Cost to establish new work stations for additional positions. ie. Telephone/computer/chairs/file cabinets - for detail see new employee equipment needs on item details tab
Personnel SUBTOTAL			\$ 5,696.00	\$ 233,500.00	
Programming Aumentum			\$ 28,000.00		Estimate based on a recent programming request for a basic change to tracking delinquencies. Quoted by TR. No T/O staff time included in this number. This is likely a very conservative estimate
Programming Reports			\$ 10,000.00		
			00000		This will double the number of line items of data that must be stored per parcel for those on 8 installment plan - requiring more disc
Server requirements			\$ 13,000.00	\$ 3,250.00	space. Also more data lines for every parcel that moves from the 4 to the 8 plan.
Hardware/Software SUBTOTAL			\$ 51,000.00	\$ 3.250.00	
Programming changes for bill printing	30	\$ 175.00	\$		estimate for 30 hours of programming. Cost per hour pursuant to current print contract
Tax bill form and artwork changes			\$ 5,000.00		Estimate based on changes make to bills in prior years for various reasons
Additional Postage/paper/envelope (for		,			estimate does not include cost if the additional stubs bring envelope to a higher weight threshold. Estimate 82,000 parcels eligible.
changes from one installment plan to another)	8,200	^ •	0.61	\$ 5,002.00	10% or those request change/additional stubs. 5.49 postage/5.03 envelope/5.09 bill copy
Bill Related SUBTOTAL		٠	\$ 10.250.00	\$ 5,002.00	מעבומקכ מוווממוווענונים מוכו + כתובות ווואמווונונוא אב
Determine eligibility for using 8 installs	82,000	٠,	0.37	\$ 30,340.00	cost to send out eligibility postcards for eligible parcels. \$.34 postage/\$.03 postcard. Personnel cost to process included above.
Additional Banking costs					estimated based on current banking fees for installment months/ average increase over non-installment months
Publication for 4 additional installment notices	7	4 \$ 144.00	00:	\$ 576.00	
Misc Costs SUBTOTAL			\$	\$ 46,916.00	
			One Time	Ongoing	
			Cost	Annual Cost	
GRAND TOTAL			\$ 66,946.00	\$ 288,668.00	
				\$ 288,668.00	Base year
				\$ 294,441.36	assume a 2% increase annually (salaries/postage costs, etc)

2015 Legislative Session, Fiscal Note Request Fiscal Note ID- 906

BDR Number: 32-401

LCB Deadline: 1/26/2015

Fiscal Impact (check box):

	No	Impac	t
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- ☐ Included in Joint Response
- □ Cannot Be Determined

Name of Agency: Washoe County Division/Department: Treasurer

Submitted By: Tammi Davis, Treasurer

Date: 1/22/2015

Impact (insert description of effect and assumption)

BDR 32-401 allows 8 installment payments on property taxes (current law = 4) for certain qualified taxpayers. Qualification is based on owner occupancy of a single family residence.

Current number of property tax installments:

17 states - 1

27 states - 2

2 states - 3

4 states (includes Nevada) - 4

This data illustrates recognition in all states that additional payment options come with associated cost, to be borne by all taxpayers.

Nevada taxpayers currently have an option to make partial payments on property taxes, at their discretion, which could include monthly payments. This option is available with no change in law, and without more financial burden to taxpayers.

BDR 32-401 adds a layer of confusion to what is widely acknowledged as an overly complex property tax system.

Assumptions:

- Treasurers must track two different payment timelines/processes 4 and
 8 installment plans with separate penalty structure for each
 - Cost for programming and corresponding changes to multiple reports
 - Additional costs to set up and administer new processes as well as:
 - Staff time to maintain records and audit that delinquencies are handled based on appropriate installment plan
 - Staff resources needed to address parcels billed using wrong installment plan
 - Creates confusion for taxpayers about when to pay especially those with multiple properties
 - Could result in more late payments additional penalties charged to taxpayers
 - Staff time required to manage increase in penalty relief requests
- Costs related to increased transactions (estimated 82,000+ parcels in Washoe could qualify for 8 installment plan X 4 additional payments each year per parcel)
 - Banking fees cost per transaction
 - Staff to process increased transaction workload
 - Staff to handle increased inquiries (telephone and in-person)
 - Statutorily required advertising for each additional installment
 - Revise bill formats and provide additional payment stubs
 - More server space for additional lines of data per parcel

Revenue Impact

Category Type (check box):
⊠ Expense	
\square Revenue	
⊠ Roth	

Category Type: Expense, Revenue or Both?

Туре	Items of Revenue or Expense or Both- ADD DESCRIPTION	FY 2014- 2015 (Insert \$ Amount)	FY 2015- 2016 (Insert \$ Amount)	FY 2016- 2017 (Insert \$ Amount)	Effect on Future Biennia (Insert \$ amount)
Expense	Expenses related to personnel, hardware, software and related costs for setup and administration of an additional payment timeline for property taxes. - One time costs - Ongoing costs	\$ 66,946	\$288,668	\$294,441	Assume a 2% increase per year
Revenue					
Both	Increased revenue/costs would result from additional penalties being levied, and resulting additional penalty waiver requests. Unable to determine amounts at this time.				

Exhibits?	Word or E	xcel Docume	nt? (check	box):
⊠Yes				