



**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.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
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.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
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.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
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.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
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.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
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.

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

City/County: **Lincoln County**

Approved by: Denice Brown, Admin Assistant

Comment: Has Impact

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
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.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
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.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
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.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
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.

# BDR 32-401

## AB 96

### 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





WASHOE COUNTY

# GOVERNMENT AFFAIRS



## 2015 Legislative Session, Fiscal Note Request

### Fiscal Note ID- 906

BDR Number: 32-401

LCB Deadline: 1/26/2015

#### Fiscal Impact (check box):

- ☐ No Impact
- ☒ Has Impact
- ☐ 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  
☐ Revenue  
☒ Both

**Category Type: Expense, Revenue or Both?**

Type	Items of Revenue or Expense or Both- <i>ADD DESCRIPTION</i>	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 Excel Document? (check box):**

- ☒ Yes  
☐ No