

**LOCAL GOVERNMENT  
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: February 9, 2015

Agency Submitting: Local Government

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2014-15</b>	<b>Fiscal Year 2015-16</b>	<b>Fiscal Year 2016-17</b>	<b>Effect on Future Biennia</b>
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  
**S.B. 93 / BDR 32 - 291**

City/County: **Carson City**

Approved by: Nickolas A. Providenti, Finance Director

Comment: We anticipate that this will cost Carson City approximately \$9,000 in lost sales tax revenue and \$6,000 in lost personal property tax revenue for a total revenue loss of \$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	(\$15,000)	(\$15,000)	(\$30,000)

City/County: **Churchill County**

Approved by: Eleanor Lockwood, County Manager

Comment: BDR 32-291 provides for personal property tax and sales and use tax abatements if certain minimum requirements are met. This tax abatement could be significant if a major business were to come to Churchill County to own, operate, manufacture, service, maintain, test, repair, overhaul or assemble an aircraft or any component of an aircraft. If the existing Naval Air Station Fallon Base military contractors were to qualify for the abatement, the loss of revenue in Churchill County would be significant. If the existing contractors will qualify, we may look at proposing language that would exempt businesses dealing with the Department of Defense (Navy: Naval Air Station Fallon and Nellis Air Force Base).

Churchill County currently has 45 aircraft used primarily for pleasure, and some for business. Abatements for expanding or new aircraft businesses under this BDR would include the personal property taxes on the aircraft as well as the personal property owned by the business. This would impact Churchill County as a loss in revenue of those taxes. It is difficult to project the estimated loss of revenue.

<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: **Clark County**

Approved by: David Dobrzynski, Assistant Director of Finance

Comment: No reliable data was available to either estimate the number of aircraft associated firms or firms which own aircraft. The following concerns complicate the fiscal analysis.

1. Section 1. 7. (b) requires business which cease operations prior to the agreed upon period to repay the taxes which have been abated. However, this provision has no associated enforcement mechanism (bonding) and as such, no repayment is a possible outcome.
2. Section 1. 7. (b) also allows the Nevada Tax Commission to waive the repayment requirement and as such, no repayment is a possible outcome.
3. Section 1. 3. (b) (1) provides that local government entities have no say over whether the abatements are approved – the provision simply requires a letter acknowledging the abatement request from any affected local government entity.
4. Section 1. 11 provides that only local sales and use taxes are abated; payment of state sales and use taxes are still required.
5. The bill fails to specify the percentage of property tax which is subject to abatement.
6. Finally, the provision of the bill which allows business who “own” aircraft could allow firms whose primary business is other than aircraft to qualify for the abatements.

The fiscal impact cannot be determined without reliable data.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **Douglas County**

Approved by: Christine Vuletich, Assistant County Manager/CFO

Comment: The fiscal impact on Douglas County for the partial abatement of sales and use taxes on aviation property and parts would likely be minimal in terms of reduced tax revenue. However, the potential incentive for new and expansion of existing aviation related businesses at our local airport would be positive in terms of increases in employment and economic activity which would offset the partial abatement.

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

City/County: **Elko County**

Approved by: Cash A Minor, Assistant County Manager/CFO

Comment: This is an additional exemption which erodes the sales tax base for local governments.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: <b>Eureka County</b> Approved by: Michael Mears, Budget Director Comment: No Impact				
<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: <b>Humboldt County</b> Approved by: David mendiola, County Administrator Comment: No Impact				
<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: <b>Lander County</b> Approved by: Lura Duvall , Assessor Comment: No impact or very minimal impact				
<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: <b>Pershing County</b> Approved by: Karen Wesner, Admin. Assist. Comment: Pershing County Assessor stated that there was an unknown Fiscal Impact.				
<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: <b>Washoe County</b> Approved by: Liane Lee, Government Affairs Mgr Comment: Washoe County does not have enough information to quantify the impact. The impact would vary based on if it is a business expansion or a new business.				
<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: If personal property and sales and use taxes were abated/waived on a new business that opened in the County, the concern would be whether or not adequate taxes would be generated to cover the additional services that would be required of the County to provide for the public safety and welfare of persons and property associated with the business. Absent any specific data it is difficult to determine whether the addition of other revenues in the County associated with the new business would more than offset the loss of the abated/waived taxes. Based on this, impact to the County cannot be determined.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Elko**

Approved by: Curtis Calder, City Manager

Comment: The City of Elko owns and operates the Elko Regional Airport and generally supports this type of legislation. However, the City of Elko believes abatements should have local input.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Henderson**

Approved by: Mike Cathcart, Business Operations Manager

Comment: The fiscal impact of this legislation cannot be determined at this time, there is not an approach to project participation in this tax abatement program.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Las Vegas**

Approved by: Michelle Thackston, Administrative Secretary

Comment: The City of Las Vegas does not have access to the specific data necessary to calculate the fiscal impacts. From a general overview standpoint, we perceive the impact to be minimal. This is specific to aviation and the requirement appear to be stringent enough to limit participation to those who could perform and create jobs.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Reno**

Approved by: Ryan High, Budget/Strat. Initiatives Mgr.

Comment: While there may be some effect to the City of Reno, the fiscal impact cannot be determined at this time.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Sparks**

Approved by: Jeff Cronk, Financial Services Director

Comment: This could have a fiscal impact (either negative or positive) depending upon the circumstances of the desired tax abatement. There likely would be a near-term negative fiscal impact to the City of Sparks from the loss of tax revenue if the abatement is granted to a business currently operating within Washoe County. However, there could also be a positive fiscal impact should the overall economic benefits outweigh the tax abatement. Thus, the conclusion of whether there is a negative or positive fiscal impact is impossible to determine at this time.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Carson City School District**

Approved by: Andrew J. Feuling, Director of Fiscal Services

Comment: I'm sure this would have an impact but there is no way to determine the magnitude as it is dependent on too many variables.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Clark County School District**

Approved by: Nikki Thorn, Deputy CFO

Comment: CCSD does not expect this to have impact because of the inverted relationship of funding to sales tax. Under the existing formula, if sales tax revenues decrease, the state is required to provide more funding in the DSA payment to offset the decrease in sales tax funds.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

School District: **Douglas County School District**

Approved by: Holly Luna, CFO, Business Services

Comment: The BDR revises provisions that will affect multiple taxes - certain property, sales, and use taxes - which Douglas County School District is a recipient of a portion of receipts. However, there is not sufficient information to determine or calculate effects to provide a meaningful/substantial submittal on behalf of the school district.

If enrolled, will be implemented immediately and will impact FY2014-15 as well as future years until expiration or repealed.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Esmeralda County School District**

Approved by: Monie Byers, Superintendent

Comment: There is not enough information in the BDR to determine the impact on taxes and possibly general fund revenues.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Lander County School District**

Approved by: Velma Gamble, Finance Officer

Comment: No Impact

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

School District: **Lincoln County School District**

Approved by: Steve Hansen, Superintendent

Comment: To my knowledge, a qualifying business defined by this BDR does not exist in Lincoln County. Therefore the loss of revenue from the abatement of certain property taxes or sales and use taxes would not occur.

These businesses may exist on Area 51, but would probably not affect normal tax assessment in the county.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Lyon County School District**

Approved by: Philip Cowee, Director of Finance

Comment: BDR 32-291 would have a financial impact on the Lyon County School District. Any abatement of taxes has a negative effect on the revenue of the district. The full impact will depend on the specifics of the abatements.

<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

School District: **Nye County School District**

Approved by: Kerry Paniagua, Executive Secretary

Comment: The money goes to the State & is distributed to the districts so we don't know what we'll receive.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Pershing County School District**

Approved by: Dan Fox, Supt

Comment: Insufficient information to determine if it will have a fiscal impact on the district or not.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Washoe County School District**

Approved by: Lindsay E. Anderson, Director of Government Affairs

Comment: Washoe County School District does expect an impact from this tax abatement program but we cannot predict the extent to which it will be utilized.

<b>Impact</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0



School District: **White Pine County School District**

Approved by: Paul Johnson, CFO

Comment: Any local government tax abatement would affect potential revenue for programs and services. The impact depends on the nature and extent of the abatement. The risk is that the abatement restricts revenue to such a degree that the local government cannot pay for the impact of the economic development. Unfortunately, we do not have sufficient information to provide a fiscal analysis at this time.

<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

School District: **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	\$0	\$0	\$0	\$0

**The following cities, counties and school districts did not provide a response:**

Esmeralda County, Lyon County, Mineral County, Nye County, Storey County, Boulder City, City of Mesquite, City of North Las Vegas, Churchill County School District, Elko County School District, Eureka County School District, Humboldt County School District, Mineral County School District, and Storey County School District.