

**LOCAL GOVERNMENT  
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: February 27, 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  
**A.B. 161 / BDR 32 - 699**

City/County: <b>Carson City</b> Approved by: Nickolas A. Providenti, Finance Director Comment: No major impact to Carson City.				
<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>Churchill County</b> Approved by: Eleanor Lockwood, County Manager Comment: The change to BDR 32-699 was the reduction of the partial abatement period from 20 years to 10 years. Currently, Churchill County's aircraft maintenance industry does not qualify for this abatement, as they have less than \$5 million in tangible personal property.				
<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>Douglas County</b> Approved by: Lisa Granahan, Economic Vitality Manager Comment: The fiscal impact on Douglas County for partial abatement of aviation related property tax and sales and use taxes would be minimal. Even though Douglas County would forgo some lost revenue from personal property, the additional revenue from the balance of personal property and real property would likely more than offset the abatement amount.				
<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: <b>Clark County</b> Approved by: David Dobrzynski, Assistant Director of Finance Comment: Fiscal impact of this specific partial abatement of taxes legislation is undeterminable. But information from the Department of Taxation indicates that for the past three fiscal years, the standard sales tax abatement reported to the Department for Clark County is as follows: FY 2012: \$2,880,606.30 FY 2013: \$1,881,676.65 FY 2014: \$3,381,048.93 This legislation would only increase this loss of revenue to Clark County. The amount of partial abatement of personal property tax is not defined but its duration of not more than 10 years creates a shortfall of resources to support the increased demand for expenditure that the resulting new or expanded facility and its employees will demand from the local government.				
<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>Esmeralda County</b> Approved by: Ruth P. Lee, Assessor Comment: Could have a big impact if passed				
<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: <b>Humboldt County</b> Approved by: Sondra Schmidt, Comptroller Comment: Impact 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: <b>Washoe County</b> Approved by: Liane Lee, Government Affairs Manager Comment: It cannot be determined how many new qualifying aircraft/aviation businesses will relocate to Washoe County and apply for a partial abatement of personal property or sales and use taxes nor can we determine how many existing aircraft/aviation businesses intend to apply for a partial abatement. Therefore, the impact to local governments' revenues in Washoe County cannot be determined. According to State Department of Taxation records, which categorize sales tax by NAICS codes, taxable sales produced by companies in NAICS code 481 for aviation totaled \$478,096 in FY14 and \$800,329 in FY13. If all of these existing companies qualified for and received abatements for these sales, the total annual reduction in sales taxes to the State and local governments would be \$49,379 (based on the average taxable sales in these two fiscal years and the County's sales tax rate of 7.725%). There may, however, be other companies that work on aircraft not categorized under NAICS code 481. According to County Assessor records, the total assessed value of personal property of aircraft-related companies in Washoe County in FY15 was \$1.8 million. Based on the current property tax rate in Washoe County of \$3.64, the total annual reduction in personal property taxes for all local governments in Washoe County if all of these existing companies qualified for and received abatements (and had no other abatements) would be approximately \$65,580. The above analysis, however, does not consider other direct and indirect revenues generated by qualifying new or expanding businesses.				
<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>White Pine County</b> Approved by: Elizabeth Frances, Finance Director Comment: Every time taxes are abated there is adverse impact to the County in the form of lost revenues. An accurate estimate of the losses cannot be accurately 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>
Has Impact	\$0	\$0	\$0	\$0

City/County: <b>City of Henderson</b> Approved by: Mike Cathcart, Business Operations Manager Comment: The fiscal impact of this legislation cannot be determined. There is no definable approach to determining the participation in this program and whether participation in the program will generate additional economic activity that will be subject to tax collections.				
<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>City of Las Vegas</b> Approved by: Michelle Thackston, Administrative Secretary Comment: This would potentially have a positive fiscal impact for the State and the City of Las Vegas, but would be difficult to compute.				
<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>City of Reno</b> Approved by: Ryan High, Budget/Strat. Initiatives Mgr. Comment: While there may be some effect to the City of Reno, the fiscal impact can not 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: <b>City of Sparks</b> Approved by: Jeff Cronk, Financial Services Director Comment: Any tax abatement will have a fiscal impact in the form of lost revenues. However, it is impossible to determine the fiscal impact due to the unknown quantity of businesses that would seek tax abatements under this bill's proposals.				
<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: <b>Carson City School District</b> Approved by: Andrew J Feuling, Director of Fiscal Services Comment: I'm sure this would have a reduced potential revenue impact but there is no way to determine the magnitude as it is dependent on too many variables.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: <b>Clark County School District</b> Approved by: Nikki Thorn, Deputy CFO Comment: This proposed abatement is at a much lower threshold than what is typically allowed at the \$1M investment threshold. This would have a small impact on property tax revenue but a larger impact on LSST revenue. Property tax and LSST effects can be mitigated to CCSD if the state continues to honor the decrease in those two areas with an offsetting increase to the state guarantee within the DSA formula that currently exists. It is not certain if additional new abatements will continue to allow the offsetting increase in revenue at the state level.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	\$65,940	\$65,940	\$131,880

School District: <b>Douglas County School District</b> Approved by: HOLLY LUNA, CFO, BUSINESS SERVICES Comment: Douglas County School district is a recipient of a portion of receipts from property and/or sales and use taxes. Such receipts would be influenced by this BDR. However, there is not sufficient information to determine or calculate the effects or to provide a meaningful or substantial submittal on behalf of the school district.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: <b>Humboldt County School District</b> Approved by: David Jensen, Superintendent Comment: There are some potential entities that would qualify at the Humboldt County Airport, however, the district lacks the necessary information to make a determination of the extent of any potential fiscal impact.				
Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: <b>Lincoln County School District</b> Approved by: Steve Hansen, Superintendent Comment: No such aircraft business exists in Lincoln County. There is no fiscal impact for Lincoln County School District.				
<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: <b>Lyon County School District</b> Approved by: Philip Cowee, Director of Finance Comment: The fiscal impacts cannot be determined. The impacts will most likely be felt once the state allows the exemption 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: <b>Mineral County School District</b> Approved by: Patricia Stoddard, Finance Manager 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>Nye County School District</b> Approved by: Kerry Paniagua, Executive Secretary 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: <b>Pershing County School District</b> Approved by: Dan Fox, Superintendent Comment: There could be a slight negative impact on revenue to the district, but insufficient information to estimate it.				
<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: <b>Washoe County School District</b> Approved by: Lindsay E. Anderson, Director of Government Affairs Comment: Washoe County School District cannot determine the impact of this legislation.				
<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: <b>White Pine County School District</b> Approved by: Paul Johnson, CFO Comment: Any provision that reduces tax liabilities will reduce revenue. The impact unfortunately can not be determined until an application is submitted. Only then can the nature and extent of the impact be assessed.				
<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

**The following cities, counties and school districts did not provide a response:** Elko County, Eureka County, Lander County, Lincoln County, Lyon County, Mineral County, Nye County, Pershing County, Storey County, Boulder City, City of Elko, City of Mesquite, City of North Las Vegas, Churchill County School District, Elko County School District, Esmeralda County School District, Eureka County School District, Lander County School District, and Storey County School District.