

**LOCAL GOVERNMENT  
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 31, 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. 396 / BDR 32 - 119**

City/County: <b>Carson City</b> Approved by: Nickolas A. Providenti, Finance 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>Churchill County</b> Approved by: Eleanor Lockwood, County Manager Comment: It appears the intent of the BDR 32-119 is to be revenue neutral. The amount of the decrease in GST would be offset by additional new taxes imposed by the 78th Session of the Nevada Legislature.				
<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>Clark County</b> Approved by: David Dobrzynski, Assistant Director of Finance Comment: As stated this should be net zero, so no fiscal 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>White Pine County</b> Approved by: Elizabeth Frances, Finance Director Comment: At first glance it appears that the replacement tax would fully replace lost revenues. However, the proposal only looks at the first full year of imposition. Depending on how a new tax is structured the County may gain or lose revenues in subsequent years. Without an understanding of the new proposed tax, a true 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: Washoe County revenues will be impacted by 50% reduction to vehicle valuations proposed in the BDR. We do not have the data to calculate the actual revenue loss.				
<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. It is unclear if the 50% cut in calculation would impact local government's share of the Governmental Services Tax (GST). The GST is approximately 10% of the Consolidated Tax revenues for local government. Since the depreciation schedules remain unchanged it is unclear if this impact local government 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

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

Approved by: Michelle Thackston, Administrative 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

City/County: **City of Reno**

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

Comment: As related and noted in this legislation, there is ultimately no fiscal impact to the City of Reno if a new tax is enacted by this Session of the Legislature which produces at least as much tax revenue as will be lost as a result of the reduction in the valuation of vehicles for the purpose of determining the amount of governmental services taxes imposed.

<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: **City of Sparks**

Approved by: Jeff Cronk, Financial Services 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

School District: **Carson City School District**

Approved by: Andrew J Feuling, Director of Fiscal Services

Comment: Carson City School District is projected to receive \$1.7 million in GST revenues for FY16. If the GST percentages are halved, I would expect that revenue to fall by \$850,000. The bill does say the revenue would be made up elsewhere. The impact of that could vary widely for school districts because some revenues are not dollar-for-dollar. If it were made up by increasing LSST, the district would really receive no offsetting revenue because that would only reduce the amount of aid the state is obligated to give us through the current Nevada Plan DSA calculation. GST is special in that it is our largest revenue outside of the Nevada Plan, and we receive every additional dollar generated as additional revenue. Because it is not clear what that new revenue will be or how it will be received by the district, I list this as a full loss to the district with no true similar revenue making it up.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	(\$850,000)	(\$870,000)	(\$910,000)

School District: **Clark County School District**

Approved by: Nikki Thorn, Deputy CFO

Comment: CCSD expects impact in the following ways. The proposed bill proposes to reduce GST as calculated by 50%. A fifty percent reduction in GST tax to the general operating fund amounts to between \$26 and \$27 million deduction to revenue annually that is available outside the DSA formula. Additionally, the proposed bill seeks to reduce the minimum amount of government services tax on any vehicle other than a trailer from \$16 TO \$8. The impact would be \$8 per vehicle at the minimum. The second portion by itself cannot accurately be determined.

Impact	FY 2014-15	FY 2015-16	FY 2016-17	Future Biennia
Has Impact	\$0	(\$26,500,000)	(\$26,500,000)	(\$53,000,000)

School District: **Douglas County School District**

Approved by: HOLLY LUNA, CFO, BUSINESS SERVICES

Comment: Douglas County School district is a recipient of a portion of receipts from governmental services 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>Lincoln County School District</b> Approved by: Steve Hansen, Superintendent Comment: Basic Governmental Services Tax averages about \$300,000 per year for Lincoln County School District from DMV. A reduction of 50% would reduce the local revenues by 150,000. A DSA adjustment could be applied, but the amount is undetermined.				
<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	\$150,000	\$150,000	\$150,000

School District: <b>Lyon County School District</b> Approved by: Philip Cowee, Director of Finance Comment: The fiscal impacts of BDR 32-119 cannot be determined with the information provided. The bill contemplates that any loss of governmental services tax will be made up in other revenue sources. Governmental services tax is a material part of the local revenues for the school district so the revenue is important for operation.				
<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>Nye County School District</b> Approved by: Kerry Paniagua, Executive Secretary Comment: Reducing the tax by half reduces the revenue by half. How does legislature know replacement tax will: (1) pass & be signed into law and (2) that it will replace 100% of the reduction?				
<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>Pershing County School District</b> Approved by: Dan Fox, Superintendent Comment: This would cause a reduction in GST taxes received by the district, however, the district does not maintain the appropriate records to calculate the reduction.				
<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>Storey County School District</b> Approved by: Robert Slaby , Superintendent Comment: Cost of a full-time instructor for rural districts.				
<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>White Pine County School District</b> Approved by: Paul Johnson, CFO Comment: Because the BDR proposes to decrease certain vehicle taxes by 50% contingent upon the loss in revenue being replaced by a different tax, there should be no adverse financial impact. The District currently receives approximately \$530,000 in government services tax (GST) revenue. In rural areas, this amount of revenue would be difficult to raise through per capita taxes unless it was replaced through property or sales taxes. If the replacement revenue were included as sales taxes, the school district would lose revenue since sales taxes are within the funding formula for per pupil support. In this instance, the District would lose half of the GST of approximately \$265,000 which is outside of the funding formula. In other words this revenue is in addition to the State's basic support. If the revenue were replaced with sales taxes which are within the basic support formula, it would simply increase sales taxes and decrease state revenue by the same amount. The end result would be a net loss of \$265,000 per year. Until the replacement tax is identified, it is difficult to determine the financial impact. Changes to GST would also reduce charter school funding because charter schools get a per pupil allotment based on the revenue outside of the funding formula.				
<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

**The following cities, counties and school districts did not provide a response:** Douglas County, Elko County, Esmeralda County, Eureka County, Humboldt County, Lander County, Lincoln County, Lyon County, Mineral County, Nye County, Storey County, Pershing 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, Humboldt County School District, Lander County School District, Mineral County School District, and Washoe County School District.