

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

Estimated Fiscal Impact					
Washoe County Treasurer's Office					
BDR 32-401		8 Installments for tax bills			
	Estimated	Estimated	One Time	Ongoing	Notes
Item	Quantity	Item Cost	Cost	Annual Cost	
Account Clerk II	1	\$ 61,000.00		\$ 61,000.00	1 position for correction of tax bill if installment selection is wrong at billing. For perspective - when AB489 was enacted, tax corrections went from an average 1,500 annually to 14,000. A large percentage of the increase results from having to move a parcel from high to low cap or vice versa. Foresee a similar process for moving parcels from 4 to 8 installment process or the reverse.
Account Clerk	3	\$ 57,500.00		\$ 172,500.00	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 relief requests and 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 when leave usage would not be allowed.
Ancillary costs for new positions	4	\$1,424.00	\$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		
Server requirements			\$ 13,000.00	\$ 3,250.00	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 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	\$ 5,250.00		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 changes from one installment plan to another)	8,200	\$ 0.61		\$ 5,002.00	estimate does not include cost if the additional stubs bring envelope to a higher weight threshold. Estimate 82,000 parcels eligible. 10% of those request change/additional stubs. \$.49 postage/\$.03 envelope/\$.09 bill copy
Additional notices/correspondence	10,000	\$ 0.61		\$ 6,100.00	average annual notices after 4 current installments x 2
Bill Related SUBTOTAL			\$ 10,250.00	\$ 5,002.00	
Determine eligibility for using 8 installs	82,000	\$ 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				\$ 16,000.00	estimated based on current banking fees for installment months/ average increase over non-installment months
Publication for 4 additional installment notices	4	\$ 144.00		\$ 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)



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