

# BDR 32-935 SB 414

## EXECUTIVE AGENCY FISCAL NOTE

### AGENCY'S ESTIMATES

Date Prepared: April 8, 2017

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Property Tax (Revenue)		\$54,978	\$59,454	\$133,382
Total	0	\$54,978	\$59,454	\$133,382

### Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached

Name Deonne Contine

Title Executive Director

### GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, April 07, 2017

The agency's response appears reasonable.

Name Laura E. Freed

Title Executive Budget Officer

**DESCRIPTION OF FISCAL EFFECT**BDR/Bill/Amendment Number: BDR32-935/SB414Name of Agency: Department of TaxationDivision/Department: Division of Local Government ServicesDate: March 28, 2017

The amendments to BDR 32-935/SB 414 allow for an exemption of personal property owned by a non-resident and located in the state solely for the purposes of a display, exhibition or convention. There will be a fiscal impact on both State and Local Government entities if this bill is passed.

We attempted to estimate the impact as follows:

1. We started with the fiscal numbers estimated by Clark County where there would be the greatest impact.
2. To Clark County's estimated assessed value, we added 30% to account for the rest of the State based on a comparison of the Total and Clark County local personal property assessed values from the 2014-2015 Statistical Analysis of the Roll.
3. This calculation resulted in an estimated assessed value impact of \$323,400.
4. From the initial year estimate, we increased by a typical 8% per year.
5. From these estimated assessed values, we calculated the fiscal impact to the State based on the \$0.17 State portion of the taxes as follows:

	Estimated Assessed Value	State Portion of Taxes (\$0.17)
2017-18	\$323,400	\$54,978
2018-19	\$349,727	\$59,454
2019-20	\$377,214	\$64,126
2020-21	\$407,391	\$69,256

LOCAL GOVERNMENT  
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 8, 2017

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	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  
**S.B. 414 / BDR 32 - 935**

City/County: <b>Carson City</b> Approved by: Nancy Paulson, CFO Comment: No fiscal impact to Carson City.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: <b>Clark County</b> Approved by: David Dobrzynski, Asst Director of Finance Comment: Revises provisions related to the taxation of certain property owned by nonresidents. 1) The property must be owned by non-resident of Nevada, AND 2) The property must be located solely in Nevada for purposes of a display, exhibition, convention, carnival, fair, or circus, AND 3) The property must be transient in nature. So in essence, property temporarily brought in from out of state to Nevada for trade shows and special events is exempt. The legislative intent is to exempt this type of property which is considered transient. SB414 removes the "transient" test from property considered to be in Nevada solely for the purposes of a display, exhibition, or convention. Property used for these purposes would now be exempt, whether transient in nature, or permanently based in Nevada. This will result in favorable tax treatment for specific businesses involved in trade shows and conventions. This will also result in a revenue loss for Clark County estimated at \$700,000 per year. In the process of opening up this exemption to certain property permanently based in Nevada, SB414 limits the exemption to non-resident owners only. So Nevada residents would pay taxes, while non-residents would not, for the exact same property owned and used for the same purpose. Tax revenue foregone as a result of this Bill is estimated at \$700,000 per year or more. This is based on an extracted list of businesses in World Market Center and exhibitors that could potentially qualify for the exemption.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Has Impact	\$0	\$700,000	\$700,000	\$1,400,000

City/County: <b>Churchill County</b> Approved by: Eleanor Lockwood, County Manager Comment: BDR 32-935 does not appear to create any significant fiscal impact to Churchill County.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: <b>Esmeralda County</b> Approved by: Ruth P. Lee, Assessor Comment: No Impact				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: <b>Washoe County</b> Approved by: Jamie Rodriguez , Management Analyst Comment: This bill does not currently have a direct fiscal impact on Washoe County;				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: <b>City of Henderson</b> Approved by: Mike Cathcart, Business Operations Manager Comment: No fiscal impact to the City of Henderson.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: <b>City of Las Vegas</b> Approved by: Michelle Thackston, Administrative Assistant Comment: The exact fiscal impact can't be determined at this time. There is a possible loss of Personal Property Tax but the City does not currently have the resources or data needed to calculate the impact to the city.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: <b>City of Reno</b> Approved by: Tillery Williams , Management Analyst Comment: Fiscal impact cannot be determined at this time.  As written, this bill proposes a change to existing statute that makes it easier for an individual to claim exemption from property tax. Because this bill would make it easier for an individual to claim an exemption, it appears that a reduced amount of property taxes would be collected from nonresidents. However, staff is not able to quantify the full impact without having more data. Relatively, the fiscal impact to the City may not be significant.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</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: This will likely increase the personal property tax revenue that the City receives, but the overall impact is expected to be not of a material nature.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</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 would expect this to cause a slight increase in our tax revenues, but have no idea of the extent of this sort of thing.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: <b>Clark County School District</b> Approved by: Dillon Kay, Assistant Budget Director Comment: Does not appear to have a material impact on CCSD.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

School District: <b>Douglas County School District</b> Approved by: TWhite, Superintendent Comment: No Impact				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

School District: <b>Lincoln County School District</b> Approved by: Pam Teel, Superintendent Comment: Any increase or decrease in tax affects the schools				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

School District: <b>Lyon County School District</b> Approved by: Shawn Heusser, Director of Finance Comment: No Impact				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

School District: <b>Nye County School District</b> Approved by: Kelly Wood, Executive Secretary Comment: No fiscal impact for Nye County School District.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

School District: <b>Pershing County School District</b> Approved by: Russell D. Fecht, Superintendent Comment: No Impact				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$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 this may have on revenue for the district.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</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: In order to quantify this impact, it would require additional details with respect to the property currently being taxed versus the property that would be exempt.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

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