

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 3, 2017

Agency Submitting: State Department of Conservation and Natural Resources, Division of Environmental Protection

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Expense (Expense)		\$81,112	\$79,666	\$637,327
Total	0	\$81,112	\$79,666	\$637,327

Explanation

(Use Additional Sheets of Attachments, if required)

The NDEP has reviewed the bill and determined that there is a fiscal impact.

The Division interprets that this legislation would apply to the funds from the existing Volkswagen 2.0 liter and upcoming 3.0 liter Consent Decrees ("VW Settlements"), which will cumulatively allocate a total of \$24,874,024 to Nevada. Although it includes a legislative declaration that the proposed Fund for Cleaner Emission School Buses (Fund) is in the best interest of the State, the legislation does not prescribe a specific percentage of revenue from the VW Settlements be allocated to the Fund. The VW Settlements allow the Division to use 15% of settlement revenue for administrative expenses and oversight of emission reduction projects. To the extent that revenue from the VW Settlements is used for the Fund, Section 7, Item 4(b) of the proposed legislation would reduce Division use of revenue from the VW Settlements from 15% to 5%. The Division also interprets SB418 to require that this revenue (limited at 5%) would also be used for the tasks listed in Section 6 of the legislation that pertain to annual evaluation of school bus fleets and development of policies and procedures for the Fund.

The VW Settlements are expected to provide revenue for 10 years. In the event that the Fund received 100% of the revenue from the VW Settlements, the estimated fiscal impact to the Division is an expense of \$81,112 in FY 18 and \$79,666 in FY 19, with \$637,327 cumulative expenses for FY 20 through FY 27 because the cost of administering the VW Settlement, or a portion thereof under SB418, cannot be done within the 5% allowed by this legislation.

Alternatively, if the Fund receives 25% of the funds from the VW Settlements, the estimated fiscal impact to the Division is an expense of \$20,278 in FY 18 and \$40,194 in FY 19, with \$139,054 cumulative expenses for FY 20 through FY 27.

Name Jennifer Carr

Title Deputy Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Tuesday, March 28, 2017

The agency's response appears reasonable.

Name Colleen M. Murphy

Title Budget Officer