

**LOCAL GOVERNMENT  
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 1, 2017

Agency Submitting: Local Government

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2016-17</b>	<b>Fiscal Year 2017-18</b>	<b>Fiscal Year 2018-19</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. 289 / BDR 32 - 201**

City/County: <b>City of Henderson</b> Approved by: Mike Cathcart, Business Operations Manager Comment: No identifiable 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: 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>City of Reno</b> Approved by: Tillery Williams , Management Analyst Comment: No anticipated fiscal impact to the City of Reno.				
<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 Sparks</b> Approved by: Jeff Cronk, Financial Services Director 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>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: **Clark County**

Approved by: David Dobrzynski, Asst Director of Finance

Comment: This bill would allow businesses that intend to locate or expand a facility for smelting, processing, or refining ores or metals to apply for partial abatement of property and sales and use taxes. The bill requires that the businesses have 50 or more employees working on either the expansion of existing facilities or construction of new facilities by the second quarter of the construction to qualify for the abatements. Section 1, paragraph 7, leaves the decision to approve the abatement to the Board of County Commissioners.

No precise estimate of the reduction of property tax is available as this calculation would depend on the specifics of the construction/expansion. Further, no information is readily available from the Assessor Office (who bills personal property) which document abatements by business type.

<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: **Churchill County**

Approved by: Eleanor Lockwood, County Manager

Comment: Abatements of property taxes, business taxes and sales and use taxes impact local and state government revenues. However, arguably there are economic benefits realized from attracting or expanding new businesses. In order for certain businesses to apply for abatements, they must meet certain criteria, and in the case of BDR 32-201, the facility applying is specific to smelting, processing or refining of ores or metals. The direct financial impacts of granting an abatement to a specific business would be determined once that data becomes available. There is no way of knowing at this point what the amount of the impact would be.

<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: **Douglas County**

Approved by: Lisa Granahan, Economic Vitality Manager

Comment: The fiscal impact on Douglas County would be minimal given the small number of businesses that would be expected to apply for the partial abatement. The type of use also requires a Special Use Permit with allowed zoning which would further limit the number of businesses applying. The impact would be minimal and potentially positive depending on the value of the new facility/building on which the County would receive revenue at the 45% level.

<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

City/County: **Esmeralda County**

Approved by: Ruth P. Lee, Assessor

Comment: Could have a big impact as all abatements do, hard to project amounts.

<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

City/County: **Humboldt County**

Approved by: Gina Rackley, Comptroller

Comment: The mining values are determined by the Nevada Department of Taxation, and are delivered to the Assessor's office as one lump valuation, not as individual components. I am unable to determine what fiscal impact there would be due to not knowing the value of processing, smelting, or other components of the mining industry in order to break that value down into tax dollars.

<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: **Washoe County**

Approved by: Jamie Rodriguez, Management Analyst

Comment: Enacts provisions to provide partial abatements and expedited permits for the development of facilities for smelting, processing or refining ores or metal in this State. Could reduce property taxes and sales/use taxes for mining, smelting and ore processing operations.

<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: **White Pine County**

Approved by: Elizabeth Frances, Finance Director

Comment: This proposal provides large abatements - 55% on real and personal property tax and everything above 0.6% on sales tax. Only 30% of the employees must be Nevada residents and none are required to be from within the County where the abatements are given. This has the potential to severely limit the revenues of the County that would be responsible for the health, safety, welfare and infrastructure needs created by the impacts of the business receiving the abatements. The result is adverse financial impacts to the County in the form of lost revenues. A realistic estimate cannot be determined at this time.

<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: **Carson City School District**

Approved by: Andrew J Feuling, Director of Fiscal Services

Comment: We have no way to determine the impact of this. However, it would of course be negative as it would be yet another reduction in the tax revenues to cover the real costs of providing an educated work force and other local government benefits to our businesses; essentially an unfunded mandate.

<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: **Clark County School District**

Approved by: Dillon Kay, Assistant Budget Director

Comment: It is difficult to gauge the overall usage of this tax abatement program at this time. At a minimum CCSD would experience less property tax and local sales tax revenues.

<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: **Douglas County School District**

Approved by: TWhite, Superintendent

Comment: Any abatement would affect revenue to the district, but until such abatements are imposed, it is difficult to determine the impact.

<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>Humboldt County School District</b> Approved by: David Jensen, Superintendent Comment: Currently HCSD is unable to provide an analysis of potential fiscal impact.				
<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>Lincoln County School District</b> Approved by: Pam Teel, Superintendent Comment: Could be of a loss to the district in tax				
<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>Lyon County School District</b> Approved by: Shawn Heusser, Director of Finance Comment: Partial abatement?				
<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>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: **Washoe County School District**

Approved by: Lindsay E. Anderson, Director of Government Affairs

Comment: Washoe County School District cannot forecast how much impact this could have on the district that relies on property and sales taxes.

<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: **White Pine School District**

Approved by: Paul Johnson, CFO

Comment: Abatements based on property taxes may preclude a local government from issuing bonds for public facilities to accommodate growth directly attributable to the businesses applying for an abatement. Smaller communities that are already at the maximum allowable property tax cap already struggle with improvements to existing facilities and have deferred significant capital improvements. A property tax abatement would most definitely put further capital burden on local governments and will guarantee that the list of deferred facility improvements and infrastructure continues to grow.

<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:** Boulder City, City of Elko, City of Mesquite, City of North Las Vegas, Elko County, Eureka County, Lander County, Lincoln County, Lyon County, Mineral County, Nye County, Pershing County, Storey County, Churchill County School District, Elko County School District, Esmeralda County School District, Eureka County School District, Lander County School District, Mineral County School District, and Storey County School District.