BDR 31-368
AB 5

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 15, 2023

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Sections 1 and 4; Independent Contractor for Studies and Reports (Expense)		$500,000	$150,000	$300,000
Total	0	$500,000	$150,000	$300,000

Explanation (Use Additional Sheets of Attachments, if required)

This bill requires the Department to retain an independent contractor to conduct studies and produce reports regarding the fiscal effect of unfunded mandates on local governments. Section 4 requires a study and report of the unfunded mandates between FY14-FY23 (10 years). Section 1 requires a study and report of the unfunded mandates for each fiscal year in the future. Unfunded mandates are defined as legislative measures that impose an expense on a local government to establish, provide or increase a program or service at a cost of $5,000 or more for which no source or revenue is authorized by statute to pay for the expense. The initial 10-year report for FY14-FY23 will be due on August 1, 2024, the report for FY24 will be due on August 1, 2025, and future annual reports will be due on or before August 1 each year thereafter for the preceding fiscal year. Pursuant to NRS 354.474, there are approximately 265 local governments that are subject to unfunded mandates. The independent contractor must review all enacted legislation from any regular or special session to determine the imposition of any unfunded mandates on local governments during the prior 10 years and future fiscal years for all 265 local governmental entities and prepare a report regarding whether any of the local governments made any expenditures as a result of the unfunded mandates. Local government entities must cooperate with the independent contractor and provide necessary information. The Department will incur an expense to retain the independent contractor for these services in the amount of $500,000 for the first year of the biennium (FY24) for the cost of the 10-year study/report for FY14-FY23 due on August 1, 2024 (Section 4 of Bill) and the study/report for FY24 due on August 1, 2025 (Section 1 of Bill). The second year of the biennium (FY25) will cost $150,000. These services will cost $150,000 each year thereafter.

Name Yvonne Nevarez-Goodson

Title Chief Deputy Executive Director

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Wednesday, February 15, 2023

Agency response appears reasonable.

Name Amy Stephenson

Title Director