BDR S-197
SB 186

UNSOLICITED

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 6, 2023

Agency Submitting: Department of Tourism and Cultural Affairs

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
null (Expense)		$1,065,950	$223,861	$447,722
Total	0	$1,065,950	$223,861	$447,722

Explanation (Use Additional Sheets of Attachments, if required)

One-time bond proceeds re-payment: $837,089.00.
AB 84 of the 2019 Legislative session, Section 2(5) allocated $30,000,000 in general obligation bond proceeds to the Division of Museums and History through the Conserve Nevada program. The renovation of the East Ely Freight Building project has expended $206,384.81 in bond proceeds to date. With additional invoicing due totaling $630,704.19 for construction documents and project design.
This would adversely impact all statewide general obligation bond programs, as they use these funds for administrative costs. This could push the state over the allowable private use threshold and could result in the loss of tax-exempt status on the full 2021ABCD bond of $161,697,409.10. The State would have to redeem the nonqualified bond within 90 days of failure or would have to pay 100% of bond holder tax exposure.

Operational costs: FY24 $228,861 ($223,861 on-going + $5,000 one-time), FY25 $223,861
For over 30 years the State has operated these facilities as the East Ely Railroad Depot Museum. As such, it developed activities, services, and holdings that would need to be housed elsewhere, presumably in the vicinity of Ely. This will incur costs for leasing and occupying commercial space that is ADA accessible.

Loss of State Investment = $4,000,000
To date, the State has paid out over $4,000,000 to restore and maintain their two historic assets, the East Ely Passenger Depot and the Freight Barn. Since 1991, they have been in continuous operation as a State Museum employing 2.5 FTEs. This museum is fully funded in the FY24-25 budget. The current FY24-25 CIP budget includes $9,900,000 to continue restoration and remodeling of the two buildings, as recommended by the State Public Works Board.

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