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WORK SESSION

Assembly Committee on Government Affairs

PREPARED BY
RESEARCH DIVISION
LEGISLATIVE COUNSEL BUREAU
Nonpartisan Staff of the Nevada State Legislature

ASSEMBLY BILL 355

Provides for exemption from personal property taxation for certain commercial helicopters that use preferred facility for takeoff and landing in certain larger counties. (BDR 44-877)

Sponsored by: Assemblywoman Giunchigliani
Date Heard: April 3, 2003

Assembly Bill 355 requires the Clark County Board of Commission to provide for an exemption from personal property taxation for certain commercial helicopters if they use designated facilities for takeoff and landing. The intent of the bill is to reduce noise impacts caused by helicopters operating out of facilities in or near residential or urban areas.

Amendments: Amendments were proposed by the bill sponsor and persons testifying at the hearing.

A mock-up of the proposed amendments is attached.

Opposition: None.

Fiscal Impact: Local Government: Yes (Attached)
State Government: No

4/10/2003

ASSEMBLY GOVERNMENT AFFAIRS
DATE: 4/10/03 ROOM: 3143 EXHIBIT E.145
SUBMITTED BY: Susan Schell

MOCK-UP

PROPOSED AMENDMENT TO
ASSEMBLY BILL NO. 355

PREPARED FOR ASSEMBLY GOVERNMENT AFFAIRS

APRIL 9, 2003

PREPARED BY THE RESEARCH DIVISION

NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE OFFICIAL AMENDMENT MAY DIFFER.

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~*green bold double strikethrough*~~ is language proposed to be deleted in this amendment and (5) *green bold dashed underlining* is deleted language in the original bill that is proposed to be retained in this amendment.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 495 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2, 3 and 4 of this act.
3 **Sec. 2.** *As used in sections 2, 3 and 4 of this act, unless the context*
4 *otherwise requires, "commercial helicopter" means a rotary-wing*
5 *aircraft that is operated by a person in the course of conducting a*
6 *business for which a business license is required pursuant to NRS*
7 *364A.130. The term does not include a rotary-wing aircraft that is*
8 *operated:*
9 1. *As an air ambulance, as that term is defined in*
10 *NRS 450B.030;*
11 2. *By or in cooperation with a law enforcement agency;*
12 3. *By a radio station or television station; or*
13 4. *By or in cooperation with the military or naval forces of this state*
14 *or of the United States.*
15 **Sec. 3.** 1. *The board of county commissioners of each county*
16 *whose population is 400,000 or more shall designate a preferred non-*
17 *urban airport or other preferred facility for the takeoff and landing of*
18 *commercial helicopters.*

Conceptual amendment: Add language to insure that helicopters used for fire or other health and safety reasons or agencies are included in this section.

PROPOSED AMENDMENT TO AB355

E. 2/5

1 2. The preferred non-urban airport or other preferred facility
2 designated pursuant to subsection 1 must not be the largest airport that is
3 located within the county and should be selected with the goal of
4 reducing the overall noise impact and improving safety for the
5 community.

Clark County proposed insertion of "non-urban" throughout bill and additional language stating the goals of the designations.

Note: The Legal Division may choose to use a different term than "non-urban."

6 **Sec. 4. 1. The board of county commissioners of each county**
7 **whose population is 400,000 or more shall develop a program pursuant**
8 **to which, if a commercial helicopter uses the preferred non-urban**
9 **airport or other preferred facility designated pursuant to subsection 1 of**
10 **section 3 of this act, the owner of the commercial helicopter is thereby**
11 **eligible to receive an exemption from the personal property tax which**
12 **would otherwise be attributable to and due for that helicopter pursuant**
13 **to chapter 361 of NRS.**

Conceptual amendment: Insert provision to state that a commercial helicopter company that voluntarily relocates to a non-urban or non-residential area, prior to the establishment of the preferred non-urban airport or other preferred facility, would be eligible for the tax exemption.

14 2. **The program developed pursuant to subsection 1:**

15 (a) **Must be developed in cooperation with the county assessor of the**
16 **county;**

17 (b) **Must not allow the tax exemption described in that subsection**
18 **until the fiscal year beginning on July 1, 2004;**

19 (c) **Must set forth minimum thresholds, measured in number of days**
20 **or by a percentage of takeoffs and landings, for the usage of the**
21 **preferred non-urban airport or other preferred facility by a commercial**
22 **helicopter before the owner of that helicopter is eligible to receive the tax**
23 **exemption described in that subsection; and**

Conceptual amendment: Add a provision requiring the Commission to also create a program for granting a tax exemption for helicopters outside of the preferred non-urban airport or other preferred facility that meet certain noise standards - with the intent to provide an incentive for helicopter companies to invest in quieter models. Set a deadline of July 1, 2004, for implementing such a program.

24 (d) **Must require an owner of a commercial helicopter who desires to**
25 **receive the tax exemption described in that subsection to, on an annual**
26 **basis:**

27 (1) **Reapply for the exemption; and**

28 (2) **Provide proof that the commercial helicopter is using the**
29 **preferred non-urban airport or other preferred facility in accordance**
30 **with the thresholds established pursuant to paragraph (c).**

31 **Section 5. 1. Except as otherwise provided in subsection 2, the board**
32 **of county commissioners of a county whose population is 400,000 or**
33 **more, and any other governmental entity within such a county, shall not,**
34 **during the period commencing on July 1, 2003 and ending on June 30,**
35 **2005:**

This proposed new section 5 would be contained in a transitory provision and would not be codified in Chapter 495 of the NRS.

36 (a) **Authorize the construction or operation of a heliport in an urban**
37 **or residential area, for a heliport that was not in existence on July 1,**
38 **2003; or**

39 (b) **Authorize or issue any land use permit, the effect of which**
40 **approval or issuance would be to authorize the construction or operation**
41 **of a heliport that was not in existence on July 1, 2003.**

42 2. **As used in this section:**

43 (a) **"Helicopter" includes:**

44 (1) **A rotary wing aircraft; and**

45 (2) **A steep gradient aircraft that is capable of hovering.**

1 (b) "Helipad" means a temporary structure that is not designed for
2 permanent use and is built on the ground to enable a helicopter to land
3 safely.

4 (c) "Heliport" means any area used or intended to be used for the
5 takeoff or landing of helicopters. The term includes, without limitation,

6 (1) Any and all areas and buildings that are associated with and
7 necessary to the operation of the heliport; and

8 (2) A helipad.

9 (d) "Land use permit" means a building permit, a change in land use,
10 a zoning change, a conditional use permit, a special use permit, a waiver,
11 a variance or any other approval for the use of land.

12 ~~Sec=5.=~~ 6 NRS 361.067 is hereby amended to read as follows:

13 361.067 ~~{All vehicles, as defined in NRS 371.020,}~~ *The following*
14 *vehicles* are exempt from taxation under the provisions of this chapter ~~1~~:

15 1. *All vehicles, as defined in NRS 371.020, except mobile homes*
16 *which constitute "real estate" or "real property."*

17 2. *Commercial helicopters meeting the requirements of the program*
18 *established pursuant to section 4 of this act.*

19 ~~Sec=6.=~~ 7. A board of county commissioners shall make the
20 designation required pursuant to subsection 1 of section 3 of this act on or
21 before January 1, 2004.

22 ~~Sec=7.=~~ 8. This act becomes effective on July 1, 2003.

H

Conceptual amendment: Add a sunset provision for the tax exemption of December 31, 2007; thereby creating a four-year window for the tax exemption.

**BDR 44-877
A.B. 355**

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 26, 2003

Agency Submitting: Division of Assessment Standards, Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Loss of Revenue to Local Government (Revenue)		(\$157,852)	(\$157,852)	(\$315,704)
Loss of Revenue to State Debt Fund (Revenue)		(\$9,321)	(\$9,321)	(\$18,642)
Total		(\$167,173)	(\$167,173)	(\$334,346)

Explanation (Use Additional Sheets of Attachments, if required)

A.B. 355 exempts certain helicopters in Clark County under certain specified conditions. Certain of these helicopters are valued by the state as centrally assessed property and some are valued by the Clark County Assessor. The fiscal impact noted above is based on the total assessed value of the helicopters potentially eligible for exemption. The centrally-assessed portion of assessed value is estimated for about 63 helicopters at \$4,751,984 and the locally assessed portion of assessed value is estimated for about 20 helicopters at \$1,462,170, for a total of \$6,214,154 in assessed value. The 2002-2003 county-wide average tax rate of 2.6902 was applied to the total assessed value to derive the amount of taxes which could be lost due to the exemption. The exemption of centrally-assessed helicopters from the unit value would require individual valuation of each helicopter by the Department and potentially leaves only ground property value left to be allocated on the basis of airmiles to those jurisdictions where the helicopters fly.

Name Dino DiCianno
Title Deputy Executive Director

DEPARTMENT OF ADMINISTRATION'S COMMENT

Date March 26, 2003

The Agency estimate of the fiscal impact appears to be reasonable.

Name John P. Comeaux
Title Director Dept. of Admin.

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