

LOCAL GOVERNMENT  
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 4, 2005

Agency Submitting: Local Government

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2004-05</b>	<b>Fiscal Year 2005-06</b>	<b>Fiscal Year 2006-07</b>	<b>Effect on Future Biennia</b>
Total				

Explanation (Use Additional Sheets of Attachments, if required)

See attached.

Name Chris Janzen

Title Deputy Fiscal Analyst

SUMMARY OF LOCAL GOVERNMENT RESPONSES  
SB 482 / BDR 32-530

	<b>FY 2006</b>	<b>FY 2007</b>	<b>Comments</b>
City of Henderson			The City of Henderson will not incur a significant fiscal impact from this bill because it will not apply to Clark County.
City of Las Vegas			It is not clear what impact this bill might have on the City of Las Vegas (may have a positive or negative impact).
City of North Las Vegas			The City needs to receive information on this bill that would explain the changes in amount distributed based on the proposed formula. The City is inclined to believe that per capita is the fairest measure. Would this bill not favor a community which is not growing as fast as other communities? Roadways for new communities may not be completed and therefore, would be left off or out of the calculation.
City of Reno	\$190,000	\$190,000	\$380,000 effect on future biennia. This BDR changes the distribution method for the \$2.35 (Tier 2) and the \$1.75 portions of gas tax revenues from a method that favors the County to one that favors the cities. Per a consultant's estimate, it would result in approximately \$190K in additional gas tax revenues for Reno. The rationale is that basing the distribution on population and road mileage is a more logical and fair distribution than the current method with includes factors such as assessed valuation.
City of Sparks			This is the BDR requested by the City of Sparks. The bill should say that it ONLY applies to Washoe County. I had previously given the LCB ample reasons for a special act. The intent of our bill draft was to distribute all 6.35 cents in local fuel tax with the 2/3-1/3 formula, but the BDR as I read it does not appear to include the 1.25 portion of the tax.
Churchill County	\$99,067	\$99,067	\$99,067 in FY 2004-05; \$99,067 effect on future biennia. Under the current formula, the apportionment is 87.37% to the County and 12.63% to the City of Fallon. The bill would change the apportionment to the following: County 72.25% and the City 27.75%. This would shift \$99,067 of revenues FROM the County TO the City on the distribution of the 2.35 cent gas tax based on the hold-harmless total distribution amount of \$649,686.
Clark County			Has impact.

Douglas County			Currently, Douglas County has no cities and there would be no loss of revenue from the modified distribution of gas taxes at that level.
Eureka County			This may have a significant impact on Eureka County. However, I need to consult the Department of Taxation before I can give a firm estimate of our fiscal impact.
Lincoln County			Unknown as to what effect this will have on Lincoln County.
Washoe County	\$313,320	\$265,546	BDR 32-530 would change the distribution of three gas tax revenues (2.35 cents, 1.75 cents and 1 cent) at the second tier. Currently, the distribution among the cities of Reno and Sparks and Washoe County of the 2.35 cents is based on each entity's per cent of the county's total square miles, population, road and street mileage, and vehicle miles traveled. The 1.75 cents is distributed based on each entity's share of the county's total assessed valuation. The 1 cent is distributed based on the entities' share of the total population. Under the BDR, the second tier distribution for these three gas taxes would be distributed according to a formula two-thirds based on the entities' populations and one third in proportion to the total mileage of improved roads or streets maintained by each entity.
White Pine County	\$2,000,000	\$3,000,000	\$1,000,000 in FY 2004-05; \$8,000,000 effect on future biennia. Rural Counties do not like this formula as we will lose a lot of gas tax revenue.

The following cities/counties did not provide a response: Carson City, Elko County, Esmeralda County, Humboldt County, Lander County, Lyon County, Mineral County, Nye County, Pershing County and Storey County.