

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 28, 2023

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Chief Principal 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
S.B. 233 / BDR 32 - 87

City/County: Carson City Approved by: Sheri Russell-Benabou, Chief Financial officer Comment: \$140,000 is what Carson City would lose in Revenue for Personal Property Taxes, in addition, the changes in this bill could require the hiring of additional staff due to the complexity of the calculations proposed.				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	\$0	\$140,000	\$140,000	\$280,000

City/County: Clark County Approved by: Rachel Stevens, Principal Management Analyst Comment: The bill would exempt property, machinery, and equipment held by a business primarily engaged in renting or leasing heavy equipment used for construction from personal property taxes. Clark County receives an estimated \$2.5 million per year in personal property tax from this type of equipment. While the bill would instead impose a tax on the gross receipts from the rental of heavy equipment, it is unclear how much of this tax would be distributed to Clark County and whether it would completely offset revenue lost from the personal property tax exemption. The procedures would also require additional staff time to distribute the tax revenue to other jurisdictions.				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	\$0	\$0	(\$2,500,000)	(\$5,000,000)

City/County: Douglas County Approved by: Terri Willoughby, Chief Financial Officer Comment: Negligible impact, very little rental of heavy equipment in the County.				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: Elko County Approved by: Susan Paprocki, Comptroller Comment: This will definitely have impact on county revenues, the full impact is unknown at this time.				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Humboldt County**

Approved by: Andy Heiser, Assessor

Comment: The above stated revenue loss is actual revenue that our county receives from our single heavy equipment rental company that would meet the requirements of this bill.

The unknown revenue loss would be when companies who own this equipment, open their own rental company to also share the benefit of being exempt from personal property taxation and pay the 2% rental fee. We do not know the rental rate and amounts from the companies that will fall under this bill so in return, we also do not know how much of the \$0.75 portion that goes to the Department will be lost.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	(\$39,000)	(\$39,000)	(\$39,000)	(\$78,000)

City/County: **Lincoln County**

Approved by: Denice Brown, Administrative Assistant

Comment:

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **Lyon County**

Approved by: Josh Foli, Comptroller

Comment: We estimate a reduction in property tax revenue as companies switch from owning heavy equipment to leasing as there becomes a greater tax benefit to do so.

There is also an estimated corresponding loss of Assessor's Commissions for the same reason.

There will also be a software modification needed for us to apportion sales tax revenue in the same manner as property taxes.

No replacement revenue is anticipated as the bill calls for the heavy equipment rental sales tax to be reported in the County where the provider of the equipment is located. This will most likely be in Carson City or Washoe County for equipment leased in Lyon County.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	\$0	\$37,500	\$135,000	\$270,000

City/County: **Pershing County**

Approved by: Karen Wesner, Administrative Assistant

Comment:

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **Washoe County**

Approved by: Cadence Matijevich, Government Affairs Liaison

Comment: This bill would result in a significant reduction in revenue to Washoe County. The difference between the 2% being added under the bill to capture lost revenue in relation to the loss of revenue from our unsecured roll cannot be determined but is not anticipated to fully offset the loss of revenue. Additionally, Washoe County would incur new expenses to implement and maintain the collection of said 2%; these expenses cannot be determined at this time. Assessed value from accounts that are projected to qualify for the exemption provided in bill is approximately \$43,717,320. Using a 3.66% tax rate, the taxes on such accounts would be approximately \$1.6M. After reducing this number by 20 percent to account for smaller items associated with these businesses that would not be subject to the exemptions provided under this bill, the estimated loss of property tax revenues would be \$1,280,000 annually.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	\$0	\$0	(\$1,280,000)	(\$2,560,000)

City/County: **City of Boulder City**

Approved by: Angela Manninen, Acting Finance Director

Comment: Boulder City's Public Works and Utilities both need to rent heavy machinery on projects. This 2% tax would impact the City in an unknown amount depending on projects.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Elko**

Approved by: Kelly Wooldridge, City Clerk

Comment:

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **City of Henderson**

Approved by: Mike Cathcart, Business Operations Manager

Comment: The fiscal impact of this legislation cannot be determined at this time. I would depend on the rental of certain equipment and cannot be projected.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Las Vegas**

Approved by: Jackie Bruno, Management Analyst I

Comment:

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **City of Reno**

Approved by: Jordan Hosmer-Henner, Urban Economist

Comment: This would have an unknown impact on City revenues through the reclassification of taxable property.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Sparks**

Approved by: Tiffany Pugh, Accounting Manager

Comment: We cannot determine the full fiscal impact, but provisions of this bill are expected to slightly increase City tax receipts.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Carson City School District**

Approved by: Spencer Winward, Director of Fiscal Services

Comment: Carson City School District cannot determine if there will be a fiscal impact from this proposed legislation.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Churchill County School District**
 Approved by: Dr. Summer E. Stephens, Superintendent
 Comment:

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: **Clark County School District**
 Approved by: Dillon Kay, Director II - Budget
 Comment: No financial impact. Sec. 13. Exempts CCSD from tax on heavy equipment.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: **Elko County School District**
 Approved by: Julie Davis, CFO
 Comment: No direct impact expected. The District is tax except, so this would not increase direct expenditures. The taxes paid in the County for education are remit to the State Education Fund, so no direct impact of funding either. Possible indirect impact if hiring a contractor to perform services and the contractor rents the equipment instead of the District.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: **Lincoln County School District**
 Approved by: Pam Teel, Superintendent
 Comment: Unclear on impact on school district

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Lyon County School District**
 Approved by: Kyle Rodriguez, Fiscal Services Officer
 Comment:

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Nye County School District Approved by: Kelly Wood, Executive Secretary Comment:				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District Pershing County School District Approved by: Russell D. Fecht, Superintendent Comment:				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Washoe County School District Approved by: Mark Mathers, Chief Financial Officer Comment: Washoe County School District does not have the information necessary to compute the reduced property taxes nor the increase revenues attributable to the 2% rate on gross receipts of the leasing of heavy equipment, proposed in this bill.				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: White Pine School District Approved by: Paul Johnson, Chief Financial Officer Comment: Imposing a tax on rental of certain heavy equipment may impact revenue but the impact can not be determined.				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

The following cities/counties/school districts did not provide a response: Churchill County, Esmeralda County, Eureka County, Lander County, Mineral County, Nye County, Storey County, White Pine County, City of Caliente, City of Carlin, City of Ely, City of Fallon, City of Fernley, City of Mesquite, City of North Las Vegas, City of Wells, City of West Wendover, City of Winnemucca, City of Yerington, Douglas County School District, Esmeralda County School District, Eureka County School District, Humboldt County School District, Lander County School District, Mineral County School District, and Storey County School District.