



STOREY COUNTY COMMISSIONERS' OFFICE

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Jay Carmona, Chair
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Austin Osborne, County Manager

February 23, 2024

Joint Interim Standing Committee on Revenue
Nevada State Legislature
401 South Carson Street
Carson City, NV 89701

Attention: Joint Interim Standing Committee on Revenue

Re: Storey County Comment on SB1 3.5B and 1.0B Abatement Programs (02/28/24 Committee Meeting)

Chair Backus and Honorable Committee Members:

Storey County appreciates this opportunity to highlight its experiences responding to \$3.5B and \$1.0B private investment incentive programs facilitated through Senate Bill 1 of the 2014 Special Legislative Session. Storey County is home to two \$3.5B projects and one \$1.0B project incentivized by Senate Bill 1. Storey County also welcomes an opportunity to meet with the legislative committee to discuss these matters further.

Senate Bill 1 accelerated Nevada's position becoming a world-leader in advanced manufacturing and technology development. Despite 10 and 20-year tax abatements, Senate Bill 1 facilitates immediate financial benefit and long-range return on investment for participating jurisdictions, their surrounding counties, and for the State of Nevada.

Economic Benefits to Nevada

Two companies receiving Senate Bill 1 incentives in Storey County have over the past ten years benefited Nevada and the Reno-Sparks area as follows:

- \$17 billion in direct and indirect economic activity in Nevada occurred in relation to these companies.
- \$117 million in revenue benefited the State Treasury, Dept. of Education, and local governments.
- Northern Nevada experienced a 40% increase in taxable sales and assessed property valuation.
- Economic diversification, urban renewal, and sustainable careers have transformed the region and state.

Challenges Experienced by Host Jurisdictions

Senate Bill 1 incentive programs also bring challenges to counties, fire districts, and other host jurisdictions. Some of these challenges include the following:

- Host jurisdictions must for 10 years provide potentially unfunded public services.
- Decisions to approve abatements do not include host jurisdictions.
- Host jurisdictions may only participate during "public comment" of meetings considering abatements.
- Decisions are based solely on pre-established benchmarks. The host jurisdiction has little or no authority to decline a project.
- Without proper funding, the local jurisdiction may be unable to provide fire, emergency medical, law enforcement, and other critical services to the abated company.

Storey County is experienced with large industrial projects, and it may be better suited than other small jurisdictions to endure ten-year tax abatements programs under Senate Bill 1. Nearly \$20 million was needed over approximately ten years for Storey County and the Storey County Fire Protection District to provide public services to its Senate Bill 1 incentivized companies.

Fortunately, many of these costs were recovered through successful private-public cooperation between the county, fire district, and incentivized company, although not mandated by Senate Bill 1.

Investment Opportunities with Mitigation

Senate Bill 1 facilitates potential transformative economic opportunities for counties, cities, fire districts, and for the State of Nevada.

Storey County, for example, anticipates \$15 million return-on-investment in 2025 following 10 years of 100% property tax abatements from its lead incentivized company. These revenues may enable the county to upgrade its 19th century infrastructure, repair dilapidated facilities, enhance public services, and pay off debt.

Despite opportunities that this legislation may provide, it should be evaluated for both its merits and shortcomings. The evaluation should consider enabling host jurisdictions to be:

- Treated as stakeholders in the decision-making process,
- Allowed to require agreements defraying costs of public services during the abatement period, and
- The final decision authority accepting or denying a \$3.5B and \$1.0B incentive projects.

Storey County respectfully requests an opportunity to discuss these matters with the legislative committee. The county will gladly share its experiences navigating through the challenges of Senate Bill 1 framework and discuss its plans for re-investing post-abatement revenues as intended by the legislation.

Respectfully submitted,



Austin Osborne
Storey County Manager

Cc.: Storey County Commissioners

Governor's Office of Economic Development (GOED)

Northern Nevada Development Authority (NNDA)

Economic Development Authority of Western Nevada (EDAWN)

Nevada Association of Counties (NACO)