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MEMORANDUM

DATE: October 10, 2016

TO: Members of the 30th Special Session of the Legislature

FROM: Michael Nakamoto, Deputy Fiscal Analyst *MN*
Fiscal Analysis Division

SUBJECT: **Fiscal Note for Senate Bill 1**

The following financial impact statements have been submitted in response to the Fiscal Analysis Division's requests for a fiscal note on Senate Bill 1.

STATE GOVERNMENT RESPONSE

Nevada Department of Transportation

No Fiscal Impact

Explanation

- The Nevada Department of Transportation (NDOT) recently completed a traffic assessment which identified transportation projects on state-maintained highways that coincidentally support traffic generated from special events held at a future stadium. The traffic assessment is based on the two developer-preferred stadium sites located on Russell Road and Bali Hai Golf Course.
- The transportation projects in the vicinity of a proposed stadium are in various stages of development and were anticipated as future regional improvements to the transportation system regardless of the possibility of development of a stadium.
- Since the development of the transportation projects in this area of Las Vegas was already planned, there is no fiscal impact above and beyond what NDOT assumed it would deliver in southern Nevada.

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- The prioritization of projects in southern Nevada is subject to revision, but that is consistent with the current process in which the Transportation Board of Directors adopts amendments and modifications on a quarterly basis to the Statewide Transportation Improvement Program (STIP).
- NDOT is not seeking additional funding for projects in southern Nevada which may coincidentally support traffic generated from special events held at a future stadium.
- Projects delivered by NDOT in southern Nevada will rely on projected revenues to the State Highway Fund, including federal funds.

Felicia Denney, Chief, Financial Management Division

LOCAL GOVERNMENT RESPONSES

City of Boulder City

There should be no significant fiscal impact to the City of Boulder City due to the approval of Senate Bill 1 of the 30th Special Session. Boulder City is even outside the “Stadium District” and would be less impacted than the Las Vegas Valley.

Doug Honey, Chief Accountant

City of Henderson

No significant fiscal impact to the City of Henderson. The City supports the concepts in the legislation that will lead to increases in visitor volume to Nevada and the Las Vegas Valley.

Michael Cathcart, Business Operations Manager

City of Las Vegas

Section 56 of the bill will limit the room tax collection fees to the actual 10% of room tax collection in Clark County or \$25 million, whichever is less. The distribution of these pooled collection fees will be subject to the existing Interlocal Agreement between the LVCVA, Clark Co., Las Vegas, Henderson, North Las Vegas, Boulder City, and Mesquite. The LVCVA collection fees distributed to these local governments was \$24.5 million in FY16, and LVCVA projects they will exceed the proposed SB1 \$25 million cap in FY17. The city of Las Vegas estimates our potential impact of this cap to be about \$40 thousand annually based on LVCVA FY17 budget projections. We note this is a loss of *future* distributions and not a reduction in *current* distributions.

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Additionally, in the event that the proposed new room taxes in Section 33 are so insufficient to pay for the general obligation debt service authorized in Section 37 that Clark County must impose a property tax to pay the debt service, such an action could limit the ability of Las Vegas and other Clark County local governments from increasing their portions of the overlapping tax rates due to the \$3.66 limit imposed under NRS 361. While this is *not* anticipated to happen, it *could* happen under certain circumstances.

Mark Vincent, City Manager

cc: Rick Combs, Director, Legislative Counsel Bureau
Brenda Erdoes, Legislative Counsel
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Cindy Jones, Assembly Fiscal Analyst
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