

BDR 34-1202
AB 519

LOCAL GOVERNMENT
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: June 2, 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
A.B. 519 / BDR 34 - 1202

School District: Carson City School District Approved by: Spencer Winward, Director of Fiscal Services Comment: Carson City School District cannot determine the fiscal impact but does not anticipate a negative impact. Proposed legislation does provide the District with another potential revenue source for capital projects which would be greatly welcomed.				
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: 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: Humboldt County School District Approved by: Dr. David Jensen, Superintendent Comment: We would anticipate no fiscal impact as this would not be supported in our community as it would be perceived to bypass the voting public.				
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, Pam Teel Comment: Cannot determine if only for one county that is not Lincoln				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: Lyon County School District Approved by: Kyle Rodriguez, Fiscal Services Officer Comment: Fiscal impact cannot be determined, but a positive impact is anticipated.				
Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **Nye County School District**

Approved by: Kelly Wood, Executive Secretary

Comment: This will have a fiscal impact on us if the State or County takes our General Service Tax that put in our Capital Projects Fund to create this new fund.

Impact	FY 2022-23	FY 2023-24	FY 2024-25	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **White Pine School District**

Approved by: Paul Johnson, Chief Financial Officer

Comment: This bill (AB 519) could provide partial funding for school construction in rural areas. The school district currently levies a \$0.25 property tax rate pursuant to a bond rollover initiative approved by voters in 2008. Over the past ten years, the average annual revenue including taxes on net proceeds of minerals (NPM) was approximately \$1.2 million. The average excluding NPM was approximately \$862,667 per year. The school district has used these funds to secure a \$7 million bond issue and any revenue in excess of the bond payments can be used on a pay as you go basis. Revenue from NPM should not be used to secure long-term debt due to the speculative nature of this industry. In the event AB 519 were passed and the full \$0.25 ad valorem (or property) tax were levied, the school district could expect approximately \$1.2 million of annual revenue providing mining remains vibrant. Annual revenue available to secure long-term debt could secure approximately \$7 million in bonds depending on terms and conditions. A bond of this size (\$7m) would fund approximately 1/8th of the cost to construct a new school. We are currently seeking solutions to replace two 110+ year old schools that would cost approximately \$60+- million according to estimates from two independent sources. It is unlikely that passage of this bill in its current form would result in any immediate impact because the potential resources would be insufficient to build a new school. In the event a financial package were developed with the potential revenue from this bill as an integral component, then the bill would have an impact. Because of this uncertainty, we have indicated that the fiscal impact can not be determined at this time even though we can reasonably quantify the potential annual revenue of a \$0.25 property tax levy.

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

The following school districts did not provide a response: Douglas County School District, Elko County School District, Esmeralda County School District, Eureka County School District, Lander County School District, Mineral County School District, Pershing County School District , and Storey County School District.