

Explanation of Impact: n/a

Alternatives: Make the finding that the proposed ordinance does not impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business.

Prepared By: Nick Providenti

Reviewed By: [Signature] Date: 7/23/13
(Department Head)
: [Signature] Date: 7/23/13
(City Manager)
: [Signature] Date: 7/23/13
(District Attorney)
: [Signature] Date: 7/23/13
(Finance Director)

Board Action Taken:

Motion	_____	1) _____	Aye/Nay
		2) _____	_____

(Vote Recorded By)

BUSINESS IMPACT STATEMENT

The following business impact statement was prepared pursuant to NRS 237.090 to address the proposed impact of an ordinance amending Title 4 Licenses and Business Regulations, Chapter 4.04 Business Licenses, Section 4.04.107 Public Utilities by increasing business license fees on electric services by .5% effective September 1, 2013 and other matters properly related thereto. The revenue generated from this increase will fund the costs needed in the Carson City General fund to maintain services at their current levels.

1. The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

The proposed ordinance amending Chapter 4.04 of the Carson City Municipal Code regarding an increase has been presented to the Carson City Area Chamber of Commerce, Builders Association of Western Nevada, Manufacturing & Industrial Association and to the public through news reports.

A notice was posted on the Carson City website (www.carson.org) A copy of this Business Impact Statement is also available at the Carson City Finance Department, 201 N. Carson St. Suite 3, Carson City, Nevada 89701.

_____ objections to the increase in electric utility business license fees have been received to date.

2. The estimated economic effect of the proposed rule on businesses including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:

- a. Adverse effects:

A .5% increase in electric utility bills.

- b. Beneficial effects:

It is estimated that this will generate approximately \$240,000 in additional revenues in the Carson City's General Fund. This amount will fund the costs needed to maintain services at their current levels.

- c. Direct effects:

The approval of this ordinance will increase fees. The total electric utility bill will increase as a result of the business licenses being increased by .5%.

- d. Indirect effects:

The passing of this ordinance is sure to have indirect effects, however at this time, those effects cannot be quantified.

3. The following constitutes a description of the methods that the governing body of the local government considered to reduce the impact of the proposed ordinances on businesses and a statement regarding whether any, and if so which, of these methods were used:

The current economic climate necessitated reductions in operations costs and examination of other taxes, fees and/or charges that may be implemented. The City has reduced it's workforce by approximately 92 FTE's since FY 2007 and has had to reduce the general fund budget due to the shortfall in sales tax revenues by approximately \$10 million since FY 2007. Additionally, costs passed down from the State of Nevada for assessments associated with Health and Human Services, Juvenile Services, and Parole and Probation as a result of the 2011 and 2013 Legislative Sessions have required the City to utilize all means necessary to increase general fund revenues.

4. The governing body estimates that the annual cost to the local government for enforcement of the proposed ordinance is:

There should be no increase in costs, as the utilities normally collect utility business license fees and they deal with rates and customer charges everyday. If there is any cost impact, it would be very small.

5. The proposed ordinance increases the existing fees and the total annual amount expected to be collected is:

Annual total of monthly charges: **Electric \$240,000;**

6. The proposed ordinance includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity. The following explains why such duplicative or more stringent provisions are necessary.

The proposed change is not duplicative, or more stringent than existing federal, state or local standards.

OBJECTION PROCESS

1. If a business believes it is aggrieved by a rule (as defined in NRS 237.060) adopted by the governing body, the business may object by filing a petition in writing with the clerk/secretary of the local government at 201 North Carson Street, Ste. 1, Carson City, NV 89701.
2. The governing body will accept such petitions for a period of thirty (30) days following approval of the subject Rule for one of the following reasons:
 - a. The governing body failed to prepare a business impact statement as required pursuant to NRS Chapter 237; or
 - b. The business impact statement prepared by the governing body did not consider or significantly underestimate the economic effect of the ordinance or rule on business.
3. Upon receipt of the petition, the clerk/secretary will forward a copy to the local government's attorney, the department/agency that generated the Rule and the local government's manager/chief executive.
4. Staff will consider the merits of the petition and forward a recommendation to the governing body.
5. The governing body will determine if the petition has merit and direct staff accordingly.
6. A sample petition is attached.

PETITION OBJECTING TO ADOPTION OF RULE



July 11, 2013

Carson City Dept. of Finance

Attn: Nick Providenti

201 North Carson St., Ste 3

Carson City, 89701

Dear Sir:

First and foremost let me compliment you for following the intent of the law created about 15 years ago on including the business impact statement and actually reaching out to the business community before taking action. We haven't been asked to respond to such a request in over a decade.

Our assessment is that the Carson City area is still long way from fully recovered from the recession and certainly the manufacturing sector which I represent lost about 10,000 jobs statewide in the recession (over 24%) and that new level has now become the new normal. The monthly release of the UI data by the state continues to indicate considerable uncertainty in our sector.

In addition to this fee/tax increase, actions taken by the utility and the legislature are likely to make the price of power fluctuate considerably over the next few years. The northern end of the state rate case was filed with PUCN recently requesting a small rate decrease. A group of companies have filed as interveners in that case seeking a much larger rate decrease and we believe they should win with lower rate effective about the first of the year. A tax increase via the franchise fee for January 1 might have "NO IMPACT" on business or residential customers. In theory that rate should be stable for a three year window, so if you included a three year sunset in your change that should be more than adequate time for property tax recovery to take place. The Mid America acquisition of NV Energy assuming it follows the pattern established in UT, WY, Eastern ID and Southern OR will like see a huge rate increase in the early 2017 general rate case – 20% or higher is likely. If recovery is here, then action by the city to lower the impact or allow a sunset to lower the rate would be a positive sign to the community.

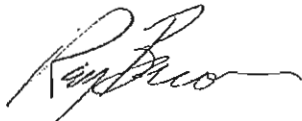
963 Topsy Lane
#306-182
Carson City, NV 89705-8417
ph 775.882.6662
t 800.821.6662
fx 775.267.4747
c 775.771.8550
email nma@nevadaweb.com
www.nvmfrs.org

RECEIVED JUL 15 2013

May I suggest you need to directly contact the largest 15 to 20 power users in the city directly to tell them about your planned fee increase. I suspect this list includes: Gold Dust West, the school district, Carson Station, The Carson Nugget, Chromalloy, PCC Structural, Clickbond, Complete Millworks, Carson Tahoe Hospital, Casino Fandango, Baselite, WNC, state government, SunOpta, Harley Credit, VRP Vitamins, DuraBond Bearing, Ametherm, Specline, BME Ltd, and perhaps some of the larger retailers. I am sure I missed someone. I assume some are not included in your tax at this time and would not be in this increase. The list is not that long the discussions are probably worth the time spent. Your tax database should yield an accurate list with few minutes if it doesn't exist already.

Finally there is a process called "lean manufacturing" based on the Toyota production system. Many of the tools work in any environment and not just in a factory. The Nevada National Guard has a few people who have been through the training and understand what is involved. The current Adjutant General of the Nevada Guard wants their operation become more engaged in help the state and the communities within the state. May I strong suggest you have a conversation with Ken Bunker at 887-7254 about what they do and could do to reduce your cost and improve your productivity. I believe it would be time well spend and I think they will do their programs for little more than the cost of materials. I think his email is kenneth.b.bunker.civ@nail.mil, but I know his phone works. Knowing the mayor's long history in the Naval Reserve, he should love this idea.

Regards,



Ray Bacon

Nick Providenti

From: info@elainewhitephd.com
Sent: Monday, July 08, 2013 9:59 AM
To: Nick Providenti
Subject: NRS 237.080

Dear Mr. Providenti:

I am a small business owner in Carson City. My business provides a positive contribution to Carson City as a business entity in the re-development area of the city. Since there were no funds available for recent businesses being established in the re-development district, I invested my personal finances to upgrade a property to city specifications. This, I believe, was a contribution and investment to the city of Carson. Consequently, I oppose the new proposed increase in Carson City Business License Fees for electric fees. I have made a substantial investment in the downtown area and believe it would be punitive to increase the fees for someone already contributing to the community.

Thank you for your consideration in this matter.

Sincerely,

Elaine White, PhD



July 11, 2013

Carson City Dept. of Finance

Attn: Nick Providenti

201 North Carson St., Ste 3

Carson City, 89701

Dear Sir:

First and foremost let me compliment you for following the intent of the law created about 15 years ago on including the business impact statement and actually reaching out to the business community before taking action. We haven't been asked to respond to such a request in over a decade.

Our assessment is that the Carson City area is still long way from fully recovered from the recession and certainly the manufacturing sector which I represent lost about 10,000 jobs statewide in the recession (over 24%) and that new level has now become the new normal. The monthly release of the UI data by the state continues to indicate considerable uncertainty in our sector.

In addition to this fee/tax increase, actions taken by the utility and the legislature are likely to make the price of power fluctuate considerably over the next few years. The northern end of the state rate case was filed with PUCN recently requesting a small rate decrease. A group of companies have filed as interveners in that case seeking a much larger rate decrease and we believe they should win with lower rate effective about the first of the year. A tax increase via the franchise fee for January 1 might have "NO IMPACT" on business or residential customers. In theory that rate should be stable for a three year window, so if you included a three year sunset in your change that should be more than adequate time for property tax recovery to take place. The Mid America acquisition of NV Energy assuming it follows the pattern established in UT, WY, Eastern ID and Southern OR will like see a huge rate increase in the early 2017 general rate case – 20% or higher is likely. If recovery is here, then action by the city to lower the impact or allow a sunset to lower the rate would be a positive sign to the community.

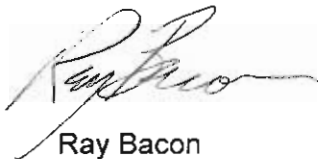
963 Topsy Lane
#306-182
Carson City, NV 89705-8417
ph 775.382.6662
tf 800.821.6662
fx 775.267.4747
c 775.771.8550
email nma@nevadaweb.com
www.nvmfrs.org

RECEIVED JUL 15 2013

May I suggest you need to directly contact the largest 15 to 20 power users in the city directly to tell them about your planned fee increase. I suspect this list includes: Gold Dust West, the school district, Carson Station, The Carson Nugget, Chromalloy, PCC Structural, Clickbond, Complete Millworks, Carson Tahoe Hospital, Casino Fandango, Baselite, WNC, state government, SunOpta, Harley Credit, VRP Vitamins, DuraBond Bearing, Ametherm, Specline, BME Ltd, and perhaps some of the larger retailers. I am sure I missed someone. I assume some are not included in your tax at this time and would not be in this increase. The list is not that long the discussions are probably worth the time spent. Your tax database should yield an accurate list with few minutes if it doesn't exist already.

Finally there is a process called "lean manufacturing" based on the Toyota production system. Many of the tools work in any environment and not just in a factory. The Nevada National Guard has a few people who have been through the training and understand what is involved. The current Adjacent General of the Nevada Guard wants their operation become more engaged in help the state and the communities within the state. May I strong suggest you have a conversation with Ken Bunker at 887-7254 about what they do and could do to reduce your cost and improve your productivity. I believe it would be time well spend and I think they will do their programs for little more than the cost of materials. I think his email is kenneth.b.bunker.civ@nail.mil, but I know his phone works. Knowing the mayor's long history in the Naval Reserve, he should love this idea.

Regards,

A handwritten signature in black ink, appearing to read "Ray Bacon", written over a light grey rectangular background.

Ray Bacon

Nick Providenti

From: info@elainewhitephd.com
Sent: Monday, July 08, 2013 9:59 AM
To: Nick Providenti
Subject: NRS 237.080

Dear Mr. Providenti:

I am a small business owner in Carson City. My business provides a positive contribution to Carson City as a business entity in the re-development area of the city. Since there were no funds available for recent businesses being established in the re-development district, I invested my personal finances to upgrade a property to city specifications. This, I believe, was a contribution and investment to the city of Carson. Consequently, I oppose the new proposed increase in Carson City Business License Fees for electric fees. I have made a substantial investment in the downtown area and believe it would be punitive to increase the fees for someone already contributing to the community.

Thank you for your consideration in this matter.

Sincerely,

Elaine White, PhD