



CITY OF FERNLEY

CITY COUNCIL AGENDA REPORT

Meeting Date: February 17, 2021

REPORT TO:	Mayor and City Council
REPORT THRU:	Daphne Hooper, City Manager
REPORT FROM:	Denise Lewis, City Treasurer
REVIEWED BY:	Daphne Hooper, City Manager
REVIEWED BY:	Brent Kolvet, Deputy City Attorney

FINANCIAL IMPACT: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	CURRENTLY BUDGETED: Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	FUND/ACCOUNT: Revenue 100.310.100
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ACTION REQUESTED: Consent Ordinance Resolution Motion Receive/File

AGENDA ITEM: Staff Report (For Possible Action):

Discussion and Possible Action to Approve the City of Fernley's Maximum Allowed Operating Property Tax Rate to be Levied for Fiscal Year 2022 and for Submission to the Department of Taxation.

In February of each year, the Department of Taxation establishes the preliminary maximum allowed property tax rate for all local governments for the following fiscal year. The property tax rate that the governing body proposes to levy must be submitted to the department of taxation in writing. Once notification is submitted to taxation, the property tax rate will then be used to create the final property tax revenue projections, which will also include abatement calculations.

Recommended Motion:

"I move to approve the City of Fernley's maximum allowed operating property rate to be levied for Fiscal Year 2022 and for submission to the Department of Taxation."

Business Impact (per NRS Chapter 237):

A Business Impact Statement is Attached.

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

ALTERNATIVES: To not increase the tax rate.

BACKGROUND: In February of each year, the State Department of Taxation provides a maximum allowed property tax rate and the City must submit in writing the property tax rate the City proposes to levy for the upcoming fiscal year. Upon request by City Council, this information is being brought forward for Council approval prior to budget workshops. The City's current tax rate for FY 2021 is set at .6734. The City will not receive the letter provided by the Department of Taxation confirming the new maximum allowed rate until February 16, 2021.

There is a misconception that the City of Fernley receives all moneys included and paid for on an individual tax bill. That is not the case. The City only receives 67 cents on every \$100 of assessed value. For example, with a total assessed value within the City of Fernley of \$959M, the City would only receive \$3.2M, which is less abatements of about 50%. $(959,000,000/100=9,590,000 \times .6734=6,457,906 \text{ (pre-abated amount)} \times 50\%=3.2M$

LEGAL IMPLICATIONS: N/A

ATTACHMENTS:

- Memo from the Department of Taxation dated January 26, 2021
- Revenue Projections and maximum tax rate (to be provided upon receipt on 2/16/21)