

Senate Concurrent Resolution No. 37–
Senator Horsford

Joint Sponsor: Assemblyman Ocegüera

FILE NUMBER.....

SENATE CONCURRENT RESOLUTION—Providing for the Interim Finance Committee to conduct a review of Nevada’s revenue structure and to provide long-term stabilization of revenue.

WHEREAS, A prolonged recession has left Nevada with a large general fund deficit; and

WHEREAS, Nevada’s existing state revenue sources are insufficient to fund essential state services such as education, health and human services and public safety programs; and

WHEREAS, Nevada’s 2009-2011 budget includes nonrecurring federal stimulus funds and tax revenues that will sunset on June 30, 2011; and

WHEREAS, It is essential that the State in the future have a stable, equitable, transparent and competitive revenue system; and

WHEREAS, It is vital that policymakers not be unduly constrained by the current distribution of public revenues or the current mixture of public revenue sources in making decisions regarding the State’s fiscal system; and

WHEREAS, It is in the best interest of Nevada that the State’s revenue system reflect the long-term needs of the State, the diversity of Nevada’s economy and nationally recognized best practices; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the Interim Finance Committee shall appoint a Subcommittee to conduct a review of Nevada’s revenue structure and to provide long-term stabilization of revenue. The Subcommittee shall carry out the following functions:

1. Review proposals for broad-based taxes which are fair and equitable;
2. Examine strategies for mitigating tax burdens on both businesses and consumers, including reductions, if possible, in existing taxes, both state and local;
3. Consider the public’s willingness to having existing taxes be decreased as other tax revenues become available;
4. Using current statistical information, propose strategies and recommendations to advance the State of Nevada in nationwide rankings in key quality-of-life areas, including education, health and



human services, public safety, economic diversification, job creation, transit and energy use; and

5. Develop a quality-of-life vision for the State of Nevada for a 5-year period, a 10-year period and a 20-year period; and be it further

RESOLVED, That the Subcommittee shall appoint a Nevada Vision Stakeholder Group, with members selected from a list of names submitted by community and statewide groups involved in business, education, health care, human services, economic development, transit and energy, or any other groups deemed appropriate by the Subcommittee, to assist in developing 5-year, 10-year and 20-year strategic plans for improving the State's quality of life; and be it further

RESOLVED, That, with money available for this purpose, the Interim Finance Committee shall, through competitive bidding, retain the services of a qualified, independent consultant to review Nevada's public revenue structure and make recommendations to the Interim Finance Committee relating to:

1. The allocation of revenue from taxation and other sources between the State and local governments;

2. The adequacy of the revenue sources of the State and local governments and each level of government in supplying sufficient revenue for the services provided by the respective governments and governmental agencies;

3. The relative stability of the revenue sources of the State and local governments and each level of government and each governmental agency;

4. The degree to which the revenue sources of the State and local governments reflect the current economic activity of the State;

5. The degree to which the revenue sources of the State and local governments are representative of the way business is conducted today relative to administration and compliance;

6. The extent to which the earmarking of various revenue sources has removed flexibility in efficiently allocating those revenue sources;

7. The extent to which the revenue sources of state and local governmental agencies increase in proportion to increased population and the corresponding increased demand for the services provided by the respective governments and governmental agencies;

8. Any recommendations to improve the equity of the allocation of revenue and the stability of the sources of revenue for State Government and the various local governmental entities and



changes which will improve the flexibility, collection and administration of existing revenue sources; and

9. Any other matters that the Interim Finance Committee deems necessary to improve the equity, stability, transparency and competitiveness of the State's tax system; and be it further

RESOLVED, That in conjunction with the revenue stabilization study process, the consultant shall:

1. Collect independent data on Nevada's national rankings in quality-of-life areas; and

2. Coordinate with the Nevada Vision Stakeholder Group to develop strategies to advance Nevada's national standing in critical quality-of-life areas; and be it further

RESOLVED, That the consultant shall deliver a report of his findings concerning revenue stabilization to the Interim Finance Committee on or before July 1, 2010, which must include specific recommendations as well as the impact of implementing those recommendations on the State, local governments and various types of businesses, including, without limitation, large and small businesses, capital-intensive and labor-intensive businesses and high-margin and low-margin businesses and as well the impact on the general population; and be it further

RESOLVED, That the consultant shall deliver a report of his findings concerning quality-of-life areas to the Interim Finance Committee on or before July 1, 2010, including, without limitation, proposed strategies and recommendations from the Nevada Vision Stakeholder Group in key areas such as education, health and human services, public safety, economic diversification, job creation, transit and energy use; and be it further

RESOLVED, That the Interim Finance Committee shall hold at least two public hearings to evaluate the findings of the consultant; and be it further

RESOLVED, That the Subcommittee shall create a Technical Working Group consisting of the Senate Fiscal Analyst, the Assembly Fiscal Analyst, the Chief of the Budget Division of the Department of Administration, the Executive Director of the Department of Taxation, the Vice Chancellor of Finance of the Nevada System of Higher Education, the Deputy Superintendent of Administrative and Fiscal Services of the Department of Education and the Chairman of the Committee on Local Government Finance; and be it further

RESOLVED, That the Subcommittee shall direct the Technical Working Group to ensure that the State is prepared to implement, on



or before July 1, 2011, revenue stabilization recommendations accepted and forwarded by the Subcommittee; and be it further

RESOLVED, That the Technical Working Group shall undertake any work necessary to ensure the State's readiness to implement required modifications to the State's existing revenue system, including, without limitation, any upgrade or replacement of equipment or software required for such a modification; and be it further

RESOLVED, That, upon recommendation of the Subcommittee, the Executive Director of the Department of Taxation may request an allocation from the Contingency Fund pursuant to NRS 353.266, 353.268 and 353.269 to acquire a technologically sound computer system necessary for the collection or allocation of taxes in the State; and be it further

RESOLVED, That the Interim Finance Committee shall, on or before October 1, 2010, submit a report of the results of its review and any recommendations for legislation to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the 76th Session of the Nevada Legislature.

