ASSEMBLY JOINT RESOLUTION NO. 12–ASSEMBLYMEN BEERS, BUCKLEY, PERKINS, MANENDO, HETTRICK, BERMAN, PARKS, DE BRAGA, THOMAS, SEGERBLOM, MCCLAIN, TIFFANY, NOLAN, BROWER, ANGLE, GUSTAVSON, CHOWNING, MORTENSON, CARPENTER, GIBBONS, NEIGHBORS, LEE, ARBERRY, GIUNCHIGLIANI, COLLINS, VON TOBEL, OHRENSCHALL AND PRICE

MARCH 5, 1999

JOINT SPONSOR: SENATOR AMODEI

Referred to Committee on Elections, Procedures, and Ethics

SUMMARY—Urges Federal Government to invest all surplus money in Federal Insurance Contributions Act to benefit Social Security system. (BDR R-1212)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

ASSEMBLY JOINT RESOLUTION—Urging the Federal Government to invest all surplus money in the Federal Insurance Contributions Act for the benefit of the Social Security system.

WHEREAS, The Social Security system provides benefits to 44 million Americans, including over 27 million retirees, 4 1/2 million people with disabilities, almost 4 million surviving children and over 8 million surviving adults, and is essential to the dignity and security of a large number of the residents of this country; and

WHEREAS, The Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds have reported to Congress that the "total income" of the Social Security system "is estimated to fall short of expenditures beginning in 2019 and in each year thereafter . . . until [trust fund] assets are exhausted in 2029"; and

WHEREAS, Intergenerational fairness, honest accounting principles, prudent budgeting and sound economic policy all require saving Social Security to ensure that our country may better afford the demands placed on Social Security upon the retirement of the "baby boomer" generation beginning in 2010; and

WHEREAS, If efforts were expended to save the Social Security system, the national savings would be expanded, interest rates would be reduced, private investments would be enhanced, labor productivity would increase and the economy of this country would grow; and

WHEREAS, The Social Security system produces an annual surplus that is invested in government bonds and the United States Department of Treasury currently borrows the "surplus," which is projected to approach $100 billion dollars by the end of 1999, and spends this money on programs that are unrelated to Social Security; and

WHEREAS, The United States House of Representatives introduced a bill into Congress 1 year ago, designated H. R. 3207, that would have created the "Save Social Security First Reserve Fund" into which the Secretary of the Treasury would be required to deposit budget surpluses pending Social Security reform; and

WHEREAS, This bill was referred to the Subcommittee on Social Security on February 19, 1998, but died in committee; and

WHEREAS, Similar bills have been introduced to protect the Social Security system, but to date none have been acted upon; now, therefore, be it

RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY, That the members of the 70th session of the Nevada Legislature hereby urge the Federal Government to invest all surplus money from Federal Old-Age and Survivors Insurance for the benefit of the Social Security system; and be it further

RESOLVED, That such investments must be in public debt securities with suitable maturities and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities; and be it further

RESOLVED, That the income on such investments must be credited to and form a part of the fund for use in the future; and be it further

RESOLVED, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives, the Secretary of the Treasury and each member of the Nevada Congressional Delegation; and be it further

RESOLVED, That this resolution becomes effective upon passage and approval.

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