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SENATE BILL NO. 355—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 15, 2001

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Referred to Committee on Government Affairs

SUMMARY—Directs Legislative Commission to conduct interim study of competition between local governments and private enterprises in provision of certain goods or services. (BDR S-49)

FISCAL NOTE:   Effect on Local Government: No.  
                      Effect on the State: No.

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

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AN ACT relating to local governments; directing the Legislative Commission to conduct an interim study of the competition between local governments and private enterprises in the provision of certain goods or services; and providing other matters properly relating thereto.

1       WHEREAS, The structure of Nevada tax laws allows local governments  
2       to provide certain goods or services to consumers at a reduced rate because  
3       of certain tax exemptions and tax subsidies; and

4       WHEREAS, The tax exemptions and tax subsidies available to local  
5       governments are not also available to private enterprises that offer the same  
6       goods or services as the local governments offer; and

7       WHEREAS, In certain markets in the state the tax and regulatory  
8       advantages available to local governments place the local governments in  
9       direct competition with private enterprises, and in some situations have  
10      threatened the economic viability of certain private enterprises; now,  
11      therefore

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13               THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
14               SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

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16       **Section 1.** The Legislative Commission shall appoint a committee  
17       consisting of an equal number of legislators from the Assembly and the  
18       Senate to conduct an interim study of the competition between local  
19       governments and private enterprises in the provision of certain goods or  
20       services.

21       **Sec. 2.** The committee appointed pursuant to section 1 of this act must  
22       include, without limitation, the following topics in its study:



- 1 1. A review of the history of the provision of the same goods or  
2 services by local governments and private enterprises in Nevada, especially  
3 government-subsidized services such as medical care;
  - 4 2. A study of the feasibility of applying some of the same tax laws and  
5 regulations to local governments that apply to private enterprises;
  - 6 3. An assessment of the potential fiscal effect on local governments if  
7 local governments were required to pay certain fees and other charges that  
8 private enterprises pay as a normal cost of conducting business and comply  
9 with some of the same regulations;
  - 10 4. An analysis of the effect of a prohibition on the provision by local  
11 governments of goods or services in competition with private enterprises if  
12 the local governments receive ad valorem taxes as a source of funding; and
  - 13 5. A review of the possible options for minimizing any negative effect  
14 that may occur to private enterprises when a local government provides  
15 certain goods or services in direct competition with those private  
16 enterprises by taking advantage of the tax exemptions and tax subsidies  
17 that are only available to local governments.
- 18 **Sec. 3.** 1. The Legislative Commission shall submit a report of the  
19 findings of the committee and any recommendations of the committee for  
20 legislation to the 72nd session of the Nevada Legislature.
- 21 2. Any recommended legislation proposed by the committee appointed  
22 pursuant to section 1 of this act must be approved by a majority of the  
23 members of the Senate and a majority of the members of the Assembly  
24 appointed to the committee.

