
SENATE JOINT RESOLUTION NO. 5—SENATORS BEERS,
CEGAVSKE, HARDY, TIFFANY AND WASHINGTON

MARCH 21, 2005

Referred to Committee on Finance

SUMMARY—Proposes to amend Nevada Constitution to impose certain limitations on amount that Legislature or governing body of governmental entity may appropriate and authorize for expenditure. (BDR C-943)

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.

SENATE JOINT RESOLUTION—Proposing to amend the Nevada Constitution to specify a date on which certain questions on a ballot may be submitted to the voters, to provide for certain limitations on the appropriation and authorization for expenditures of public money, to provide for the disposition of any revenues in excess of the limitations on the amounts that may be appropriated and authorized for expenditure, to provide for a limitation on the taxable value of real property and to require a proposal to amend the Nevada Constitution which contains an appropriation or authorization for expenditure to include a source of revenue sufficient for the appropriation or authorization for expenditure.

Legislative Counsel's Digest:

- 1 This resolution proposes to add a new section to Article 2 of the Nevada
- 2 Constitution to provide that questions on a ballot, except questions to recall a public
- 3 officer, may only be presented to voters at a general election. In addition, each
- 4 registered voter must receive a mailed statement that provides specific fiscal
- 5 information if a ballot question creates, generates or increases any revenue in any
- 6 form or if the question asks voters to approve a contract to enter into public debt. If
- 7 such a question is approved by voters and the revenue collected exceeds the
- 8 estimated revenue published in such statement, all revenue in excess of the estimate
- 9 must be refunded in the succeeding fiscal year.



This resolution proposes to add new sections to Articles 4, 8 and 11 of the Nevada Constitution requiring, for the State, all counties, cities, towns, districts, other municipal corporations and school districts: (1) a limit on the amount that may be appropriated and authorized for expenditure in a fiscal year; (2) any revenue collected that exceeds the limit to be refunded in the succeeding year, unless a question is approved by the voters authorizing that the revenue be retained; and (3) any new or increased taxes, fees, assessments and rates to be submitted to a vote of the people for approval. The limit for the State must be calculated based on the amount appropriated and authorized for expenditure during the immediately preceding fiscal year multiplied by one plus the sum of the percentage change in the rate of inflation and the percentage change in the population of the State for the immediately preceding calendar year. The executive budget proposed by the Governor must comply with the limit on the amount that may be appropriated and authorized for expenditures. The limit for all counties, cities, towns, districts and other municipal corporations must be calculated based on the amount appropriated and authorized for expenditure during the immediately preceding fiscal year multiplied by one plus the sum of the percentage change in the rate of inflation and the percentage change in the rate of new construction within the entity for the immediately preceding calendar year. The limit for school districts must be calculated based on the amount appropriated and authorized for expenditure during the immediately preceding fiscal year multiplied by one plus the sum of the percentage change in the rate of inflation and the percentage change in the rate of enrollment within the school district for the immediately preceding calendar year.

Existing law establishes the Fund to Stabilize the Operation of the State Government. (NRS 353.288) However, existing law does not prohibit the Legislature from abolishing the Fund.

This resolution proposes to add new sections to Articles 4, 8 and 11 of the Nevada Constitution to require the Legislature and all counties, cities, towns, districts, other municipal corporations and school districts to create a fund to stabilize their operations and establishes the amount which must be appropriated to the funds each fiscal year.

Existing law requires approval by at least two-thirds of the members of each House in the Legislature of any measure that creates, generates or increases any public revenue. (Nev. Const., Art. 4 § 18)

This resolution proposes to amend Articles 4, 8 and 11 of the Nevada Constitution to require that those measures as well as any measures to enter into public debt be: (1) first approved by a majority of the members in both Houses of the Legislature or the governing body, as appropriate; and (2) then referred to the voters at the next general election for approval. If two-thirds of the members of the Legislature or governing body approve such a measure, the measure becomes effective and enforceable upon passage, but must be referred to the voters at the next general election for approval. The measure is void if voters reject the measure. This resolution also prohibits the Legislature and local governing bodies from enacting a bill or joint resolution which imposes a new or increases an existing ad valorem tax on real property. This resolution also amends Article 9 of the Nevada Constitution to require any contract for public debt to be approved by a majority of the people before the State, county, city, town, district or other municipal corporation may enter into the public debt.

This resolution proposes to add a new section to Article 10 of the Nevada Constitution to provide that the taxable value of real property is the taxable value from which the assessed value was calculated in the Fiscal Year 2008-2009. If the property was not appraised or reappraised during that fiscal year, the taxable value of the property must be adjusted to determine the taxable value as of Fiscal Year 2008-2009. The taxable value of a new improvement or enhancement of real property must be increased by the full cash value of the new improvement or



enhancement. If the property is converted to another use, the taxable value must be reappraised at its full cash value to determine the taxable value based on the new use of the property. This resolution also proposes that any change from year to year in taxable value of real property be based on the percentage of increase or decrease in the rate of inflation, or the percentage of increase or decrease in the value of the real property based on an appraisal of the property, whichever is less.

This resolution proposes to amend Section 6 of Article 19 of the Nevada Constitution to establish that any proposed amendment to the Constitution that requires an appropriation or expenditure of money must also provide for the imposition of a tax sufficient to produce the required revenue to support the expenditure.

This resolution further proposes to add new sections to Articles 4, 8 and 10 of the Nevada Constitution to allow a taxpayer to bring an action to enforce any of the proposed amendments to the Constitution included in this resolution. If the taxpayer is the prevailing party in such an action, the taxpayer is entitled to recover his costs and attorney's fees. In addition, if a refund is required to be paid as a result of the action, interest must also be paid.

RESOLVED BY THE SENATE AND ASSEMBLY OF THE STATE OF NEVADA, JOINTLY, That a new section, designated Section 11, be added to Article 2 of the Nevada Constitution to read as follows:

Sec. 11. 1. Except for a question on a ballot concerning whether a public officer will be recalled, a question on a ballot must only be submitted to a vote:

(a) If such question may be submitted to the voters of the entire State, at an election conducted on the Tuesday next after the first Monday in November.

(b) If such question may be submitted only to the voters of a county, city, town, district or other municipal corporation, at a general election conducted in the county, city, town, district or other municipal corporation or on the Tuesday next after the first Monday in November.

2. If a question on a ballot creates, generates or increases any revenue in any form, including, without limitation, taxes, fees, assessments and rates, or changes in the computation bases for taxes, fees, assessments and rates, each person registered to vote in that election who may vote on the question shall be mailed, a statement setting forth:

(a) If the question on the ballot may be submitted to the voters of the entire State:

(1) The total amount appropriated to and authorized for expenditure by the State during the current fiscal year and the preceding 4 fiscal years; and

(2) An estimate of the revenue that will be collected pursuant to the provisions of the question during the first full fiscal year.



1 (b) *If the question on the ballot may be submitted only to*
2 *the voters of a county, city, town, district or other municipal*
3 *corporation:*

4 (1) *The amount appropriated to and authorized for*
5 *expenditure by the county, city, town, district or other*
6 *municipal corporation during the current fiscal year and*
7 *the preceding 4 fiscal years; and*

8 (2) *An estimate of the revenue that will be collected*
9 *pursuant to the provisions of the question during the first*
10 *full fiscal year.*

11 3. *If a question on a ballot concerns a measure to*
12 *contract public debt, each person registered to vote in that*
13 *election who may vote on the question shall be mailed, a*
14 *statement setting forth:*

15 (a) *If the question on the ballot may be submitted to the*
16 *voters of the entire State:*

17 (1) *The amount appropriated to and authorized for*
18 *expenditure by the State during the current fiscal year and*
19 *the preceding 4 fiscal years;*

20 (2) *For all public debt of the State outstanding at the*
21 *time of the election, the total amount of all such outstanding*
22 *public debt, the current annual cost of such public debt and*
23 *the total cost to pay such public debt; and*

24 (3) *For the public debt that is the subject of the*
25 *question on the ballot, the principal amount of the public*
26 *debt, the estimated annual cost of the public debt and the*
27 *total estimated cost to pay the public debt.*

28 (b) *If the question on the ballot may be submitted only to*
29 *the voters of a county, city, town, district or other municipal*
30 *corporation:*

31 (1) *The amount appropriated to and otherwise*
32 *authorized for expenditure by the county, city, town, district*
33 *or other municipal corporation during the current fiscal*
34 *year and the preceding 4 fiscal years;*

35 (2) *For all public debt of the county, city, town,*
36 *district or other municipal corporation outstanding at the*
37 *time of the election, the total amount of all such outstanding*
38 *public debt, the current annual cost of such public debt and*
39 *the total cost to pay such public debt; and*

40 (3) *For the public debt that is the subject of the*
41 *question on the ballot, the principal amount of the public*
42 *debt, the estimated annual cost of the public debt and the*
43 *total estimated cost to pay the public debt.*



1 4. *During the first full fiscal year revenue is collected*
2 *pursuant to a question on a ballot approved by the voters, if*
3 *the revenue collected pursuant to the question exceeds the*
4 *estimate of the amount of revenue that would be collected*
5 *set forth in the statement required pursuant to subsection 2,*
6 *all revenue collected in excess of the estimate must be*
7 *refunded in the succeeding fiscal year.*

8 5. *A taxpayer of this State shall have standing to*
9 *commence an action in the First Judicial District Court to*
10 *enforce the provisions of this Section. If the Court*
11 *determines that the action was frivolous, the Court shall*
12 *award to the State or the county, city, town, district or other*
13 *municipal corporation its reasonable expenses and*
14 *attorney's fees. If the taxpayer is the prevailing party in his*
15 *action to enforce the provisions of this Section, the Court*
16 *shall:*

17 (a) *Award the taxpayer reasonable expenses and*
18 *attorney's fees; and*

19 (b) *Order a refund of the amount collected in excess of*
20 *the amount set forth in the estimate required to be provided*
21 *pursuant to subsection 2, including interest on that amount*
22 *at a rate of 10 percent per annum from the date that the*
23 *revenue should have been refunded pursuant to the*
24 *provisions of this Section.*

25 And be it further

26 RESOLVED, That a new section, designated Section 39, be added
27 to Article 4 of the Nevada Constitution to read as follows:

28 *Sec. 39. 1. Except as otherwise provided in*
29 *subsection 3, the total amount appropriated to and*
30 *authorized for expenditure by the State in a fiscal year must*
31 *not exceed the total amount appropriated and authorized for*
32 *expenditure during the immediately preceding fiscal year*
33 *multiplied by one plus the sum of the percentage change in*
34 *the rate of inflation for the immediately preceding calendar*
35 *year and the percentage change in the population of the*
36 *State for the immediately preceding calendar year.*

37 2. *From the total amount appropriated to and*
38 *authorized for expenditure by the State in a fiscal year, the*
39 *Legislature shall appropriate an amount equal to at least 3*
40 *percent of the total amount appropriated and authorized for*
41 *expenditure during the fiscal year for deposit in the fund*
42 *established pursuant to Section 41 of this Article. Any*
43 *amount remaining in the fund from the previous fiscal year*
44 *may apply to the amount required for appropriation to the*
45 *fund for the succeeding fiscal year.*



1 3. *The limitation on appropriations and authorizations*
2 *for expenditure described in subsection 1 does not apply*
3 *with respect to any revenue that is:*

4 (a) *Required to be deposited in a fund to be used*
5 *exclusively for the administration, construction,*
6 *reconstruction, improvement and maintenance of highways;*

7 (b) *Received from the Federal Government or from any*
8 *person or entity in the form of a gift or grant;*

9 (c) *Refunded pursuant to Section 40 of this Article;*

10 (d) *Transferred or expended from the fund established*
11 *pursuant to Section 41 of this Article; or*

12 (e) *Generated by any bill or joint resolution enacted*
13 *pursuant to the provisions of Section 18 of this Article.*

14 4. *A taxpayer of this State shall have standing to*
15 *commence an action in the First Judicial District Court to*
16 *enforce the provisions of this Section. If the Court*
17 *determines that the action was frivolous, the Court shall*
18 *award to the State reasonable expenses and attorney's fees.*
19 *If the taxpayer is the prevailing party in his action to*
20 *enforce the provisions of this Section, the Court shall award*
21 *the taxpayer reasonable expenses and attorney's fees.*

22 And be it further

23 RESOLVED, That a new section, designated Section 40, be added
24 to Article 4 of the Nevada Constitution to read as follows:

25 *Sec. 40. 1. Except as otherwise provided in*
26 *subsection 2, any revenue collected in excess of the*
27 *limitation on the amount that may be appropriated and*
28 *authorized for expenditure during a fiscal year pursuant to*
29 *subsection 1 of Section 39 of this Article must be refunded*
30 *in the succeeding fiscal year.*

31 2. *A majority of all of the members elected to each*
32 *House may refer a measure which appropriates or*
33 *authorizes for expenditure the revenue required to be*
34 *refunded during a fiscal year to the people of the State at*
35 *the next general election. If a majority of the votes cast on*
36 *the measure do not approve the measure, the revenue must*
37 *be refunded pursuant to the provisions of subsection 1.*

38 3. *A taxpayer of this State shall have standing to*
39 *commence an action in the First Judicial District Court to*
40 *enforce the provisions of this Section. If the Court*
41 *determines that the action was frivolous, the Court shall*
42 *award to the State reasonable expenses and attorney's fees.*
43 *If the taxpayer is the prevailing party in his action to*
44 *enforce the provisions of this Section, the Court shall:*



1 (a) Award the taxpayer reasonable expenses and
2 attorney's fees; and

3 (b) Order a refund of the amount required to be
4 refunded pursuant to this Section including interest on that
5 amount at a rate of 10 percent per annum from the date that
6 the revenue should have been refunded pursuant to the
7 provisions of this Section.

8 And be it further

9 RESOLVED, That a new section, designated Section 41, be added
10 to Article 4 of the Nevada Constitution to read as follows:

11 *Sec. 41. The Legislature shall provide by law for the*
12 *creation, as a special revenue fund, of a fund to stabilize the*
13 *operation of the State Government.*

14 And be it further

15 RESOLVED, That a new section, designated Section 42, be added
16 to Article 4 of the Nevada Constitution to read as follows:

17 *Sec. 42. 1. If the Legislature directs one or more*
18 *counties, cities, towns, districts or other municipal*
19 *corporations to establish a program or provide a service, the*
20 *Legislature shall appropriate or authorize for expenditure*
21 *the revenue required to pay the expense of the program or*
22 *service.*

23 *2. If the Legislature directs one or more counties,*
24 *cities, towns, districts or other municipal corporations to*
25 *increase a program or service established before January 1,*
26 *2009, that requires additional funding, the Legislature shall*
27 *appropriate or authorize for expenditure the revenue*
28 *required to pay the additional expense of the program or*
29 *service.*

30 *3. For any program or service that the Legislature*
31 *directed a county, city, town, district or other municipal*
32 *corporation to establish before January 1, 2009, the*
33 *Legislature shall not, in any fiscal year, appropriate or*
34 *authorize for expenditure an amount for the program or*
35 *service that as a percentage of the total amount required for*
36 *the program or service is a reduction of the amount*
37 *appropriated or authorized for expenditure by the*
38 *Legislature as represented by a percentage of the total*
39 *amount required for the program or service during Fiscal*
40 *Year 2008-2009.*

41 *4. A taxpayer of this State shall have standing to*
42 *commence an action in the First Judicial District Court to*
43 *enforce the provisions of this Section. If the Court*
44 *determines that the action was frivolous, the Court shall*
45 *award to the State reasonable expenses and attorney's fees.*



If the taxpayer is the prevailing party in his action to enforce the provisions of this Section, the Court shall award the taxpayer reasonable expenses and attorney's fees.

And be it further

RESOLVED, That Section 2 of Article 4 of the Nevada Constitution be amended to read as follows:

Sec. 2. 1. The sessions of the Legislature shall be biennial, and shall commence on the 1st Monday of February following the election of members of the Assembly, unless the Governor of the State shall, in the interim, convene the Legislature by proclamation.

2. The Legislature shall adjourn sine die each regular session not later than midnight Pacific standard time 120 calendar days following its commencement. Any legislative action taken after midnight Pacific standard time on the 120th calendar day is void, unless the legislative action is conducted during a special session convened by the Governor.

3. The Governor shall submit the proposed executive budget to the Legislature not later than 14 calendar days before the commencement of each regular session. *The proposed executive budget must set forth a budget with a total amount proposed for appropriation and authorization that does not exceed the limitation on the amount that may be appropriated and authorized for expenditures during a fiscal year pursuant to subsection 1 of Section 39 of this Article.*

And be it further

RESOLVED, That Section 18 of Article 4 of the Nevada Constitution be amended to read as follows:

Sec. 18. 1. Every bill, except a bill placed on a consent calendar adopted as provided in subsection ~~4~~ 5, must be read by sections on three several days, in each House, unless in case of emergency, two thirds of the House where such bill is pending shall deem it expedient to dispense with this rule. The reading of a bill by sections, on its final passage, shall in no case be dispensed with, and the vote on the final passage of every bill or joint resolution shall be taken by yeas and nays to be entered on the journals of each House.

2. Except as otherwise provided in ~~subsection 2,~~ *subsections 3 and 4*, a majority of all the members elected to each House is necessary to pass every bill or joint resolution, and all bills or joint resolutions so passed, shall be signed by the presiding officers of the respective Houses and by the Secretary of the Senate and Clerk of the Assembly.



1 ~~[2.] 3. Except as otherwise provided in [subsection 3, an~~
2 ~~affirmative vote of not fewer than two-thirds of the members~~
3 ~~elected to each House is necessary to pass a bill or joint~~
4 ~~resolution which creates, generates, or increases any public~~
5 ~~revenue in any form, including but not limited to taxes, fees,~~
6 ~~assessments and rates, or changes in the computation bases~~
7 ~~for taxes, fees, assessments and rates.~~

8 ~~—3. A]~~ *subsections 4 and 5, if a* majority of all of the
9 members elected to each House ~~[may refer any]~~ *passes a*
10 *measure which creates, generates [,] or increases any revenue*
11 *in any form , including, without limitation, taxes, fees,*
12 *assessments and rates, or changes in the computation bases*
13 *for taxes, fees, assessments and rates, the measure must be*
14 *referred* to the people of the State at the next general election,
15 and shall become effective and enforced only if it has been
16 approved by a majority of the votes cast on the measure at
17 such election.

18 4. *Except as otherwise provided in this subsection, an*
19 *affirmative vote of not fewer than two-thirds of the members*
20 *elected to each House may pass a measure which creates,*
21 *generates or increases public revenue in any form,*
22 *including, without limitation, taxes, fees, assessments and*
23 *rates, or changes in the computation bases for taxes, fees,*
24 *assessments and rates. If two-thirds of the members elected*
25 *to each House pass such a measure, the measure may*
26 *become effective and enforced, but must be referred to the*
27 *people of the State at the next general election. If a majority*
28 *of the votes cast on the measure do not approve the*
29 *measure, the measure shall be void and of no effect the day*
30 *after the completion of the canvass of the votes cast in the*
31 *election. The Legislature shall not enact, pursuant to the*
32 *provisions of this subsection, a measure which imposes a*
33 *new ad valorem tax on real property or increases an existing*
34 *ad valorem tax on real property.*

35 5. *If the public revenue collected in a fiscal year is*
36 *insufficient to pay public debt incurred before that fiscal*
37 *year, a majority of the members of each House shall pass a*
38 *measure which creates, generates or increases public*
39 *revenue in an amount sufficient to pay the public debt.*

40 6. Each House may provide by rule for the creation of a
41 consent calendar and establish the procedure for the passage
42 of uncontested bills.

43 7. *A taxpayer of this State shall have standing to*
44 *commence an action in the First Judicial District Court to*
45 *enforce the provisions subsections 3 and 4 of this Section. If*



1 *the Court determines that the action was frivolous, the*
2 *Court shall award to the State reasonable expenses and*
3 *attorney's fees. If the taxpayer is the prevailing party in his*
4 *action to enforce the provisions of this Section, the Court*
5 *shall award the taxpayer reasonable expenses and*
6 *attorney's fees.*

7 And be it further

8 RESOLVED, That a new section, designated Section 11, be added
9 to Article 8 of the Nevada Constitution to read as follows:

10 *Sec. 11. 1. Except as otherwise provided in*
11 *subsections 3 and 4, the total amount appropriated to and*
12 *authorized for expenditure by a county, city, town, district or*
13 *other municipal corporation in a fiscal year must not exceed*
14 *the total amount appropriated and authorized for*
15 *expenditure during the immediately preceding fiscal year*
16 *multiplied by one plus the sum of the percentage change in*
17 *the rate of inflation for the immediately preceding calendar*
18 *year and the percentage change in the rate of new*
19 *construction within the county, city, town, district or other*
20 *municipal corporation for the immediately preceding*
21 *calendar year.*

22 *2. From the total amount appropriated to and*
23 *authorized for expenditure by a county, city, town, district or*
24 *other municipal corporation in a fiscal year, the governing*
25 *body shall appropriate an amount equal to at least 3 percent*
26 *of the total amount appropriated and authorized for*
27 *expenditure during the fiscal year for deposit in the fund*
28 *established pursuant to Section 13 of this Article. Any*
29 *amount remaining in the fund from the previous fiscal year*
30 *may apply to the amount required for appropriation to the*
31 *fund for the succeeding fiscal year.*

32 *3. The limitation on appropriations and authorizations*
33 *for expenditure described in subsection 1 does not apply*
34 *with respect to any revenue that is:*

35 *(a) Required to be deposited in a fund to be used*
36 *exclusively for the administration, construction,*
37 *reconstruction, improvement and maintenance of highways;*

38 *(b) Received from the Federal Government or from any*
39 *person or entity in the form of a gift or grant;*

40 *(c) Refunded pursuant to Section 12 of this Article;*

41 *(d) Transferred or expended from the fund established*
42 *pursuant to Section 13 of this Article; or*

43 *(e) Generated by any ordinance or resolution enacted*
44 *pursuant to the provisions of Section 15 of this Article.*

45 *4. The provisions of this Section do not apply to:*



1 (a) A school district subject to the limitation on
2 appropriations and authorizations for expenditure provided
3 pursuant to Section 11 of Article 11 of this Constitution; or

4 (b) A governmental enterprise:

5 (1) The operations of which are financed and
6 conducted in a manner similar to the operation of private
7 business enterprises, where the intent of the governing body
8 operating such enterprise is to have the expenses of
9 providing goods and services on a continuing basis to the
10 general public, financed or recovered primarily through
11 charges to the users; and

12 (2) Which is authorized to issue revenue bonds.

13 5. A taxpayer of this State shall have standing to
14 commence an action in the First Judicial District Court to
15 enforce the provisions of this Section. If the Court
16 determines that the action was frivolous, the Court shall
17 award to the county, city, town, district or other municipal
18 corporation its reasonable expenses and attorney's fees. If
19 the taxpayer is the prevailing party in his action to enforce
20 the provisions of this Section, the Court shall award the
21 taxpayer reasonable expenses and attorney's fees.

22 And be it further

23 RESOLVED, That a new section, designated Section 12, be added
24 to Article 8 of the Nevada Constitution to read as follows:

25 *Sec. 12. 1. Except as otherwise provided in*
26 *subsections 2 and 3, any revenue collected by a county, city,*
27 *town, district or other municipal corporation in excess of*
28 *the limitation on the amount that may be appropriated and*
29 *authorized for expenditure during a fiscal year pursuant to*
30 *subsection 1 of Section 11 of this Article must be refunded*
31 *in the succeeding fiscal year.*

32 2. A majority of all of the members of the governing
33 body of a county, city, town, district or other municipal
34 corporation may refer a measure which appropriates or
35 authorizes for expenditure the revenue required to be
36 refunded during a fiscal year to the people of the county,
37 city, town, district or other municipal corporation at the
38 next general election. If a majority of the votes cast on the
39 measure do not approve the measure, the revenue must be
40 refunded pursuant to the provisions of subsection 1.

41 3. The provisions of this Section do not apply to:

42 (a) A school district subject to the provisions of Section
43 12 of Article 11 of this Constitution; or

44 (b) A governmental enterprise:



(1) *The operations of which are financed and conducted in a manner similar to the operation of private business enterprises, where the intent of the governing body operating such enterprise is to have the expenses of providing goods and services on a continuing basis to the general public, financed or recovered primarily through charges to the users; and*

(2) *Which is authorized to issue revenue bonds.*

4. *A taxpayer of this State shall have standing to commence an action in the First Judicial District Court to enforce the provisions of this Section. If the Court determines that the action was frivolous, the Court shall award to the county, city, town, district or other municipal corporation reasonable expenses and attorney's fees. If the taxpayer is the prevailing party in his action to enforce the provisions of this Section, the Court shall:*

(a) *Award the taxpayer reasonable expenses and attorney's fees; and*

(b) *Order a refund of the amount required to be refunded pursuant to this Section, including interest on amount at a rate of 10 percent per annum from the date that the revenue should have been refunded pursuant to the provisions of this Section.*

And be it further

RESOLVED, That a new section, designated Section 13, be added to Article 8 of the Nevada Constitution to read as follows:

Sec. 13. 1. All counties, cities, towns, districts and other municipal corporations shall provide by law for the creation, as a special revenue fund, of a fund to stabilize the operation of the county, city, town, district or other municipal corporation.

2. The provisions of this Section do not apply to:

(a) *A school district subject to the provisions of Section 13 of Article 11 of this Constitution; or*

(b) *A governmental enterprise:*

(1) *The operations of which are financed and conducted in a manner similar to the operation of private business enterprises, where the intent of the governing body operating such enterprise is to have the expenses of providing goods and services on a continuing basis to the general public, financed or recovered primarily through charges to the users; and*

(2) *Which is authorized to issue revenue bonds.*



1 And be it further

2 RESOLVED, That a new section, designated Section 14, be added
3 to Article 8 of the Nevada Constitution to read as follows:

4 *Sec. 14. 1. If the Legislature authorizes a county,*
5 *city, town, district or other municipal corporation to enter*
6 *into public debt, any contract for public debt must be*
7 *submitted to the people of the county, city, town, district or*
8 *other municipal corporation at the next election at which a*
9 *question may be placed on a ballot pursuant to Section 11 of*
10 *Article 2 of this Constitution and a majority of the votes cast*
11 *on the measure at such election must approve the contract,*
12 *before the county, city, town, district or other municipal*
13 *corporation may enter into the contract for public debt.*

14 2. The provisions of this Section do not apply to:

15 (a) A school district subject to the provisions of Section
16 14 of Article 11 of this Constitution; or

17 (b) A governmental enterprise:

18 (1) The operations of which are financed and
19 conducted in a manner similar to the operation of private
20 business enterprises, where the intent of the governing body
21 operating such enterprise is to have the expenses of
22 providing goods and services on a continuing basis to the
23 general public, financed or recovered primarily through
24 charges to the users; and

25 (2) Which is authorized to issue revenue bonds.

26 3. A taxpayer of this State shall have standing to
27 commence an action in the First Judicial District Court to
28 enforce the provisions of this Section. If the Court
29 determines that the action was frivolous, the Court shall
30 award to the county, city, town, district or other municipal
31 corporation its reasonable expenses and attorney's fees. If
32 the taxpayer is the prevailing party in his action to enforce
33 the provisions of this Section, the Court shall award the
34 taxpayer reasonable expenses and attorney's fees.

35 And be it further

36 RESOLVED, That a new section, designated Section 15, be added
37 to Article 8 of the Nevada Constitution to read as follows:

38 *Sec. 15. 1. If a majority of all of the members of a*
39 *governing body of a county, city, town, district or other*
40 *municipal corporation pass an ordinance or resolution*
41 *which creates, generates or increases any revenue in any*
42 *form, including, without limitation, taxes, fees, assessments*
43 *and rates, or changes in the computation bases for taxes,*
44 *fees, assessments and rates, the measure must be referred to*
45 *the people of the county, city, town, district or other*



1 *municipal corporation at the next general election, and*
2 *shall become effective and enforced only if it has been*
3 *approved by a majority of the votes cast on the measure at*
4 *such election.*

5 2. *Except as otherwise provided in this subsection, an*
6 *affirmative vote of not fewer than two-thirds of the*
7 *governing body of a county, city, town, district or other*
8 *municipal corporation may pass a measure which creates,*
9 *generates or increases public revenue in any form,*
10 *including, without limitation, taxes, fees, assessments and*
11 *rates, or changes in the computation bases for taxes, fees,*
12 *assessments and rates. If two-thirds of the members of the*
13 *governing body pass such an ordinance or resolution, the*
14 *measure may become effective and enforced, but must be*
15 *referred to the people of the county, city, town, district or*
16 *other municipal corporation at the next general election. If*
17 *a majority of the votes cast on the measure do not approve*
18 *the measure, the measure shall be void and of no effect the*
19 *day after the completion of the canvass of the votes cast in*
20 *the election. A county, city, town, district or other municipal*
21 *corporation shall not enact, pursuant to the provisions of*
22 *this subsection, an ordinance or resolution which imposes a*
23 *new ad valorem tax on real property or increases an existing*
24 *ad valorem tax on real property.*

25 3. *A taxpayer of this State shall have standing to*
26 *commence an action in the First Judicial District Court to*
27 *enforce the provisions of this Section. If the Court*
28 *determines that the action was frivolous, the Court shall*
29 *award to the county, city, town, district or other municipal*
30 *corporation its reasonable expenses and attorney's fees. If*
31 *the taxpayer is the prevailing party in his action to enforce*
32 *the provisions of this Section, the Court shall award the*
33 *taxpayer reasonable expenses and attorney's fees.*

34 And be it further

35 RESOLVED, That Section 3 of Article 9 of the Nevada
36 Constitution be amended to read as follows:

37 Sec. 3. The State may contract public debts; but such
38 debts shall never, in the aggregate, exclusive of interest,
39 exceed the sum of two percent of the assessed valuation of
40 the State, as shown by the reports of the county assessors to
41 the State Controller, except for the purpose of defraying
42 extraordinary expenses, as hereinafter mentioned. Every such
43 debt shall be authorized by law for some purpose or purposes,
44 to be distinctly specified therein; and every such law shall
45 provide for levying an annual tax sufficient to pay the interest



1 semiannually, and the principal within twenty years from the
2 passage of such law, and shall specially appropriate the
3 proceeds of said taxes to the payment of said principal and
4 interest; and such appropriation shall not be repealed nor the
5 taxes postponed or diminished until the principal and interest
6 of said debts shall have been wholly paid. *Before the State*
7 *may enter into a contract for public debt, the contract must*
8 *be submitted to the people of the State at the next election at*
9 *which a question may be placed on a ballot pursuant to*
10 *Section 11 of Article 2 of this Constitution and a majority of*
11 *the votes cast on the measure at such election must approve*
12 *the contract.* Every contract of indebtedness entered into or
13 assumed by or on behalf of the State, when all its debts and
14 liabilities amount to said sum before mentioned, shall be void
15 and of no effect, except in cases of money borrowed to repel
16 invasion, suppress insurrection, defend the State in time of
17 war, or, if hostilities be threatened, provide for the public
18 defense.

19 The State, notwithstanding the foregoing limitations, may,
20 pursuant to authority of the Legislature, make and enter into
21 any and all contracts necessary, expedient or advisable for the
22 protection and preservation of any of its property or natural
23 resources, or for the purposes of obtaining the benefits
24 thereof, however arising and whether arising by or through
25 any undertaking or project of the United States or by or
26 through any treaty or compact between the states, or
27 otherwise. The Legislature may from time to time make such
28 appropriations as may be necessary to carry out the
29 obligations of the State under such contracts, and shall levy
30 such tax as may be necessary to pay the same or carry them
31 into effect.

32 And be it further

33 RESOLVED, That a new section, designated Section 6, be added
34 to Article 10 of the Nevada Constitution to read as follows:

35 *Sec. 6. 1. Except as otherwise provided in*
36 *subsections 2 and 3, the taxable value of real property is the*
37 *taxable value from which the assessed value for the Fiscal*
38 *Year 2008-2009 was calculated but, if the property was not*
39 *appraised or reappraised for that fiscal year, the taxable*
40 *value determined by appraisal or reappraisal for a*
41 *subsequent fiscal year may be appropriately adjusted to*
42 *determine the taxable value as of the Fiscal Year 2008-*
43 *2009.*

44 *2. If new improvements to real property are*
45 *constructed, except to replace existing improvements*



1 *destroyed by natural disaster or other casualty, or existing*
2 *improvements are materially enhanced, the taxable value of*
3 *the property must be increased by the full cash value of the*
4 *new improvement or enhancement. If real property is*
5 *converted to another use, the taxable value of the property*
6 *must be redetermined after the conversion by appraisal at its*
7 *full cash value in accordance with the new use of the*
8 *property.*

9 3. *The taxable value of real property may not be*
10 *changed from year to year by more than the lesser of:*

11 (a) *The percentage of increase or decrease in the rate of*
12 *inflation for the preceding calendar year; or*

13 (b) *The percentage of increase or decrease in the value*
14 *of the real property based on appraisal of the:*

15 (1) *Full cash value of the land; and*

16 (2) *Any improvements made on the land less any*
17 *deductions provided for by the Legislature.*

18 4. *A taxpayer of this State shall have standing to*
19 *commence an action in the First Judicial District Court to*
20 *enforce the provisions of this Section. If the Court*
21 *determines that the action was frivolous, the Court shall*
22 *award to the State or the county, city, town, district or other*
23 *municipal corporation its reasonable expenses and*
24 *attorney's fees. If the taxpayer is the prevailing party in his*
25 *action to enforce the provisions of this Section, the Court*
26 *shall award the taxpayer reasonable expenses and*
27 *attorney's fees.*

28 And be it further

29 RESOLVED, That Section 1 of Article 10 of the Nevada
30 Constitution be amended to read as follows:

31 Section 1. 1. ~~[The]~~ *Except as otherwise provided in*
32 *Section 6 of this Article, the* Legislature shall provide by law
33 for a uniform and equal rate of assessment and taxation, and
34 shall prescribe such regulations as shall secure a just
35 valuation for taxation of all property, real, personal and
36 possessory, except mines and mining claims, which shall be
37 assessed and taxed only as provided in Section 5 of this
38 Article.

39 2. Shares of stock, bonds, mortgages, notes, bank
40 deposits, book accounts and credits, and securities and choses
41 in action of like character are deemed to represent interest in
42 property already assessed and taxed, either in Nevada or
43 elsewhere, and shall be exempt.

44 3. The Legislature may constitute agricultural and open-
45 space real property having a greater value for another use



1 than that for which it is being used, as a separate class for
2 taxation purposes and may provide a separate uniform plan
3 for appraisal and valuation of such property for assessment
4 purposes. If such plan is provided, the Legislature shall also
5 provide for retroactive assessment for a period of not less
6 than 7 years when agricultural and open-space real property is
7 converted to a higher use conforming to the use for which
8 other nearby property is used.

9 4. Personal property which is moving in interstate
10 commerce through or over the territory of the State of
11 Nevada, or which was consigned to a warehouse, public or
12 private, within the State of Nevada from outside the State of
13 Nevada for storage in transit to a final destination outside the
14 State of Nevada, whether specified when transportation
15 begins or afterward, shall be deemed to have acquired no
16 situs in Nevada for purposes of taxation and shall be exempt
17 from taxation. Such property shall not be deprived of such
18 exemption because while in the warehouse the property is
19 assembled, bound, joined, processed, disassembled, divided,
20 cut, broken in bulk, relabeled or repackaged.

21 5. The Legislature may exempt motor vehicles from the
22 provisions of the tax required by this Section, and in lieu
23 thereof, if such exemption is granted, shall provide for a
24 uniform and equal rate of assessment and taxation of motor
25 vehicles, which rate shall not exceed five cents on one dollar
26 of assessed valuation.

27 6. The Legislature shall provide by law for a progressive
28 reduction in the tax upon business inventories by 20 percent
29 in each year following the adoption of this provision, and
30 after the expiration of the 4th year such inventories are
31 exempt from taxation. The Legislature may exempt any other
32 personal property, including livestock.

33 7. No inheritance tax shall ever be levied.

34 8. The Legislature may exempt by law property used for
35 municipal, educational, literary, scientific or other charitable
36 purposes, or to encourage the conservation of energy or the
37 substitution of other sources for fossil sources of energy.

38 9. No income tax shall be levied upon the wages or
39 personal income of natural persons. Notwithstanding the
40 foregoing provision, and except as otherwise provided in
41 subsection 1 of this Section, taxes may be levied upon the
42 income or revenue of any business in whatever form it may
43 be conducted for profit in the State.



1 10. The Legislature may provide by law for an
2 abatement of the tax upon or an exemption of part of the
3 assessed value of a single-family residence occupied by the
4 owner to the extent necessary to avoid severe economic
5 hardship to the owner of the residence.

6 And be it further

7 RESOLVED, That a new section, designated Section 11, be added
8 to Article 11 of the Nevada Constitution to read as follows:

9 *Sec. 11. 1. Except as otherwise provided in*
10 *subsections 3 and 4, the total amount appropriated to and*
11 *authorized for expenditure by a school district in a fiscal*
12 *year must not exceed the total amount appropriated and*
13 *authorized for expenditure during the immediately*
14 *preceding fiscal year multiplied by one plus the sum of the*
15 *percentage change in the rate of inflation for the*
16 *immediately preceding calendar year and the percentage*
17 *change in the rate of enrollment within the school district*
18 *for the immediately preceding calendar year.*

19 *2. From the total amount appropriated to and*
20 *authorized for expenditure by a school district in a fiscal*
21 *year, the school district shall appropriate an amount equal*
22 *to at least 3 percent of the total amount appropriated and*
23 *authorized for expenditure during the fiscal year to the fund*
24 *established pursuant to Section 13 of this Article. Any*
25 *amount remaining in the fund from the previous fiscal year*
26 *may apply to the amount required for appropriation to the*
27 *fund for the succeeding fiscal year.*

28 *3. The limitation on appropriations and authorizations*
29 *for expenditure described in subsection 1 does not apply*
30 *with respect to any revenue that is:*

31 *(a) Received from the Federal Government or from any*
32 *person or entity in the form of a gift or grant;*

33 *(b) Refunded pursuant to Section 12 of this Article; or*

34 *(c) Transferred or expended from the fund established*
35 *pursuant to Section 13 of this Article.*

36 *4. A taxpayer of this State shall have standing to*
37 *commence an action in the First Judicial District Court to*
38 *enforce the provisions of this Section. If the Court*
39 *determines that the action was frivolous, the Court shall*
40 *award to the school district reasonable expenses and*
41 *attorney's fees. If the taxpayer is the prevailing party in his*
42 *action to enforce the provisions of this Section, the Court*
43 *shall award the taxpayer reasonable expenses and*
44 *attorney's fees.*



1 And be it further

2 RESOLVED, That a new section, designated Section 12, be added
3 to Article 11 of the Nevada Constitution to read as follows:

4 *Sec. 12. 1. Except as otherwise provided in*
5 *subsections 2 and 3, any revenue collected by a school*
6 *district in excess of the limitation on the amount that may*
7 *be appropriated and authorized for expenditure during a*
8 *fiscal year pursuant to subsection 1 of Section 11 of this*
9 *Article must be refunded in the succeeding fiscal year.*

10 *2. A school district may refer a measure which*
11 *appropriates or authorizes for expenditure the revenue*
12 *required to be refunded during a fiscal year to the people*
13 *within the jurisdiction of the school district at the next*
14 *general election. If a majority of the votes cast on the*
15 *measure do not approve the measure, the revenue must be*
16 *refunded pursuant to the provisions of subsection 1.*

17 *3. A taxpayer of this State shall have standing to*
18 *commence an action in the First Judicial District Court to*
19 *enforce the provisions of this Section. If the Court*
20 *determines that the action was frivolous, the Court shall*
21 *award to the school district reasonable expenses and*
22 *attorney's fees. If the taxpayer is the prevailing party in his*
23 *action to enforce the provisions of this Section, the Court*
24 *shall:*

25 *(a) Award the taxpayer reasonable expenses and*
26 *attorney's fees; and*

27 *(b) Order a refund of the amount required to be*
28 *refunded pursuant to this Section including interest on*
29 *amount at a rate of 10 percent per annum from the date that*
30 *the revenue should have been refunded pursuant to the*
31 *provisions of this Section.*

32 And be it further

33 RESOLVED, That a new section, designated Section 13, be added
34 to Article 11 of the Nevada Constitution to read as follows:

35 *Sec. 13. All school districts shall provide by law for the*
36 *creation, as a special revenue fund, of a fund to stabilize the*
37 *operation of the school district.*

38 And be it further

39 RESOLVED, That a new section, designated Section 14, be added
40 to Article 11 of the Nevada Constitution to read as follows:

41 *Sec. 14. 1. If the Legislature authorizes a school*
42 *district to enter into public debt, any contract for public debt*
43 *must be submitted to the people within the jurisdiction of the*
44 *school district at the next election at which a question may*
45 *be placed on a ballot pursuant to Section 11 of Article 2 of*



1 *this Constitution and a majority of the votes cast on the*
2 *measure at such election must approve the contract before*
3 *the school district may enter into the contract for public*
4 *debt.*

5 2. A taxpayer of this State shall have standing to
6 commence an action in the First Judicial District Court to
7 enforce the provisions of this Section. If the Court
8 determines that the action was frivolous, the Court shall
9 award to the school district reasonable expenses and
10 attorney's fees. If the taxpayer is the prevailing party in his
11 action to enforce the provisions of this Section, the Court
12 shall award the taxpayer reasonable expenses and
13 attorney's fees.

14 And be it further

15 RESOLVED, That Section 6 of Article 19 of the Nevada
16 Constitution be amended to read as follows:

17 Sec. 6. This Article does not permit the proposal of any
18 *amendment to this Constitution*, statute or statutory
19 amendment which makes an appropriation or otherwise
20 requires the expenditure of money, unless such statute or
21 amendment also imposes a sufficient tax, not prohibited by
22 the Constitution, or otherwise constitutionally provides for
23 raising the necessary revenue.

