

SENATE CONCURRENT RESOLUTION NO. 37—
SENATOR HORSFORD

MAY 30, 2009

JOINT SPONSOR: ASSEMBLYMAN OCEGUERA

Read and Adopted

SUMMARY—Provides for the Interim Finance Committee to conduct a review of Nevada's revenue structure and to provide long-term stabilization of revenue. (BDR R-1334)

~

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

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



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

6 1. Review proposals for broad-based taxes which are fair and
7 equitable;

8 2. Examine strategies for mitigating tax burdens on both
9 businesses and consumers, including reductions, if possible, in
10 existing taxes, both state and local;

11 3. Consider the public's willingness to having existing taxes be
12 decreased as other tax revenues become available;

13 4. Using current statistical information, propose strategies and
14 recommendations to advance the State of Nevada in nationwide
15 rankings in key quality-of-life areas, including education, health and
16 human services, public safety, economic diversification, job
17 creation, transit and energy use; and

18 5. Develop a quality-of-life vision for the State of Nevada for a
19 5-year period, a 10-year period and a 20-year period; and be it
20 further

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

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

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

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

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

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



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

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

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

11 8. Any recommendations to improve the equity of the
12 allocation of revenue and the stability of the sources of revenue for
13 State Government and the various local governmental entities and
14 changes which will improve the flexibility, collection and
15 administration of existing revenue sources; and

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

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

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

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

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

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

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



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

10 RESOLVED, That the Subcommittee shall direct the Technical
11 Working Group to ensure that the State is prepared to implement, on
12 or before July 1, 2011, revenue stabilization recommendations
13 accepted and forwarded by the Subcommittee; and be it further

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

20 RESOLVED, That, upon recommendation of the Subcommittee,
21 the Executive Director of the Department of Taxation may request
22 an allocation from the Contingency Fund pursuant to NRS 353.266,
23 353.268 and 353.269 to acquire a technologically sound computer
24 system necessary for the collection or allocation of taxes in the
25 State; and be it further

26 RESOLVED, That the Interim Finance Committee shall, on or
27 before October 1, 2010, submit a report of the results of its review
28 and any recommendations for legislation to the Governor and the
29 Director of the Legislative Counsel Bureau for transmittal to the
30 76th Session of the Nevada Legislature.

