

ASSEMBLY JOINT RESOLUTION NO. 9—  
ASSEMBLYMAN OCEGUERA

APRIL 25, 2011

JOINT SPONSOR: SENATOR HORSFORD

Declared an Emergency Measure

SUMMARY—Urges Congress to enact the Unemployment  
Insurance Solvency Act of 2011. (BDR R-1282)

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.

ASSEMBLY JOINT RESOLUTION—Urging Congress to enact  
the Unemployment Insurance Solvency Act of 2011.

1 WHEREAS, During the last 3 years, this country has faced the  
2 longest recessionary period since the Great Depression; and

3 WHEREAS, Although most states have suffered from high and  
4 sustained levels of unemployment during this period, Nevada has  
5 been particularly impacted, enduring the highest unemployment  
6 rates in its history and regularly having one of the highest  
7 unemployment rates in the country over the course of the recession;  
8 and

9 WHEREAS, The unemployment insurance system, which is  
10 financed through federal and state payroll taxes, provides relief to  
11 eligible persons who are unemployed through no fault of their own,  
12 which helps ensure continued economic activity by those persons;  
13 and

14 WHEREAS, The economic crisis has created an unprecedented  
15 impact on the unemployment insurance system, depleting state  
16 unemployment trust funds at a time when the economy is tenuous at  
17 best and, in fact, is not expected to fully rebound until 2016; and

18 WHEREAS, When the state unemployment trust fund was  
19 depleted, Nevada, and ultimately 29 other states, began borrowing



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1 money from the Federal Government, with interest, to offset the  
2 lack of available money for the payment of an unprecedented  
3 number of unemployment insurance benefits; and

4 WHEREAS, The American Recovery and Reinvestment Act of  
5 2009, Public Law 111-5, included a temporary waiver on interest  
6 payments owed on the loans made by the Federal Government to the  
7 states, but that waiver expired on December 31, 2010, thereby  
8 causing interest on the federal loans to start accruing and payment of  
9 that interest to commence in September 2011; and

10 WHEREAS, In addition, as payment of the principal of the federal  
11 loans, an automatic increase in federal payroll taxes on employers is  
12 pending and will increase incrementally until the loan principal is  
13 paid off; and

14 WHEREAS, The Unemployment Insurance Solvency Act of 2011  
15 was introduced in Congress on February 17, 2011, to offer fiscal  
16 relief to the states that have borrowed money from the Federal  
17 Government for the payment of unemployment insurance benefits  
18 during this difficult economic crisis; and

19 WHEREAS, If enacted, the Unemployment Insurance Solvency  
20 Act would offer relief to the residents of the State of Nevada, their  
21 employers and the State itself, in part, by:

22 1. Extending the waiver of interest on the federal loans for 2  
23 years;

24 2. Postponing the imposition of increased payroll taxes on  
25 employers to repay the principal on the federal loans;

26 3. Allowing the State to enter into an agreement with the  
27 United States Department of Labor to reduce up to 60 percent of its  
28 federal loan balance in return for implementing measures to increase  
29 the solvency of its unemployment trust fund; and

30 4. Offering incentives for the State to maintain the solvency of  
31 its unemployment trust fund; and

32 WHEREAS, Waiving the interest payments owed on the federal  
33 loans until 2014 would save the State of Nevada millions of dollars  
34 at a time when that money is critical for the continued provision of  
35 services to its residents and for stimulating economic recovery in the  
36 State; and

37 WHEREAS, The burden of repaying interest on the federal loans  
38 at this time may force further increases in state payroll taxes and  
39 reductions in benefits and services offered to the residents of  
40 Nevada, which will adversely affect Nevada's economy by  
41 weakening job growth and decreasing the demand for goods and  
42 services; and

43 WHEREAS, The delay of the impending federal payroll tax  
44 increase on Nevada's employers would offer relief to those



1 employers at a time when the State's economy is still struggling;  
2 and

3 WHEREAS, The State of Nevada has already taken steps toward  
4 increasing the solvency of its unemployment insurance trust fund,  
5 and would likely be eligible for the maximum reduction in its  
6 federal loan balance proposed in the Unemployment Insurance  
7 Solvency Act, which would assist the State in planning for future  
8 recessions and stabilizing its economic base; now, therefore, be it

9 RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF  
10 NEVADA, JOINTLY, That the members of the 76th Session of the  
11 Nevada Legislature hereby urge Congress to enact the  
12 Unemployment Insurance Solvency Act of 2011; and be it further

13 RESOLVED, That the State of Nevada will continue to take steps  
14 toward increasing the solvency of its unemployment trust fund; and  
15 be it further

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

21 RESOLVED, That this resolution becomes effective upon  
22 passage.

