

Assembly Joint Resolution No. 9–
Assemblyman Ocegüera

Joint Sponsor: Senator Horsford

FILE NUMBER.....

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

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

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

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

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

WHEREAS, When the state unemployment trust fund was depleted, Nevada, and ultimately 29 other states, began borrowing money from the Federal Government, with interest, to offset the lack of available money for the payment of an unprecedented number of unemployment insurance benefits; and

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

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

WHEREAS, The Unemployment Insurance Solvency Act of 2011 was introduced in Congress on February 17, 2011, to offer fiscal relief to the states that have borrowed money from the Federal



Government for the payment of unemployment insurance benefits during this difficult economic crisis; and

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

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

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

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

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

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

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

WHEREAS, The delay of the impending federal payroll tax increase on Nevada's employers would offer relief to those employers at a time when the State's economy is still struggling; and

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

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

RESOLVED, That the State of Nevada will continue to take steps toward increasing the solvency of its unemployment trust fund; 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 and each member of the Nevada Congressional Delegation; and be it further

RESOLVED, That this resolution becomes effective upon passage.

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