GENERAL INFORMATION REPORT

Office of the Clark County Manager	GIR No.: ______________
Virginia Valentine, Manager, Clark County Shaun Carey, Manager, City of Sparks	Originating Department: Clark County Administrative Services Date: 10/5/09
Issue: Report on SCR 37: Review of Nevada's Revenue Structure	Contact/Ext.: Sabra Smith Newby 702-455-3530

Staff briefing council:

Clark County and City of Sparks

Subject/Issue Statement:

Clark County and the City of Sparks have agreed to provide a presentation on SCR 37, a resolution to conduct a review of Nevada's tax and revenue structure at the Local Government Summit scheduled for October 14, 2009. The following summary outlines the SCR 37 study subcommittee members, the duties specified for the consultant, the creation of the Nevada Vision Stakeholder Group, and the responsibilities of the Technical Working Group.

Summary:

SCR 37 of the 2009 Legislative Session directed the Interim Finance Committee to establish a subcommittee that would conduct a review of Nevada's revenue structure and provide long-term recommendations on revenue stabilization. Accordingly, at the August 3, 2009 meeting of the Interim Finance Committee, a subcommittee of sixteen members was named to oversee the duties of the consultant. That subcommittee includes:

Senate	**Assembly**
Steven Horsford, Chair	Marcus Conklin, Vice Chair
Bernice Mathews	Bernie Anderson
David Parks	Pete Goicoechea
William Raggio	Marilyn Kirkpatrick
Dean Rhoads	Kathy McClain
Michael Schneider	John Oceguera
Randolph Townsend	James Settelmeyer
Valerie Wiener	Lynn Stewart

The Subcommittee is charged with the following tasks:

1. Reviewing proposals for broad-based taxes which are fair and equitable;
2. Examining strategies for mitigating tax burdens on both businesses and consumers, including reductions, if possible, in existing taxes, both state and local;
3. Considering the public's willingness to having existing taxes be decreased as other tax revenues become available;
4. Using current statistical information, proposing strategies and recommendations to advance the State of Nevada in nationwide rankings in key quality-of-life areas, including education, health and human services, public safety, economic diversification, job creation, transit and energy use; and

5. Developing a quality-of-life vision for the State of Nevada for a 5-year period, a 10-year period and a 20-year period.

In addition, the Subcommittee will appoint a Nevada Vision Stakeholder Group, with members selected from a list of names submitted by community and statewide groups involved in business, education, health care, human services, economic development, transit and energy, or any other groups deemed appropriate by the Subcommittee, to assist in developing 5-year, 10- year and 20-year strategic plans for improving the State's quality of life.

In order to accomplish these tasks, the Interim Finance Committee will retain the services of a qualified, independent consultant to review Nevada's public revenue structure and make recommendations to the Interim Finance Committee relating to:

1. The allocation of revenue from taxation and other sources between the State and local governments;
2. The adequacy of the revenue sources of the State and local governments and each level of government in supplying sufficient revenue for the services provided by the respective governments and governmental agencies;
3. The relative stability of the revenue sources of the State and local governments and each level of government and each governmental agency;
4. The degree to which the revenue sources of the State and local governments reflect the current economic activity of the State;
5. The degree to which the revenue sources of the State and local governments are representative of the way business is conducted today relative to administration and compliance;
6. The extent to which the earmarking of various revenue sources has removed flexibility in efficiently allocating those revenue sources;
7. The extent to which the revenue sources of state and local governmental agencies increase in proportion to increased population and the corresponding increased demand for the services provided by the respective governments and governmental agencies;
8. Any recommendations to improve the equity of the allocation of revenue and the stability of the sources of revenue for State Government and the various local governmental entities and changes which will improve the flexibility, collection and administration of existing revenue sources; and
9. Any other matters that the Interim Finance Committee deems necessary to improve the equity, stability, transparency and competitiveness of the State's tax system.

In conjunction with the revenue stabilization study process, the consultant will also:

1. Collect independent data on Nevada's national rankings in quality-of-life areas; and
2. Coordinate with the Nevada Vision Stakeholder Group to develop strategies to advance Nevada's national standing in critical quality-of-life areas.

The consultant will deliver a report of findings concerning revenue stabilization to the Interim Finance Committee on or before July 1, 2010, which must include specific recommendations as well as the impact of implementing those recommendations on the State, local governments and various types of businesses, including, without limitation, large and small businesses, capital-intensive and labor-intensive businesses and high-margin and low-margin businesses and as well the impact on the general population.

The consultant will deliver a report of findings concerning quality-of-life areas to the Interim Finance Committee on or before July 1, 2010, including, without limitation, proposed strategies and recommendations from the Nevada Vision Stakeholder Group in key areas such as education, health and human services, public safety, economic diversification, job creation, transit and energy use.

The Subcommittee will create a Technical Working Group consisting of the:

1. Senate Fiscal Analyst, the Assembly Fiscal Analyst,
2. Chief of the Budget Division of the Department of Administration,
3. Executive Director of the Department of Taxation,
4. Vice Chancellor of Finance of the Nevada System of Higher Education,
5. Deputy Superintendent of Administrative and Fiscal Services of the Department of Education,
6. Chairman of the Committee on Local Government Finance.

The Subcommittee will direct the Technical Working Group to ensure that the State is prepared to implement, on or before July 1, 2011, revenue stabilization recommendations accepted and forwarded by the Subcommittee.

The Technical Working Group will undertake any work necessary to ensure the State's readiness to implement required modifications to the State's existing revenue system, including, without limitation, any upgrade or replacement of equipment or software required for such a modification.

Upon recommendation of the Subcommittee, the Executive Director of the Department of Taxation may request an allocation from the Contingency Fund to acquire a technologically sound computer system necessary for the collection or allocation of taxes in the State.

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