

## **BALLOT QUESTION CC 2**

### **LOCAL REVENUE ADVISORY QUESTION**

#### **CONDENSATION (Ballot Question)**

Shall the consent of the governing body of the local government be required before the State Legislature can act to decrease revenues or reserves collected by, distributed to, or held by the local government, or impose fees on or mandate new or different services be performed by the local government?

#### **EXPLANATION**

The use of revenues paid by taxpayers for functions of local government by the State is resulting in the reduction and elimination of services provided by local governments. This ballot question will serve to advise the Nevada Legislature of whether the majority of the voting public in this County believes that the consent of the governing body of the local government should be required before the State Legislature can act to decrease revenues or reserves collected by, distributed to, or held by the local government, or impose fees on or mandate new or different services be performed by the local government. "Local government" means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes, without limitation, counties, cities, towns, boards, school districts and other districts organized pursuant to Nevada Revised Statute, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision. Examples of other districts organized pursuant to Nevada Revised Statute are water and sewer general improvement districts, and library districts. Examples of an agency or department of a county or city which prepares a budget separate from that of the parent political subdivision are district health departments and district courts.

"Local revenues" include taxes, fees, intergovernmental transfers and other revenues that are used by local governments to provide services and programs, and to construct, operate and maintain facilities. Examples of fees that the State has or may impose are administrative fees for collecting sales taxes (increased by the 2009 Legislature) and a mandatory fee per employee to fund the administration of the state run Local Government Employee Management Relations Board. New service mandates without commensurate funding are often referred to as "unfunded mandates." The consent of the local government would be considered and acted upon by the governing body of that local government in a public meeting noticed and conducted in conformance with Nevada's Open Meeting Law.

The question is purely advisory and does not place any legal requirement on any local government, any member of local government, or any officer of the county or the Nevada Legislature.

#### **ARGUMENTS FOR PASSAGE**

Local governments provide services such as fire and police protection, courts, water and sewer systems, libraries, parks and recreation programs, and state mandated services such as indigent medical care and defense. The Nevada Association of Counties has estimated that since July 2008 the Legislature has taken over \$265 million in revenues collectively from the 17 Nevada Counties to balance the State's budget. In Carson City approximately 40 jobs have been eliminated since July 1, 2008. The Carson City Sheriffs office has had a reduction of 12 sworn and unsworn officers since 2005, and patrol staffing has been reduced to 4 officers per shift down from 5 on graveyard and 6 to 9 on day and swing shift. The jail is at minimum staffing. Traffic enforcement has been reduced to a secondary function. The Carson City Fire Department has had a reduction in staffing, and because of this staffing reduction a 4<sup>th</sup> ambulance is staffed about 30% of the time while at the same time ambulance call have greatly increased. The loss of these revenues has impacted the Counties' ability to provide essential services. Many local governments are experiencing declining revenues and have balanced their budgets by reducing or eliminating services and employees. Using the revenues directly imposed or received by local government, or imposing fees or new mandates on local governments in order to balance the State's budget is a disservice to the public. If approved, this question would send the message to the Nevada Legislature that the voters of this County want their local taxes to fund the provision of services by their local government and that the State should balance its budget without taking revenue from local governments.

### **ARGUMENTS AGAINST PASSAGE**

The State of Nevada is a sovereign entity. Local governments are created by, and for the convenience of, the State. The primary responsibility of providing government services remains with the State, therefore it is the duty of the State to use available revenue regardless of the source to balance its budget and carry out its responsibilities. In addition, the taxes and fees that are imposed by local government must first be authorized by the Legislature. The right of the Legislature to use local revenues to balance its budget should not be abrogated. According to studies prepared by the Nevada Department of Administration, Budget Office in 2009 local government revenues increased at a faster rate than the State's. Also according to these studies the salaries of certain local government employees are higher than their counterparts who work for the State. Therefore, local governments should be required to help the State balance its budget by contributing a portion of their revenues, paying higher State administrative fees and taking on additional services previously provided by the State.

### **ANTICIPATED FINANCIAL EFFECT**

If the Legislature is required to obtain the consent of the governing body of the local government before the State Legislature can act to decrease revenues or reserves collected by, distributed to, or held by the local government, or impose fees on or mandate new or different services, it would have a positive financial effect on local government by potentially eliminating the need for local governments to adjust their adopted budgets and possibly reducing services or laying off employees due to the loss of local revenue.