

# Legislative agenda

The issues ahead are devilishly complex and demand realistic discussion



**MY VOICE**  
 Terry Care

A few days following my initial election to the Nevada Senate in 1998, I met, at their insistence, with two industry representatives. They rambled for 15 minutes about jobs, education, health care, and a probably some football. Lost, I cut them off. "What exactly are you hoping for from the Legislature?" I asked. They paused, then one made the point I'd missed altogether. "Well, we just want to be left alone." No lobbyist yet has been so direct with me in preparation for the 75th Legislative Session that will commence Feb. 2, but, from what I detect, many are hoping their clients will be spared.

If you follow current events at all you know that Barack Obama sneaks a puff now and then, and that the most recent projected Nevada state tax revenues for the next two years have dropped as dramatically as Lake Mead. Naturally, speculation about tax increases during a recession — or worse; nobody any longer believes the experts — have risen proportionately. Thus, lots of folks will shudder when the gavel falls in Carson City.

Wary of Thurber's dictum — that the world is divided into two kinds of people: those who divide the world into two kinds of people and those who do not — I'll suggest there are two schools of thought destined to collide this session, and each is untenably simplistic. The first holds that state government is too big, inefficient, taxes excessively, needs to be reduced in both size and spending, that tax hikes during a recession will only discourage the economic recovery that will assuredly provide more than sufficient tax revenues, and the state could save untold millions if the legislature would revise the cur-

rent system such that public employees would contribute to something akin to a 401(k) defined contribution plan so they, presumably, could see their nest eggs go to money heaven like the rest of us.

The second proclaims that Nevada ranks last among the 50 states in providing services in most all categories — sometimes we do better than Mississippi — and that additional cuts aren't possible without effectively destroying public education and safety, and that we must, at a minimum, either restructure the state's tax system or create a broad-based business tax to preserve what services

at an "adequate" level. Finally, the line-up for this session includes a senate controlled by Democrats for the first time since 1991, an assembly with two Democrats for every Republican, and a Republican governor who campaigned on a "no tax" platform, and who, from every indication, intends to stand by that pledge.

Sometimes Nevada lawmakers know the agenda before a session convenes. For example, we understood going into the 2005 session that we would need to cap rising real property taxes. (I'm not making this up; there was a time when home values rose in Nevada,

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remain. (It's called a "broad-based business tax" because no one wants to say "business income tax.")

First, a little background. The state's 2008-2009 two-year budget ending on June 30, 2009 — approved during the 2007 session — was originally roughly \$6.8 billion. Gov. Gibbons implemented across-the-board cuts in early 2008 of about \$900 million, and the Legislature enacted further reductions during two special sessions. Total downward adjustments equaled approximately \$1.5 billion. Oh, and we established a line of credit for another \$160 million. Further, on Dec. 1, 2008, the Economic Forum forecasted state general fund revenues of \$5.7 billion during 2009-2011, or \$1.3 billion less than was first presumed for 2008-2009. (The Economic Forum consists of five gubernatorial appointees, each with a measure of expertise in economics but largely unknown to the public, who digest the state's revenue data and issue a collective guess about future spending levels. However, it is a guess with consequences. More about that later.)

Second, a little more background. Whatever the Legislature does regarding spending, constitutional and statutory mandates will apply. While the governor proposes the two-year budget, the Legislature revises it. Whatever the final product, spending generally may not exceed the Economic Forum's projected revenue figures. Keep in mind, though, that roughly half the budget is devoted to public and higher education, and there is a state constitutional requirement that we fund grades kindergarten through grade 12

and their continued future upward streak was as certain as a Vegas gaming stock. Just ask any unemployed subprime lender or broker. There's one on your street.) This time, however, having talked to as many legislators as possible, having reviewed all relevant data, having thought it over repeatedly, my most informed assessment is that I've no idea what we'll do ultimately. And neither do my colleagues. No Legislature in decades has faced the complexities of the upcoming session. No doubt, the focus will be spending, funding, revenues, and guerrilla warfare between state departments and agencies hoping to keep what they still have left at the expense of those who believe they've already been gutted to excess. What I can project, however, is that such a situation mandates deliberation, and a resolve to legislate realistically, prudently, and without reflexive partisanship. No reasonable legislator wants to inflict pain through further reductions in services, but that same legislator should appreciate that businesses are stretched.

And by the way, I should mention the other stuff. Someone will want to legalize something, someone will want to outlaw something, and someone will want to do something about drivers who use cell phones. But funding and spending will dominate.

*Terry Care is a partner with the law firm of McDonald Carano Wilson LLP and has been elected to the Nevada State Senate from a Clark County district three times.*

## QUOTE

OF THE WEEK

*"Anger makes dull men witty, but it keeps them poor."*

— Queen Elizabeth I