



Northeastern Nevada Regional Development Authority
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RESOLUTION 2020-1
OF THE NORTHEASTERN NEVADA REGIONAL DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS

IN OPPOSITION TO THE PROPOSED CHANGES TO THE NEVADA CONSTITUTION
REGARDING THE PROCEEDS OF MINERALS TAX OR AJR1, AJR2, AND SJR1 OF THE
32nd NEVADA SPECIAL LEGISLATIVE SESSION

WHEREAS, the Net Proceeds of Minerals Tax was established and exists in Nevada to provide a revenue stream to those counties and communities who host mineral production operations and their employees. These revenues help mitigate the exorbitant costs associated with infrastructure to support the workforce including, but not limited to schools, roads, public safety, and utilities, etc.; and

WHEREAS, historical patterns have shown, especially in areas like the American Appalachians or the dozens of ghost towns that dot the Nevada landscape, that when a non-renewable resource has been exhausted and the revenue generated from that resource are both removed from said region, that the communities therein trend towards depreciation, blight, economic decline, social erosion, and complete dependence on urban taxpayers; and

WHEREAS, although the mining industry produces billions annually in minerals, it has witnessed 2.4% loss in overall GDP growth in Nevada between 2008-2018 compared to all other industries in Nevada who have experienced a 2.5% gain in the same time frame; and

WHEREAS, mining is crucial to rural Nevada economics as it accounted for \$3.8 Billion in Northeastern Nevada Gross Regional Product (GRP) in 2018 while all other industries within the region generated \$3.2 Billion (GRP) combined; and

WHEREAS, mining within the state of Nevada only accounts for 3% of Nevada's overall GDP (between 2007-2018); and

WHEREAS, mining currently generates on average \$135 Million in Net Proceeds annually (2006-2018) which accounts for 48% of what mine operators pay in total state taxes; and

WHEREAS, Nevada was ranked #1 in 2018 on the Frasier Institute's annual survey of Mining Investment Attractiveness Index and has now dropped to #3 behind Western Australia and Finland due to concerns associated with the shifting political environment within the State; and

WHEREAS, the process for constitutional amendments in Nevada were developed to ensure two separate legislative bodies could deliberate and vote on said amendments assuring that adoption would serve the best interest of the citizenry. The 32nd Special Session "short-circuited" the established legislative process that allows for transparency and ample notice for public input; and

WHEREAS, there were no rudimentary or comprehensive economic studies completed prior to the 32nd Nevada Special Legislative Session to determine what the direct and indirect economic impacts would be to rural Nevada and the State as a whole should these constitutional amendments be adopted; and

WHEREAS, the proposed changes would undoubtedly cripple rural Nevada's primary economic engine resulting in a decline of exploration, new resource development, capital spending, production, revenue for education, property values, supply chain support, etc.; and

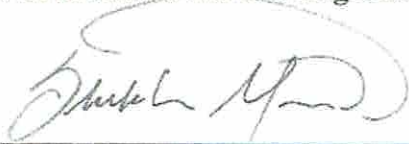
WHEREAS, proposed changes to the Nevada Constitution would severely inhibit rural economic development agencies from realizing their initiatives to enhance, diversify, and strengthen their local economies;

BE IT THEREFORE RESOLVED that the NNRDA Board is adamantly and unanimously opposed to the above mentioned legislation that results in the modification of the Net Proceeds of Minerals Tax within the Nevada State Constitution. (Article 10 Section 5).

PASSED and ADOPTED this 9th Day of SEPTEMBER, 2020



Donna Bath, Chairwoman
Northeastern Nevada Regional Development Authority



Sheldon Mudd, Executive Director
Northeastern Nevada Regional Development Authority