

THE PEOPLE OF THE STATE OF NEVADA DO ENACT AS FOLLOWS

Article 15 of the Constitution of the State of Nevada is hereby amended by adding a new section to be designated Section 17 to read as follows: Article 10, Section 5 (1) of the Nevada State Constitution is hereby abolished, and the State of Nevada shall hereby levy a tax upon the gross proceeds of all mining minerals and/or ores extracted in this state including but not limited to gold, silver, oil, gas and other hydrocarbons at a rate of 20 percent. Hereafter, except for non-profit entities and entities that hold a non-restricted gaming license, there shall be levied a gross receipts tax on all non-mining business and/or entities including: Limited Liability Companies, Partnerships, Corporations including wholly owned or related majority controlled subsidiaries, affiliates, and joint ventures doing business in the State of Nevada, which will collectively hereafter be referred to as "Entities." This tax shall be assessed as follows:

- a) Entities that earn in the State of Nevada on an annualized basis in excess of one million (\$1,000,000) U.S. dollars per month but less than ten million (\$10,000,000) per month shall be taxed at 1 percent on all gross monthly receipts.**
- b) Entities that earn in the State of Nevada on an annualized basis in excess of ten million (\$10,000,000) U.S. dollars per month, but less than twenty-five million (\$25,000,000) per month shall be taxed at 2 percent on all gross monthly receipts.**
- c) Entities that earn in the State of Nevada on an annualized basis in excess of twenty-five million (\$25,000,000) U.S. dollars per month but less than fifty million (\$50,000,000) per month shall be taxed at 4 percent on all gross monthly receipts.**

- d) Entities that earn in the State of Nevada on an annualized basis in excess of fifty million (\$50,000,000) U.S. dollars per month shall be taxed at 6 percent on all gross monthly receipts.**
- e) The foregoing assessed tax shall not include that portion of the entities' gross receipts attributable to food for home consumption.**

Out of the total tax levied herein, the Treasurer of Nevada shall deposit such funds in a separate United States Government guaranteed interest bearing trust account, which the legislative and executive branches shall not invade, and shall only be used to fund the following critical services:

- 1. The obligation of paying real property taxes on all owner occupied single family residential homes in Nevada is hereby eliminated. The Treasurer of Nevada shall use a sufficient portion of the taxes raised herein to reimburse each county for the cumulative revenue lost by the elimination of property taxes on these residential homes. The total reimbursement amount shall be fixed on the sum levied by each county, including existing special assessments on the eligible homes, that exist on the 1st day of January 2012. Such reimbursement shall continue each year thereafter. The Treasurer of Nevada shall hereafter apply in sequence the remaining taxes collected and distribute them as follows:**
- 2. To ensure that the Nevada court system remains independent of the legislative and executive branch, the Treasurer shall pay the expenses for the annual operation of the judicial branch on the submission by the Supreme Court of its annual budget. These revenues shall fund the salaries, staffs, office and court expenses of the District Court Judges, the Supreme Court Justices, and the Appellate Court Justices hereafter established.**

3. The Appellate Court of Nevada shall be and is hereby established as follows: The Appellate Court shall consist of seven judges. The Appellate Court judges must not be less than 35 years of age, be authorized to practice law in the State of Nevada, have a minimum of 10 years full time private practice experience or be a present or former District Court Judge or have the equivalent judicial experience in another United States jurisdiction.

4. Two of the initial seven judges of the Appellate Court shall be appointed by the Governor, who is holding office after January 1st following approval of this amendment, who shall select two qualified candidates at the Governor's sole discretion. The Supreme Court shall thereafter appoint five of the judges of the Appellate Court at their sole discretion. The term of the initial seven judges is for a period of 2 years beginning on the first Monday of January next after their appointment. The Appellate Court shall have jurisdiction over all matters set by the rules of the Supreme Court except civil matters where the rights and/or remedies arise from the Constitution.

5. After the initial term, each judge of the court of appeals must be elected by the qualified electors of this State at the general election for a term of 6 years beginning on the first Monday of January next after the election. The Treasurer of Nevada, after fully funding the public items enumerated herein in paragraphs 1 through 5, shall hereafter apply the remaining taxes collected by this tax to be distributed in fractional parts as follows:

6. Since Nevada public school teachers are some of the lowest paid in the United States, the Treasurer shall allocate 8 percent of these remaining funds and disburse such funds to eligible public school teachers to increase their compensation by an amount up to

\$10,000 per year to all public school elementary school teachers and all other public school teachers who teach math, science and computer literacy courses as incentive pay for teaching in these critical fields. The compensation of all other public school teachers and on site personnel as set forth on the teacher's pay scale working at a public school site shall be increased by up to \$5,000 per year according to the total funds available as allocated herein. No portion of such funds shall be allocated or expended to any administrative personnel, those working in administrative offices, or to any costs associated with any administrative office. The State Treasurer shall make these direct supplemental payments to each qualified teacher at the end of the fiscal year. The payments set forth in this section cannot be factored into and/or considered in determining the current or future salaries for public school teachers. The payments set forth in this section shall be additional incentive pay for public school teachers.

7. In order to prevent future gridlock on Nevada streets and highways, 37 percent of these remaining funds shall be distributed by the Treasurer to the Regional Transportation Commissions in Nevada, and to those areas without a regional transportation commission, directly to the various counties. These funds shall only be expended for open market competitive bid contracts for road construction, highway improvements, local infrastructure repair and other governmental transportation improvements. No portion of these funds shall be allocated or expended for administrative personnel, those working in administrative offices, or to any costs associated with any administrative state, city, or county office. The amount to be distributed by the Treasurer to each county shall be in proportion to the number of vehicles registered with the state within that county.

8. In order to secure lower electric power rates, make Nevada a major exporter of electrical power, reduce air pollution from toxic coal fired power plants, and ensure an adequate source of fresh, clean water for the state's future water needs, the Treasurer shall allocate 37 percent to the State of Nevada Public Utility Commission to implement, oversee and discharge this constitutional obligation. One half of the fractional revenue allocated herein shall first be utilized by the Public Utility Commission, for the purchase, construction, and operation of solar and/or wind systems that generate individual homeowner electrical power for Nevada homeowners at no interest loans repayable through the standard electrical billing process. The remaining one half of the fractional funds allocated herein shall be used for the construction of large solar and wind farms; and for the construction of desalinating or purification water plants. The Public Utilities Commission shall have exclusive authority and jurisdiction over the selection and construction of solar and wind generating units. This authority shall include competitive bidding, regulating health and safety, and where residential or commercial solar and wind units can be located. This same authority shall also apply to fund the construction of desalination plants outside the state of Nevada only for purposes of exchanging water with other states or countries for the benefit of the citizens of the state of Nevada.

9. To prevent the financial collapse of the millennium scholarship fund, the State Treasurer shall allocate and disburse 6 percent of such remaining funds to be used to fund the millennium scholarship program at the campuses of the University of Nevada in Reno and in Las Vegas.

10. The citizen initiative process is under attack by the Legislature, therefore Article 19 of the Nevada Constitution needs to be protected and modernized to make circulation of

ballot initiatives easier and less expensive. The Treasurer shall therefore disburse .30 percent to the Secretary of State to fund, improve, and to render less expensive ballot initiative circulation through an electronic process. The Secretary of State thereafter shall make and employ reasonable rules and regulations that promote and permit the easy acquisition of signatures for initiative petitions, recalls and referendums on the internet via electronic signatures. In addition to the electronic acquisition of signatures, sponsors of an initiative petition referendum or recall may also use the traditional format of gathering handwritten signatures under no greater restrictions than under current Nevada absentee voting procedures. Additionally, the Secretary of State shall also assist citizens when requested to draft initiatives, referendums or recalls and to divide such initiatives into separate parts or subjects if necessary in order for the voter to approve or disapprove separate sections of an initiative on a single ballot. If any initiative is challenged in court by any party, the Secretary of State shall extend the time to collect such signatures lost by such challenge and permit the collected signatures to roll over until the next initiative cycle if the total number of collected signatures is deficient at the close of the initiative cycle. Any other rules or regulations by the Secretary of State or any statute by the Nevada Legislature that restricts the subjects, words or content of any citizen initiative, referendum or recall that is not expressly set forth in the Nevada Constitution is null and void.

11. The Treasurer shall distribute 11.7 percent of such funds to be used to fund the Nevada's Children's Health Insurance Program or an equivalent government sponsored children's insurance program.

12. Ten years after the passage and implementation of this amendment, with sixty (60) days notice to the public, the Treasurer of Nevada upon a showing of good economic cause is authorized to petition a Nevada State District Court Judge, subject to appeal to the Nevada Supreme Court, to amend or adjust the percentages allocated in paragraphs six (6) through eleven (11).

13. Any natural person in the State of Nevada shall have standing to enforce the provisions of this initiative. Each and every right provided herein shall be self-executing.

14. Any provision contained in this section shall be deemed a separate and freestanding right and shall remain in full force and effect should any other provision contained in this section be stricken or modified for any reason in the discretion of the Nevada Courts.