

(b) The select committee shall select a chairman from among its members and shall undertake a study of local government financing including the identification, analysis and evaluation of:

- (i) All state mandated services for cities, towns and counties;
- (ii) All unfunded mandates imposed by the state upon cities, towns and counties;
- (iii) Cost of services mandated under paragraph (i) of this subsection;
- (iv) Positive and negative impacts of state institutions on cities, towns and counties;
- (v) Positive and negative impacts of natural resource development on cities, towns and counties;
- (vi) Positive and negative impacts of population size on the ability of cities, towns and counties to support essential services;
- (vii) Positive and negative impacts of national parks, monuments and other federal lands on cities, towns and counties;
- (viii) Positive and negative impacts on cities, towns and counties of special projects undertaken by the state;
- (ix) All state grants, loans and other assistance programs available to cities, towns and counties and an analysis of recipient local governments and the amounts received by each local government;
- (x) Local government needs;
- (xi) Local government revenues and the impact of variances in property valuations on local revenues;
- (xii) Services provided at the local government level which are supported by the state;
- (xiii) Current levels and sources of revenue sharing;
- (xiv) Regional or national models for revenue sharing between the state and local governments;
- (xv) Other research issues and information determined essential by the select committee to its study of local government financing.

(c) Based upon study analysis and evaluation of items specified under subsection (b) of this section, the select committee shall in sufficient time for consideration by the legislature in the 2009 general session, develop recommendations on the following:

- (i) Appropriate levels for revenue sharing between state and local governments;
- (ii) Transparent distribution formulas that provide adequate support and appropriate funding levels for local government services mandated by the state;
- (iii) Adequate funding for state grant and loan and other assistance programs to local governments;
- (iv) New funding mechanisms addressing unique situations or conditions faced by local governments in providing necessary services;
- (v) Local government taxing authority;
- (vi) Additional recommendations the select committee determines necessary and appropriate based upon findings under subsection (b) of this section.

(d) The select committee shall complete its study under this section and prepare necessary legislation to implement its recommendations developed under subsection (c) of this section in sufficient time for submission to the legislature during the 2009 general session.