

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Third Session  
February 22, 2005**

The Committee on Government Affairs was called to order at 8:10 a.m., on Tuesday, February 22, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, Nevada, and via simultaneous videoconference, in Room 4412 of the Grant Sawyer State Office Building, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Mr. David Parks, Chairman  
Ms. Peggy Pierce, Vice Chairwoman  
Mr. Kelvin Atkinson  
Mr. Jerry D. Claborn  
Mr. Pete Goicoechea  
Mr. Tom Grady  
Mr. Joe Hardy  
Mrs. Marilyn Kirkpatrick  
Mr. Bob McCleary  
Mr. Harvey J. Munford  
Ms. Bonnie Parnell  
Mr. Scott Sibley

**COMMITTEE MEMBERS ABSENT:**

Mr. Chad Christensen (excused)

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Susan Scholley, Committee Policy Analyst  
Eileen O'Grady, Committee Counsel  
Nancy Haywood, Committee Attaché

**OTHERS PRESENT:**

Sydney Wickliffe, Director, Nevada Department of Business and Industry  
Douglas Walther, Deputy Director, Nevada Department of Business and Industry

**Chairman Parks:**

[Meeting called to order and roll called.]

**Assembly Bill 73: Makes various changes concerning personnel that assist certain boards, commissions and authorities. (BDR 23-319)**

**Sydney Wickliffe, Director, Nevada Department of Business and Industry:**

In the capacity of the Director of this department, I am held administratively responsible for the efficient operation of 16 agencies, 665 employees, and a \$100 million budget, annually. The purpose of today's bill is to make consistent the administrative decision-making within the department affecting a few of those agencies.

To give you the necessary understanding to make your decisions, let me explain "responsible" according to the law. *Nevada Revised Statutes* (NRS) 232.515 defines the Director's qualifications. NRS 232.515 [states] that the Director—and I will paraphrase some of this—is appointed by, is responsible to, and serves at the pleasure of the Governor. . . Shall not engage in any other gainful employment or occupation, must have had at least five years of responsible administrative experience in public or business administration. Has knowledge and abilities that shall include the following: A comprehensive knowledge of administrative principles and a working knowledge of broad principles relating to subject matters under his administrative direction; the ability to assess the adequacy of agency operations and the protection of the public interest as related to the subject fields; an ability to oversee the carrying out of the statutory responsibilities of the department and departmental policies, rules and regulations.

The statute goes on to describe the Director's powers and duties as follows:

The Director is responsible for the administration of all provisions of law relating to the jurisdiction, duties, and functions of all the divisions and other entities within the department. May establish uniform policies for the department relating to matters concerning

budgeting, accounting, planning, program development, personnel, information services, dispute resolution, travel, work place safety, the acceptance of gifts or donations, the management of records, and any other subject for which a uniform departmental policy is necessary to ensure the efficient operation of the department. May provide coordination among the divisions and other entities within the department as they adopt and enforce regulations, execute agreements, purchase goods, services or equipment, prepare legislative requests, and lease or use office space. May negotiate and execute agreements with public or private entities which are necessary to the exercise of the powers and duties of the Director or the department.

[Sydney Wickliffe, continued.] That is what the laws of this state require of me. I can assure you that, after five and a half years in this position, this Governor does, too. These provisions of law make it clear that a part-time board or commission consisting of lay people, who meet about once a month and have a limited or non-existent comprehension of the state's budgeting process and employment requirements, to name only a couple of vital elements, is probably not the proper party to make informed decisions regarding the policies of this department or the selection of someone to head one of its agencies. Nor should they be held responsible for such decision-making.

Their purview is the regulation of the industry they have been appointed to. Most are required to be independent of that selected industry. They are outer-directed, whereas my emphasis is inner-directed: Guiding the administrator in dealing with personnel issues, developing and living within budgets, moving resources around, developing policies, and developing programs across agencies that benefit for less cost. If you were to ask the administrators of our department, I am confident that each of them would tell you that I have no interest in running his or her agency, or in regulating the industries they are responsible for.

There are safeguards within the statutes that limit my authority. In NRS 232.520, this subsection does not allow the director to preempt any authority or jurisdiction granted by statute to any division or other entity within the department, or to act or take on a function that would contravene a rule of court or a statute. My desire and my charge is to find the best people to run those agencies, help them adapt to the State's way of doing things, provide resources as necessary and available, advise on things I know about and have experience with, and then turn them loose. I appreciate your support of this bill and stand ready to answer any questions you may have.

**Douglas Walther, Deputy Director, Nevada Department of Business and Industry:**

I think that Sydney [Wickliffe] pretty well covered it. I was going to point out that having agency heads report to the director of this department and other departments is really the norm. These provisions that we are attempting to amend are a departure from the normal situation. Ms. Wickliffe directed you to NRS 232.515, subsection 2, which is language that makes it clear that her duties and responsibilities, on the administrative side, are limited in regard to directing substantive regulatory matters of the boards or agencies within the department.

**Chairman Parks:**

With regards to these particular boards, such as the Taxicab Authority, is this only a part-time board? This is not a full-time board? I think that it is at the Transportation Services Authority that you have a full-time commission.

**Sydney Wickliffe:**

That is correct. All of these boards are part-time boards, with the exception of the Transportation Services Authority. The Taxicab Authority is a part-time board that meets once a month.

**Chairman Parks:**

Are there any specific problems that have caused the need to redefine this reporting structure?

**Sydney Wickliffe:**

I would hesitate to term it a problem. This is more a housekeeping bill, just to make everything consistent within the department. I did have an experience with one of the boards that did not understand the scope of its responsibility and authority. They believed that they were administratively responsible for the agency, for the budgeting, for the acquiring of equipment, and the hiring and firing of not only the administrator but all of its employees, which is a heavy burden to put on people who are paid only to come to work once a month and to be familiar only with regulations that deal with the regulating of that industry.

**Chairman Parks:**

Are there meetings scheduled once a month and on a pre-determined schedule?

**Sydney Wickliffe:**

Yes. The Taxicab Authority meets every second Tuesday of every month. I should point out that in Section 3, it pertains to the Real Estate Division, and this is the correction of a drafting error when the Common Interest Community Commission was created last session. The Real Estate Division has three boards

and three commissions. The Common Interest Community Commission is one of those three. The Real Estate Division administrator is responsible to the Director of Business and Industry in all the other statutes.

**Chairman Parks:**

There are three commissions, and two of them report to the Administrator?

**Sydney Wickliffe:**

No. Last session, when the Common Interest Community Commission was created, this bill corrects a drafting error in the statute that was created at the time that the commission was created. The Real Estate Division had, at that time, two other boards/commissions, one board and one commission. This became the third commission that our administrator was responsible for. This was a drafting error, in stating that the provisions of this Chapter shall be administered by the division and be subject to the administrative supervision of the Commission. It should have said, "Subject to the Director of the Department of Business and Industry," as is consistent with the other boards and commissions that the Real Estate Division is responsible for.

**Assemblywoman Parnell:**

Could you explain to me exactly how this will change the Employee-Management Relations Board?

**Sydney Wickliffe:**

The only difference that this will make is exactly as is worded in the statute. The functioning of the board will not change. The mission and the purpose of the agency will not change. There are two employees in that agency. One is the commissioner, and the other is the executive secretary. The board for this agency is a part-time board. Currently, as you can read in the statute, the commissioner is appointed by the board. This change will have the commissioner appointed by me instead.

**Assemblyman Goicoechea:**

I was hoping to hear a little more testimony, because as we walk down through this, there are so many different sections of the NRS that this is pertaining to. Is there someone that could speak about Section 116, or Section 467? Would somebody tell me what particular commission, department, or whatever we are headed for?

**Sydney Wickliffe:**

Yes. In the bill, Section 1 and Section 2 deal with our Employee-Management Relations Board, which Assemblywoman Parnell just asked about. This is our smallest agency, consisting of two employees, the commissioner and the

executive secretary. Section 3 pertains to the Real Estate Division. Section 4 deals with the Athletic Commission. This is a part-time commission that meets once a month and is worldwide in its emphasis and its reputation.

Section 5 is the Dairy Commission. Section 6 is the Transportation Services Authority, and this consists of three full-time employees within the Department. Section 7 is the Taxicab Authority, which exists with authority only here in Clark County. In Section 6, regarding the Transportation Services Authority, this changes, to a point, the deputy commissioner. The three commissioners are appointed by the Governor.

**Assemblywoman Pierce:**

All of these commissions, at this time, appoint their own commissioners and now you would do that?

**Sydney Wickliffe:**

"Commissioner" is not quite the proper term for it, because they would be considered either board members or commissioners depending upon how they are labeled. This would be the administrator of the agency.

**Assemblywoman Pierce:**

But, formerly, someone else appointed that administrator and now you will?

**Sydney Wickliffe:**

Yes. That is correct. Formerly the part-time board or commission selected the administrator, and this bill would change it so that I would select them, as I do all of the other administrators within our Department.

**Assemblywoman Pierce:**

How many other administrators are there in your Department?

**Sydney Wickliffe:**

I have 16.

**Chairman Parks:**

[Closed the hearing on Assembly Bill 73.]

We have one other issue to deal with today. This is for a realigning of how some of our bills are going to be heard. Previously Assembly Bill 44 was referred to Commerce and Labor, and we ended up getting a companion bill, Assembly Bill 83.

**Assembly Bill 83— Revises provisions governing compensation of  
workmen on public works. (BDR 28-759)**

ASSEMBLYMAN MCCLEARY MOVED THAT ASSEMBLY BILL 83  
BE RETURNED TO THE ASSEMBLY FOR RE-REFERRAL TO THE  
COMMITTEE ON COMMERCE AND LABOR WITHOUT  
RECOMMENDATION.

ASSEMBLYWOMAN PIERCE SECONDED THE MOTION.

THE MOTION CARRIED.

We will go through the bills that we have heard and send an email about the  
bills we can put into work session. If you have any questions, we will be doing  
that within the next several days so we can move some bills out.

Is there anyone in the audience who would like to provide public comment?  
Seeing none, we are adjourned for today [at 8:30 a.m.].

RESPECTFULLY SUBMITTED:

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Nancy Haywood  
Committee Attaché

APPROVED BY:

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Assemblyman David Parks, Chairman

DATE: \_\_\_\_\_

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