

ASSEMBLY BILL NO. 563—COMMITTEE ON WAYS AND MEANS

MAY 16, 2005

Referred to Committee on Ways and Means

SUMMARY—Establishes Commission to Review the Compensation of Legislators. (BDR 23-1433)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation not included in Executive Budget.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to public officers; establishing the Commission to Review the Compensation of Legislators; making an appropriation; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 281 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. *As used in sections 2 to 6, inclusive, of this act, “Commission” means the Commission to Review the Compensation of Legislators created by section 3 of this act.*

Sec. 3. 1. *The Commission to Review the Compensation of Legislators, consisting of five members appointed by the Governor, is hereby created.*

2. *After the initial terms, the term of office of each member of the Commission is 4 years. Members of the Commission are eligible for reappointment.*

3. *The Chief of the Budget Division of the Department of Administration must be notified of the appointment of each member.*

4. *The Commission shall elect a Chairman and such other officers as it deems necessary from among its members.*



1 5. *No more than three members of the Commission may be*
2 *from the same political party.*

3 6. *Members of the Commission serve at the pleasure of the*
4 *Governor.*

5 7. *If a vacancy occurs in the membership of the Commission,*
6 *the Governor shall appoint a person to fill the vacancy for the*
7 *remainder of the unexpired term as soon as practicable.*

8 **Sec. 4.** 1. *Each member of the Commission is entitled to*
9 *receive \$80 for each day that he attends a regularly called meeting*
10 *of the Commission and, while engaged in the business of the*
11 *Commission, the per diem allowance and travel expenses provided*
12 *for state employees generally.*

13 2. *The Commission shall meet on or before May 15 of each*
14 *even-numbered year and may meet at such further times as the*
15 *Chairman deems necessary.*

16 3. *The Chief of the Budget Division of the Department of*
17 *Administration shall provide the Commission with administrative*
18 *support.*

19 **Sec. 5.** *A majority of the members of the Commission*
20 *constitutes a quorum to transact business. The affirmative vote of*
21 *at least three members is required to approve the*
22 *recommendations of the Commission regarding compensation.*

23 **Sec. 6.** 1. *The Commission shall:*

24 (a) *Review the compensation paid to members of the*
25 *Legislature during and between legislative sessions.*

26 (b) *Hold public hearings to discuss issues and receive public*
27 *comment.*

28 (c) *Determine the level of compensation for Legislators and*
29 *submit that determination to the Chief of the Budget Division of*
30 *the Department of Administration pursuant to NRS 353.210.*

31 2. *In reviewing the compensation required pursuant to*
32 *subsection 1, the Commission shall:*

33 (a) *Compare the current salaries of persons with similar*
34 *qualifications who are employed by the State of Nevada and in the*
35 *public sector;*

36 (b) *Determine the minimum salary required to attract and*
37 *retain experienced and competent persons;*

38 (c) *Consider the average number of days that Legislators serve*
39 *during their term, the amount of work required of Legislators*
40 *when the Legislature is not in regular session and the*
41 *opportunities Legislators have to earn additional income from*
42 *outside sources; and*

43 (d) *Consider factors pertaining to the relative purchasing*
44 *power of money, including, without limitation:*

45 (1) *The current rate of inflation;*



1 (2) *The average cost of living in this State; and*

2 (3) *Changes in the Consumer Price Index (All Items).*

3 3. *The increase or decrease in the level of compensation for*
4 *the office of Senator or Assemblyman which has been determined*
5 *by the Commission and approved as part of the budget by the*
6 *Legislature is not effective until the completion of the term of*
7 *office of Senator or Assemblyman serving at the time of the*
8 *approval of such an increase or decrease.*

9 **Sec. 7.** NRS 281.157 is hereby amended to read as follows:

10 281.157 As used in NRS 281.157 to 281.1575, inclusive,
11 unless the context otherwise requires, "Commission" means the
12 Commission to Review the Compensation of Constitutional
13 Officers, ~~[Legislators,]~~ Supreme Court Justices, District Judges and
14 Elected County Officers which is created pursuant to
15 NRS 281.1571.

16 **Sec. 8.** NRS 281.1571 is hereby amended to read as follows:

17 281.1571 1. There is hereby created a Commission to Review
18 the Compensation of Constitutional Officers, ~~[Legislators,]~~ Supreme
19 Court Justices, District Judges and Elected County Officers,
20 consisting of nine members.

21 2. The members must be appointed by the following persons:

22 (a) One member by the Speaker of the Assembly.

23 (b) One member by the Majority Leader of the Senate.

24 (c) One member by the Minority Leader of the Assembly.

25 (d) One member by the Minority Leader of the Senate.

26 (e) Two members by the Chief Justice of the Supreme Court.

27 (f) Three members by the Governor.

28 3. The Commission shall elect a Chairman and such other
29 officers as it deems necessary from among its members.

30 4. A current officer or employee of the State or any of its
31 political subdivisions must not be appointed as a member of the
32 Commission.

33 5. The members appointed by the Governor must be selected in
34 the following manner:

35 (a) Two members, ~~[one from each congressional district,]~~ who
36 do not *reside in the same congressional district and do not* belong
37 to the same political party.

38 (b) One member from a list of three nominees submitted by the
39 Nevada Association of Counties.

40 **Sec. 9.** NRS 281.1575 is hereby amended to read as follows:

41 281.1575 1. The Commission shall:

42 (a) Review the compensation paid to constitutional officers,
43 Supreme Court justices, district judges and elected county officers.

44 (b) ~~[Review the compensation paid to the members of the~~
45 ~~Legislature during and between legislative sessions.~~



1 ~~—(e)~~ Hold public hearings to discuss the issues and receive public
2 comment.

3 ~~[(d)]~~ (c) If it determines that changes in legislation are required,
4 request the assistance of the Legislative Counsel in the preparation
5 of a bill draft on or before November 15 of each even-numbered
6 year. Upon completion of the bill draft, the Legislative Counsel
7 shall deliver the bill draft to the appropriate standing committee of
8 the Assembly or Senate within the first week of the next regular
9 legislative session for introduction.

10 2. In reviewing the issues of compensation required by
11 subsection 1, the Commission shall:

12 (a) Compare the current salaries of persons with similar
13 qualifications who are employed by the State of Nevada and in the
14 public sector; *and*

15 (b) Determine the minimum salary required to attract and retain
16 experienced and competent persons . ~~}; and~~

17 ~~—(e) Consider the average number of days that Legislators serve~~
18 ~~during their term, the amount of work required of Legislators when~~
19 ~~the Legislature is not in regular session, and the opportunities they~~
20 ~~have to earn additional income from outside sources.]~~

21 3. The Commission may recommend that any increase in the
22 compensation of a county officer apply retroactively if not
23 prohibited by law.

24 **Sec. 10.** NRS 218.210 is hereby amended to read as follows:

25 218.210 Each Senator and Assemblyman is entitled to receive

26 ~~[as compensation \$130 per day for each day of service:~~

27 ~~—1. During any regular session, for the number of days the~~
28 ~~Legislature is in session, or in adjournment for not more than 3~~
29 ~~days, or the maximum number of days for which compensation for a~~
30 ~~regular session is permitted by the Constitution, whichever is~~
31 ~~smaller; and~~

32 ~~—2. During any special session, for the number of days the~~
33 ~~Legislature is in session or the maximum number of days for which~~
34 ~~compensation for a special session is permitted by the Constitution,~~
35 ~~whichever is smaller.]~~ *the compensation determined by the*
36 *Commission to Review the Compensation of Legislators pursuant*
37 *to section 6 of this act.*

38 **Sec. 11.** NRS 353.210 is hereby amended to read as follows:

39 353.210 1. Except as otherwise provided in ~~[subsection 6,]~~
40 *subsections 6 and 7*, on or before September 1 of each even-
41 numbered year, all departments, institutions and other agencies of
42 the Executive Department of the State Government, and all agencies
43 of the Executive Department of the State Government receiving
44 state money, fees or other money under the authority of the State,
45 including those operating on money designated for specific purposes



1 by the Nevada Constitution or otherwise, shall prepare, on blanks
2 furnished them by the Chief, and submit to the Chief:

3 (a) The number of positions within the department, institution or
4 agency that have been vacant for at least 12 months, the number of
5 months each such position has been vacant and the reasons for each
6 such vacancy; and

7 (b) Estimates of their expenditure requirements, together with
8 all anticipated income from fees and all other sources, for the next 2
9 fiscal years compared with the corresponding figures of the last
10 completed fiscal year and the estimated figures for the current fiscal
11 year.

12 2. The Chief shall direct that one copy of the forms submitted
13 pursuant to subsection 1, accompanied by every supporting schedule
14 and any other related material, be delivered directly to the Fiscal
15 Analysis Division of the Legislative Counsel Bureau on or before
16 September 1 of each even-numbered year.

17 3. The Budget Division of the Department of Administration
18 shall give advance notice to the Fiscal Analysis Division of the
19 Legislative Counsel Bureau of any conference between the Budget
20 Division of the Department of Administration and personnel of
21 other state agencies regarding budget estimates. A fiscal analyst of
22 the Legislative Counsel Bureau or his designated representative may
23 attend any such conference.

24 4. The estimates of expenditure requirements submitted
25 pursuant to subsection 1 must be classified to set forth the data of
26 funds, organizational units, and the character and objects of
27 expenditures, and must include a mission statement and
28 measurement indicators for each program. The organizational units
29 may be subclassified by functions and activities, or in any other
30 manner at the discretion of the Chief.

31 5. If any department, institution or other agency of the
32 Executive Department of the State Government, whether its money
33 is derived from state money or from other money collected under
34 the authority of the State, fails or neglects to submit estimates of its
35 expenditure requirements as provided in this section, the Chief may,
36 from any data at hand in his office or which he may examine or
37 obtain elsewhere, make and enter a proposed budget for the
38 department, institution or agency in accordance with the data.

39 6. *On or before October 31 of each even-numbered year, the*
40 *Commission to Review the Compensation of Legislators shall*
41 *submit to the Chief for his information in preparing the proposed*
42 *executive budget its determination regarding the level of*
43 *compensation for Legislators.*

44 7. Agencies, bureaus, commissions and officers of the
45 Legislative Department, the Public Employees' Retirement System



1 and the Judicial Department of the State Government shall submit to
2 the Chief for his information in preparing the proposed executive
3 budget the budgets which they propose to submit to the Legislature.

4 **Sec. 12.** NRS 353.230 is hereby amended to read as follows:

5 353.230 1. The Chief shall review the estimates, altering,
6 revising, increasing or decreasing the items of the estimates as he
7 may deem necessary in view of the needs of the various
8 departments, institutions and agencies in the Executive Department
9 of the State Government and the total anticipated income of the
10 State Government and of the various departments, institutions and
11 agencies of the Executive Department during the next fiscal year.
12 In performing the duties required by this subsection, the Chief shall use
13 the projections and estimates prepared by the Economic Forum
14 pursuant to NRS 353.228.

15 2. The Chief shall meet with a fiscal analyst of the Legislative
16 Counsel Bureau or his designated representative and personnel of
17 the various departments, institutions and agencies of the Executive
18 Department to discuss:

19 (a) The budgetary requests of each department, institution and
20 agency; and

21 (b) The budgetary recommendations of the Budget Division *of*
22 *the Department of Administration* for each department, institution
23 and agency,

24 ➡ for the next 2 fiscal years. The Chief shall allow the fiscal analyst
25 of the Legislative Counsel Bureau or his designated representative
26 full access to all materials connected with the review.

27 3. The Chief shall then prepare a final version of the proposed
28 budget, in accordance with NRS 353.150 to 353.246, inclusive, and
29 shall deliver it to the Governor. *The budget must include the*
30 *compensation for Legislators determined by the Commission to*
31 *Review the Compensation of Legislators pursuant to section 6 of*
32 *this act.* The final version of the proposed budget must include the
33 adjusted base budget for each department, institution and agency of
34 the Executive Department, the costs for continuing each program at
35 the current level of service and the costs, if any, for new programs,
36 recommended enhancements of existing programs or reductions for
37 the departments, institutions and agencies of the Executive
38 Department for the next 2 fiscal years. All projections of revenue
39 and any other information concerning future state revenue contained
40 in the proposed budget must be based upon the projections and
41 estimates prepared by the Economic Forum pursuant to
42 NRS 353.228.

43 4. The Governor shall, not later than 14 calendar days before
44 the commencement of the regular legislative session, submit the
45 proposed budget to the Director of the Legislative Counsel Bureau



1 for transmittal to the Legislature. The Governor shall simultaneously
2 submit, as a separate document:

3 (a) An analysis of any new programs or enhancements of
4 existing programs being recommended; and

5 (b) Any increase in or new revenues which are being
6 recommended in the proposed budget.

7 ➡ The document must specify the total cost by department,
8 institution or agency of new programs or enhancements, but need
9 not itemize the specific costs. All projections of revenue and any
10 other information concerning future state revenue contained in the
11 document must be based upon the projections and estimates
12 prepared by the Economic Forum pursuant to NRS 353.228.

13 5. On or before the 19th calendar day of the regular legislative
14 session, the Governor shall submit to the Legislative Counsel
15 recommendations for each legislative measure which will be
16 necessary to carry out the final version of the proposed budget or to
17 carry out the Governor's legislative agenda. These
18 recommendations must contain sufficient detailed information to
19 enable the Legislative Counsel to prepare the necessary legislative
20 measures.

21 6. During the consideration of the general appropriation bill
22 and any special appropriation bills and bills authorizing budgeted
23 expenditures by the departments, institutions and agencies operating
24 on money designated for specific purposes by the Constitution or
25 otherwise, drafted at the request of the Legislature upon the
26 recommendations submitted by the Governor with the proposed
27 budget, the Governor or his representative have the right to appear
28 before and be heard by the appropriation committees of the
29 Legislature in connection with the appropriation bill or bills, and to
30 render any testimony, explanation or assistance required of him.

31 **Sec. 13.** NRS 353.246 is hereby amended to read as follows:

32 353.246 1. Except as otherwise provided in subsection 2 of
33 this section and subsection ~~6~~ 7 of NRS 353.210, the provisions of
34 NRS 353.150 to 353.245, inclusive, do not apply to agencies,
35 bureaus, commissions and officers of the Legislative Department,
36 the Public Employees' Retirement System and the Judicial
37 Department of the State Government.

38 2. The Legislative Department, the Public Employees'
39 Retirement System and the Judicial Department of the State
40 Government shall submit their budgets to the Legislature in the
41 same format as the proposed executive budget unless otherwise
42 provided by the Legislative Commission. All projections of revenue
43 and any other information concerning future state revenue contained
44 in those budgets must be based upon the projections and estimates
45 prepared by the Economic Forum pursuant to NRS 353.228.



1 **Sec. 14.** NRS 353.540 is hereby amended to read as follows:
2 353.540 "State agency" means an agency, bureau, board,
3 commission, department, division or any other unit of the
4 government of this State that is required to submit information to
5 the Chief pursuant to subsection 1 or ~~6~~ 7 of NRS 353.210, except
6 for the University and Community College System of Nevada.

7 **Sec. 15.** 1. There is hereby appropriated from the State
8 General Fund to the Commission to Review the Compensation of
9 Legislators created by section 3 of this act the sum of \$6,900 for
10 salary, travel and per diem expenses.

11 2. Any remaining balance of the appropriation made by
12 subsection 1 must not be committed for expenditure after June 30,
13 2007, and must be reverted to the State General Fund on or before
14 September 21, 2007.

15 **Sec. 16.** On or before January 1, 2006, the Governor shall
16 appoint to the Commission to Review the Compensation of
17 Legislators:

18 1. Two members to initial terms that begin on January 1, 2006,
19 and expire on December 31, 2007.

20 2. One member to an initial term that begins January 1, 2006,
21 and expires on December 31, 2008.

22 3. Two members to initial terms that begin on January 1, 2006,
23 and expire on December 31, 2009.

24 **Sec. 17.** This act becomes effective on July 1, 2005.

