

**MINUTES OF THE  
SENATE COMMITTEE ON LEGISLATIVE OPERATIONS AND ELECTIONS**

**Seventy-fourth Session  
May 17, 2007**

The Senate Committee on Legislative Operations and Elections was called to order by Chair Barbara K. Cegavske at 1:55 p.m. on Thursday, May 17, 2007, in Room 2144 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412E, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Barbara K. Cegavske, Chair  
Senator William J. Raggio, Vice Chair  
Senator Warren B. Hardy II  
Senator Bob Beers  
Senator Bernice Mathews  
Senator Valerie Wiener  
Senator Steven A. Horsford

**GUEST LEGISLATORS PRESENT:**

Assemblyman Marcus Conklin, Assembly District No. 37  
Assemblywoman Peggy Pierce, Assembly District No. 3

**STAFF MEMBERS PRESENT:**

Brenda J. Erdoes, Legislative Counsel  
Michelle L. Van Geel, Committee Policy Analyst  
Josh Martinmaas, Committee Secretary

**OTHERS PRESENT:**

L. Patrick Hearn, Executive Director, Commission on Ethics  
Ray Bacon, Nevada Manufacturers Association  
George Ross, Las Vegas Chamber of Commerce; Retail Association of Nevada  
Janine Hansen, Nevada Eagle Forum

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CHAIR CEGAVSKE:

We will open our work session document ([Exhibit C](#), original is on file in the Research Library) and start on Assembly Bill (A.B.) 322.

**ASSEMBLY BILL 322 (1st Reprint)**: Revises certain provisions governing elections. (BDR 24-408)

MICHELLE L. VAN GEEL (Committee Policy Analyst):

Assembly Bill 322 is sponsored by Assemblywoman Heidi S. Gansert and heard in Committee on May 1. The bill applies a \$10,000 reporting threshold for contributions and expenditures to groups that advocate for or against a ballot question and to groups that initiate or circulate a petition. The bill also makes changes regarding revised petitions. No formal amendments were offered.

SENATOR HARDY MOVED TO DO PASS A.B. 322.

SENATOR WIENER SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

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CHAIR CEGAVSKE:

We will move to A.B. 335.

**ASSEMBLY BILL 335 (1st Reprint)**: Makes various changes related to public office. (BDR 24-1195)

Ms. VAN GEEL:

Assembly Bill 335 is sponsored by Assembly members Marcus Conklin, John Ocegüera, Ellen M. Koivisto, Barbara E. Buckley, Debbie Smith and Senator Dina Titus among others. Heard by this Committee on May 10, A.B. 335 prohibits public officers other than the Governor, Governor-elect, Lieutenant Governor, Lieutenant Governor-elect or Legislators from soliciting or accepting campaign contributions during the period 12 months prior to and 3 months after each general election. The bill also adds the definition of gift into *Nevada Revised Statute* (NRS) 281 to provide statutory consistency. The definition exempts the definition of a gift from anything received from a person within the fifth degree of consanguinity. Finally, A.B. 335 requires local

government to enact ordinances governing the registration and reporting of lobbyists who lobby local government. On page 4 of [Exhibit C](#) is a mock-up prepared by the Legal Division that incorporates the Executive Branch lobbying provisions from [A.B. 142](#), which the Committee heard on Tuesday and asked that the provisions be moved to [A.B. 335](#).

**[ASSEMBLY BILL 142 \(1st Reprint\)](#)**: Makes various changes concerning ethics in government. (BDR 23-169)

There were four other issues discussed during the original Committee hearing. One was letting the local government lobbying provisions apply to paid and unpaid lobbyists. Two, people who lobby have to register with every local government. Three, rather than apply the definition of gift to all of NRS 281, does the Committee want to limit the application of the definition to apply only to financial disclosure statements? Four, does the Committee agree with or wish to change the exemption from the definition of gift to anything received from a person within the fifth degree of consanguinity? Page 29 of [Exhibit C](#) is the consanguinity chart for the Committee's review.

CHAIR CEGAVSKE:

When we were looking at these revisions to the Governor, Governor-elect, Lieutenant Governor and so forth, some commented we were putting more structure on them in these areas than the federal government and Congress. There was also discussion about the definition of gift. Then, there was talk about omitting; there was a 12-month period prior for the local entities.

SENATOR BEERS:

I cannot support prohibiting public officers—other than the Governor, most of the constitutional officers or Legislators—from taking campaign contributions during campaign season.

CHAIR CEGAVSKE:

Defined in the bill, when could the local officials collect and when could they not during their term?

SENATOR BEERS:

The bill says it is unlawful for such a person to accept a contribution except during 12 months before the election or 3 months after the election.

BRENDA J. ERDOES (Legislative Counsel):

It runs the full year before the election and then through three months afterwards to allow you to clean up any campaign debt. Thereafter is a blackout period.

SENATOR BEERS:

For nine months? Because it says each general election. Or is that delineated on page 3, lines 20 through 26? It is not clear it is the election involving the elected official. Is it supposed to be a four-year cycle or two? It says each general election.

CHAIR CEGAVSKE:

They do not define if it is four or two because it depends on the office.

SENATOR BEERS:

I am not sure why we are creating two different categories.

ASSEMBLYMAN MARCUS CONKLIN (Assembly District No. 37):

This provision says 12 months prior to and 3 months after any general election is the only time money can be raised. My original bill said for "your" general election; if in a four-year cycle, that is the only time you can do it. Unfortunately, it was unconstitutional because other people who are on two-year cycles are able to raise more money. On two-year cycles, they may run against an incumbent of a four-year term and have an unequal opportunity to raise money. This was a way to bring the provision in line.

For example, say there is a Legislator versus a county commissioner for Governor. If it was only your general election, you would have a one-year opportunity in four years to raise money while the other person would have two years in a four-year period. That was considered unacceptable. There is also about a month's difference of raising time between the 15 months provided for a candidate of any other jurisdiction and a Legislator who probably has the opportunity for 16 and one-half to 17 months. The reason it is considered an imbalance is any time we are called into a special session is at least 30 days we are not able to raise funds. That is a risk you take of being in this office.

SENATOR BEERS:

Would it be more expedient to say you cannot raise money for nine months every two years, the nine months prior to the one year before the election? Somebody on a 4-year term has 15 months every 2 years to raise money.

ASSEMBLYMAN CONKLIN:

Correct, that is what it says. You could say it any way you want. The Legal Division could have chosen to put it in either way. The purpose is to have a time period where people who are elected cannot raise money. The public can be assured Legislators are doing the people's work unfettered with campaign fund-raising.

SENATOR BEERS:

You are going to pick a random nine-month period?

ASSEMBLYMAN CONKLIN:

It is not random, twelve months before and three months after.

SENATOR BEERS:

I am looking for the logical nexus. Run on a four-year cycle, I could see the policy statement. Run on a two-year cycle, I cannot.

ASSEMBLYMAN CONKLIN:

The reason it is on a two-year cycle is because everyone needs the equal opportunity to raise money. Otherwise, such a provision would be unconstitutional.

SENATOR BEERS:

We have to choose between constitutional and logical?

SENATOR HARDY:

When first reading the bill, I had concerns because I did not see before every general election cycle. In my case, even though I am eligible for expenses from the state, I often use campaign contributions for travel and other things. And although I am going to do something to better myself as a Legislator, to have the ability to raise money in midterm is important.

SENATOR RAGGIO:

Now I understand a little clearer and I could support this, although we already have restrictions on those involved in the legislative process. We have the Legislators, Governor and Lieutenant Governor because they are part of the legislative process. This would apply to the local elected or appointed public officers.

SENATOR BEERS:

In A.B. 335 on page 3, line 28 says "Except as otherwise provided in subparagraph (2)." Where is that subparagraph?

CHAIR CEGAVSKE:

On page 3, line 36 says "Does not include any person who is subject to the provisions of NRS 294A.300." Ms. Erdoes, what is NRS 294A.300?

ASSEMBLYMAN CONKLIN:

It points back to the provisions that cover Legislators, the Governor and Lieutenant Governor. We have our own blackout period and it covers any time we have the ability to effect legislation or policy in this state. That is the type of blackout our Committee wants all the time. It is not practical in city and local government because they meet all the time. That is why it is separated out and is every general election.

SENATOR BEERS:

This would treat the Attorney General different than the Governor?

ASSEMBLYMAN CONKLIN:

Yes. The Attorney General would be governed under the provision of the bill. Because he signs our policy as part of his job, the Governor would be covered under ours.

SENATOR BEERS:

Because the Governor has an occasional role within the legislative process, the Governor is not restricted from raising money in these two 9-month periods every four years.

ASSEMBLYMAN CONKLIN:

The Governor would operate under the same provisions we do. Every two years when we are in session, he has a blackout period of almost seven months. Everyone else not subject to our rules is subject to the other rules.

MS. ERDOES:

The provision in the bill does not apply to you because the blackout period in NRS 294A.300 does. We put the Governor in because he signs the bill. Just as the Lieutenant Governor presides in the Senate, we were asked to wrap everybody who participates in the legislative process into that blackout period.

SENATOR RAGGIO:

I understand that. Let me ask a question on fairness. I was prepared to support this, but here is my concern. A county commissioner can only accept a contribution beginning 12 months before the date of a general election and not until 3 months after. What about somebody who is leaving the Legislature to run for the county commission against that person? There is no restriction on that person so there is an element of unfairness. The potential opponent against one of these people has no limitation. They can be raising money four years before to run against the person. That will be a consequence of this.

ASSEMBLYMAN CONKLIN:

A consequence is anyone could raise money against us while we are here. There will be a time lapse where one can raise and the other cannot, but the general provisions of how much time you can raise is relatively equal and that is what we are shooting for. For example, instead of 12 months before and 3 months after, you could say 15 months before and then once you are elected, you cannot raise anymore. The reason we choose to have a provision after the election is so you have the ability to raise money in case you finish with a debt or you want to raise additional money to have constituent outreach during the time you can no longer raise money. There is an advantage to being an incumbent but also a disadvantage; we have to accept blackout periods. There are times it is not in the public's best interest to raise money.

SENATOR BEERS:

This made sense if you went by the fundamental assumption your elected officials are crooked. Constitutionalized, it does not make sense because there are two 15-month periods every 4 years if you are up on a 4-year cycle. There is an air of randomness. I am not voting for it.

SENATOR HORSFORD:

Where does it address a special election? What happens if one is held, the ability for individuals to raise money?

SENATOR BEERS:

If it does, it will be on page 3, lines 23 and 26 of A.B. 335 where we define general election.

CHAIR CEGAVSKE:

It says on page 3, line 24 "If the elected public officer or public officer appointed to fill the unexpired term of an elected public officer is not a city official, the general election held pursuant to NRS 293.12755."

MS. ERDOES:

The reference to the city person goes to the city general elections because the general election is still held at a different time in some cities than the general election for everyone else.

CHAIR CEGAVSKE:

If the bill we sent out is signed that makes all elections together, will this be changed?

MS. ERDOES:

That is a conflict we could conform because one would be gone.

SENATOR BEERS:

It is conceivable a city councilman might face a recall election during one of the two 9-month blackout periods and not be able to put up a defense.

MS. ERDOES:

Yes, but you can add a special election provision if you want.

SENATOR HORSFORD:

On page 3, line 13, the original bill indicates it is unlawful for an elected public officer to "solicit or accept any contribution, or solicit or accept a commitment to make such a contribution." What if they do so for one office and then end up running for a different office later? We have had some scenarios in southern Nevada recently where members are running for one thing, but a vacancy opens for another and they already started raising money for the prior office. This



sounds like they violated the provision of accepting contributions 12 months before their election.

Ms. ERDOES:

The bill as I understand it does not just apply to candidates. These blackout periods deal exclusively with the person in the public office. In your example, so long as you were not in that public office at the time you raised the money in that 12-month period, you would not have violated this provision.

SENATOR BEERS:

If I were a county commissioner, can I get out of my nine-month period by suggesting I want to run for the Legislature?

Ms. ERDOES:

No, these blackout periods only apply to the person in the office at the time.

SENATOR BEERS:

I understand, but I am a county commissioner and therefore I have these two 9-month blackout periods. However, I say I want to run for the Legislature. Can I raise money?

Ms. ERDOES:

No, not under this provision because you are still a county commissioner. If you left office and resigned, you could.

SENATOR BEERS:

I cannot raise money for any office?

Ms. ERDOES:

Not during that blackout period.

CHAIR CEGAVSKE:

Ms. Van Geel, would you go over page 17 of the work session document, [Exhibit C](#), in section 36?

Ms. VAN GEEL:

The new section 36 of the A.B. 335 mock-up in [Exhibit C](#) is for Committee discussion on Questions 1 and 2 about possible amendments for the local

government lobbying provisions applying to paid and unpaid lobbyists and if every person would have to register to lobby with every local government.

CHAIR CEGAVSKE:

There was discussion about letting each of those elected bodies put a plan or lobbying structure together that suits them.

SENATOR HARDY:

The Legislature would set the general policy, but the local government would decide how that best fits; that is appropriate.

SENATOR RAGGIO:

I am always concerned about language that sounds good and then we do not know what effect it has. About lobbying in the Executive Branch, I am concerned—whether it is state or local government and assuming a lobbyist can be both paid and unpaid—people will be precluded from seeing the Governor or any elected official for whatever reason. Are we saying people who go to see the mayor, councilman or commissioner will have to go through a lobbying process and register? I see a lot of problems if that is the truth.

ASSEMBLYMAN CONKLIN:

While not in this bill, the definition of lobbyist is already in statute. If I represent myself before anybody, I do not have to register because I am not a lobbyist. If you are coming to represent a group or other body, you become a lobbyist.

SENATOR RAGGIO:

If a group of people from Opportunity Village wanted to go see the Mayor, would they have to register as lobbyists?

ASSEMBLYMAN CONKLIN:

That would be up to the ordinance the city or county puts together.

SENATOR RAGGIO:

Is that not going to happen?

ASSEMBLYMAN CONKLIN:

If they come to our body, they have to register.

SENATOR RAGGIO:

Is that what you intend by this?

ASSEMBLYMAN CONKLIN:

I intend to capture as much lobbying activity as that entity deems appropriate for its constituency to see or understand. The problem we have is this body is fully disclosed compared to the other bodies of this state. The cities and counties have no provisions to share this type of activity with the public.

SENATOR RAGGIO:

I am concerned about the exercise of democracy, free government and participation. There are hundreds of organizations going before their local governing bodies. We may feel good today that we apply some reasonable restriction, but you are going to get a cry from these organizations. They are going to say, "We have to go down, get a lobbyist badge and comply with this before we can go talk to our councilman or commissioners?" I am not trying to subvert your bill, but this is overkill. I know what you are trying to get at.

ASSEMBLYMAN CONKLIN:

We seek a certain reasonableness here. There is a downside to everything we put forward.

SENATOR HORSFORD:

The language on page 11 of [Exhibit C](#), line 20 in section 19 defines lobbyists clearly:

A person who appears in person in a state building or any other building in which the Executive Department conducts business or holds meetings; and communicates directly with the Executive Department on behalf of someone other than himself to influence executive action, and who receives compensation for the communication.

Then it goes on to exclude other types of individuals; the lobbyist definition is clearly understood. Those who are nonpaid, community groups or taxpayers who organize for a purpose are not affected.

On page 17, section 36 of [Exhibit C](#), is there some way to mirror the definition of a lobbyist in that area? It is the same intent you are trying to get at,

Assemblyman Conklin. There are local governments now with procedures for requiring compensated individuals who represent groups to register as lobbyists. They report in before they meet with elected officials. It is just not very uniform in all aspects. Is that your intent? If so, can we clarify the language in section 36?

ASSEMBLYMAN CONKLIN:

I made the assumption there would be only one definition of lobbyist and that is the one we lifted. The one you pointed out on page 11 of the mock-up is the same lobbyist definition we work under as well.

SENATOR RAGGIO:

Is it the intent this will only apply to paid lobbyists?

ASSEMBLYMAN CONKLIN:

It could be.

CHAIR CEGAVSKE:

Is that from where the committee was coming?

ASSEMBLYMAN CONKLIN:

Yes.

SENATOR RAGGIO:

Either yes or no.

ASSEMBLYMAN CONKLIN:

Yes.

SENATOR HORSFORD:

Page 11, line 40 of [Exhibit C](#) excludes "a person who has been retained as legal counsel for a business." I wonder about this language because a person retained as legal counsel can also serve as a paid lobbyist. Is it legal counsel for the purposes of addressing litigation or is this the loophole people can use to not register?

ASSEMBLYMAN CONKLIN:

Starting on page 11, line 41 of [Exhibit C](#) says "and who appears as a matter of course relating to the legal action." It is not the paid lobbyist who is an attorney; it is the paid attorney who is coming before the body on a legal action.

SENATOR HORSFORD:

I respect your interpretation, but I need to know what legal action is because a legal action could be a ruling appearing before the Public Utilities Commission.

MS. ERDOES:

I construe legal action in this case to mean closer to something you needed a license to practice law for, such as representing your client for zoning matters or anything that comes before that body. It is pretty broad; if you wish to limit it, we can. The point was if you are paid and regulated as an attorney and representing your client in that matter, there is crossover between what you hire your attorney to do.

SENATOR HORSFORD:

Could we tighten that? I can see it being used broadly for lawyers to not be required to register as lobbyists. I would not want that loophole based on the paid lobbyist intentions of the bill.

SENATOR RAGGIO:

I am losing support for some of this. A lobbyist should not include somebody who is appearing as a legal counsel for either a natural person or a business person relating to a legal action. That could be even a threatened legal action. Lawyers are licensed to do certain things; they are not licensed to do lobbying here so they register as lobbyists, but a connection with any kind of a legal action—whether threatened or filed—is certainly something they should not have to register as a lobbyist to do. If that is what you are suggesting, I am not going that far.

SENATOR HORSFORD:

I am saying the opposite. I know there are lawyers who are lobbyists; that is why I need to understand what does the law mean by legal action. I respect what you are saying; I would not agree that people need to be registered as lobbyists to represent their clients in a legal action before a department; that is unnecessary. If this is not a loophole, I am comfortable with the definition.

SENATOR RAGGIO:

If we adopt this language, it would exclude them from the definition of lobbyist. It is not broad enough. It should either say "threatened," "actual legal action," "pending" or whatever.

MS. ERDOES:

We can craft a tighter definition, but I am not sure we can accomplish everyone's goals. If the Committee could clarify, you can certainly limit it.

SENATOR HARDY:

Can you go the opposite way and say a legal activity does not include something designed to gain passage or approval?

CHAIR CEGAVSKE:

It would, though they are arguing a point.

SENATOR HARDY:

But that is clearly lobbying.

CHAIR CEGAVSKE:

Is that what an attorney does?

SENATOR HARDY:

But if you are encouraging a legislative body to act one way or another on an ordinance or proposal, that is lobbying. The attorneys licensed to practice law come and encourage passage of legislation. They are lobbyists and have to register as lobbyists; that is the definition. As Senator Raggio pointed out, their law license does not permit them to do that. They have to go that additional step. Maybe we can indicate what is a legal practice?

MS. ERDOES:

If we put something like that in, you are close to requiring everyone to be licensed. I am not sure that when you appear before a body, it could not be said you are trying to influence them. These are local bodies, they are not passing laws; for the most part, they are passing ordinances, approving a contract or zoning change. We can certainly give it a try. It just seems like it would always appear you are there to influence one way or another.

CHAIR CEGAUSKE:

The other issue is gifts. Gift is defined on page 11, at the end of page 18 and the top of page 19 of [Exhibit C](#). Those are the areas where you have the definitions of a gift.

SENATOR RAGGIO:

In the Legislature, we must disclose gifts. This bill would extend the definition of a gift, which is not presently in the law. There is a definition of gift in the lobbying provisions that applies to lobbyists and what constitutes a gift. I raised concerns last time because I am not going to be a party to a definition that sounds good but creates unintended consequences and goes against what is normal and practical.

Some issues for example are second cousins I have been exchanging gifts with since I was a kid. I will not support something that says I have to make a disclosure about gifts of that kind. Then, what if you are in a business relationship and you exchange gifts between your partners in the law firm or whatever. I do not consider that, even though they might be registered lobbyists. In a business or professional relationship, it is common to do that. I am not going to participate in something out of the norm.

If we do a definition of gift, it should exclude gifts between family members. We should not have consanguinity limitations; you should exclude gifts that come from family members or as a result of a marital relationship. I do not want to have to send back gifts from my in-laws and say, "I do not want to disclose this."

I am not going to pander to those advocates who want to see an ethics problem in everything that happens. I know what you are trying to reach and we do need some definition of a gift, but it certainly should exclude those types of situations—family, marital or existing business or professional relationships. I will not support a definition of gift that does not provide some responsible, workable definition.

SENATOR HARDY:

I do not disagree with the Majority Leader, but the statute requires we disclose gifts so we need a definition of gift. I used the definition of gift in the lobbyist statute and got in a lot of trouble because I did not report certain things. I did not have a problem reporting; I went back and amended my report. For

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purposes of the media, I assume because the lobbyist is giving the gift, the definition does not apply to us.

CHAIR CEGAVSKE:

Is everybody comfortable with keeping that section on page 5 in the mock-up of A.B. 335 now that we understand the meaning?

SENATOR HORSFORD:

What is the effective date?

CHAIR CEGAVSKE:

The effective date is October 1.

The other thing is on pages 10 and 17 of [Exhibit C](#), the lobbying information. On page 10 is new language about the costs and expenses associated with the attendance of the members of the Legislative Branch or spouse.

SENATOR RAGGIO:

With the understanding it is only to apply to paid lobbyists.

CHAIR CEGAVSKE:

We will go back to the first one, local campaign contributions. Do you want the language as is or amended? I got the feeling the first part of it was okay. Was the part on that you did not care for from line 23?

SENATOR BEERS:

Section 2 had logic before it had to be constitutionalized. The logic was except when you are in campaign season, you cannot solicit or accept campaign contributions. The way it is now written, it is no longer the case.

MS. ERDOES:

We are facing the constitutionality of the section versus what you are trying to do. You could make all terms of office in the state two years.

SENATOR RAGGIO:

Is the issue you need it before each general election? It cannot just be before the general election for which that officer is elected or reelected?



MS. ERDOES:

There is not a precise rule; we are trying to predict its constitutionality. We were looking at balancing an election between an incumbent—one who has a great deal of a four-year period to raise money—and one who has a very small portion of that four-year period to raise money.

SENATOR RAGGIO:

I do not understand the difference, why is there a difference?

MS. ERDOES:

If you have an Assemblyman versus a Senator—someone who is currently in a shorter term with an every other year blackout period—and then somebody who has a longer term in a different office, when they run against each other, you have precluded one of them from raising money for a great deal of the year and unbalance that election.

SENATOR RAGGIO:

It effectively blacks out about a nine-month period every other year. You are not getting to what you want. You are trying to get to the situation that occurred down in Clark County with the county commissioners. This sounds like we are doing something, but we are not doing a lot.

SENATOR BEERS:

The Federal Bureau of Investigation got the Clark County commissioners.

ASSEMBLYMAN CONKLIN:

Everyone sees the world differently.

CHAIR CEGAVSKE:

I am not coming up with any suggestions for this section.

SENATOR HARDY:

I do not have any suggestions except to say this is the longest discussion we have had on this concept. You almost got there. We all understand what we are trying to accomplish and we want to get there, but it is difficult.

CHAIR CEGAVSKE:

Five members are in support of section 2 in the [Exhibit C](#) mock-up.

SENATOR BEERS:

How many do not care because it has a random, minor effect on life?

CHAIR CEGAVSKE:

The next one starts on the bottom of page 9 of [Exhibit C](#). It is section 10 of the mock-up.

SENATOR RAGGIO:

I will incorporate my remarks here as well as in the other definition of gift so whenever you want to talk about that, it also affects section 10 which covers lobbyists.

CHAIR CEGAVSKE:

Let us go to the gift part.

SENATOR RAGGIO:

Section 10 is the present definition of gift in the lobbyist statute. I do not have a lot of concern about it except for page 10 of [Exhibit C](#), lines 4 through 7. I ask that be changed to conform to what we are talking about if we do the other definition. You have the same problem in that section as well, whether it excludes the family, marital or existing business or professional relationship.

SENATOR BEERS:

With an adequate change amendment there, we would then repeat the change in the additional definitions throughout the bill. Starting on line 4 of page 10:

Anything of value received from a member of the recipients's family or from a relative of the recipient or his spouse or from the spouse of any such relative or someone with whom the recipient has an existing business or professional relationship.

SENATOR RAGGIO:

You are saying it is all right to attend an event relating to public office or benefiting an exempt organization. I raised the issue before about going to these ribbon-cutting events where you are fed and see a show. You are invited with many others in the community. Is that precluded?

ASSEMBLYMAN CONKLIN:

That would not be a gift. You are going on behalf of your constituents as a representative of public office. It says specifically in the bill "at an event relating to public office." That is a stand-alone.

SENATOR RAGGIO:

Based on the criticism thrown at us over the years when we go to such an event, that does not cover it. That is the stuff that bothers me. If you go to a ribbon-cutting and they serve dinner, you should have to report that.

ASSEMBLYMAN CONKLIN:

I do not disagree. Let me explain why I tried to put this in here.

SENATOR RAGGIO:

This is all about the Rolling Stones and the NASCAR race.

ASSEMBLYMAN CONKLIN:

Not even that, it is that it is not clear. There is a definition in one statute that appears nowhere else, while the term appears in other statutes. There is this consideration that nobody knows what it is. I do not want to be in that position and have to answer questions. I either did it or did not and let us all move on. We cannot because there is this void. I recognize this definition may not be perfect and if we do not get there, I understand.

SENATOR RAGGIO:

We are making a legislative record here. The comment is always made because it is an easy, "But for the fact that you are a Legislator, would you have been invited?" That covers a lot of ground. You might not be invited to anything. I do not buy into the but-for thing. That is not the test. It works the other way. You give up your time—I could get a better dinner at home. I want to cover this in some way that is sensible. We are there, not but for but included with other luminaries and people in the community. I would like to see that type of definition. Otherwise, somebody is going to file an ethics complaint who does not like you.

SENATOR HARDY:

What if I attended a political event as somebody's guest as president of the Associated Builders and Contractors? The attempt is to say it has to be related to your job as a Legislator, but I may be there because of my other job.

SENATOR WIENER:

A business relationship could be for a very short term and for many purposes. I am concerned about a preexisting business relationship. It seems there could be potential abuse.

CHAIR CEGAVSKE:

As we found out, laws were written that the people who were sentenced all broke. The laws were there. We are trying to fix things to not let them happen again, but if somebody is going to do something against the law, they are going to do it.

Ms. Erdoes, you understand where Senator Raggio was going with the top language; could we do something along that line? The other line was the definition of a gift. You have clearly heard where they would like to go.

MS. ERDOES:

My understanding with the definition of gift is you want it the same in all three places.

CHAIR CEGAVSKE:

Yes, but we just need that definition.

SENATOR HARDY:

We also have the whole issue of the Executive Branch lobbying disclosure.

SENATOR WIENER:

Look at page 10 of [Exhibit C](#) at the fifth degree of consanguinity clause; to me, third degree really puts it out there. When I looked at the chart on page 29 of [Exhibit C](#) for fifth degree—I know there are probably six degrees of separation everywhere but Nevada, I am concerned that puts it so far out we would not know we violated it.

CHAIR CEGAVSKE:

That is what Senator Raggio wanted clarified and left out.

SENATOR WIENER:

That really troubles me.

MS. ERDOES:

Going back to the definitions, you mostly talked about the part where you are at an event relating to public office. Is the Committee comfortable with the part where it is a charitable event?

SENATOR RAGGIO:

I do not have any problem with the charitable event. My concern is we do not get caught in some trap. An event relating to public office does not necessarily cover the situation Assemblyman Conklin and I both agreed we were not intending to cover—when you are invited by virtue of being a Legislator or public officer to go to some opening or event. How do we exclude that?

MS. ERDOES:

You can have a definition that says the Legislator or public officer believes they were invited primarily because of their office.

SENATOR RAGGIO:

Let me give you a good example. This session, I was invited to the University of Nevada, Reno, to give a speech at the groundbreaking of the new biotechnology building. I went and they gave each of us a shovel to use for the digging. They told us we could keep the shovel and then later came back and said it cost over \$200 so we would have to report it. I gave it back.

Later, when the lobbyist report came out, it showed I received \$69.70 from lobbyists. I did not know what it was and it turned out to be that same event. I had two pieces of cheese and a bottle of water. I gave them a check for \$69.70 so I would get off the reporting list—not that it is a big amount, it is the idea of the thing. This is ridiculous.

MS. ERDOES:

We can try to come up with a definition; I have the idea about what you are talking. We will see if we can come up with something.

SENATOR HORSFORD:

To elaborate on Senator Raggio's question, it does say "a gift does not include," and then it talks about costs relating to an event relating to your public office. I agree with this. I would like to see some additional guidelines, I do not know who would develop them because we are invited in different capacities to different events. How are we to determine whether it relates to our public

office? Who gives us that guidance? If we could come back with language, who could provide us with that?

SENATOR HARDY:

It is a slippery slope when we get into the definition of what a gift is not. It assumes everything, other than what is listed as not, is a gift. The confusion last summer was the definition of entertainment. We should remove the cost of entertainment from the exclusion of gift and leave it at that. Starting at page 9 of [Exhibit C](#), line 43:

Gift does not include: a political contribution of money or services related to a political campaign, a commercially reasonable loan made in the ordinary course of business, the cost of food or beverages, anything of value ... .

Then include the language Senator Raggio wants.

Cost of entertainment should be stricken; that was the confusion last year. I did not have a problem reporting the Rolling Stone tickets, but I consulted the definition of gift as I understood it. It is appropriate to strike that from the exclusion. If we are going to try to define everything that is not a gift, then everything that is not on the list as not a gift is going to be a gift. I like Ms. Erdoes's comments. If we are going to do something regarding that, we should say if you are attending and your understanding is you are there as a Legislator, then you have an opportunity to defend yourself.

SENATOR HORSFORD:

We get judged before we have the opportunity to defend ourselves. This is not about ethics, this is about following the law and being compliant. If I am allowed to be there because it is my capacity as a public official, I want to know how to meet the standard.

SENATOR HARDY:

We are saying the same thing. We were tried and convicted in the media anyway. I did not get a chance to explain that I went to the definition of gift to decide whether to report the tickets. The more we try to define what is and is not a gift, the deeper the hole we dig. The public understands what is an inappropriate gift.

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CHAIR CEGAVSKE:

When you talk about Ms. Erdoes's language, was that for the definition of gift or lobbying?

SENATOR HARDY:

It was for attendance.

MS. ERDOES:

The only thing you would add to the gift part is taking out the familial relationship and just say member of the family and then the existing professional or business relationship. I can craft something that works for those.

CHAIR CEGAVSKE:

The other concern was about lobbying the Executive Branch.

MS. ERDOES:

That is sections 12 through 35 which start on page 10 of [Exhibit C](#).

SENATOR RAGGIO:

We are taking out the cost of entertainment on page 10, [Exhibit C](#), line 2, and under the definition of expenditure, we are including that as a reportable item. It becomes an expenditure.

MS. ERDOES:

If you leave that as is, that is a huge change for this Legislature.

SENATOR RAGGIO:

I know, that is why I am bringing it up. What does entertainment include? If you go to an opening and they provide a show, that would now be an expenditure made to you? If you go to a Mining Association meeting and participate in a golf tournament, is that entertainment?

MS. ERDOES:

Unless there is instruction on mining while you are golfing.

SENATOR RAGGIO:

I just want to make sure people know what we are doing here.

SENATOR HARDY:

I will tell you how I am going to deal with this. I am not going to anything that is not in this building or the Grant Sawyer Building in Las Vegas. I am not going to fund-raising and charitable events; I am not going to any of that stuff.

SENATOR RAGGIO:

That is exactly my concern. There is this zeal to make everything an ethics problem. Where Legislators should be participating, we are going to make it so no one wants to attend anything. If you violate these provisions, what is the penalty?

Ms. ERDOES:

In NRS 218.944, the penalty is a misdemeanor.

SENATOR HORSFORD:

I am still not clear. If it is not in your elected capacity but in your professional capacity, how does the gift or entertainment clause work and who sets that standard so we know how to follow it?

Ms. ERDOES:

Did you direct the question how the bill would be?

SENATOR HORSFORD:

Yes.

Ms. ERDOES:

I do not find anyone in here responsible for making interpretations up front. You still have the power under NRS 281 to go and ask for an advisory opinion from the Commission on Ethics. I can tell you from experience with a lot of different public officers, the timing never seems to work out.

SENATOR RAGGIO:

If I am invited to go to the Reno Air Races because I happen to be a Legislator and I know they invite others, is that entertainment?

L. PATRICK HEARN (Executive Director, Commission on Ethics):

I cannot answer that question because to my familiarity, entertainment is not defined anywhere.



SENATOR RAGGIO:

That is the problem I would have. Somebody would make a complaint saying I went to the Reno Air Races and did not pay. Then they will go to the Commission on Ethics and you would do what?

SENATOR HARDY:

The reason I said I supported some removal of cost of entertainment is because of the situation last summer with the Rolling Stones. Clearly, that was not in our position as an elected official and I have no problem with that. But again, this situation is so gray, I am going to respond by not going to any events. That is a shame. People invite us to stuff because they want us there to talk to the constituents.

MS. ERDOES:

To answer Senator Horsford's question, I would like to make a distinction. Under the NRS 218.900 series, the lobbyist law, gifts over \$100 are absolutely prohibited and it would be a misdemeanor. Whereas, for the financial disclosure law, anything over \$200 has to be reported, but you can still do it. That is a huge distinction. Senator Horsford's question raised the issue of what if it was your job to go to something and you know they are going to provide entertainment or something that costs more than \$100. You would not be able to go and it would make a huge conflict. I do not know how you would resolve that under this law.

CHAIR CEGAVSKE:

That pretty much deletes that section.

SENATOR RAGGIO:

Are we going to change the definition of gift that Ms. Erdoes referenced? We should not take out the cost of entertainment because of the example I gave where nobody knows about what we are talking.

SENATOR BEERS:

On page 11 of [Exhibit C](#) of the mock-up, the operative section is section 19, subsection (b) where it defines a lobbyist. Is this the language taken directly out of the legislative lobbyist provision? If the Legislative Branch is translated to the Executive Branch, the 100 or so e-mails I received today from employees of vendors of the Las Vegas Convention and Visitors Authority have all broken the law. This makes me want to modify the law to grant them an exception. They

should be able to communicate with their Legislators even if they are advocating on behalf of another organization. It also makes me even more cautious of implementing the same set of laws for the Executive Branch for which you could make a stronger case that citizens should be able to express any opinion they have regardless upon whose behalf or if it is related to their employment. How do we get there?

MS. ERDOES:

There is an "and" between paragraphs (a) and (b) so you have to appear in the Legislative Building and communicate.

SENATOR BEERS:

By doing it from a distance, they are covered?

MS. ERDOES:

They are not covered; they do not have to be registered as a lobbyist.

SENATOR BEERS:

It is only by appearing in the building?

MS. ERDOES:

Yes, because the "and" between the two triggers the lobbyist definition.

SENATOR BEERS:

We have a single Legislative Building, but state offices are everywhere. This has issues if applied directly from the Legislative Branch provisions.

CHAIR CEGAVSKE:

This is a perfect example why we need single-issue bills. When you have so many different issues in one bill, it gets very convoluted.

Ms. Erdoes is going to look at language for the explanation of a gift. There were four votes to keep in page 5, [Exhibit C](#), lines 8 through 32. We would also keep in the part that they would come up with their own lobbying plan in sections 36, 38 and 42.

SENATOR RAGGIO:

That includes deleting the reference to cost of entertainment?

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CHAIR CEGAUSKE:  
Yes.

SENATOR RAGGIO MOVED TO AMEND AND DO PASS AS AMENDED  
S.B. 335.

SENATOR WIENER SECONDED THE MOTION.

SENATOR HORSFORD:  
Ms. Erdoes, will you also look at whether you can address the issue with the Legal Counsel provision on page 11, [Exhibit C](#)?

SENATOR RAGGIO:  
In the motion, I suggest to not include that but request Ms. Erdoes come up with suggested language we might later amend.

CHAIR CEGAUSKE:  
It will not be included in what we are doing right now.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

We will open the hearing on A.B. 470 and Assembly Joint Resolution (A.J.R.) 10.

**ASSEMBLY BILL 470**: Prohibits the Governor or any other state officer or employee from binding the State to the requirements of an international trade agreement without authorization by the Legislature. (BDR 19-1280)

**ASSEMBLY JOINT RESOLUTION 10**: Urges Congress not to reauthorize the "fast track" approval of international trade agreements. (BDR R-1295)

Ms. VAN GEEL:  
Assembly Bill 470 was heard by the Committee on May 1. It would prohibit the Governor or any other state officer or employee from binding the state to the requirements of an international trade agreement without the authorization of the Legislature. In addition, A.B. 470 invalidates the requirements of any international trade agreements that the Governor or any other state officer or

employee has consented to prior to the effective date of this measure. No formal amendments were offered on the bill. Under the A.B. 470 section of [Exhibit C](#), pages 31 through 39, you will see correspondence Chair Cegavske received since the original hearing for your review.

Assembly Joint Resolution 10 urges Congress not to reauthorize the "fast track" approval of international trade agreements. Most of the handouts under the section for A.B. 470 of [Exhibit C](#) include the comments for A.J.R. 10.

RAY BACON (Nevada Manufacturers Association):

You have our written comments on pages 31 through 38 of [Exhibit C](#). Free trade has demonstrated in the long term to be in the best interest of the country. The ability for Congress to do what they need to do has been there. Whether they have done their job is a secondary question.

GEORGE ROSS (Las Vegas Chamber of Commerce; Retail Association of Nevada):  
I passed out several documents ([Exhibit D](#), original is on file in the Research Library). One is titled, "United States Senate Committee on Commerce, Science & Transportation, Interstate Commerce, Trade and Tourism Subcommittee Hearing on Is 'Free Trade' Working?" It is recent testimony before Congress laying out the long-term benefits of trade and the free trade agreements pursued in the last several decades. The other three are from the Business Roundtable and lay out in detail the benefits of these free trade agreements and the benefits of the North American Free Trade Agreement (NAFTA), which is a specific concern of the proponents of these bills. It also contains the problems facing the U.S. should we not pursue free trade agreements given many other countries are pursuing them.

I would like to address a few pieces of data directly. First, from the time we are first taught about David Ricardo and Adam Smith, we learn that prosperity for all of us is promoted when we have free trade. Using comparative advantage, there are things we do better and there are things they do better. We then trade and there is more of each for both. We are still basically following that theory; it has led to prosperity. The U.S. Chamber of Commerce pointed out about 12 million jobs in the U.S. are directly dependent upon exports. These jobs pay 13 percent to 18 percent higher than the average job. One-third of the economic growth in the U.S. has been a function of exports. With NAFTA, our trade without tariffs with Canada and Mexico has gone from 33 percent to 43 percent. If we do not negotiate these trade deals, we will fall behind. Our

employees and companies will be disadvantaged in terms of exports and investments.

Secondly, I will address the point made in A.J.R. 10 about "fast track." When you read the resolutions in A.J.R. 10, it sounds like Congress sits there, a trade agreement comes in and then they have 90 days to read a 900-page agreement and decide. That is not the case. It is important to understand the role of Congress in these agreements; they do not take place in a vacuum. Congress determines our initial negotiating objectives. There are private sector advisory councils, public hearings and regular consultations with Congress and the public. There is ample opportunity during the process to participate and have an opinion. A Congressional oversight group ensures collaboration between Congress and the administration. Congress then works with the executive branch to draft the text of the legislation implementing the trade agreement. This is done by committee with a small group like we do here. As a final resort, Congress can, by statute, terminate the expedited procedures if the administration failed to notify and consult with Congress during the negotiations.

MR. ROSS:

An example of Congress's role in negotiating these agreements and why A.J.R. 10 is not needed happened on May 10. That day, they reached an agreement on how they planned to negotiate the next four free-trade agreements. They took into account labor and environmental considerations. Congress takes into account the very factors being raised as to why there is a problem with these agreements.

There is "fast track" in the first place because when foreign nations are negotiating with the U.S., if 535 representatives—and with A.J.R. 10 and A.B. 470, 50 states—can each take the deal apart, then a deal will never happen. Nobody would ever come up with their best offer because they would wait to see what the bottom line is with either the Chair of Senate Commerce and Labor Committee or the Governor of Texas. These agreements have to be packages that can be voted up or down. On the way to the package, there is ample opportunity for Congress to be involved. With U.S. Senator Harry Reid as the U.S. Senate Majority Leader, Nevada is well situated to get our position stated.

The opposition to these agreements comes from those who are concerned about the dislocations of U.S. workers. Our response is No. 1, that is why we need a well-educated workforce; people need to adjust. Secondly, the Retail Association of Nevada questions whether Nevada has any powers whatsoever with regard to foreign relations and trade given that is a function of the President of the U.S. whose treaties are then ratified by Congress. Looking at the disaster that happened with the Articles of Confederation, it should be the federal government and not state governors involved.

SENATOR MATHEWS:

I sat through previous testimony on A.J.R. 10 and A.B. 470 and never heard any opposition. This information would have been good in making a decision had it come when the bills were first presented. I thought no one was in opposition. It sounds like good information, but I have no time to disseminate it.

ASSEMBLYWOMAN PEGGY PIERCE (Assembly District No. 3):

First, neither of these bills begins a discussion or engages in a debate about free trade. Both of these bills are about process. Trade agreements are too important to be negotiated in a way that excludes the input, deliberation and full decision making of Congress and the 63 members of the Nevada Legislature.

Former U.S. President Calvin Coolidge said, "The business of America is business." The genius of Americans for business has been observed for hundreds of years. It did not start with NAFTA. If the process of agreeing to trade agreements slows down, the business genius will find a way around the delay.

Lastly, if these bills are implemented, they will slow down the process of trade. Democracy is not the most efficient form of government in the world. Many people asked former U.S. President George Washington to just name himself king, but he chose participatory democracy. The choice today is participatory democracy or efficiency. I hope you choose participatory democracy. We can all live with less efficiency.

SENATOR HORSFORD:

The text of A.B. 470 speaks to the Governor binding the state without first gaining consent from the Legislature. What does this bill do that negates what the opposition was saying? The bill does not prohibit Congress's role or devalue the U.S. President's role. It just talks about the Governor and the role of the

Legislature in the event the Governor attempts to bind us in a trade agreement. Could you elaborate on the disagreement?

ASSEMBLYWOMAN PIERCE:

The disagreement basically has to do with efficiency. As it is done now, the state is asked whether we want to be bound to trade agreements. The 63 members of the Nevada Legislature should be making the decision if we are bound and that is not happening. Assembly Bill 470 says the Governor may bind the state or give consent only when the Legislature has enacted legislation.

Congress does get an up or down vote on trade agreements. There have been times since former President Richard M. Nixon's administration without "fast track" authorization when trade agreements still passed. The idea that something dire will happen should Congress not reauthorize "fast track" is not borne out or historically accurate.

Many more eyes need to be on this process, particularly when we have tribunals that meet in secret and foreign nationals have more rights than American citizens. These tribunals with no Open Meeting Laws have the ability to affect what we do in the Nevada Legislature along with county commissions and city councils across the country. We need considerably more input, deliberation and democracy applied to this issue. That is what A.B. 470 and A.J.R. 10 concern.

SENATOR MATHEWS:

I have high regard for Mr. Bacon's and Mr. Ross's information and ability, but my concern is they brought it so late.

JANINE HANSEN (Nevada Eagle Forum):

I have provided you with documents titled, "Resolution Opposing the North American Union," "Scanning the News about North American Integration" and "The NAFTA Super Highway" ([Exhibit E](#)). Right now, the North American Union (NAU), which is organized to integrate and harmonize our laws, is going forward by bureaucrats in the U.S., Canada and Mexico without the approval or oversight of Congress. Other states have already passed resolutions opposing the NAU. We have support in the Nevada Assembly for A.J.R. 10. The NAU will essentially eliminate our borders between Canada and Mexico. It will provide for open borders in terms of trade and the flow of people. We are already seeing the objectives of these. The unintended consequences of NAFTA are unchecked Mexican trucks coming across the border.

The NAFTA "super highway" is now being built from Lazaro Cardenas, Mexico, to Kansas City. They will bring foreign goods without being checked in the U.S. We are losing control of our borders. This is an important issue in terms of maintaining sovereignty. These decisions should not be happening outside the U.S. Congress and our state legislatures. The purpose of these bills is to say the American people have a right to their future. The NAU will be implemented by 2010 and none of us will have anything to say about it unless we speak up now. We want you to stand up and say something about this.

CHAIR CEGAVSKE:

There is also proposed language to amend A.J.R. 10 by Mr. Ross ([Exhibit F](#)). Ms. Hansen has declined the amendment. The only thing we could do with this now is an emergency resolution. I will not take action on this today because I want to give members time to look at this and decide.

Ms. HANSEN:

Mr. Ross's amendment completely guts the purpose of A.J.R. 10.

SENATOR HORSFORD MOVED TO DO PASS A.B. 470.

SENATOR WIENER SECONDED THE MOTION.

SENATOR RAGGIO:

I was impressed with what Assemblywoman Pierce provided, but I will not send a resolution, effectual or not, that does not have the support of groups like the U.S. Chamber of Commerce, Las Vegas Chamber of Commerce, Retail Association of Nevada and Nevada Manufacturers Association. It looks like it has suddenly become a partisan issue and as a result of that, I have to vote against the motion.

CHAIR CEGAVSKE:

Assemblywoman Pierce did a great job in making her case. In listening to both sides, it is clear the compassion is there. In the business world, it is not so cut and dry; at this time, I will not be supporting A.B. 470.

SENATOR HORSFORD:

My support for A.B. 470 lies with issues of state rights. I understand there are national organizations opposed to this, but to not have states input on important trade policy is unfortunate. States across the country have lost tens of



thousands of jobs to overseas activities. I hope Nevada does not lose an opportunity to make sure our voice is heard. Our Congressional Delegation works hard on these issues, but states are increasingly becoming more involved. These states are reacting to the fact they have already lost jobs.

THE MOTION FAILED. (SENATORS BEERS, CEGAVSKE, HARDY AND RAGGIO VOTED NO.)

\* \* \* \* \*

SENATOR MATHEWS:

I appreciate the information. I had not thought of this as partisan. I had not received this information until this meeting. I did not have time to read it. My decision and vote was based on what I heard.

SENATOR BEERS MOVED TO DO PASS A.J.R. 10.

SENATOR WIENER SECONDED THE MOTION.

SENATOR BEERS:

I had concerns with A.B. 470 because it is impractical with our Legislature that meets only four months every two years. I am in support of A.J.R. 10 because hasty legislative decisions do not lead to wise policy.

SENATOR RAGGIO:

I tend to agree but am concerned about the language starting on page 2, line 14 of A.J.R. 10 where we urge Congress not to reauthorize the "fast track" approval. Would there be some agreement that we ask them to reevaluate the authority of "fast track" approval? We are all concerned and there were good points made, but I would feel more comfortable if we changed the language from "not reauthorize" to "reevaluate the process by which these agreements are approved."

ASSEMBLYWOMAN PIERCE:

That language is okay with me.

SENATOR BEERS:

On page 2, starting on line 16 of A.J.R. 10, we would strike "not to reauthorize" and replace it with "to reevaluate," leaving "the 'fast track'

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approval of international trade agreements." Then, from where it says "and" on line 17, put "consider replacing that authority with the more democratic, inclusive and deliberative mechanism."

SENATOR RAGGIO:

I will support that if it is included in the amendment.

SENATOR WIENER:

I withdraw the second on A.J.R. 10.

SENATOR BEERS:

I withdraw the motion on A.J.R. 10.

SENATOR BEERS MOVED TO AMEND AND DO PASS AS AMENDED  
A.J.R. 10.

SENATOR WIENER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAVSKE:

We will open the hearing on A.B. 517.

**ASSEMBLY BILL 517 (1st Reprint)**: Makes various changes to election laws.  
(BDR 24-542)

MS. VAN GEEL:

Assembly Bill 517 was heard by the Committee on May 15 and removes from statute obsolete references to punch card ballots, provides that a voter registration card is not proof of identity and requires sample ballots be mailed to voters prior to the start of early voting. The bill also clarifies the term "candidate," requires the submission of signatures on a petition in multiple counties to each county clerk on the same day and allows the Secretary of State to cancel a fictitious address for a person who files a declaration or acceptance of candidacy.

Two amendments were proposed on this bill. The first one amends NRS 293.3157 to allow a registered voter to send an absent ballot to a county clerk using a facsimile machine. This was proposed by Matt Griffin, Deputy for Elections, Office of the Secretary of State. It is on page 41 through 43 of [Exhibit C](#). The second amendment adds language on page 44, line 20 in A.B. 517 after the word "day" similar to "by a person authorized by a petition chair or committee." This amendment was suggested by John L. Wagner. In addition, page 44 of [Exhibit C](#) is correspondence from the American Civil Liberties Union of Nevada expressing concern with this section.

SENATOR RAGGIO MOVED TO AMEND AND DO PASS AS AMENDED  
A.B. 517.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR CEGAUSKE:

We will open the hearing on A.B. 604. We have folded A.B. 606 and A.B. 604 together, so we will hear A.B. 604 again.

**ASSEMBLY BILL 604 (2nd Reprint)**: Revises provisions governing petitions for statewide initiatives and referenda. (BDR 24-1396)

**ASSEMBLY BILL 606 (2nd Reprint)**: Revises provisions relating to petitions for statewide initiatives and referenda. (BDR 24-1395)

Ms. VAN GEEL:

Assembly Bill 604 does numerous things. The first amendment to the bill was on page 48 of [Exhibit C](#) in section 3. It increases the reporting threshold from \$100 to \$1,000. This was proposed by Michael J. Brown with Barrick Gold of North America, Inc.

CHAIR CEGAUSKE:

Is everyone okay with this amendment? This was also recommended by Ms. Hansen. We will mark "okay" for Amendment 1.

MS. VAN GEEL:

Amendment 2, as written, would have moved some deadlines for a new requirement on public hearings by the Legislative Counsel Bureau (LCB) on initiatives and referendum petitions. After this was printed, it was suggested to just delete section 15 of A.B. 604 that would require the public hearings and keep the language in section 16 that requires the Legal Division to review it as part of the normal review process.

CHAIR CEGAVSKE:

We would delete section 15 which moves the public hearing held by the LCB and leave in sections 16 and 20.

SENATOR HORSFORD:

Who would object to section 15?

MS. ERDOES:

There are two places the LCB is mentioned in A.B. 604. One is the Legal Division looking at language; that is proposed to stay. The other is the LCB holding a hearing on the bill. There was concern how close that is to when we prepare for session. In addition, we were not sure how the LCB would function in this role as nonpartisan, other than making the room available.

CHAIR CEGAVSKE:

In reviewing the language, LCB thought it was okay to review the language. They would then know and understand it. The other requirement in section 15 would be cumbersome and have a timing problem.

SENATOR HORSFORD:

This language on page 60, lines 25 through 31 of [Exhibit C](#) was worked during the interim on the Assembly side in the proposed amendment to A.B. 604 on the LCB. I fully respect their role and the time they have to put into it, but we have so many petitions now we need a nonpartisan entity with the proper background, education and expertise to review them for compliance and address technical matters. That is what I saw in section 15. We are taking a step backward and I do not understand why. If the LCB needs resources to do this, that is a whole other discussion. The LCB has an important role in this process.

CHAIR CEGAVSKE:

That was part of the issue when I talked to Assemblyman Conklin. I told him A.B. 604 and A.B. 606 would have to go to the Senate Finance Committee. There would be a fiscal note based on what was being asked. He did not want it to go to Finance so the only way to make it not go there was to not have a fiscal note. Section 15 was the area we had to delete.

SENATOR HARDY:

Is there not already a review process? This is about a public hearing process. Senator Horsford's concern that it is reviewed by an independent party already occurs. This is just eliminating the need for a public hearing on each petition.

SENATOR HORSFORD:

I understand there may be some fiscal impact. It would be nominal and it is in our best interest. The public input is to vet out some of these initiatives in a civil manner that does not happen now. I thought that was where the development of that language was going. The LCB is in a unique position to facilitate that in a way no other entity could.

SENATOR HARDY:

Is it the public hearing you want to hold on to and not just the LCB review?

CHAIR CEGAVSKE:

You want section 15 back in?

SENATOR HORSFORD:

Are we concerned with all of the area or just the public hearing process?

CHAIR CEGAVSKE:

The public hearing.

SENATOR HORSFORD:

In section 15, you could strike subsection 3 but leave subsections 1, 2 and 4. They may not need to provide the appropriate research and analysis.

CHAIR CEGAVSKE:

It still takes staff to hold public hearings.

SENATOR HORSFORD:

I would go back to the intent, vetting out those initiatives in a public manner that is nonpartisan, productive and with the interest of getting the details out.

CHAIR CEGAVSKE:

Assemblyman Conklin was trying to not have a fiscal note; he did not want it to go to Finance. That is why we did what we did. If the Committee wants section 15, then we have to send this bill to the Finance Committee. We also have to ask if the LCB wants to assume this.

SENATOR HORSFORD:

There are probably a lot of things the LCB would rather not do; unfortunately, we ask them to do it because of their expertise and education. They are our representatives and we need them to do certain things. Without them, we fail at our job. This initiative process is important; I ask that be considered.

SENATOR RAGGIO:

In absence of a public hearing, the LCB still does a legal review and makes it available, correct?

CHAIR CEGAVSKE:

Yes, that is in section 20. We will move on to the other amendments.

MS. VAN GEEL:

Amendment 3 is all the provisions from A.B. 606.

Amendment 4 is an amendment proposal by James T. Endres brought to A.B. 606. We worked out a slight change to this amendment. As written, it would have required the Fiscal Analysis Division to prepare fiscal notes for local initiatives and referendum measures. After discussion, it would require local government entities to report the fiscal impact of local petitions for initiative or referendum to the county clerk in a manner similar to the fiscal notes prepared by the Fiscal Analysis Division for statewide measures. It would specify to include such fiscal notes on any county initiative or referendum and also appear on the ballot for all local government ballot proposals. When our Fiscal Analysis Division puts together these fiscal notes, they contact those local officials anyway and simply compile it. This takes that piece out of the equation. They can handle it directly at the local level.

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CHAIR CEGAVSKE:

It looks like the Committee is okay with Amendment 1 and 4; we have to look at Amendment 2. We know Senator Horsford wants to keep section 15. Three Committee members want to keep section 15 and four members want it deleted.

To go over all this again from page 45 of [Exhibit C](#), Amendment 1 changes the threshold from \$100 to \$1,000. Amendment 2 deletes section 15; the language from A.B. 606 would stay, but lines 11 through 25 would be deleted. Sections 16 and 20 are retained. Then in Amendment 4, we leave the amended language as staff has laid it out; the local governmental entities submit the fiscal report.

SENATOR RAGGIO MOVED TO AMEND AND DO PASS AS AMENDED  
A.B. 604.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

\* \* \* \* \*

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CHAIR CEGAVSKE:  
This meeting is adjourned at 4:22 p.m.

RESPECTFULLY SUBMITTED:

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Josh Martinmaas,  
Committee Secretary

APPROVED BY:

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Senator Barbara K. Cegavske, Chair

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