

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Eighth Session
May 26, 2015**

The Committee on Ways and Means was called to order by Chair Paul Anderson at 8:08 a.m. on Tuesday, May 26, 2015, in Room 3137 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/78th2015. In addition, copies of the audio or video of the meeting may be purchased, for personal use only, through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman Paul Anderson, Chair
Assemblyman John Hambrick, Vice Chair
Assemblyman Derek Armstrong
Assemblywoman Teresa Benitez-Thompson
Assemblywoman Irene Bustamante Adams
Assemblywoman Maggie Carlton
Assemblywoman Jill Dickman
Assemblyman Chris Edwards
Assemblyman Pat Hickey
Assemblywoman Marilyn K. Kirkpatrick
Assemblyman Randy Kirner
Assemblyman James Oscarson
Assemblyman Michael C. Sprinkle
Assemblywoman Heidi Swank
Assemblywoman Robin L. Titus



STAFF MEMBERS PRESENT:

Cindy Jones, Assembly Fiscal Analyst
Stephanie Day, Principal Deputy Fiscal Analyst
Barbara Williams, Committee Secretary
Cynthia Wyett, Committee Assistant

The Committee Assistant called roll and a quorum was established. Hearing no response to his call for public comment, Chair Anderson opened the hearing on Assembly Bill 182 (1st Reprint).

Assembly Bill 182 (1st Reprint): Revises provisions relating to collective bargaining by local government employers. (BDR 23-646)

Assemblyman Randy Kirner, Assembly District No. 26, said that Assembly Bill (A.B.) 182 (1st Reprint) had changed considerably since it was first introduced. He referred the Committee to proposed amendment 7429 (Exhibit C) for the most recent version.

Assemblyman Kirner said the original bill said union check-off was prohibited, but that provision had been removed. The bill prohibited the use of public funds to support union activities. The bill recognized that Nevada was a right-to-work state and union membership was voluntary and at-will. The proposed amendment deleted all adjustments on arbitrators and fact-finders, except in the case of an obvious deviation from the law, which would be dealt with through the court system.

Assemblyman Kirner said section 4, subsection 3, paragraph (b) of A.B. 182 (R1) detailed the right of a local government to reduce its workforce, and section 5 detailed some of the factors that could be considered when reducing workforce. Section 6 detailed the evergreen clause, and section 7, subsection 3, described positions that could not be members of a bargaining unit. Assemblyman Kirner said the bill had been criticized as attacking the middle class. Of the positions prohibited from being members of a union, he said, few made less than \$100,000 in salary and benefits, while the average compensation in Nevada was \$50,000.

Assemblyman Kirner said he had just received a proposed amendment submitted on behalf of the Clark County Prosecutor's Association (Exhibit D). He said it was an unfriendly amendment that specifically deleted criminal attorneys from the excluded positions. He said the reason criminal attorneys had been in the excluded group was that they were highly paid, professional positions.

Assemblyman Kirner said that at one point, A.B. 182 (R1) had a fiscal note, but that note had been removed. He said he had worked hard to bring a bill that was workable, and he recognized the value that collective bargaining brought to the state.

Assemblyman Hickey asked Assemblyman Kirner to sum up the key things that A.B. 182 (R1) accomplished.

Assemblyman Kirner said A.B. 182 (R1) allowed employees to opt in or out of unions at any time and prohibited the sponsoring of union activity with taxpayer dollars. The bill also described certain positions that could not be members of a bargaining unit, such as managers and high-level administrators. Additionally, the bill defined what factors might be considered when local government needed to reduce its workforce, and it addressed the issue of evergreen clauses.

Assemblywoman Kirkpatrick expressed concern with the provision that allowed employees to join or leave the union at will. She thought this would encourage employees to join and pay dues when there was a dispute or contentious agreement and then leave when the union won concessions for them. She wondered how the union would be able to budget when dues might be erratic and asked what the thought process was behind the change.

Assemblyman Kirner said Nevada was a right-to-work state and, therefore, employees should have the right to freely opt in or out of a collective bargaining unit.

Assemblywoman Kirkpatrick said unions did a lot for their members, including negotiating benefits packages, healthcare, and discounts. She wondered how an organization with unreliable income could hire staff.

Assemblyman Kirner said that if the unions were providing services to their members, then individuals would want to retain membership. He said that guaranteed income was rare in the business world, and most businesses built their budgets on projections.

Assemblyman Sprinkle questioned what was meant by the language in section 4, subsection 3, paragraph (b): ". . . whenever the local government employer determines that such action is in the best interest of the local government employer."

Assemblyman Kirner said the language provided the elected officials who had the responsibility of running a municipality the flexibility to reduce the workforce at their discretion.

Assemblyman Sprinkle thought the language in section 5, subsection 1, was too broad and essentially allowed employers to lay off anyone they wanted.

Assemblyman Kirner said the language allowed the employer to use criteria other than seniority in determining which positions to reduce, such as underperformance or special skills. The language was similar to the language in section 5, subsection 2, as it related to teachers.

Assemblyman Sprinkle asked whether the language in section 5 was meant to supersede any contractual labor agreements that were already in place.

Assemblyman Kirner said the bill would create law and would supersede any other agreement.

Assemblywoman Carlton said that putting things in statute took them off the table for negotiations, leaving unions likely to go after monetary promises, such as compensation and benefits. She worried about the adverse effects of A.B. 182 (R1). She believed there would be a fiscal impact at the Local Government Employee-Management Relations Board (EMRB), because the seniority system protected the employer from being sued for discrimination.

Assemblyman Kirner referred Assemblywoman Carlton to section 4, subsection 2, which was current law and delineated the scope of mandatory bargaining. He did not believe A.B. 182 (R1) bargained away seniority, but it merely allowed employers to consider other items when reducing the workforce.

Assemblywoman Carlton said she would ask the Legal Division, Legislative Counsel Bureau, to make sure the two sections did not contradict each other. Seniority was one of the pillars of unions, and she did not like seeing it challenged.

Assemblywoman Dickman asked Assemblyman Kirner to summarize whom he had met with that resulted in the changes to the bill.

Assemblyman Kirner said he had met with police unions, fire unions, and municipalities and had addressed most of their concerns with the proposed amendment.

Assemblywoman Kirkpatrick asked for clarity on section 7, subsection 3, regarding how positions might be excluded from unions. She understood that municipalities across the state did not operate in a uniform manner, and that had caused confusion about the definition of "supervisory position" in the past.

Assemblyman Kirner said that the definition of "supervisory employee" was found in section 7, subsection 5, paragraph (f), in the proposed amendment.

Assemblywoman Benitez-Thompson asked whether the language of the amendment might contradict a city or county charter and require municipalities to return to the Legislature for amendments to their charters.

Assemblyman Kirner said he had not read every city charter, but in outlining the employees that could not be members of a bargaining unit, he tried to limit the criteria to the highest-level employees. In Reno, for example, the only person in the police department who was prohibited from belonging to a union was the police chief.

Assemblywoman Benitez-Thompson understood, but she thought that the bill might have the unintended consequence of limiting municipalities.

Assemblyman Armstrong asked whether A.B. 182 (R1) was limited to public-employee bargaining, and Assemblyman Kirner said that it was.

Assemblyman Armstrong asked how the bill struck a balance between being good stewards of public funds and protecting municipal employees.

Assemblyman Kirner said that, in his opinion, it struck a beneficial balance. He thought the bill recognized the value of unions while protecting the interests of the taxpayers.

Assemblywoman Carlton said that unions were required to represent everyone within the bargaining unit, whether they paid dues or not. That left the burden of picking up the cost of bargaining to the faithful union members. There was a cost to representation and negotiations.

Chair Anderson asked whether there had been any thought to putting some limitation on the employees' ability to opt in and out of unions.

Assemblyman Kirner said the union check-off had caused a lot of concern with the unions, and in exchange for removing that provision, the unions had agreed to the open enrollment. He did not think that there would be a mass exodus from the unions as long as the members thought they were receiving good service.

Assemblyman Sprinkle asked whether members who left the unions and did not pay their dues should continue to be serviced by the unions.

Assemblyman Kirner said there were statutes in place regarding union representation, and A.B. 182 (R1) did not address that issue.

Assemblywoman Kirkpatrick asked whether A.B. 182 (R1) had changed the language regarding dues deductions from "shall agree to deduct" to "may agree to deduct." She believed that gave employers latitude to refuse to deduct dues.

Assemblyman Kirner said the language of the bill allowed the collection of dues to be part of the collective bargaining process. Section 1.4, subsection 1 in the proposed amendment made it presumptive that the employer would collect the dues.

Assemblywoman Kirkpatrick said the option to opt in and out of the union at-will would create an administrative burden for local governments. She asked whether local governments had expressed any concern with the union dues collection.

Assemblyman Kirner said he had met with many municipalities, and none had expressed any concern with the dues collection.

Chair Anderson asked for testimony in support of A.B. 182 (R1).

Victor Joecks, representing the Nevada Policy Research Institute, said the Institute supported A.B. 182 (R1). He referenced an article in the *Nevada Journal* ([Exhibit E](#)) researching local government contracts in southern Nevada, which found taxpayers spent \$4.6 million per year in paid union leave time. The fiscal note attached to the bill noted that the Las Vegas Metropolitan Police Department (Metro) indicated the provision in the bill eliminating paid union leave would save it \$4.7 million over the next biennium. He said the freedom to leave the union at will was needed. Some teachers unions had a two-week window once per year in which they could leave the union, a fact he thought was not widely known by members.

Mr. Joecks said there was an easy fix to the problem of requiring unions to represent nonmembers. He suggested changing Chapter 288 of *Nevada Revised Statutes* (NRS) to allow unions to be the nonexclusive bargaining agents for their members only.

Assemblywoman Benitez-Thompson asked for documentation on the estimated savings Metro had calculated on the union leave elimination, and Mr. Joecks said he would provide the information to the Committee.

Tray Abney, Director of Government Relations, The Chamber of Reno, Sparks, and Northern Nevada, said the Chamber supported the bill and thought it was a reasonable approach to local government collective bargaining and gave local government more control over its affairs. He believed it was important to remember that, in the case of local government, the taxpayers were management.

Assemblywoman Carlton noted that employees were taxpayers also and deserved a voice at the table.

Assemblywoman Benitez-Thompson noted that Mr. Abney sat on the Civil Service Commission for the City of Reno, a body that discussed in detail the issues of supervisory levels, contract negotiation, and seniority. She asked why the municipalities needed NRS to take away some of their autonomy.

Mr. Abney said the Civil Service Commission did not deal with collective bargaining. He believed A.B. 182 (R1) gave the elected officials the freedom and flexibility to manage their limited taxpayer dollar.

Assemblywoman Benitez-Thompson stated that the political makeup of the Legislature might change, but what was consistent was the cherished right of the local governments to make their own decisions. She thought it could be a mistake to expand the Legislature's involvement in local affairs.

Assemblyman Sprinkle noted that historically, the ultimate recourse for unions was a work stoppage. Some unions today did not have that recourse. They had given up that right for public safety and for some of the things that were now being taken away in A.B. 182 (R1).

Mr. Abney said that the state needed to look out for the 10 percent of Nevadans who were public employees, some of whom had collective bargaining rights. However, he noted that about 85 percent of taxpayers had no collective bargaining rights and were unable to resort to work stoppages.

Tony Shelton, Director of Operations, Sonitx, said he was policy analyst and spouse of Assemblywoman Shelley Shelton, but was speaking as a private citizen. He read the following verbatim testimony into the record:

In speaking with some union members in Las Vegas, it has become apparent that they are concerned about collective bargaining but are completely unaware that their tax dollars pay the salaries of lobbyists here in Carson City. Many members are afraid because they are worried about losing the pay and benefits they already

have. Many of them are making \$30,000 a year or less and trying to support a family. It comes as a surprise to them that these lobbyists are making as much as five to ten times the salary that they are making, yet these are the same lobbyists that are putting out the fear propaganda that has the average working man so concerned. One might do some checking and find out if the postcards and mailers going out to these hard-working men and women of Nevada are not funded by the dues of some of the people that stand to lose the most in this bill. What the working man is about to find out today, if they haven't already learned it from an earlier bill that effectively exempted fire and police, is that those in these professions seem to think they are worth so much more than you are. They are willing to make deals and let this entire bill go through as long as they themselves are exempt. I met a woman representing Las Vegas city workers a month or so ago. Their union dues do not even bring in enough money to keep a full-time lobbyist, yet fire and police are willing to make deals and sacrifice these city workers without a blink. This is your opportunity to right a wrong. It is an opportunity to do right by the taxpayers. Put this money back into the hands of the taxpayers, so that they could decide what is more important: the lobbyist or the man working 40 hours a week to support his family on \$30,000 a year. It is important for everyone to understand that you lawmakers are not the enemy, but you have been entrusted by the voters to look for fair ways to make sure that funding is adequate. That is difficult to do when your hands are tied by laws that allow the inequity that exists today. I ask you to support A.B. 182 (R1).

Assemblywoman Kirkpatrick said there were many bills with different groups asking to be exempted. She believed that the men and women who represented their unions in front of the Legislature were working around the clock, seven days a week. In addition to representing their union members, many of them were still called to fight fires, handle police business, and teach in their classrooms. The job of the legislators was to enact laws for the good of the entire state, not just to represent their district. There were many bills that did not specifically benefit a particular legislator's district, but it was important to consider the greater good for the entire state. Lobbyists were subject to disclosure rules, and the Legislature had just passed a bill that would require even more disclosure. She asked to which part of the bill he was referring.

Mr. Shelton said he favored the part of the bill that prohibited taxpayer dollars being used to fund lobbying activities.

Assemblywoman Kirkpatrick believed that many unions were involved in activities that benefitted the state as a whole. She had found the fire, police, and teacher unions very helpful in their communities. She thought it was a misconception that union representatives worked solely on political activities when they were on union time.

John Wagner, State Chairman, Independent American Party, said he had been a member of several different unions, some good and some not. He said he did not believe the economic burden on municipalities caused by workers entering and leaving the union would be significant.

Richard Carreon, President, Nevada State Chapter, Veterans in Politics, International, Inc., spoke in support of A.B. 182 (R1). He said being a government employee meant working at the behest of the taxpayer. The unions were there to protect their members from abusive employer practices, but if the employer was the government, then abusive practices meant there was a leadership problem in the government.

Steve Sanson, President, Veterans in Politics, International, Inc., read the following verbatim testimony into the record:

My name is Steve Sanson. I am President of Veterans in Politics, International, a Marine in Desert Storm, and a disabled veteran. We endorse candidates to elected seats, expose corruption, and champion veterans' rights.

It is an honor to be here today. We are in favor of A.B. 182 (R1). I have been talking about this issue for a few years now, ever since the assassination of disabled Gulf War Army veteran Stanley Gibson. Every time I testify, it is something that I have substantial knowledge about.

I would like to use the Las Vegas Police Protection Association (LVPPA) to make my point. The LVPPA has eight police officers that solely work for the union: Chris Collins, Mark Chaparian, Thomas Reid, Mike Ramirez, Steve Grammas, Darryl Clodt, Scott Nicholas, and my favorite, Bryan Yant. Each officer averages \$160,000 annually with benefits, totaling \$1,280,000.

It is time that taxpayers eliminated all funding to staff executive boards for unions. If we pay for teachers, they should be in the classroom; if we pay for firefighters, they should be putting out fires; if we pay for police, they should be patrolling our streets. These police officers do not do any police work. All they do is protect police officers when they screw up, no matter how badly.

If the unions need employees, then they should hire and pay for their own employees from their dues, not on the shoulders of taxpayers. According to Chris Collins, the director of the LVPPA, every time he testifies, he makes sure he says that he represents 4,000 law enforcement officers. If the average union dues are \$40 per month, at \$480 per year, and all of his 4,000 members paid the same amount, that would give him \$1,920,000 minimum.

We are tired of taxpayers paying to protect officers when they screw up. We are tired of taxpayers paying lobbyists to rule against the will of the people. We are tired of taxpayers paying for political favors and calling it charity or campaign donations. The unions should do that, not the taxpayers—is that not what their dues are for?

Clark County taxpayers pay at least \$4.6 million a year for at least 70,000 hours of union-related release time. Union officials of the Las Vegas Police Protective Association, for example, received over \$1 million a year for 15,500 hours of release time. Could you imagine putting that time on our streets that our former sheriff echoed a need for more police officers in the last session?

Nevada's gift clause, Article 8, Section 9 of the Silver State's *Constitution*, says: "The State shall not donate or loan money, or its credit, subscribe to or be, interested in the Stock of any company, association, or corporation, except corporations formed for educational or charitable purposes." We have been breaking our own laws for a very long time and called it "collective bargaining," my favorite words. In Arizona, it is ruled unconstitutional to use tax money to pay for staffing of a private entity that collects union dues. Nevada's clause is deemed sufficiently similar to Arizona's. This is a tough argument for the union to win. Thank you.

Anat Levy, private citizen, Las Vegas, said she was an attorney who had been in practice 28 years. She had filed cases on behalf of businesses and consumers, and she believed unions did many good things. She echoed the comments of Mr. Sanson regarding the constitutional prohibition of using public funds for private organizations, which would include unions. She urged the Committee to prohibit the use of taxpayer funds for unions.

Steve Brown, private citizen, Las Vegas, said he had been a licensed contractor for 29 years. His business had never fully recovered from the recession, and he had been forced to take a part-time job. By day, he was an employer, and by night, he was an employee. He complained about his taxes and the hidden local government fees. He believed there had not been enough discussion about the millions of small business owners who could be described as the working poor. He said it was unfair that the government would make more money from a small business than the owner of the business.

Hearing no response to his request for neutral testimony on A.B. 182 (R1), Chair Anderson called for testimony in opposition.

Rusty McAllister, President, Professional Fire Fighters of Nevada, said that many changes had been made to collective bargaining in 2011. He said that the provisions of section 1.2 of the proposed amendment to A.B. 182 (R1) were already contained in statute. *Nevada Revised Statutes* 38.241 covered the means to vacate an award by an arbitrator if the arbitrator made an illegal decision or exceeded his or her authority.

Mr. McAllister said the language in section 1.4, subsection 1 of the proposed amendment had been changed to read the employer "may agree" to deduct dues, rather than "shall agree." He questioned the reason for the change and said some employers could use this as a way to manipulate the union members. He stated that firefighters tended to have stable union membership, so the provision allowing complete freedom to move in and out would probably not matter, but he could see that it might create problems for other unions. Individuals might use the union when they needed service and then get out and not pay any more dues, and it would make it difficult for the union to budget for expenses.

Mr. McAllister pointed out that if the bill passed and allowed, without limitation, an employee's right to opt in or out of the union, he predicted teachers would start receiving mass communications urging them to "get a raise" by getting out of the union while still reaping all the advantages of collective bargaining.

Mr. McAllister said that he preferred the language in Senate Bill (S.B.) 241 (3rd Reprint), which provided that union leave time could be paid, reimbursed, or negotiated in lieu of a concession of equal value. Many municipal unions had already negotiated union leave by giving up other concessions. In giving up those concessions, the union had paid for the leave with, for example, a reduced percentage pay increase. That reduction went on in perpetuity. Assembly Bill 182 (R1) proposed that the union pay for that concession repeatedly.

Mr. McAllister agreed with Assemblyman Sprinkle that the rights assigned to employers in section 4, subsection 3, were too broad. The language in section 5, dealing with the criteria for consideration when reducing workforce, allowed the decisions to be discriminatory in nature. He said there was a misconception that unions stalled the legislative process, but when the unions were in negotiation, the union representatives were available to meet any day, every day. This was not necessarily true for the local government employers. The evergreen clause had already been addressed in S.B. 241 (R3).

Mr. McAllister said the specific ranks of firefighter and police officer that were being excluded from unions in section 7, subsection 3, did not always meet the definition found in subsection 4 of the proposed amendment of "supervisory employee." The exclusion was not uniform across firefighter and police ranks and was in violation of some current city charters. The definitions found in section 10.3 of the proposed amendment could be a huge problem for small fire departments where supervisory personnel were also fighting fires. He had serious reservations about A.B. 182 (R1).

Melissa Johanning, President, Las Vegas Police Protective Association Civilian Employees, Inc., spoke in opposition to A.B. 182 (R1). She said union contracts were very clear when the drop period was, and she disagreed strongly with the testimony that employees were unaware they could drop the union. She said the reduction in force considerations were contradictory to her association, where many decisions were contractually based on seniority. She disagreed that disciplinary actions should be a factor in determining layoffs, because the individual had already been disciplined and should not be punished again. She agreed with Mr. McAllister that the provisions would encourage discriminatory layoff practices.

Ms. Johanning said that every benefit in the contracts for her association had been negotiated and approved by the city, the county, and a fiscal affairs committee. No benefit was free—every one of them was paid for through negotiations. The negotiations included compensation, days off, vacation time, and sick time, among others. She disagreed with Mr. Shelton's description of

union representatives. She made nowhere near \$200,000, and her duties included political advocacy, medical administration, medical contract negotiation, and committee work for the police department.

Assemblyman Hickey agreed that seniority was important but should not be the only criteria.

Ms. Johanning said the members of her association considered seniority extremely important. Seniority was the basis for decisions regarding vacation, time off, when an employee could move to another department, and reductions in force, which in the current contract were based on seniority. She had a problem with the considerations allowed in the bill. Disciplinary actions had already imposed a consequence on an employee, and they should not be disciplined again for the same offense. Performance appraisals, per the current contract, already allowed the department to lay off persons who were not meeting minimum standards.

Danny L. Thompson, representing the Nevada State AFL-CIO, said he was opposed to A.B. 182 (R1). When NRS Chapter 288 was enacted, it was done to solve the problem of constant strife between local governments and their employees. He believed that the language of section 4, subsection 3, which allowed for reduction in workforce to be the result of "any reduction in revenues from taxation," would allow for layoffs at any time and was entirely arbitrary. Seniority was one of the pillars of unionism, and he believed the bill meant the end of seniority. Lastly, he believed the fiscal effect of the bill would be a necessary increase in the staffing of the Employee Management Relations Board (EMRB) because of grievance filings.

Carla Fells, Executive Director, Washoe County Employees Association, said the association opposed A.B. 182 (R1). She represented the lower-paid employees within the local government, and the bill put them at risk. Their negotiated contract was similar to the bill's provisions for reduction in force, and it had caused real morale problems because of the arbitrary nature of some dismissals. She mentioned an example of a supervisor who retained his bilingual employees who did not have seniority because he needed their "special skills," while dismissing employees with more seniority. Subsequently, he prohibited them from using their bilingual skills during the performance of their duties. She also believed that not every supervisor was objective when issuing disciplinary actions, and that was one of the reasons employees ended up in arbitration or at the EMRB.

Ms. Fells said her association had negotiated in good faith when Washoe County was struggling financially. It had made wage concessions, but

when the economy improved, the union had not been given the same consideration. Opting in and out of the union at any time was already in her association's contract. She had represented many employees who joined to get union representation in a disciplinary matter or arbitration and then dropped membership after winning their cases. She said she was not a paid lobbyist making \$200,000 a year; her salary was paid by the membership dues.

Ms. Fells said that whenever the discussions centered on public employee unions, the main consideration seemed to be police, firefighters, and teachers. She asked that the Committee consider the harm that might be done to a social worker, a road worker, or a caregiver to the elderly if A.B. 182 (R1) was passed.

Ruben R. Murillo, Jr., President, Nevada State Education Association, said lobbying for educators was part of his job, and he was not making \$200,000. He said the public workers were vital to the operation of the municipalities around the state. Senate Bill 241 (R3) had been passed by the Assembly and the Senate and was ready for the Governor to sign. He said S.B. 241 (R3) was a fair compromise and addressed many of the same topics as A.B. 182 (R1). He believed that the ability of a union to efficiently budget would be impaired by the provisions of A.B. 182 (R1). The local education associations were using dues money to provide professional development, peer assistance review, and mentoring for new teachers. Reduction in force language was already in the contracts in Clark County and Washoe County.

Mr. Murillo said there were groups within the state, funded by outside interests, that conducted mass campaigns to encourage teachers to leave the union. The message was that if educators dropped their membership, they got an effective \$700 raise. In a right-to-work state, the nonmembers benefitted from the negotiations and the hard work of dues-paying members. He said the association opposed A.B. 182 (R1).

Marlene Lockard, representing Service Employees International Union 1107, said that A.B. 182 (R1) was not needed. Other legislation had identified and addressed the same topics with reasonable solutions. The bill was punitive and expensive, and the union was opposed to A.B. 182 (R1).

Mike Ramirez, Director of Governmental Affairs, Las Vegas Police Protective Association Metro, Inc., said the association was opposed to A.B. 182 (R1).

Ronald P. Dreher, Government Affairs Director, Peace Officers Research Association of Nevada; Washoe County Public Attorney's Association; and the

Washoe School Principals' Association, said A.B. 182 (R1) was not needed. He was concerned that in the proposed amendment ([Exhibit C](#)), on pages 19 and 20, the leadlines of the repealed sections remained, and he believed that they needed to be deleted.

Mr. Dreher disagreed with section 7, subsection 3, paragraph (f) that excluded, "An attorney who is assigned to a civil or criminal law division, department or agency" from being a member of a bargaining unit. The attorneys were currently members of the association, but were not high-level management as Assemblyman Kirner had claimed.

Mr. Dreher believed the definitional language in section 7, subsection 5, paragraphs (a) and (f) of the proposed amendment was ambiguous and subject to interpretation. He agreed with previous testimony that when much of the collective bargaining process was in statute, too much had been taken off the table, and the remaining negotiations would be contentious.

Mr. Dreher believed that A.B. 182 (R1) would have a high cost to the state. He pointed out that local jurisdictions in California were offering \$10,000 signing bonuses and recruiting Nevada's trained officers. He said when the right to collectively bargain for fair compensation packages was restricted, the cost to the state was the loss of trained personnel. He urged the Committee to vote against A.B. 182 (R1).

Sean T. Higgins, representing the Clark County Prosecutors Association, said his client represented all the prosecuting attorneys in the Clark County District Attorney's Office. He had submitted a proposed amendment ([Exhibit D](#)), which removed the restriction of criminal attorneys from section 7, subsection 3, paragraph (f). He said prosecutors did one thing: take criminals off the street. They did not perform any managerial or supervisory functions. Civil attorneys were engaged in the management function of every county department, providing guidance on a range of issues at the county level. The only similarity between civil and criminal attorneys at the county level was that they both had law degrees. He urged the Committee to remove the criminal attorneys from section 7 of A.B. 182 (R1).

Ryan Beaman, President, Clark County Firefighters Union Local 1908, said his organization represented battalion chiefs who were being targeted in the bill. The union had run its own self-funded insurance trust since 1989 through the collective bargaining process and was the insurer for its members. Over the years, the battalion chiefs had given up raises and other benefits to make sure the health insurance program was funded. Removing the battalion chiefs from the collective bargaining process would make them ineligible for the health

insurance trust. He said as a fire engineer and a union representative, he did not make \$200,000 per year, and he believed that the union provided a great benefit, both for its members and the department, by working with labor and management on a daily basis.

Richard P. McCann, Executive Director, Nevada Association of Public Safety Officers, said he represented approximately 1,400 public safety officers and personnel in 20 separate public safety organizations throughout Nevada. The association opposed A.B. 182 (R1). He believed the fiscal effect of the bill was mainly because of added grievance filings to the EMRB. Seniority was the only objective criteria in the bill regarding reductions in workforce: all the rest were subjective. Collective bargaining was a value-oriented process that involved giving something and getting something. The union time off was something that had been paid for by other concessions. The more restrictions that were placed in statute resulted in fewer bargaining tools available to labor and management.

Assemblyman Kirner said A.B. 182 (R1) did not eliminate seniority. It reinforced that Nevada was a right-to-work state and identified certain positions that were professional and management positions, which should be representing the body for which they worked. The bill did not reflect on the relative importance of any profession.

Chair Anderson closed the hearing on A.B. 182 (R1) and opened the hearing on Assembly Bill (A.B.) 412 (1st Reprint).

Assembly Bill 412 (1st Reprint): Revises provisions relating to public financial administration. (BDR 31-963)

Assemblywoman Marilyn Kirkpatrick, Assembly District No. 1, introduced proposed amendment 7649 (Exhibit F) to Assembly Bill (A.B.) 412 (1st Reprint). The intent of the bill was to clean up a situation with the property tax that was unanticipated when the statutes were changed in 2005. Originally, there was language in the bill to help local governments that had reached the property tax cap, and she believed there would be a friendly amendment from Clark County specific to the redevelopment areas that the bill was meant to address.

Assemblywoman Kirkpatrick said that section 10 of the bill applied only to commercial property and the 3 percent allowable increase cap on residential property still applied. Property owners who came before any board of equalization and had taxes abated would have their abatement reevaluated annually. This was to address a known inequity when businesses were paying

less tax than residential counterparts in the same area of town, even when property values had increased significantly.

Assemblywoman Kirkpatrick said section 13 provided a minimum increase in property taxes on commercial property of six percent each year. This was meant to be a fair and balanced policy going forward.

Section 14, subsection 4 of the proposed amendment gave voters the ability to approve alterations to tax rates above the cap, and those voter-approved rates could not be part of the abatement. Assemblywoman Kirkpatrick said she did not anticipate that local governments would be using the provision often, but it was subject to voter approval.

Assemblyman Sprinkle asked whether the changes to the bill had affected the fiscal note from the Department of Taxation.

Terry Rubald, Chief Deputy Director, Local Government Services, Department of Taxation, said that the amended version resulted in no cost to the state and provided potential additional revenue with the recalculation of abatements.

Chair Anderson called for testimony in support of A.B. 412 (R1).

Yolanda T. King, Director, Budget and Financial Planning, Department of Finance, Clark County, said that Clark County was in support of A.B. 412 (R1). Because of the different iterations of the bill thus far, she wanted to make sure that any additional property tax revenues that were raised by the bill would not go to the redevelopment agencies. Additional collected revenues should go to the local government entities, the Clark County School District, and state government.

Mike Cathcart, Business Operations Manager, City of Henderson, said that the city was in support of amendment 7649 to A.B. 412 (R1).

Dagny Stapleton, Deputy Director, Nevada Association of Counties, said her organization was in support of A.B. 412 (R1). She believed the amended bill would have a long-term benefit to local governments.

Chair Anderson called for testimony neutral on A.B. 412 (R1).

David A. Dawley, Assessor, Carson City Assessor's Office, said the bill was primarily concerned with those properties in which taxes were reduced by the income approach. There were three approaches to assessing value: the market,

the cost, and the income. The bill did not address properties in which value was lowered by the market approach.

Mr. Dawley noted that apartment complexes were treated a bit differently. An apartment complex qualified for the 3 percent residential rate cap if the rents were below what was considered fair market value, but most apartment complexes were not, and therefore would be subject to the commercial property valuation methods.

Chair Anderson called for testimony in opposition to A.B. 412 (R1).

Paul Bancroft, an attorney representing the Howard Hughes Corporation, Harsch Investment Properties, Weingarten Realty Investors, Red Rock County Club, and American Nevada Company, said his clients were diverse companies that would be adversely affected by A.B. 412 (R1). He explained that property tax in Nevada was the result of two separate calculations, and the ultimate tax was the lesser of the two calculations. The first calculation multiplied the taxable value of the property by the assessment rate and by the tax rate. The second calculation was to increase the tax that was assessed in the preceding tax year by the applicable tax cap percentage. The applicable percentage was 3 percent for owner-occupied residential properties and certain low-income apartments, and 0 to 8 percent for all other properties. Section 13 of A.B. 412 (R1) would change the range of the allowable increase by raising the floor from zero to 6 percent. The actual range was the higher of twice the Consumer Price Index or the ten-year average growth in assessed value, allowing taxes to be higher when the economy was growing. He believed the existing law was working well, and A.B. 412 (R1), in effect, resulted in a tax increase.

Mr. Bancroft said section 14, subsection 3, carved out a section of taxpayers based on the income approach to value. He said the income approach to value was not a loophole, but a standard and often preferred method of valuation used by county assessor's offices. He believed that A.B. 412 (R1) was a large tax increase that should not be allowed to go forward.

Assemblywoman Kirkpatrick said she thought she had addressed all the industry concerns. She said she would be happy to work with Mr. Bancroft on his ideas.

Chair Anderson closed the hearing on A.B. 412 (R1) and opened the hearing on Assembly Bill (A.B.) 218 (1st Reprint).

Assembly Bill 218 (1st Reprint): Revises provisions relating to emergencies in schools. (BDR 34-666)

Assemblywoman Teresa Benitez-Thompson, Assembly District No. 27, introduced Assembly Bill (A.B.) 218 (1st Reprint). She presented an amendment matrix ([Exhibit G](#)) and an amendment that added a preamble to the bill ([Exhibit H](#)).

Assemblywoman Benitez-Thompson gave some background regarding school safety and said that Chapter 392 of *Nevada Revised Statutes* (NRS) had developed and been codified in the 71st Session (2001) and remained virtually untouched since then. She believed that because of local and national incidents, it was time to revisit the problems and ask whether the state was being diligent and using best practices as they pertained to school safety.

Assemblywoman Benitez-Thompson said it was ten times more likely that a school would experience a violent act than a fire. Washoe County had a review of practices and policies following the shooting incident at Sparks Middle School and had learned a lot from it. The goal of section 1 of A.B. 218 (R1) was to build schools with consideration for hazards, especially acts of violence. The bill asked for input from the Division of Emergency Management, Department of Public Safety (DPS), when designing and building new schools. She said it was not enough anymore to ensure there were adequate fire alarms or emergency exits, but it was essential that there were provisions to protect students from others when necessary.

Assemblywoman Benitez-Thompson said that Clark County and Washoe County each employed a chief of school police and an emergency manager, and the bill needed an amendment to specify that those two counties did not have to seek input from the Department of Public Safety. The amendment should remove any fiscal note that DPS had.

Continuing, Assemblywoman Benitez-Thompson reviewed the following sections of the bill:

- Section 3 provided for Clark County and Washoe County to appoint a full-time emergency manager. While this had been the practice, there had been times the individual had been assigned other duties. Putting the provision in statute would allow the designated emergency manager to focus solely on safety and preventative measures.

- Section 4 of the bill required an annual school safety conference. The Department of Education had informed her that the conference could be part of the megaconference that happened every spring and would provide an opportunity for school safety personnel to share ideas. She had attended the National School Safety Conference in the summer of 2014 and noted that the next one was scheduled in Las Vegas in July of 2015. Many of the state's school police and emergency managers attended the conference, but they did not always end up in the same room at the same time to talk about concerns specific to Nevada.
- Section 4.5 would be amended. It had originally called for a particular ratio of mental or behavioral health professionals in each school, but the language was moved to the preamble ([Exhibit H](#)), as a policy statement, to remove the fiscal note from the Department of Education.
- Section 6 established lockdown policy within the state. When the current statute was drafted, schools were required to create safety plans, but were specifically banned from practicing or drilling the plan in NRS 392.450. Assembly Bill (A.B.) 218 (R1) attempted to rectify that by including the language requiring drills in the appropriate procedures to be followed in the event of a lockdown, fire, or other emergency. While previous language was specific to evacuating a building, the language in A.B. 218 (R1) also recognized the need to drill for sheltering in place.

Assemblywoman Benitez-Thompson said the bill provided for planning emergency responses for special-needs children. She thought the state could do much more toward planning and preparing to protect everyone, regardless of intellectual or physical disabilities.

Assemblywoman Benitez-Thompson referred to the amendment matrix ([Exhibit G](#)), and pointed out that the Department of Education had a fiscal note attached, specifically concerning section 4.5, which she believed would be removed when the language was moved to the preamble.

Chair Anderson called for testimony in support of A.B. 218 (R1).

Lindsay Anderson, Government Affairs Director, Washoe County School District, said the school district supported A.B. 218 (R1). She said Assemblywoman Benitez-Thompson had been working with the police chief of Washoe County School District for some time. Washoe County School District believed the bill was a critical piece of legislation and did not have a fiscal note attached.

Craig M. Stevens, Director of Intergovernmental Relations, Clark County School District, said Clark County School District (CCSD) supported A.B. 218 (R1). There had been a fiscal note attached, but it had been removed. The CCSD wanted to keep students as safe as possible, and it believed the bill would enhance those efforts.

Assemblyman Hickey asked whether Washoe County School District had an employee who could be designated as the emergency manager.

Ms. Anderson replied that the school district employed a full-time emergency manager, and the county did not anticipate any additional fiscal effect from the legislation.

Mindy Martini, Deputy Superintendent, Business and Support Services, Department of Education, said the proposal to remove section 4.5 of A.B. 218 (R1) had eliminated the fiscal note from the bill. She stated that the language in section 5, subsection 1, stating "The Department shall employ licensed social workers . . . as necessary," was the same as saying " . . . as money is available."

Chair Anderson called for testimony neutral on or opposed to A.B. 218 (R1). Hearing none, he closed the hearing on A.B. 218 (R1) and opened the floor for public comment. Hearing none, he adjourned the meeting at 11:07 a.m.

RESPECTFULLY SUBMITTED:

Barbara Williams
Committee Secretary

APPROVED BY:



Assemblyman Paul Anderson, Chair

DATE: August 19, 2015

EXHIBITS

Committee Name: Assembly Committee on Ways and Means

Date: May 26, 2015

Time of Meeting: 8:08 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 182 (R1)	C	Assemblyman Kirner, Assembly District No. 26	Proposed Amendment 7429
A.B. 182 (R1)	D	Clark County Prosecutor's Association	Proposed Amendment
	E	Victor Joecks, Nevada Policy Research Institute	<i>Nevada Journal</i> article "Governments paying union employees millions a year to perform union work"
A.B. 412 (R1)	F	Assemblywoman Kirkpatrick, Assembly District No. 1	Proposed Amendment 7649
A.B. 218 (R1)	G	Assemblywoman Benitez- Thompson, Assembly District No. 27	Amendment Matrix for <u>A.B. 218</u>
A.B. 218 (R1)	H	Assemblywoman Benitez- Thompson, Assembly District No. 27	Proposed Amendment to <u>Assembly Bill No. 218</u>