

**MINUTES OF THE  
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Eighth Session  
April 1, 2015**

The Senate Committee on Government Affairs was called to order by Chair Pete Goicoechea at 1:08 p.m. on Wednesday, April 1, 2015, in Room 2135 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4404B of the Grant Sawyer State Office Building, 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 Pete Goicoechea, Chair  
Senator Joe P. Hardy, Vice Chair  
Senator Mark Lipparelli  
Senator David R. Parks  
Senator Kelvin Atkinson

**GUEST LEGISLATORS PRESENT:**

Senator Greg Brower, Senatorial District No. 15  
Senator Michael Roberson, Senatorial District No. 20

**STAFF MEMBERS PRESENT:**

Jennifer Ruedy, Policy Analyst  
Heidi Chlarson, Counsel  
Nate Hauger, Committee Secretary

**OTHERS PRESENT:**

Tray Abney, The Chamber  
Paul Moradkhan, Las Vegas Metro Chamber of Commerce  
Warren Wish, Nevada State Education Association  
Tina Leiss, Executive Officer, Public Employees' Retirement Board  
Ben Graham, Administrative Office of the Courts  
Nicole Rourke, Clark County School District  
Rusty McAllister, President, Professional Firefighters of Nevada

Senate Committee on Government Affairs  
April 1, 2015  
Page 2

Ron Dreher, Peace Officers Research Association of Nevada  
Todd Bailey, Washoe County  
Priscilla Maloney, American Federation of State, County and Municipal  
Employees, Retiree Chapter  
Kevin Ranft, American Federation of State, County and Municipal Employees  
Local 4041  
Carla Fells, Washoe County Employees Association  
Mike Pilcher, Reno Firefighters Association  
Marty Bibb, Retired Public Employees of Nevada  
Mark Hutchison, Lieutenant Governor  
Kimberlee Tarter, Deputy Administrator, Purchasing Division, Department of  
Administration  
Brian McAnallen, City of Las Vegas  
William Arent, Director, Economic and Urban Development Department, City of  
Las Vegas  
Yolanda King, Clark County  
Greg Ferraro, Nevada Resort Association  
Scott Gilles, City of Reno  
Liane Lee, Washoe County  
Samuel P. McMullen, Reno-Sparks Convention and Visitors Authority  
Michael Alonso, Caesars Entertainment; Peppermill Casinos, Inc.  
Dagny Stapleton, Deputy Director, Nevada Association of Counties  
Paul J. Enos, Nevada Trucking Association  
Jeff Fontaine, Executive Director, Nevada Association of Counties  
Mark Jackson, Nevada District Attorneys Association  
Tammi Davis, Association of County Treasurers of Nevada  
Bob Roshak, Nevada Sheriffs' and Chiefs' Association  
Eric Spratley, Lieutenant, Sheriff's Office, Washoe County  
Dave Dawley, Nevada Assessors Association  
Jen Chapman, Records' Association of Nevada  
Larry Burtness, Recorder, Washoe County

**Chair Goicoechea:**

To begin the meeting, I will take a motion to rerefer Senate Bill (S.B.) 424.

**SENATE BILL 424:** Creates the K-12 Public Education Stabilization Account.  
(BDR 31-409)

SENATOR HARDY MOVED WITHOUT RECOMMENDATION TO REREFER S.B. 424 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR LIPPARELLI SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS ATKINSON AND PARKS WERE ABSENT FOR THE VOTE.)

\* \* \* \* \*

**Chair Goicoechea:**

We will now hear S.B. 392, and I will take a motion to rerefer.

**SENATE BILL 392:** Revises provisions relating to prevailing wage. (BDR 28-828)

SENATOR LIPPARELLI MOVED WITHOUT RECOMMENDATION TO REREFER S.B. 392 TO THE SENATE COMMITTEE ON FINANCE.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED. (SENATORS ATKINSON AND PARKS WERE ABSENT FOR THE VOTE.)

\* \* \* \* \*

**Chair Goicoechea:**

We will now hear S.B. 406.

**SENATE BILL 406:** Revises provisions relating to public retirement systems. (BDR 23-1049)

**Senator Michael Roberson (Senatorial District No. 20):**

It is important to reform the Public Employees' Retirement System (PERS) in a way that achieves several important but competing policy goals. We need to keep PERS healthy and solvent so current and future public employees can take comfort in knowing their retirement is secure. To do this, we need to bend the cost curve down over the long term. We also need to make sure we keep our promises to our current public employees by not pulling the rug out from under

them by changing previously promised benefits. We need to protect the interests of taxpayers by eliminating financial excesses in the system while providing an attractive retirement plan to potential future employees. We need to provide fairness to all public employees so that no single group of public employees is treated significantly different from other public employees. We need to look out for the families of public servants who are killed in the line of duty. We need to ensure that we do not reward employees convicted of a felony.

Senate Bill 406 achieves all those goals. It would reduce the annual multiplier for all public employees except police and firefighters by 0.25 percent. This bill would require 3.33 more years of service to retire with full benefits for all public employees hired after July 1 except police and firefighters. Senate Bill 406 would reduce the postretirement index for all new hires. It would prevent a public employee from retiring early with fully earned benefits by purchasing service credits. It would require members of the judicial retirement system to contribute to their retirement like all other public employees. It would provide that an individual convicted of a felony would be returned the amount he or she had contributed into the retirement system because that person would no longer be eligible to receive public employee retirement benefits. Senate Bill 406 increases the compensation for the families of public employees who are killed in the line of duty. It maintains the defined benefit system and does not negatively impact current public employees. It protects taxpayers and public employees by reducing employer and employee contribution rates. Once fully implemented, it will conservatively save about \$1 billion every 10 years.

Segal Consulting prepared an actuarial valuation of the PERS system as of June 30, 2014. Segal noted that as of June 30, 2014, funded ratios are 70.8 percent for regular employees and 74.3 percent for police and firefighters. These are the funded ratios identified by the consultant hired by the Public Employees' Retirement Board to prepare an actuarial valuation of the system. We need to consider reforms now to preserve benefits for future generations.

Sections 2, 17 and 26 of S.B. 406 amend *Nevada Revised Statutes* (NRS) 1A.240, NRS 286.571 and NRS 218C.510, which affect PERS Judicial Retirement Plan and Legislators' Retirement System. These sections of the bill provide that if a person becomes a member of those retirement plans on or after July 1 and he or she is convicted or pleads guilty or *nolo contendere* to a felony, the member forfeits, with limited exceptions, all rights and benefits under the

relevant retirement system. Upon such a conviction, the relevant retirement system must return to the member, without interest, all contributions made by the member which were credited to the member's individual account.

Section 3 of the bill reduces the postretirement increases for retirees who become members of any of the three retirement systems on or after July 1. Statute provides for an annual increase by the lesser of either the average percentage of increase in the Consumer Price Index—all items—for the 3 preceding years, unless a different index is substituted by the PERS board, or the following annual increases: 2 percent following the third, fourth and fifth anniversaries of the commencement of benefits; that increase remains the same under this bill. This bill decreases the amount of annual increase following the sixth, seventh and eighth anniversaries from 3 percent to 2.5 percent. Senate Bill 406 eliminates the existing provision for an annual increase of 3.5 percent following the ninth, tenth and eleventh anniversaries, and an annual increase of 4 percent following the twelfth anniversary. Instead, all increases, starting with the ninth anniversary, will be by the lesser of 3 percent or the increase, if any, in the Consumer Price Index for the preceding calendar year.

Sections 4, 16 and 27 provide an additional benefit option for the spouse of a member who was killed in the line of duty, the course of employment, the course of judicial service or the course of legislative service as applicable. This additional option authorizes the surviving spouse to receive a benefit that is equivalent to the greater of 50 percent of the salary of the member on the date of the member's death or 100 percent of the retirement allowance that the member was eligible to receive, based on the member's years of service obtained before the member's death without any age reduction for the deceased member. Benefits provided by these sections must be paid to the spouse for the remainder of the spouse's life. The Board shall define the terms "by regulation," "killed in the line of duty" and "killed in the course of employment."

Sections 5 and 20 amend the age of eligibility to receive retirement benefits for all new hires, except police officers and firefighters, who become members of PERS or the Judicial Retirement Plan on or after July 1. Such a person is eligible to retire at 65 years of age if he or she has at least 5 years of service; at 62 years of age if he or she has at least 10 years of service; at 55 years of age if he or she has at least 30 years of service; and at any age if he or she has at least 33.33 years of service.

Sections 5, 20 and 28 provide that the calculation of the member's years of service for the purpose of determining the age at which the member may retire with an unreduced benefit must not include any year or part of a year of service credit purchased by or on behalf of the member. This applies to members in each of the three retirement systems.

Sections 6, 21 and 29 limit the amount of compensation used to determine the retirement benefit of a new hire to the lesser of a limitation set forth in the cited Internal Revenue Code which is \$200,000 under statute or \$200,000 plus adjustments based on the changes in the Consumer Price Index.

Section 7 provides that the monthly retirement allowance for each new hire other than a police officer or firefighter will be determined by multiplying the member's average compensation by 2.25 percent for every year of service with the member's eligibility for service credits ceasing at 33.33 years of service.

Section 15 requires new members of the Judicial Retirement Plan to pay 50 percent of the required contributions to the plan. They do not currently contribute to the plan.

Sections 10, 14, 24 and 27 clarify that the term spouse includes a domestic partner for purposes of determining eligibility to receive survivor benefits from a public retirement system.

Section 22 provides that the monthly retirement allowances for new members of the Judicial Retirement Plan will be determined by multiplying the member's average compensation by 3.1591 percent for every year of service. This is a decrease from the 3.4091 percent provided under statute.

This bill would be effective July 1.

**Tray Abney (The Chamber):**

Senator Roberson said that this bill could conservatively save \$1 billion over a decade. Every dollar spent on these benefits is one less dollar spent on education, mental health, parks and salaries for public employees. Contribution rates and unfunded liability have gone up. Ideally when contribution rates go up, unfunded liability would go down.

Opponents of this bill will claim that the status quo is just fine. They will claim that the Chamber has our “hair on fire.” They will say that PERS is “best in class.” We need to consider what class PERS is sitting in because a lot of the retirement systems are severely underfunded. This brings things closer in line to the public sector. It makes the shovel we are digging the hole with smaller. It does not fix the problem, but it is a good start. We need to get this under control while protecting our current public servants.

**Paul Moradkhan (Las Vegas Metro Chamber of Commerce):**

The Chamber supports this bill. This bill is thoughtful in its approach in addressing concerns that have been stated today about the unfunded liability. The Chamber likes the provision for additional compensation for family members of a public employee killed in the line of duty.

**Warren Wish (Nevada State Education Association):**

We support S.B. 406. We would like to offer a friendly amendment ([Exhibit C](#)). There are many reasons that people purchase service credit. I am talking about sections 5, 20 and 28.

Both men and women take child-rearing leave for the first 1 or 2 years of their child’s life or to deal with sick children. When they return to their jobs, they often purchase service credit to make up for the years they missed. We have members of the National Guard who leave public employment, serve 1 or 2 years, and when they return, having fallen behind in their careers, they look to purchase service credits to catch up. The Clark County School District actively recruits from across the Country. Many of those people come to our State with established 401(k) and 503(b) plans and seek to rollover those plans into their PERS account. That is advantageous to our State as a way to retain their working careers.

There are reasons for people to purchase less than a year’s worth of service credit. For example, our school districts hire year-round. Some people, such as myself, came in the middle of the year. If we go through our entire career and leave in the middle of our career, once we have earned our service credit, that hurts the school district. That leaves positions vacant, and the district scrambles to replace that person. In that situation, if the person is willing to purchase a half-year, quarter-year or three-quarter year, that helps public employers replace those employees without harming their duties.

**Senator Roberson:**

I would like to have the Board testify.

**Tina Leiss (Executive Officer, Public Employees' Retirement Board):**

The Retirement Board is neutral on S.B. 406 as written. The bill contains comprehensive benefit reforms for PERS, the Judicial Retirement System and the Legislators' Retirement System that are estimated to generate significant savings over the long term.

Whenever we analyze any legislation affecting the retirement systems, we start with the mission of the system to determine whether the modifications are consistent with that mission and whether the modifications have any effect on the current funding policy. We also identify any funding, State or federal issues that need to be addressed.

The mission of the system is to provide a reasonable base income to our public employees, an orderly method of transition into retirement and a system which will make government employment attractive to qualified employees and encourage those employees to stay in public service. With that mission in mind, we have reviewed this bill and found that the changes are consistent with that mission, as declared by the Legislature, and there will be cost savings in the future. The current funding of the system is sound and in good standing for the long term, but any funding improvements are welcome.

This bill mainly affects new employees as of July 1, so when we talk about cost savings, we are talking about long-term cost savings. It will take about 20 to 30 years to roll in all the new employees. However, once all new employees are rolled in, we have estimated the cost savings to be 1.95 percent of payroll in the regular fund, 1.11 percent of payroll in the Police and Firefighters' Retirement Fund and 2.91 percent of payroll in the Judicial Retirement Fund. As an example, 1.95 percent of payroll in the Regular Fund is currently about \$83 million per year. That is where the cost savings will come. Once new employees are fully rolled in, that is the estimate for the cost savings.

Sections 2, 17 and 26 add language regarding felony convictions. We have some implementation questions that we will work on with the sponsor. Our questions pertain to the timing of the felony, how we would be notified of the felony and any community property rights that a spouse or ex-spouse may have. We do not see this as a hindrance to implementation.

Section 3 reduces the postretirement increase formula. Assembly Bill No. 820 of the 65th Session added the 3 percent postretirement increase to the structure; prior to 1989 the highest postretirement increase provided was 2 percent. The change to 3 percent is a higher benefit structure on postretirement increase than in place prior to 1989. As far as the provisions for employees killed in the line of duty, that is minimal in cost because we estimate about one line-of-duty death per year. We would assume about the same in the other funds as well. If an extraordinary event kills more public employees in the line of duty, the cost would go up; but spread over the entire fund and in combination with benefit reductions, it would still be an overall savings.

Sections 5 and 20 modify the retirement eligibility for regular and judicial members. Assembly Bill No. 820 of the 65th Session is where we added the concept known as 30 and out. Prior to 1989, we did not have 30 and out; instead, a public employee could retire at the age of 55 if the person had completed 30 years of service. This bill takes us to the 1989 projection that 30 and out would cost 0.5 percent of added payrolls, so it was an expensive benefit.

This bill prevents employees from purchasing time to reach eligibility. This still allows for the purchase to fill holes in careers for benefit calculation purposes. In response to Mr. Wish regarding his proposed amendment, these provisions will lengthen careers of public employees. This does not take away purchase of service, it allows purchase of service for benefit calculation purposes. It does not allow an employee to use those years to gain eligibility. With retirement at the age of 55 for 30 years of service still in place and the age of 62 for 10 years of service still in place, you would still reach eligibility at a reasonable age and purchase service credits to fill holes in your career.

Sections 7 and 22 reduce the multiplier.

**Senator Lipparelli:**

I thought the proposed amendment created a provision that if a military person purchased a year of service, that would be an exception to what is proposed in the bill. I thought that proposal would not only count for benefits but count toward years in service as well.

**Ms. Leiss:**

That is my understanding. This is written to retain service credit but not count toward eligibility. It still allows employees to fill holes in their careers.

**Senator Lipparelli:**

That was what I thought.

**Chair Goicoechea:**

Ms. Leiss, you believe that is in place without the amendment?

**Ms. Leiss:**

You can still purchase service, so it would be used to still have a benefit calculated on a 33.33-year career. It will not help you reach the 30-year mark to retire at 55 years of age or to reach the 33.33-year mark. It will help people purchase credits to fill a hole in their careers; once we take it out of eligibility, it will become cheaper to purchase those service credits.

Lowering the multiplier to 2.25 percent in the Regular Fund will match up with the 33.33 years to retire at any age. This has the effect of lengthening careers which is consistent with the mission of the system. This would save the system money over time because lengthened careers will pay that benefit for a shorter period of time. Given the increases in longevity of the population, this will help the funding because one reason we have seen contribution increases ... It is not all about investment return; it has to do with increases in longevity and how long we pay the benefits. We still have reasonable time periods for retirement.

**Senator Atkinson:**

There appear to be different tiers of Cost-of-Living Adjustments (COLA) and how certain benefits are treated. It seems that the changes to the COLAs would not only affect new employees, they would affect everyone.

**Ms. Leiss:**

The COLAs would affect people hired on or after July 1, which means we will have to wait a long time to see heavy savings because we will not see them until those people have been retired for 3 years. At that point, the COLAs will kick in. That is a good cost-saving measure for the system because COLAs are compounding, so they compound throughout the career and retirement.

**Senator Atkinson:**

Section 2 of S.B. 406 states, "Except as otherwise provided in subsections 2 and 3, a member who is convicted of or pleads guilty or *nolo contendere* to any felony forfeits all rights and benefits under the System." Does that mean that if people have felony convictions, they automatically lose all benefits, no matter how many years they have worked?

**Chair Goicoechea:**

Yes, they would lose the benefits, but they would be refunded what they had paid into the system.

**Senator Roberson:**

That is correct.

**Senator Atkinson:**

So they would be out of the system, but they would receive a refund?

**Chair Goicoechea:**

Yes. I am in the PERS system, but this bill affects new hires. We need to reinforce the system for the future.

**Ben Graham (Administrative Office of the Courts):**

The intent of this legislation is projecting into the future from July 1. Some of the goals and benefits will be fairly immediate. All of the reforms will take effect for persons enrolling in a retirement program after July 1. Individuals and judges enrolled in PERS or the Judicial Retirement System prior to that date who are subsequently elected, reelected or elected to another judicial position will not be impacted with the reforms found in S.B. 406. By honoring the intent of this legislation, we are looking to the future. There will be some long-term achievements. By not reaching back, we are honoring the contractual commitments made to current employees. I submitted written testimony ([Exhibit D](#)).

**Chair Goicoechea:**

Maybe a person is enrolled in PERS, he or she is working for the county, retires and is then elected as a justice of the peace. If elected after July 1, how would this bill impact that individual?

**Mr. Graham:**

This provision would not affect him or her because of the prior membership.

**Senator Atkinson:**

If a county employee is elected to a position besides judge, such as recorder, then what happens?

**Mr. Graham:**

There will be a million what-ifs.

**Senator Atkinson:**

They should be answered.

**Mr. Graham:**

If a person is enrolled prior to July 1, these reforms have no effect.

**Ms. Leiss:**

This is the same language from the 2009 changes. We always implement it by considering an employee's original date of membership as his or her effective date of membership. If you were in the system for a year in 1990, left the system and came back in 2016, we count your membership as having started in 1990.

**Chair Goicoechea:**

And that is as long as you did not withdraw your contribution? I do not know if you can still withdraw your contribution.

**Ms. Leiss:**

You can still withdraw your contribution. If you have after-tax refundable contributions, you can withdraw them. If you come back to employment after that, we would consider you a post-July 1, employee. Once you are back at work for 6 months, you have the right to repay those contributions. If you repay them, all prior service is restored, including your original membership date. If you do not repay your contributions, your prior service date is not restored.

**Chair Goicoechea:**

Nothing in the bill requires vesting; it is based entirely on your employment date. Do you not have to have the 5 years?

**Ms. Leiss:**

That is correct. The date you are first enrolled is your membership date.

**Nicole Rourke (Clark County School District):**

We have proposed an amendment ([Exhibit E](#)) to include a new section in this bill which addresses the looming expiration of the critical labor shortage provision in NRS 286.523. The Clark County School District uses this provision which allows us to hire retired teachers in areas where we have a critical labor shortage. It is our goal to hire 2,600 teachers by May 26 for the upcoming school year, and we will need every tool in our toolbox to make sure we have enough teachers for all of our students. We now have 81 teachers hired under this provision in the areas of math, English and special education working in 57 schools. As required by the statute, all critical labor shortage positions must go before the Board of School Trustees for approval. We are recommending that this section be retained in the law permanently, as we anticipate continued growth in southern Nevada. This amendment to the critical labor shortage is also used by other entities.

**Chair Goicoechea:**

Rural counties definitely need that critical labor component. It sunsets on June 30, and we need that extended, so I like your proposed amendment.

**Rusty McAllister (President, Professional Firefighters of Nevada):**

Nevada Association of Public Safety Officers; Peace Officers Research Association of Nevada; Clark County Association of School Administrators and Professional-Technical Employees; Police Protective Association Civilian Employees; Washoe County Sheriff Deputies Association; American Federation of State, County and Municipal Employees; and Professional Firefighters of Nevada are all neutral on this bill. We are not anxious to change retirement systems that are funded and administered extremely well. This bill does not change the goals of PERS as stated by Ms. Leiss.

Does section 2 apply to all felonies, even Category D and E felonies? For instance, possession of marijuana is a felony. Would that be cause to take away somebody's retirement plan?

Section 4 discusses the beneficiary for somebody killed in the line of duty. An Assembly bill was discussed yesterday with an added amendment. The language in both bills initially said the spouse receives a benefit if a member of

the system is killed in the line of duty. That means if you are not married and have children, they are not taken care of. The benefit would only be \$400 per child. The Assembly bill was amended to include the term "survivor beneficiary" after spouse. In the absence of a spouse, the effect is that the benefits would go to the survivor beneficiary.

Section 5 discusses the purchase of air time. Along the lines of the Education Association's amendment, some people need to leave the system earlier because their spouses or children become disabled and they have to take care of them. This would prevent the employees from purchasing time to allow them to leave without a penalty.

Mr. Abney said this bill is a good start. In 2009, we changed the multiplier from 2.67 percent to 2.5 percent; put in an antispiking provision; took away retirement eligibility of 25 years for police officers and firefighters; changed the definition of callback to entirely eliminate this; required certain PERS documents to be put online; raised the retirement penalty from 4 percent to 6 percent per year if an employee leaves early; and added a provision that if a surplus to fund the system each biennium is less than 2 percent, there will be no reduction in the contribution rate. That 2 percent provision stayed in the system to help pay off the system earlier. All of those have already been done. Since those provisions have been put in place, the system has turned over, and 25 percent of the active members are under these provision from 2009. The changes are proving to be cost-effective. We should give the changes from 2009 a chance to work before passing new legislation.

**Chair Goicoechea:**

I agree, it will take time. Unfortunately, it is a pressing issue. If we have to wait to see it work for 50 or 75 years, we will be in trouble.

**Ron Dreher (Peace Officers Research Association of Nevada):**

On behalf of the professional peace officers of Nevada, I echo Mr. McAllister's comments. As Ms. Leiss pointed out, any changes to the system occur over a period of time. The multiplier reduction from 2.67 percent to 2.5 percent in 2009 has taken time to show effects. Now if we add new changes, they will take time as well. We are concerned about coming back every 2 years to defend our PERS plans.

**Todd Bailey (Washoe County):**

We are neutral on the bill. I am concerned about the provision regarding people convicted of felonies. There is an assumption that the employee has no family who depends on him or her. We would not be allowed to prevent employees in the public sector from collecting accrued earnings simply because they have been convicted of a felony. It does not take much to be convicted of a felony in Nevada. I recommend adding language to narrow the provision to employees convicted of a felony which resulted from their government service.

**Chair Goicoechea:**

I agree. Clarification of a felony is appropriate. It is not fair for somebody with a minor conviction to have their retirement plan taken away. A felon would get his or her contributions back, but it is not equal to receiving the benefit.

**Priscilla Maloney (American Federation of State, County and Municipal Employees, Retiree Chapter):**

I need to correct the record. We did have a meeting with our coalition partners. Perhaps Mr. McAllister is speaking for the active chapter of the American Federation of State, County and Municipal Employees (AFSCME) Local 4041, but I speak today in opposition for the Retiree Chapter of Local 4041.

We always start AFSCME retirees from the position that PERS is a sound system. I submitted the 2009 legislative history ([Exhibit F](#)) which covers some of the changes made as a result of S.B. No. 427 of the 75th Session. Some of those changes are replicated in this bill. In response to Senator Atkinson's point, yes, we are creating yet another tier with all the attendant problems.

Even though this does not affect retirees, there is a provision cited in this bill, NRS 286.3007. Unlike our brothers and sisters who can collectively bargain, State employees have no protection from a reduction in force. Their only protection is subsection 3 of this statute that says if a State agency is required to reduce the number of employees, it shall purchase service credit pursuant to NRS 286.300; that section changes in this bill. It cannot be somebody who is 20 years old. You have to be eligible to purchase the credit, eligible to retire or be made eligible by the purchase of the credit, employed by the State for more than 5 years and agree to retire once this is done.

Historically, the reason this safety net is so important goes to 2012 when the Nevada State Prison closed and 200 corrections officers were in great danger of

a reduction in force. I am guessing that the Department of Administration looked at the cost of buying them out and positions were found across the State in other facilities, but this was a real threat in 2012. We do not have layoffs in the State often, but this is a safety net. We would like to work with the sponsor on a friendly amendment.

We oppose the bill because when we laid out all the PERS bills, we did not have the actuarial for information at the time. We need to take a board vote. The six bills that affect benefits in PERS—coordinating them, seeing how they do not conflict and where they align with each other—are a challenge for my board. Several board members are here who also oppose this bill. We are willing to work with the sponsor on the bill.

**Chair Goicoechea:**

I agree. The only way to maintain the systems is to keep the bills alive.

**Kevin Ranft (American Federation of State, County and Municipal Employees, Local 4041):**

We are neutral on S.B. 406. I echo the testimony of Mr. McAllister and Mr. Dreher. The State will have trouble retaining and attracting workers as a result of these PERS changes. That will have a gross negative impact. It has been stated that current employees will not be affected, but if there is a negative gross impact where the State cannot attract new employees, the actuarial will change and the active employee contribution rate will increase. I strongly support an amendment to maintain the 2.5 percent multiplier versus the 2.25 percent multiplier. I would like to meet with the sponsor to discuss these changes.

**Chair Goicoechea:**

All local governments will be affected by these changes as well.

**Carla Fells (Washoe County Employees Association):**

We oppose this bill. As Mr. McAllister testified, our concern with this bill is the elimination of buying eligibility. We often use that for buyout purposes because of a downturn in the economy. We lost over 100 employees in the last layoff and were able to purchase PERS time to get some of those employees to the 20- or 30-year mark for their eligibility and save jobs. We would like to retain the ability to purchase time for eligibility in the PERS system. When both spouses work for a local government, one can buy the eligibility to take care of

an ailing spouse. That is why we oppose this bill. There are good aspects of this bill, and we are willing to work with the sponsor.

**Mike Pilcher (Reno Firefighters Association):**

I oppose S.B. 406. I am speaking on behalf of a handful of my members who have children with disabilities such as autism, Down syndrome and severe physical disabilities. Some of their spouses cannot work because it takes full-time care. As a result, their medical bills are astronomical. One member is a single parent. We ask that you not lower the multiplier or increase the number of years required to work. They have confided in me recently that they come to work exhausted and leave work exhausted. They do not know how much longer they can go.

**Chair Goicoechea:**

This would not impact them; it would only affect new hires.

**Mr. Pilcher:**

I understand, but 1 out of every 100 children is born with autism. One recent retiree who retired in his 40s has been diagnosed with muscular dystrophy. Another is a former employee who was in a serious off-duty bicycle accident and paralyzed from the chest down. He would like the ability to get to 10 years; he does not know how his wife and children are going to make it. We would like an amendment which addresses our concerns.

**Senator Roberson:**

The multiplier does not affect police or firefighters. It does not affect current employees or future police and firefighters.

**Senator Atkinson:**

I do not understand the felony portion of this bill.

**Senator Roberson:**

I am open to working on that. I brought this, in part, to deal with the issue of cases such as Steven E. Jones, Eighth Judicial District Family Division judge in Clark County, who defrauded the public and looks to get a six-figure pension for the rest of his life. That makes taxpayers angry. I understand that all felonies are not created equal. I am happy to work with opponents to improve that language.

**Senator Atkinson:**

That is all I wanted.

**Marty Bibb (Retired Public Employees of Nevada):**

I oppose this bill. Nevada PERS is solvent. In 2009, we supported some of the changes Mr. McAllister cited which dealt with reduction of the multiplier and callback in spiking. Those helped keep PERS solvent. Though mentioned that this bill is a good start, we are concerned with the nearly 12 bills that deal with PERS, some of which make more draconian changes.

**Chair Goicoechea:**

We want to keep these bills in the process and hope the cream comes to the top.

**Senator Roberson:**

I have heard the concerns about portions of the bill. I am happy to work with the individuals who brought them up. With this bill, I intended to help preserve PERS in the long term. This bill will save PERS \$100 million every year in the long term. It will not affect current employees and the changes are reasonable for future employees.

**Chair Goicoechea:**

I will close the hearing on S.B. 406 and the Committee will now hear S.B. 325.

**SENATE BILL 325:** Revises provisions relating to state purchasing. (BDR 27-1024)

**Mark Hutchison (Lieutenant Governor):**

This bill addresses factors considered when the State puts out a contract. Statute requires that if you have a \$50,000 contract, you have to list the factors that are to be considered. This bill adds to those factors.

Section 1 of the bill adds as a factor the connection between the bidder and the State. The factors in evaluating the connection include: the amount of State or local taxes paid to the State by the bidder; the number of offices maintained in the State by the bidder; the number of persons employed by or contracting with the bidder in the State; and the amount of goods and commodities used by the bidder that are produced or manufactured in Nevada. This section also requires that if the agency, commission or committee awarding the contract weights the

factors outlined in the proposal, it must consider the best interest of the State. In doing so, it must give at least the same weight to the connection between the bidder and the State as the other factors.

Section 2 revises the factors considered to determine the lowest-responsible bidder for a contract or order of goods to contain similar provisions. This bill is effective upon passage for terms of preparing to implement the bill and for administrative tasks. Requiring that the connection between the State and the bidder be evaluated would not be effective until January 1, 2016.

The Purchasing Division and Department of Administration has a fiscal note. Senator Brower and I are trying to reduce the impact of the financial considerations without compromising the intent of the bill.

**Senator Lipparelli:**

I like the concept of this bill. Often State Purchasing's hands are tied, and this does the right thing by taking appropriate consideration for those that are invested in the State through hiring people and buying buildings. This will give flexibility to State Purchasing.

**Chair Goicoechea:**

I am concerned about the committee that will review and weight these proposals. That would be a yeoman's task. Given a number of contracts and purchasing agreements and arrangements, I do not know how a committee would ever get through it.

**Lieutenant Governor Hutchison:**

This bill does not require the balancing of factors already in statute. *Nevada Revised Statute* 333.335, subsection 3 says:

In making an award, the chief of the using agency, the Administrator of the Purchasing Division or each member of the committee, if a committee is established, shall consider and assign a score for each of the following factors for determining whether the proposal is in the best interests of the State of Nevada.

We are adding another factor. We are saying that the connection has to be given equal or greater weight to the other factors. The requirement for the balance of factors is already in statute.

**Senator Greg Brower (Senatorial District No. 15):**

Lieutenant Governor Hutchison is right. This bill merely adds one factor. When our State agencies go out to bid for consulting services and advertising services, a process already exists for them to do that under statute. Recent examples include an instance where a large Department of Public Safety (DPS) contract went through a company in Utah despite the fact the competing Nevada companies barely lost out in the scoring system that DPS used.

This bill would give Nevada companies a slight bump. We are not suggesting that anything less than the best-qualified bidder should win these State contracts. In talking with constituents and businesses around the State, the problem oftentimes is a virtual dead heat. The winner wins by such a small margin that it is clear any of the top three could do the work well, but because the scoring system does not give the Nevada bidders any advantage, the out-of-state bidder wins. The most recent example I can think of was the Commission on Tourism which awarded a \$20 million contract to an Ohio firm. I would like to think that had the Nevada bidders been given an advantage, that contract may have gone to a Nevada firm. Given the nature of that contract, it seems like a Nevada firm would be best-equipped to work on tourism. The goal of this bill is as close to perfect as it gets. The Lieutenant Governor and I stand ready to hear any and all suggestions from the Committee. We do not purport to have a perfect bill in terms of the mechanics, but we think the goal is pretty close.

**Kimberlee Tarter (Deputy Administrator, Purchasing Division, Department of Administration):**

Sections 1 and 2 of S.B. 325 require the connection be evaluated between the person submitting a proposal or bid and the State. In order to evaluate the connection, specific criteria are proposed. The person's submitted proposal or bid response has to identify his or her response to each of the proposed criteria, and these responses have to be verified and validated before the committee ranks them. I submitted written testimony ([Exhibit G](#)).

**Senator Hardy:**

It still goes to the original lowest-responsible bidder. Having the bidder responsible for providing all the necessary things on the first bid application—the connection of taxes, goods, buildings and persons—would shorten the staff time spent. However, 148 times 6 is still 148 times 6.

**Ms. Tarter:**

When you are dealing with the commodities and lowest-responsible bidder, there is no way of applying that connection because you can only do that numerically. For example, service-disabled local veterans can affect the outcome of a lowest-responsible bids because they receive a 5 percent preference. This preference applies to their lowest bids and determines if that caused their costs to be considered lower. The connection is not a way of doing that.

My other concern with the connection mechanics is if I have a company bidding that pays \$10,000 in taxes, employs 5 people and has a 150-square-foot leased building compared to another company bidding that requests the connection, pays \$50,000 in taxes, has 100 employees, owns one building and provides products from Nevada. How do I tell which one is more connected to the State? As I pointed out, the language disparity requires you to meet all four elements to get the contract, but not all request for proposals (RFPs) have goods involved, some bids are merely for services, such as consulting contracts.

**Chair Goicoechea:**

To your last scenario, if one bidder is paying \$10,000 in taxes and has 5 employees and another is paying \$50,000 and has 100 employees, it is pretty clear which one would be weighted higher.

**Senator Brower:**

We did not think the State would be opposed to this. Everything we heard from the State with respect to why this might be difficult could also be applied to existing criterion in NRS 333.335, subsection 3, paragraph (a), which is, "the experience and financial stability of the person submitting the proposal." How is that evaluated?

**Senator Lipparelli:**

I read the bill to mean that it is a threshold offer on situation. You either have these elements which puts you *pari passu* to the other bidders or you do not. The Purchasing Department would say whether you get the preference, then the other determining factors, such as lowest-responsible bidder, are considered to determine who gets the contract. We need to reconcile whether it is a threshold qualification or it is a matter of degrees of advantage.

**Chair Goicoechea:**

It clearly says the number of buildings and persons. I am assuming all that changes the weighting.

**Ms. Tarter:**

You are talking about two separate processes—one for services and one for goods. The process for goods is low bid, and there is no consideration. You could consider if they have a connection. I have ten proposals submitted for widgets; the low-bid widget is \$5, the next is \$6 and the next is \$8. The \$5 widget has no Nevada connection, while the \$6 widgets and \$8 widgets do. Because it is a low-cost bid, nothing subjective applies. There is no means for me to acknowledge that connection in any way that would influence that proposal to the lowest bid.

When you go into the solicitation site for an RFP, the lowest-responsible bid is not a factor. The RFP is evaluated on criteria established in statute; it is predetermined, as this is proposed to be, and assigned a weight prior to the issuance of the solicitation. Then the evaluation committee considers all the proposals based on that criteria. To an extent, the process becomes subjective because it is the evaluation committee's opinion of the information presented to them as to how competent Vendor A and Vendor B are. They may score Vendor A as 6 and Vendor B as 10. This bill will create more opportunity for vendors to protest. The committee will have to score that Nevada connection. There is also the possibility that the vendor will falsify information about its Nevada connection.

Once the contract is awarded, the vendors can file a protest. Because it is a transparent process, all information is subject to scrutiny. It is easier to defend against protests when vendors claim to be more competent than when they claim to have a stronger Nevada connection because the connection has four subjective elements. If all the bidders have a Nevada connection, how do we score them to give an advantage to the bidder with the strongest connection? There is also the potential that Nevada vendors will be penalized by other states when they bid out of state.

**Senator Brower:**

We were not considering how this bill would affect bids for goods. If it is too complicated to apply to the purchase of goods, we will scrap section 2 from the bill. We are more concerned with services.

The criterion in NRS 333.335, subsection 3, paragraph (a) is "the experience and financial stability of the person submitting the proposal." That is a subjective criterion. If the committees can evaluate that criterion, then they can evaluate the proposed new criterion in S.B. 325, section 1, subsection 4, paragraph (d) which is the Nevada connection that is also subjective. I am not concerned about the potential for bid protests, that comes with the territory. I am also not concerned with other states doing the same thing. I cannot fathom why Ohio would want to hire a Nevada firm to do commission on tourism advertising.

We can work around all of these issues.

**Lieutenant Governor Hutchison:**

We can take the portion that applies to goods out of the bill. I disagree that this is a subjective determination. The connection between the person submitting the proposal and the State is based on the amount of taxes paid, the number of buildings in the State, the number of persons who are employed and the amounts of goods or commodities manufactured in the State that the business uses. Those are more concrete criteria than the experience and financial stability of a bidder. You can add up the criteria for the Nevada connection, but you cannot add up the experience and financial stability. If there is a problem with verification, statute already prohibits a person from submitting false information in the bidding process, and the penalty is jail.

**Senator Atkinson:**

Is there a way to legally separate goods and services?

**Ms. Tarter:**

They are separated under statute. There are two distinct and discrete processes, one for goods and one for services or services with goods. For pure goods, the bidding process is based on the lowest bid. The process for services is based on the evaluation of various factors by a committee of individuals with unique expertise in that arena.

**Senator Atkinson:**

Is there a threshold? For instance, for local government, it has to be over a certain amount to go out for bid. Does that apply to this?

**Ms. Tarter:**

With the services or services with goods, an RFP is not issued by a State agency until the contract is estimated to be \$25,000 or more per fiscal year. Every contract that the State issues that is \$25,000 or more falls within this process.

**Senator Atkinson:**

I thought so. That \$25,000 threshold is a State requirement.

**Ms. Tarter:**

That does not apply to local governments. Local governments do not have anything in their statutes specific to the request for proposal process we use for services. Only the State does that.

**Senator Brower:**

This goal is as close to perfect as possible. We can make this work, and we are willing to make changes to the language.

**Chair Goicoechea:**

We will close the hearing on S.B. 325 and open the hearing on S.B. 479.

**SENATE BILL 479:** Revises provisions relating to the termination of certain redevelopment plans. (BDR 22-1112)

**Brian McAnallen (City of Las Vegas):**

Assembly Bill No. 50 of the 77th Session was the City of Las Vegas's Redevelopment Agency (RDA) bill. The bill was an extension of our Redevelopment Area 1 and an addition of Redevelopment Area 2. That bill passed and now S.B. 479 is a technical correction.

**William Arent (Director, Economic and Urban Development Department, City of Las Vegas):**

I support S.B. 479. This bill is a technical fix to statute. Section 1, subsection 2, paragraph (a) of the bill changes a threshold requirement from an individual project undertaken by the Redevelopment Agency to all the redevelopment projects in the aggregate for a redevelopment tax district. A technical flaw in A.B. No. 50 of the 77th Session concerns an undertaking that does not meet the specific requirement because it is difficult to look at project by project and parcel by parcel, mapping projects between 1986 and now.

Parcels change, and the definition of a project is broad in the redevelopment statute. This technical change fixes the statute and matches the spirit and intent of the bill from last Session. We want to strike NRS 279.438, section 1, subsection 2, paragraph (c) which was a threshold requirement. We have lowered our debt threshold, and this was the secondary requirement in statute.

**Chair Goicoechea:**

Are you going to aggregate the assessed value of all redevelopment projects across the City?

**Mr. Arent:**

Yes, we will aggregate the assessed value of the redevelopment projects in each tax district. If the value overall has not gone up over time, then arguably, redevelopment is not working. We want to reverse the decline of property values. If property values in the district have declined, then we would conclude that redevelopment is not working. It is a fundamental requirement. It would reward well-managed redevelopment districts by giving them flexibility. That was the purpose of A.B. No. 50 of the 77th Session.

**Chair Goicoechea:**

You are aggregating all the redevelopment districts. Will the good ones be penalized for poor performance because of the ones that are not performing well?

**Mr. Arent:**

Our original redevelopment tax district for the Las Vegas RDA created in 1986 had an assessed valuation of \$398 million. It has gone up almost threefold. The redevelopment districts for the Las Vegas RDA have gone up in aggregate over time. If there is investment in that area, unless property values are appreciating rapidly, it shows investment in the area and values going up, so redevelopment is performing well. The bill would only apply to districts that show a large decrease in value. If the value decreased since 1986 to below \$398 million, then we would not qualify under this bill. This will benefit well-managed RDAs.

**Mr. McAnallen:**

The Las Vegas Metro Chamber of Commerce supports this bill. This applies specifically to the City of Las Vegas.

**Chair Goicoechea:**

Is there any testimony in opposition to S.B. 479?

**Yolanda King (Clark County):**

What is meant by a redevelopment area? Within a city, there may be more than one redevelopment area. There is an ordinance passed by cities to designate a redevelopment area. There may be multiple redevelopment areas within a city. When we talk about aggregate, we are not talking about combining the assessed valuations for all of the redevelopment areas, but just for a specific area or taxing district. If this is to combine the assessed valuations for all of the redevelopment areas within a city, then we would have a concern.

**Chair Goicoechea:**

Mr. Arent, could you address that? It looks to me like it is an aggregate of all redevelopment districts.

**Mr. Arent:**

It is written as redevelopment area. We have redevelopment tax districts. Now, for Las Vegas, we have tax districts 203, 204, 207, 212 and 213. We have a few redevelopment plan areas. You are correct, Mr. Chair, the approach taken in the bill is to aggregate all the areas that are combined in tax districts. We could do it by tax district as well. The challenge with that is when the agency issues debt, we pledge revenue from all tax districts within our redevelopment area. We have existing debt which we issued in 2009, and the revenue from all those past districts incorporated into redevelopment over the years is pledged to support that debt. It is difficult to break it out tax district by tax district. To answer your question, Mr. Chair, your interpretation is correct. That is the best and simplest way to do it financially. The intent of the bill is to give us some operating flexibility as we work to not issue more debt but restructure some of our existing debt.

**Ms. King:**

This would not limit the assessed valuations by taxing district; it would take the assessed valuations for all taxing districts and combine them. For the record,

I understand the issues that redevelopment agencies are having today with regard to the assessed valuations. I understand that there is a struggle with these redevelopment agencies because the tax revenues that were anticipated are not coming in as was

originally thought to come in before the recession. So the problem really lies with the assessed valuations. As long as we have property tax caps in place—these redevelopment agencies just with any other district or taxing entity—it's only going to grow by so much because the premise of a redevelopment agency is to come into blighted areas and to improve those areas. The thought is that the improvement of those areas will increase, or the properties will appreciate in value. So, as your properties are appreciating in value, and yes, if the values are growing, it still doesn't help a redevelopment agency because it's going to be capped by the amount of property tax revenue that can be received. So your value can just, I mean you can have 100 percent increase, 50 per ... Whatever the increase is, it's still going to be capped by the property tax caps, and so therein lies the issues with these redevelopment agencies not collecting the amount of money that is anticipated. And making tweaks to the statutes with regard to these assessed valuations is also not going to help by that much because you have the property tax caps in place.

**Senator Hardy:**

Does that mean Clark County would like to do this too?

**Ms. King:**

We do not have any redevelopment agencies. We did away with them during the Great Recession because redevelopment agencies divert property tax revenue from all the taxing entities. The first large taxing entity that it diverts revenue from is the Clark County School District. It diverts any incremental money collected in that district from the School District coffers and puts it toward redevelopment agencies; the second large taxing entity is Clark County to which I always have a concern because we are diverting these tax dollars from County coffers to the redevelopment agency. During the Great Recession, we had the redevelopment agencies, but we dissolved them in an effort to receive additional revenues. We do not wish to resurrect those agencies.

**Senator Hardy:**

I understand why you are opposed.

**Chair Goicoechea:**

What would earn your support of this bill? I do not know if there is a resolution to this. It seems like the Committee is at an impasse. Clark County is not in agreement with the City of Las Vegas.

**Mr. McAnallen:**

We will work with Clark County.

**Chair Goicoechea:**

I will close the hearing on S.B. 479 and hear S.B. 480.

**SENATE BILL 480:** Revises the membership of the county fair and recreation board in certain counties. (BDR 20-1113)

**Greg Ferraro (Nevada Resort Association):**

We approached Chair Goicoechea to ask for a committee bill to address an issue that has been on the community's mind for some time in Washoe County. It is a Washoe County-specific bill in that it addresses the reduction of the Reno-Sparks Convention and Visitors Authority (RSCVA). This bill is a placeholder because at the time the requirement to submit language was upon us, we had only gotten so far. We are also submitting a comprehensive amendment to S.B. 480 ([Exhibit H](#)).

Under NRS 244A, we are talking about fair and recreation boards in Washoe County with the population threshold requirement. Washoe County has 2 members on the 13-member RSCVA. We have been working with them on this subject, and they have agreed to reduce their membership by one seat. They voted last week in a County Commission meeting to support this proposal.

The next change is to reduce the City of Reno's membership on this board from two seats to one seat. They voted to do this last week. We have discussed this with The Chamber. As a result of our continued talks, they have agreed to reduce their membership from two to one.

We are also proposing to slightly change the representative of that organization to a member who is a representative of commercial interests or interests related to tourism. I would like to change the order of the words in subsection 1, paragraph (d), subparagraph (1) of the amendment to: " ... commercial interests or interests related to tourism or a representative of a resort hotel business ... ."

I also suggest that the motel operator's seat be eliminated. In a new subsection 5 of the amendment, we are proposing to elect the chair of the RSCVA from one of the three elected seats. Either the City of Reno, City of Sparks or Washoe County member would serve as chair.

**Chair Goicoechea:**

Senator Lipparelli always wants to downsize boards.

**Senator Lipparelli:**

Mr. Ferraro had me at "reduce."

**Mr. Abney:**

We support the amended version of this bill. I report to 24 board members, so I can understand making a board more efficient. We want The Chamber to keep a seat on the board and to appoint any type of business, even a general business. Tourists do not just go to casinos, they shop and eat too.

**Scott Gilles (City of Reno):**

We support this bill with the amendment.

**Liane Lee (Washoe County):**

We support the bill with the amendment. It would make the county fair and recreation board more efficient, streamlined, responsible and flexible.

**Samuel P. McMullen (Reno-Sparks Convention and Visitors Authority):**

This bill would directly affect the RSCVA. The Board voted for this change. We support it.

**Michael Alonso (Caesars Entertainment; Peppermill Casinos, Inc.):**

We support the bill with the amendment for the reasons Mr. Ferraro gave.

**Chair Goicoechea:**

I will close the hearing on S.B. 480 and open the hearing on S.B. 29.

**SENATE BILL 29:** Grants power to a board of county commissioners to perform certain acts which are not prohibited or limited by statute. (BDR 20-465)

**Dagny Stapleton (Deputy Director, Nevada Association of Counties):**

Proposed Amendment 9918 to S.B. 29 ([Exhibit I](#)) has the same language as S.B. 11, except it only applies to county governments.

**SENATE BILL 11**: Grants power to local governments to perform certain acts or duties which are not prohibited or limited by statute. (BDR 20-284)

Sections 1 through 6 of S.B. 29 grant limited functional home rule to counties which is only additional administrative authority. These sections outline the limitations to that power and require counties to adopt ordinances if they wish to exercise any of this additional authority.

Section 7 outlines further specific limitations, including limitations that clarify that this bill only grants functional home rule. It neither grants fiscal home rule to counties nor allows them to raise taxes or fees unless enabled to do so by the State.

Section 7 of Proposed Amendment 9918 was debated when S.B. 11 was heard. The changes reflect extensive work between local government representatives and representatives of the business community. Section 7, subsection 2, paragraph (a) states that a county may not use its new authority to impose fees. The county may only impose those fees or service charges already authorized. Section 7, subsection 2, paragraph (a) limits any new authority granted to counties in the area of business regulations, specifically conduct regulated by a State or federal agency. This limitation includes the caveat that counties will retain existing authority to regulate business under implied or incidental powers granted in statute.

**Paul J. Enos (Nevada Trucking Association):**

We are neutral on S.B. 29. We have agreed to language in section 7, subsection 2. It gives us some protection to make sure that if there are new regulations on business at a local government level, we will come back here to have a conversation.

**Senator Atkinson:**

I know you were opposed to S.B. 11. Can you tell me why you are neutral on S.B. 29?

**Mr. Enos:**

Senate Bill 11 gave broad powers to local government to regulate businesses in areas not already regulated or where the State or the federal government already had substantial regulations in place. We were worried that there would be a patchwork of laws and regulations to deal with in 35 different jurisdictions. This language gives us enough protection. We are not taking away any powers those local governments have to regulate business, and we will not compete with dueling regulations which may conflict with the State or the federal government.

**Senator Atkinson:**

Thank you.

**Chair Goicoechea:**

It is hard to ignore the Assembly version of this bill. Having worked with legal counsel on S.B. 29, we ran into some conflicts as far as what general law cities could do under statute in their charters, and it did not seem to meld. This is the best way to move forward; we can deal with general law cities in NRS 266.

I will close the hearing on S.B. 29 and open the hearing on S.B. 482.

**SENATE BILL 482:** Makes various changes relating to elected county officers.  
(BDR 20-1117)

**Jeff Fontaine (Executive Director, Nevada Association of Counties):**

We support S.B. 482. The Nevada Constitution requires that the Legislature set the salaries for county-elected officials. There has not been much consistency in who proposes the salaries, the length of time between adjustments or the time period they will cover. The last county-elected salary pay bill in 2007 included increases for fiscal years 2010 and 2011. This bill is prospective. It provides a 3 percent increase for elected county officials for each of the next 4 years. There is an opt-out provision for any county-elected official who is entitled to receive that increase.

**Chair Goicoechea:**

This just applies a simple percentage. There are counties in trouble. This would give elected officials in those counties the opportunity to opt out. Some counties are decreasing employees' salaries and staff. State employees are

working for less money than they were in 2007. It is only fair for some elected officials to decline a raise.

**Senator Lipparelli:**

The language in the bill shows the respective fiscal years beginning in 2007 and ending in 2011. Have those rates been the same since 2011?

**Mark Jackson (Nevada District Attorneys Association):**

Yes. There have been no increases in salaries for elected officials in the last 4 fiscal years.

**Senator Lipparelli:**

It is a serious consideration that these be passed without giving the same consideration for the employees who ... we are not out of this Legislative Session yet, and they may still sustain the same cuts in their pay they have been sustaining since that time.

**Mr. Jackson:**

On behalf of the 17 elected district attorneys across the State, we support this bill. I understand your concerns. I want to make a statement for the record.

The elected officials throughout this State are underpaid in comparison with other employees within their respective offices. There is a systemic issue associated with these inequities; in most instances it is around 30 percent, which is a difference in pay which is pretty significant, and it just doesn't exist in a lot of other forms of government and definitely would never exist in the private sector. But, realizing the pay cuts that officials have taken and county employees have taken and with respect to the new or additional language about the opting out, I can tell you that in Douglas County when the employees took a 5 percent pay cut, I voluntarily took a 5 percent pay cut. The following year when they took a 4 percent pay cut, I voluntarily took a 4 percent pay cut. It was my opinion at that time, even in the absence of legislation, that I could do that. However, this would in fact definitely help—in the event that we do have another fiscal crisis within our County—that I could opt out under those provisions. Thank you.

**Tammi Davis (Association of County Treasurers of Nevada):**

On behalf of the County Treasurers of Nevada, we support this bill for the reasons Mr. Jackson gave. The elected officials in Washoe County also matched our staff's pay cuts. But we need to attract qualified candidates to these jobs, so if the salaries are stagnant, that will become difficult.

**Bob Roshak (Nevada Sheriffs' and Chiefs' Association):**

We support this bill. Some elected sheriffs who recognize the issues occurring in their counties will probably not be seeking raises.

**Eric Spratley (Lieutenant, Washoe Sheriff's Office):**

I am representing Sheriff Chuck Allen. We support this bill.

**Dave Dawley (Nevada Assessors Association):**

We are finding some disparity with the last election in Washoe County. The Washoe County Assessor lost his race, but the new assessor hired him to be the chief deputy because of his expertise. Now he makes more money than he would have as assessor. Carson City and Douglas County recently did studies on employee salaries. With salary increases, they will make more than the elected officials. We support this bill.

**Jen Chapman (Recorders' Association of Nevada):**

We support this bill. We give our employees—but not elected officials—COLA increases. The opt-out provision is a good compromise.

**Larry Burtness (Recorder, Washoe County):**

I support this bill and echo the comments already made.

**Chair Goicoechea:**

I wrote county budgets for 16 years, and I hate to be conservative. It is not right that this body gives you guys this raise.

Senate Committee on Government Affairs  
April 1, 2015  
Page 34

**Chair Goicoechea:**

The meeting is adjourned at 3:24 p.m.

RESPECTFULLY SUBMITTED:

---

Nate Hauger,  
Committee Secretary

APPROVED BY:

---

Senator Pete Goicoechea, Chair

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

<b>EXHIBIT SUMMARY</b>				
<b>Bill</b>	<b>Exhibit</b>		<b>Witness or Agency</b>	<b>Description</b>
	A	2		Agenda
	B	12		Attendance Roster
S.B. 406	C	2	Nevada State Education Association	Proposed Amendment
S.B. 406	D	1	Ben Graham	Written Testimony
S.B. 406	E	2	Clark County School District	Proposed Amendment
S.B. 406	F	1	Nevada Retiree Chapter 4041; American Federation of State, County and Municipal Employees	2009 Legislative History Document Links
S.B. 325	G	3	Kimberlee Tarter	Written Testimony
S.B. 480	H	2	Nevada Resort Association	Proposed Amendment
S.B. 29	I	3	Dagny Stapleton	Proposed Amendment 9918