# ASSEMBLY JOINT RESOLUTION NO. 6-ASSEMBLYMAN ELLIOT ANDERSON

## Prefiled February 13, 2017

Referred to Committee on Legislative Operations and Elections

SUMMARY—Proposes to amend the Nevada Constitution to abolish the Office of State Controller and the Office of State Treasurer. (BDR C-67)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

EXPLANATION - Matter in bolded italics is new; matter between brackets fomitted material; is material to be omitted.

ASSEMBLY JOINT RESOLUTION—Proposing to amend the Nevada Constitution to abolish the Office of State Controller and the Office of State Treasurer and transfer their duties to the Executive Branch of State Government.

#### **Legislative Counsel's Digest:**

The Nevada Constitution provides for three branches of State Government—the Legislative, Executive and Judicial. (Nev. Const. Art. 3, § 1) In addition to the Governor, there are five independently elected constitutional officers that are part of the Executive Branch of State Government: an Attorney General, a Lieutenant Governor, a State Controller, a Secretary of State and a State Treasurer. (Nev. Const. Art. 5, §§ 17, 19-21) The Nevada Constitution authorizes the Legislature to prescribe by statute the duties of the Attorney General, State Controller, Secretary of State and State Treasurer. (Nev. Const. Art. 5, § 22)

Existing law requires the State Controller to manage the State's accounting practices and fiscal audits, settle certain claims against the State and oversee the collection of debts. (NRS 227.140-227.170, 227.230, 227.240) The State Treasurer issues payments and state bonds, manages investments and administers the Nevada College Savings Trust Fund, the Nevada Higher Education Prepaid Tuition Trust Fund and the Governor Guinn Millennium Scholarship Program. (NRS 226.110, 353B.150, 353B.350, 396.926) The State Treasurer also oversees unclaimed property in the custody of the State. (NRS 226.110)

This resolution abolishes the Office of State Controller and the Office of State Treasurer, instead allowing the duties of those offices to be carried out by others within the Executive Branch of State Government. Each office, however, will continue to exist until the Legislature transfers the duties of that office. Once transferred the State Controller or State Treasurer may complete his or her term of office but may not be reelected.



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WHEREAS, The State Controller and State Treasurer in this State manage many of the accounts, investments, payments and fiscal administration of the State of Nevada; and

WHEREAS, These duties are essential to the stewardship of taxpayer resources and the general welfare of this State; and

WHEREAS, The duties of the State Controller and State Treasurer are ministerial and technical in nature, generally lacking the discretionary responsibilities customarily exercised by elected officials; and

WHEREAS, The functions performed by the State Controller and State Treasurer are similar to those currently performed by the Department of Administration and the Office of Finance in the Office of the Governor; and

WHEREAS, Abolishing the Office of State Controller and the Office of State Treasurer and allowing the duties of those positions to be carried out by others within the Executive Branch of State Government will improve the efficiency of the fiscal management of the State, reduce costs to taxpayers and reduce the overall size of State Government; now, therefore, be it

RESOLVED BY THE ASSEMBLY AND SENATE OF THE STATE OF NEVADA, JOINTLY, That Section 33A of Article 4 of the Nevada Constitution, if that section is agreed to and passed by the 2017 Legislature and approved and ratified by the voters at the 2018 General Election, be amended to read as follows:

- Sec. 33A. 1. The Legislature shall provide by law for a Citizens' Commission on Compensation for Certain Elected Officers.
- 2. The Commission must consist of seven members appointed by the Governor who have diverse personal and professional interests and reside in various geographical areas of this State of which:
- (a) One member has expertise in public compensation and is recommended by the Public Employees' Retirement Board or its successor organization;
- (b) One member represents a nonprofit public interest organization;
  - (c) One member represents the general public;
- (d) One member has experience with the operation of independent businesses in this State and is recommended by an organization which represents the interests of independent businesses in this State;
- (e) One member has experience with the operation of a retailer in this State and is recommended by an organization which represents the interests of retailers in this State; and



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- (f) Two members have experience as officers or members of a labor organization in this State and are recommended by a labor organization in this State.

  3 Fach member of the Commission must be a resident
  - 3. Each member of the Commission must be a resident of this State and must not be a state officer, public employee or lobbyist, or a parent, spouse, sibling, child or dependent relative of a state officer, public employee or lobbyist.
  - 4. Except as otherwise provided in this subsection, the term of office of each member of the Commission is 4 years. The Governor shall appoint three of the members first appointed by him or her for initial terms of 2 years. If a vacancy occurs, the Governor shall fill the vacancy for the unexpired term in the same manner as the original appointment, within 30 days after the vacancy occurs. A member of the Commission may not serve more than two terms.
  - 5. The Governor may remove a member of the Commission only for cause of incapacity, incompetence, neglect of duty, malfeasance in office or failure to meet a qualification set forth in subsection 3.
  - 6. The Commission shall elect a Chair from among its members. Except as otherwise provided in this section, the Commission shall adopt rules of procedure for the conduct of its hearings and any other procedural rules it deems necessary to carry out its duties. The affirmative vote of a majority of all the members appointed to the Commission is required to take action
    - 7. Members of the Commission are entitled to:
  - (a) The compensation provided by law for members of the Commission on Judicial Discipline who are not judicial officers; and
  - (b) The per diem allowance and travel expenses provided by law for state officers and employees generally.
    - 8. The Commission shall:
  - (a) Study the relationship of salaries and benefits to the duties of the members of the Legislature, the Governor, Lieutenant Governor, Secretary of State, [State Treasurer, State Controller,] Attorney General, justices of the Supreme Court, judges of the Court of Appeals and judges of the District Courts;
  - (b) Study the relationship of salaries to the duties of county commissioners, district attorneys, sheriffs, county clerks, county assessors, county recorders, county treasurers and public administrators;



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(c) Compare the salaries and benefits of the elected officers set forth in paragraph (a) to the salaries and benefits of persons who are employed by a public or private employer and who have similar qualifications as those elected officers and compare the salaries of the elected officers set forth in paragraph (b) to the salaries of persons who are employed by a public or private employer and who have similar qualifications as those elected officers;

(d) Fix the salaries and benefits of the elected officers set forth in paragraph (a) and fix the salaries of the elected officers set forth in paragraph (b); and

(e) Carry out any duties provided by the Legislature.

- 9. The Commission may increase, but not diminish, the salary and benefits of an elected officer set forth in paragraph (a) of subsection 8 during his or her term of office. Except for the initial schedule of salaries and benefits for elected officers filed pursuant to subsection 10, the Commission may not increase or decrease the salary of any elected officer by more than 15 percent of the salary of that elected officer provided in the immediately preceding schedule of salaries for elected officers. The Commission may exercise any powers conferred by the Legislature.
- 10. The Commission shall file its initial schedule of salaries and benefits for elected officers with the Secretary of State not later than January 1, 2019, and shall file a schedule of salaries and benefits not later than January 1 of each odd-numbered year thereafter. Each schedule of salaries and benefits is effective:
- (a) For members of the Legislature, for the period from the first Monday of February immediately following the January 1 that the schedule is due through the day before the first Monday of February of the next odd-numbered year; and
- (b) For all other elected officers set forth in paragraph (a) or (b) of subsection 8, for the period from July 1 immediately following the January 1 that the schedule is due through June 30 of the next odd-numbered year.

The Legislature shall provide by law for setting apart from each year's revenues a sufficient amount of money to pay such salaries and benefits.

11. Before the Commission may file a schedule of salaries and benefits with the Secretary of State, the Commission shall hold at least four meetings to receive public testimony on the schedule. At the last public hearing before the schedule is filed with the Secretary of State, the Commission shall adopt the schedule as originally proposed





or as amended. All meetings of the Commission are subject to the provisions of any open meeting laws made applicable generally to other public bodies.

12. The Legislative Counsel Bureau shall include in the Nevada Revised Statutes a copy of the most recent schedule of salaries and benefits established by the Commission and filed with the Secretary of State.

### And be it further

RESOLVED, That Section 19 of Article 5 of the Nevada Constitution be amended to read as follows:

- Sec. 19. 1. [A] Except as otherwise provided in subsection 3, a Secretary of State, a Treasurer, a Controller, and an Attorney General, shall be elected at the same time and places, and in the same manner as the Governor. The term of office of each shall be the same as is prescribed for the Governor.
- 2. Any elector shall be eligible to any of these offices, but no person may be elected to any of them more than twice, or more than once if he has previously held the office by election or appointment.
- 3. The Treasurer and the Controller must no longer be elected when the Legislature provides by law for the transfer of the duties of those offices to the Executive Branch of State Government. Until such a transfer of duties occurs, the Treasurer and Controller shall continue to carry out the duties of their respective offices, and once the duties are so transferred, the Treasurer and Controller must continue to carry out their terms of office but may not be reelected.

#### And be it further

RESOLVED, That Section 3 of Article 9 of the Nevada Constitution be amended to read as follows:

Sec. 3. The State may contract public debts; but such debts shall never, in the aggregate, exclusive of interest, exceed the sum of two per cent of the assessed valuation of the State, as shown by the reports of the county assessors to the State Controller [-] or to the person who assumes the duties of the Office of the State Controller pursuant to section 19 of Article 5, except for the purpose of defraying extraordinary expenses, as hereinafter mentioned. Every such debt shall be authorized by law for some purpose or purposes, to be distinctly specified therein; and every such law shall provide for levying an annual tax sufficient to pay the interest semiannually, and the principal within twenty years from the passage of such law, and shall specially appropriate the proceeds of said taxes to the payment of said principal and





interest; and such appropriation shall not be repealed nor the taxes postponed or diminished until the principal and interest of said debts shall have been wholly paid. Every contract of indebtedness entered into or assumed by or on behalf of the State, when all its debts and liabilities amount to said sum before mentioned, shall be void and of no effect, except in cases of money borrowed to repel invasion, suppress insurrection, defend the State in time of war, or, if hostilities be threatened, provide for the public defense.

The State, notwithstanding the foregoing limitations, may, pursuant to authority of the Legislature, make and enter into any and all contracts necessary, expedient or advisable for the protection and preservation of any of its property or natural resources, or for the purposes of obtaining the benefits thereof, however arising and whether arising by or through any undertaking or project of the United States or by or through any treaty or compact between the states, or otherwise. The Legislature may from time to time make such appropriations as may be necessary to carry out the obligations of the State under such contracts, and shall levy such tax as may be necessary to pay the same or carry them into effect.

And be it further

RESOLVED, That Section 12 of Article 15 of the Nevada Constitution be amended to read as follows:

[Sec:] Sec. 12. [The] Except as otherwise provided in section 19 of Article 5, the Governor, Secretary of State [, State Treasurer, State Controller,] and Clerk of the Supreme Court, shall keep their respective offices at the seat of Government.





