

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eightieth Session
April 16, 2019**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 8:41 a.m. on Tuesday, April 16, 2019, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 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/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chair
Assemblyman William McCurdy II, Vice Chair
Assemblyman Alex Assefa
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Richard Carrillo
Assemblywoman Bea Duran
Assemblyman John Ellison
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblywoman Melissa Hardy
Assemblyman Glen Leavitt
Assemblywoman Susie Martinez
Assemblywoman Connie Munk
Assemblyman Greg Smith

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Asher Killian, Committee Counsel
Connie Jo Smith, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Julie W. Regan, External Affairs Chief and Deputy Director, Tahoe Regional Planning Agency
Christopher Keillor, Finance Director, Tahoe Regional Planning Agency
Zach Conine, State Treasurer

Chair Flores:

[Roll was taken, and Committee rules and protocol were explained.] Committee members, I anticipate this week moving rather quickly through this Committee. I think some of the bills this week are not too controversial and everything that is coming now has been vetted at least once. That does not mean that we do not have a responsibility to go through a very strong vetting process ourselves, but it does mean that because our colleagues from the other side have had an opportunity to do it, it should be faster.

We have two items on the agenda this morning. We will begin with Senate Bill 54.

Senate Bill 54: Revises provisions governing the annual reporting requirements of the Tahoe Regional Planning Agency. (BDR 22-205)

Julie W. Regan, External Affairs Chief and Deputy Director, Tahoe Regional Planning Agency:

I will be providing brief testimony together with Christopher Keillor, our finance director. We appreciate the opportunity to speak to you. This is largely an administrative matter, but in terms of context and introduction, the purpose of this bill stems from the unique nature of our agency. I know many of you are familiar with the Tahoe Regional Planning Agency (TRPA), but as a refresher, we were formed by an interstate compact with California and Nevada which is coming up on its fiftieth anniversary. In December 1969, President Nixon signed the original compact that formed our organization. We are very unique in the United States. There are more than 100 interstate compacts, but none are structured the way we are in Tahoe. We like to think we are special at the Lake. We come to you from a very snowy place this morning. Thank goodness the drought is technically over, and it is still snowing at Lake Tahoe.

What we are requesting for your consideration is a change in the date of a report that we file annually on our budget—our audited financial statements—so that it coincides with other reporting requirements of our 15-member independent governing board and the state of

California. Christopher Keillor will go over the specifics of that request and, again, thank you. We look forward to any questions you may have.

Christopher Keillor, Finance Director, Tahoe Regional Planning Agency:

This requirement was added six years ago in the 2013 Session, and we have been meeting our deadlines each time, but we found some little changes that need to be made in the statutes. There is no intent anywhere in here to diminish or reduce the reporting requirements. The main thing Ms. Regan spoke to is that we are asking for a postponement in the date from January 31 to February 28. In addition to this report, TRPA produces a regular annual report with much more detail and more performance metrics. For technical reasons, it is not possible for us to produce that report by the January 31 deadline, but we have always managed to produce it by the end of February. By postponing the due date of this report by 30 days, we can consolidate the two reports into a single, more comprehensive report than the one we have already been providing.

There are a couple of other smaller changes in this bill. One would be to specify that the financial data in this reporting requirement be on a fiscal year basis. The Tahoe Regional Planning Agency uses the same fiscal year as the state of Nevada, beginning on July 1. The intent of the reporting was to report on appropriated funds, so in order to match up with appropriated funds, this report should be done on a fiscal year basis. That will also allow it to correlate with the audited financial statements, which are included as a requirement in the report.

The final change in this reporting would be to incorporate the larger annual report I was discussing as part of this annual reporting requirement. That is a summary of the bill, and we would be happy to answer any questions you might have.

Chair Flores:

I appreciate that very quick, succinct presentation. I think you hit all the points. Committee members, are there any questions? [There were none.] Is there anyone who would like to speak in support of Senate Bill 54? [There was no one.] I would like to invite forward anyone wishing to speak in opposition to Senate Bill 54. [There was no one.] Is there anyone who would like to speak in the neutral position to Senate Bill 54? [There was no one.] Do you have any closing remarks? [There were none.] I will close the hearing on Senate Bill 54 and open the hearing on Senate Bill 75.

We are in recess [at 8:46 a.m.].

[The meeting reconvened at 8:49 a.m.]

Chair Flores:

Thank you, Mr. State Treasurer, for being with us this morning. We will reopen the hearing on Senate Bill 75.

Senate Bill 75: Establishes the procedure for pursuing the redemption of unclaimed United States savings bonds by the State Treasurer. (BDR 10-478)

Zach Conine, State Treasurer:

It is my pleasure to be here this morning to present Senate Bill 75. Simply put, S.B. 75 creates a procedure by which the Office of the State Treasurer's unclaimed property program can take title to unclaimed U.S. savings bonds from the U.S. Treasury to reunite Nevadans with their lost money. Pursuant to *Nevada Revised Statutes* (NRS) Chapter 120A, the State Treasurer serves as the Administrator of Unclaimed Property. In that role, the office takes custody of lost or abandoned property from businesses and works to reunite it with its rightful Nevada owners. When property cannot be reunited with its owner, it is held in trust in perpetuity. To date, the State Treasurer's Office is holding \$413,000 in unclaimed U.S. savings bonds which primarily come from abandoned safety deposit boxes. According to the federal government, approximately \$26 billion in U.S. savings bonds nationwide are unclaimed or abandoned, with Nevadans due a percentage. In order for the State Treasurer's Office to properly locate and notify Nevadans of their missing U.S. savings bonds, Nevada first must be able to take legal title of them from the federal government.

Senate Bill 75 allows for this process by providing that after three years, any outstanding U.S. savings bond held by the state escheats to the state. Senate Bill 75 would allow the state to commence a civil action to gain legal title to those bonds, as well as any other outstanding mature bonds due residents in Nevada held by the federal government. Currently, no federal program exists whereby owners of unclaimed U.S. savings bonds are located and reunited with their missing money. I should note that Nevadans who have U.S. savings bonds but have no means of cashing them, whether because of inheritance or other circumstances, frequently reach out to Nevada Unclaimed Property, expressing their frustration with the U.S. Department of the Treasury and the lack of any resources available to redeem their bonds.

Nationally, approximately 21 states have adopted similar legislation with one state bill pending in Maine. In 2000, Kansas was the first state to implement similar legislation and successfully take the title of their bonds in possession. If passed, S.B. 75 would allow Nevadans that same opportunity to recover their missing money.

That concludes my presentation, and I would be happy to answer any questions you may have.

Assemblyman Leavitt:

Are you going to be seeking out bonds beyond those that people come to you and ask you to do? If you are seeking out bonds that no one is requesting that you do so, if there is no recipient of those bonds—say the person is deceased or missing in some way, shape, or form—what do you do with those bonds at that point?

Zach Conine:

Right now, there are three types of savings bonds. The first type are bonds we physically have in possession. For example, bonds from a safety deposit box no one has claimed. The bonds get turned in, and those are stored in an actual banker's box in Las Vegas in the vault. We cannot do anything with them because we cannot convert them into cash; we cannot put them in the system; they cannot be recovered by their rightful owners; so they literally sit in a box.

The second type of bonds are the ones that folks have—perhaps their parent passed away leaving a savings bond with their name on it, but the U.S. Treasury will not recognize the family's holding to it, so they come to us to try and get it redeemed. They have the same problem we do in that circumstance. It sits in a box and nothing can happen with it.

The third type are bonds that either were sold to Nevadans, sold to Nevadans on behalf of Nevadans, or sold to Nevadans on behalf of someone else, someone say in Kansas. Those bonds exist in the federal treasury. Those dollars cannot come back to the state. This bill would allow us, potentially, to join a number of other states suing the federal government to say, That is Nevada property. Once we get it back, we can put it in the unclaimed property system. Say, for instance, my grandfather had a savings bond and passed away—it would work like unclaimed property does now where it goes to the beneficiaries of that account whether or not it is natural issue or through a will or trust or anything else. This bill allows us to get it into the system, which gives us a much better chance of reuniting it with the actual owner.

Assemblyman Leavitt:

The second part of my question is, what happens if there is a bond that you are able to cash out through the U.S. Treasury, but there is no recipient, no beneficiary, no one available? Where does that money go at that point?

Zach Conine:

The same thing that happens with any unclaimed property. The property would go in under the name of the original recipient, and it would sit there in perpetuity until someone came forward to claim it. The cash would revert to the Abandoned Property Trust Account, just like all other cash that comes into the system for the general welfare, up until the point that someone claims it.

Assemblywoman Bilbray-Axelrod:

I think this bill is important. I am curious, because when my daughter, who is now 12 years old, received some savings bonds at her birth, we were asked for her social security number, so there is some sort of record that the savings bond exists. Are we talking about physical copies that you might find, or are we talking about other such things that might exist that people do not have physical copies of?

Zach Conine:

Both, and that is a great question because we think the bonds in possession, the \$413,000, is the tip of the iceberg. The U.S. Treasury retains records of everyone a savings bond was sold to. They have been unwilling to share those records with any state. There are civil actions happening in other states to retrieve those records in order to reunite property. This bill gives us the ability to start that process.

Assemblywoman Bilbray-Axelrod:

For folks who may have misplaced their bond over the years, this bill could actually help connect them with the money that is rightfully theirs. Is that correct?

Zach Conine:

Yes, absolutely.

Assemblyman Carrillo:

The bonds right now, if they go unclaimed and if this bill were to pass, where would those monies go? Does the money go into the State General Fund? Where does the state see that money going?

Zach Conine:

Right now, unclaimed property dollars flow into the state. They are then returned to as many owners as show up within that calendar year. The first \$7.6 million of that money goes to the Millennium Scholarship Trust Fund that was created in 2011 [by NRS 396.926]. Then we pay administrative expenses for the department. The rest of it eventually reverts to the General Fund under the current structure.

Assemblyman Carrillo:

I know you have been doing that probably since the inception of the State Treasurer's Office. Is there a current database where somebody can go online and find this information, or do they have to go to the State Treasurer's Office and give their information? Is there a laundry list of people who are currently out there, and he or she can pull up his or her own name? I am sure there is more than one Richard Carrillo who lives in Nevada. A lot of people do not know about the process. Can you touch on that?

Zach Conine:

Yes, there is a massive database online. We are holding about \$830 million, the perpetual hold of that money, and that database is publicly available. You can go to our website at nevadatreasurer.gov, click the "Unclaimed Property" tab, and then you can search. To the extent that there are ten John Smiths, it shows addresses and other information, enough information about the property to be able to determine whether or not it is yours. We have an exceptionally robust process on our end to confirm that the property that people are claiming is actually their property. Larger amounts take longer; there are more checks. Smaller amounts go through our fast track process. Our current average is about 22 days.

Assemblyman Carrillo:

I am going to say that as soon as you gave out that website, everybody started clicking on their keyboard. Everybody is looking to see if they have some money out there.

Zach Conine:

We have already done this for all of you.

Chair Flores:

You found out though, some of us actually owed money, right?

Assemblyman Ellison:

I am looking under section 1, subsection 1, paragraph (b), and it says, "Is unclaimed pursuant to the provision of subsection 3 of NRS 120A.500 for 3 years after the date of maturity." With savings bonds, most people buy them and they just leave them in a box for years and years—my wife included. Would this cancel out the bonds at that point in time?

Zach Conine:

This would work like any other piece of commercial paperwork as it relates to unclaimed property. Say you had a paycheck in a drawer from three years ago, and it had no language on the paycheck that said it expired after a certain amount of time. That paycheck would naturally expire, and then the money would move into the unclaimed property system which could then be returned to you at zero cost. Very often, we have people show up with proof that they have money, that they had a check they forgot to deposit or it fell behind a drawer or something like that. If that money is in the unclaimed property system, as it should have been properly escheated by the business, we are able to reconnect them with it. In this case, the property you are talking about would require us to go through that larger lawsuit with the federal government to claim it originally, and then we would be able to mark it out and say, Look, if you think you had a U.S. savings bond at some point, come get it. Obviously, people with the original paper would be able to get it back very easily.

Assemblyman Ellison:

I think a lot of people are under the misunderstanding that there is a security bond out there that they can sit on, and it will accrue interest after it is paid for, and it does not. I think you will see a lot of that and this might even confuse them more. I think that some way or another, people need to know if you have these, you need to get rid of them. Is that correct?

Zach Conine:

Yes, a savings deposit bond with a 20-year maturity would not continue to accrue interest after that 20-year or 10-year maturity. I think this is a good opportunity to reuse that capital and make sure that an individual takes that bond, cashes it in, and could reinvest it, or buy another savings bond for that matter.

Assemblywoman Gorelow:

I have been able to find some of my own property through your records so, thank you for that. I do not remember if I paid a fee. Does Nevada charge for anyone to reclaim property?

Zach Conine:

We do not. It is a service of the state. The state takes administrative fees out of the total amount of funds before they end up in the General Fund. It is a zero-cost experience.

Chair Flores:

Are there any additional questions? [There were none.] I would like to invite those wishing to speak in support of Senate Bill 75 to please come forward. [There was no one.] Those wishing to speak in opposition to Senate Bill 75, if you could please come forward. [There was no one.] Those wishing to speak in the neutral position to Senate Bill 75, if you could please come forward. [There was no one.] Do you have any closing remarks, State Treasurer Conine?

Zach Conine:

Thank you for taking the time this morning. I very much appreciate it.

Chair Flores:

With that, I will close the hearing on Senate Bill 75 and invite forward anybody wishing to speak for public comment. [There was no one.] Committee members, we will return to this room tomorrow morning at 9:00 a.m.

This meeting is adjourned [at 9:04 a.m.].

RESPECTFULLY SUBMITTED:

Connie Jo Smith
Committee Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.