

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

**Eightieth Session
March 27, 2019**

The Senate Committee on Government Affairs was called to order by Chair David R. Parks at 1:05 p.m. on Wednesday, March 27, 2019, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 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 David R. Parks, Chair
Senator Melanie Scheible, Vice Chair
Senator James Ohrenschall
Senator Ben Kieckhefer
Senator Pete Goicoechea

STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Heidi Chlarson, Committee Counsel
Becky Archer, Committee Secretary

OTHERS PRESENT:

Tina Leiss, Executive Officer, Public Employees' Retirement System
Jamie Rodriguez, Washoe County
Sophia Comis
Victor Salcido, Incline Village General Improvement District

CHAIR PARKS:

Today we have two bills to hear and one under work session. I would like to begin by re-referring Senate Bill (S.B.) 426 to Senate Committee on Growth and Infrastructure. If acceptable, I will accept a motion to re-refer.

SENATE BILL 426: Revises provisions related to transportation. (BDR 22-686)

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SENATOR GOICOECHEA MOVED TO RE-REFER S.B. 426 TO THE SENATE COMMITTEE ON GROWTH AND INFRASTRUCTURE.

SENATOR SCHEIBLE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR KIECKHEFER WAS EXCUSED FROM THE VOTE.)

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CHAIR PARKS:

We will open the hearing on S.B. 416.

SENATE BILL 416: Revises provisions relating to the Public Employees' Retirement System (PERS). (BDR 23-895)

SENATOR DAVID R. PARKS (Senatorial District No. 7):

Senate Bill 416 makes revisions to the payment of benefits to the child of a deceased member of the public retirement system.

Joining me today at the table is Tina Leiss, Executive Officer, Public Employees' Retirement System. She will take you through the bill.

TINA LEISS (Executive Officer, Public Employees' Retirement System):

Senate Bill 416 removes one provision within *Nevada Revised Statutes* 286.673, subsection 2 and the parallel provision within the Judicial Retirement System. This provision requires a minor child survivor benefit of \$400 per month to be terminated upon adoption.

This issue was brought to the board's attention in 2017, and individual board members asked the staff to bring this issue to the Legislature for consideration.

The Public Employees' Retirement Act provides for survivor benefits of \$400 per month for minor children of a member if the member dies prior to retirement or prior to retirement eligibility if the member is receiving a disability retirement. These benefits will end at the age of 18, or the age of 23 if the child remains a full-time student. These benefits also end if the child is adopted even if he or she is still under the age of 18. These survivor benefits are valued as

part of the benefits package and are paid for through the employee and employer contribution.

This adoption penalty has been part of the child survivor benefit since the enactment of these benefits in 1963. The Retirement Act also provides a survivor benefit to a surviving spouse. The surviving spouse's benefit was also enacted in 1963 and originally had a remarriage penalty. The remarriage penalty was removed by the Legislature in 1999 after testimony that the provision was archaic and not within the scope of retirement policy. Senate Bill 416 would follow suit and remove the adoption penalty from the child survivor benefit.

Although this provision does not apply often in the context of our survivors' benefits program, it has led to the suspension of benefits in three instances in the last five years impacting four children.

The situation generally arises in two different scenarios. The first is a scenario of a child losing a public employee parent but who has a surviving parent. If the surviving parent is receiving a spousal benefit, the parent may remarry and keep the spousal benefit and the child will retain the child benefit. However, if the stepparent would like to adopt the child and does so, the minor's benefit will terminate. In this situation, the adoption penalty only serves to discourage, penalize or prevent adoption of the child by the stepparent.

The second scenario can lead arguably to a harsher result. This scenario applies to a minor child who has lost his or her public employee parent and does not have a surviving parent. Without a surviving parent, adoption may be the only route for children in these circumstances for a permanent home. That is the case with one of the recent termination of benefits. The adoptive father of the affected children has given me permission to share a few facts of his situation, and he is present at this hearing.

In this case, a career State employee with over 25 years of service passed away. She had two preteen children. These children did not have a surviving parent as their biological father had his parental rights terminated by a court many years prior to their mother's passing. Adoption of these children was required to permanently place them with a gentleman, a single father, who had been part of the children's lives since the children were five years old. The adoption decree specifically retained the children's deceased mother on the children's birth certificates and maintained the children's last name—the same

as the mother's. However, the adoption penalty in the Retirement Act requires the termination of the survivor benefits that the mother had earned for the children. If the children had a surviving parent, the children would continue receiving his or her survivor benefits. Therefore, the adoption penalty has a larger negative impact on children who do not have a surviving parent.

This provision can be viewed as either preventing adoption in the first scenario or unduly penalizing our most vulnerable surviving children. The adoption penalty does not further the mission of the retirement system. Like the remarriage penalty, the adoption penalty is outdated and not within scope of retirement policy. As such, our board members and staff of the retirement system appreciate your consideration of S.B. 416.

VICE CHAIR SCHEIBLE:

We will close the hearing on S.B. 416.

CHAIR PARKS:

We have one bill, S.B. 224, to consider under work session.

SENATE BILL 224: Provides for the confidentiality of certain information in the records and files of public employee retirement systems. (BDR 19-598)

JENNIFER RUEDY (Committee Policy Analyst):

I am providing an overview of S.B. 224 from the work session document ([Exhibit C](#)).

SENATOR GOICOECHEA:

I am concerned about S.B. 224 and the impact on smaller jurisdictions. With the limited amount of information available as proposed in the bill, such as the identification number, who the person worked for, how long the person worked and when the person retired, even in Elko I could figure out at least half of the individuals the information pertains to. In smaller jurisdictions, such as Eureka County or Lander County, it would be a given as you could tell exactly who the information pertains to. Therefore, part of the members of the public retirement system are going to be known, and part of them will not. I am sympathetic about the exposure concern. I need to disclose I receive a small Public Employees' Retirement System pension. I do not care if the public knows my name, number and where I live. I am torn with the bill, but I will support it out of Committee and reserve the right to change my vote on the floor.

SENATOR OHRENSCHALL MOVED TO DO PASS S.B. 224.

SENATOR SCHEIBLE SECONDED THE MOTION.

THE MOTION CARRIED. (SENATOR KIECKHEFER VOTED NO.)

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CHAIR PARKS:

We will open the hearing on S.B. 279.

SENATE BILL 279: Revises provisions relating to general improvement districts.
(BDR 25-246)

SENATOR BEN KIECKHEFER (Senatorial District No. 16):

Senate Bill 279 is an offshoot of something I learned during the previous Interim relating to the disposal of real property by general improvement districts (GID). It was specific to Incline Village General Improvement District (IVGID). A staff member within the IVGID disposed of small undevelopable pieces of property in Incline Village and did so unilaterally without public process or a public hearing. While small undevelopable pieces of property are somewhat insignificant in most cases, in Incline Village it gives you beach access and reduced fees within the recreation department in Incline Village. That type of property holding and property rights bring significant benefits. The disposal drew the attention of the media and my attention as the Senator who represents District 16. I thought it was appropriate to look at statute regarding the disposition of real property by a public agency. This bill is in response to that activity.

Senate Bill 279 requires GIDs selling real property to do so in the same format required of cities. This bill incorporates statutes mirroring the requirements for cities to include public notice and public hearing requirements.

CHAIR PARKS:

We are aware of this situation occurring in Incline Village. Are you aware of any other GIDs in a similar situation?

SENATOR KIECKHEFER:

I am not aware of any other scenarios where property has been disposed of without public notice and hearing. I would not claim there was anything done in

disposing the property that was against statute. As stewards of public lands, GIDs should follow the public process.

SENATOR GOICOECHEA:

You indicated this applies to any other city, but typically GIDs are creatures of the County. I assume you are following the exact text as it pertains to counties—as it clearly does.

SENATOR KIECKHEFER:

I will defer to Ms. Chlarson on the differences existing between cities and counties. My understanding is this mirrors the city disposal process.

HEIDI CHLARSON (Committee Counsel):

Under law, the provisions relating to a city or a county selling land are the same. Even though these are the procedures for a city, they are the procedures for the county as well.

JAMIE RODRIGUEZ (Washoe County):

We fully support S.B. 279. We agree all government entities should operate under the same policies and guidelines, especially regarding transparency when selling property. We thank the sponsor of the bill for putting together the policies regarding GIDs that fall within counties but are freely elected boards. Therefore, counties do not have jurisdictions over the GIDs.

The example given as to why this bill came forward is a GID within Washoe County. We support the bill.

I am introducing my niece who is at the table with me today.

SOPHIA COMIS:

I agree with my aunt that this is a good bill.

VICTOR SALCIDO (Incline Village General Improvement District):

We are the largest GID in the State, and this bill will affect us directly. We are testifying in the neutral position. We have a meeting scheduled tomorrow where our board of trustees will provide further direction. The board of trustees are interested in this bill and welcome the opportunity to work with Senator Kieckhefer on its impacts.

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I will draw attention to one thing Senator Kieckhefer mentioned, and that is to clarify Incline Village General Improvement District has followed every rule as it stands today. There was no issue on that front.

I thank Senator Kieckhefer for allowing additional time last week to get official direction, and once we have that direction, we look forward to engaging with the Senator on this conversation.

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CHAIR PARKS:

We will close the hearing on S.B. 279 and look forward to any possible amendment that may surface. The Senate Committee on Government Affairs meeting is adjourned at 1:44 p.m.

RESPECTFULLY SUBMITTED:

Becky Archer,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	6		Attendance Roster
S.B. 224	C	1	Jennifer Ruedy	Work Session Document