

Assembly  
MINUTES

LEGISLATIVE FUNCTIONS - NEVADA STATE LEGISLATURE - 58TH SESSION

April 10, 1975

The meeting was called to order by Chairman Dreyer at 4:45 P.M.

MEMBERS PRESENT: Mr. Bennett  
Mrs. Brookman  
Mr. Mello  
Mr. Jacobsen  
Mr. Sena  
Mrs. Wagner  
Mr. Chairman

MEMBERS ABSENT: None

SPEAKING GUESTS: Senator Mary Gojack  
Mr. Bob Guinn, Lobbyist  
Mr. Bob Alkire, Lobbyist  
Mr. Fred Davis, Lobbyist  
Mr. Carl Soderblom, Lobbyist  
Mr. Les Kofoed, Lobbyist  
Father Larry Dunphey, Common Cause  
Senator Richard Bryan  
Rowland Oakes, Lobbyist  
Keith Hendrikson, Lobbyist  
Tom Young, for Wally Warren

The purpose of this meeting was to hear additional testimony on AB 454 which:

Requires lobbyists to register and file a registration statement and periodic disclosure statements with the Secretary of State, and provides certain duties for Secretary of State.

Senator Gojack gave a recap of the bill and made a few suggestions. She said early in the Session there was a meeting of several lobbyists and legislators to try to come up with a measure that would tighten procedures as far as lobbyists are concerned and their activity reporting. The main purpose was to provide an official kind of sanction and status to the role of the lobbyist which is a vital function. She said Section 3 of the bill stated the purpose of what is trying to be done. She added that the term "certain persons" as mentioned in the previous meeting of this committee could be changed to some other phrase with a more positive connotation.

With regard to Section 13, subsection 3 on page 3 of the bill, the intent is not to have the name of each stockholder but only in the number of people represented by the lobbyist retained.

There is a conflict on Page 2, Line 10 and Page 4, Line 13. "Political Contributions" on Page 4, Line 13 should be deleted to resolve this conflict.

She felt the provisions regarding contingencies should be left in the bill.

Senator Gojack stated that Section 17 of the bill should be deleted entirely since the intent was to simply verify that a lobbyist is working for a certain organization, not that the organization should have to fill out a report.

With regard to Section 21, she felt there should be a provision added to this providing that these reports be published within 30 days.

Section 25 should be deleted entirely as this is already covered in the bill.

She felt some parts of Section 27 could be dropped without hurting the thrust of the bill. She did feel, however, that Subsection 7 of Section 27 would be an important part to leave in the bill.

Mr. Bob Guinn then spoke. He said last Fall a group of people from the statewide trade associations met to discuss the possible drafting of a bill similar in nature to AB 454. It was decided that it would not be practical for members of this group to draft such a bill. He said, however, they have come up with some language changes of sections of the bill which they feel they cannot live with. He said he thought it would be difficult to get support of this bill if it was not confined to lobbyists and the Legislature itself and with the provision regulating employers. He then gave to the committee the recommendations of the lobbyists for changes in this bill commenting that they were not all in agreement but that these changes are generally accepted by that group. He said they feel something should be done in this area but they also feel something should be done with regard to conflicts of interest, financial disclosure and disclosure of campaign contributions. He then submitted to the committee the revisions to AB 454 they proposed. A copy of these revisions is attached hereto.

In general, he commented that the definition of a lobbyist should be anyone lobbying for anyone but themselves whether they are paid or not.

On Page 2, Line 38, he felt "in writing" should be deleted because it is not necessary as record will show what or who a lobbyists testifies for.

He felt all reference to the Executive Branch should be deleted. They also feel the employer should not be required to register and they do not see the necessity for filing separate reports for each employer.

He said there was violent resistance to Section 16, Subsection 1(c) requiring a breakdown of travel, salaries and fees. The lobbyists do not feel they should have to disclose their salaries. With regard to Section 16, Subsection 2, he commented that in many cases listing areas of legislative interest, especially specific bills, would be an onerous task.

Mr. Guinn wondered how the last section in the bill would be enforced.

Mr. Alkire then spoke saying he supported most of what Mr. Guinn said. He made comment with regard to submitting a breakdown of telephone expenses wondering how this could be done in a case when, for example, he calls his employer and talks about many things totally unrelated to his job and perhaps spends a few minutes on work related comments. How would you breakdown an hour conversation like this to accurately reflect what portion was actually work related. He wondered about the high cost of administering such a program. He spoke about the high cost of publishing the lobbyist register and although he was in agreement with supplying a copy of this register to the County Clerks, he could see no necessity for furnishing them to a multiplicity of places.

Mr. Soderblom stated that he was in concurrence with Mr. Guinn's comments. Mr. Fred Davis said he, too, concurred with Mr. Guinn's comments.

Mr. Soderblom went on to say he felt it was an invasion of personal privacy. He said if he thought it would accomplish a concrete purpose to know salaries and fees of lobbyists, then he would support the bill but he did not think it would serve a purpose. He did not think it would take into account competency and expertise. He was hopeful that this provision would be eliminated.

Les Kofoed spoke saying he did not like any part of this bill but if it is a problem, he would go along to do his share. He commented that without lobbyists to protect private enterprise, he said every business in the State would be bankrupt in one or two sessions. He said lobbyists are here to influence the legislators' thinking. He said it is not done with fancy gifts but rather with common sense, reasoning and facts. He went on to say that in the end, they do not vote, the legislators are the ones responsible to the electorate. He said don't saddle lobbyists with this bill unless the legislators saddle themselves with disclosure of campaign contributions, conflicts of interest and financial disclosure.

Father Dunphey then spoke. He said this was one of the major areas of interest to Common Cause. He said they recognize the important function of lobbyists and that they should not be put out of existence but that these things don't get out of proportion.

Father Dunphey said he supports provisions for regulation and recording of expenditures by groups spending significant amounts. He felt there should be coverage of those who try to influence the Executive Branch (he said they preferred to have the Executive Branch kept in this measure). He said they favor comprehensive and periodical disclosures by special interest groups. He did not see a necessity for reporting income of lobbyists. He felt there should be itemization of major expenditures. He felt identity of public officials who receive gifts from lobbyists and the amount of these gifts should be disclosed. He felt simply registering without disclosure does not really provide adequate disclosure and citizen protection.

Father Dunphey felt reporting to the Secretary of State to be adequate and did not see reason for or importance of filing in the various places provided in the bill.

Senator Bryan then spoke. He said he does not agree with all the changes but thinks this was a responsible course for the lobbyists to take. He felt the public favors this type of legislation.

Mr. Jacobsen commented that although it has been said the public would favor passage of this bill, the committee has yet to hear from one member of the public. He felt this type of legislation was the start of the destruction of the process. He did not think a lobbyist should have to disclose any more than a legislator does. He also did not think this information (reports) should be funneled to another branch of government but rather handled in-house.

Senator Bryan said public business must be conducted openly. If this kind of legislation is passed, it indicates we have nothing to hide and that we are prepared to make open the decision making process. He did comment that he had not received any letters in this regard but in talking with people he felt an interest had been expressed in support of this type of legislation.

Mr. Bennett commented that he did not believe it is possible to legislate morals and that this would be a waste of time and money.

Rowland Oakes testified that with much difficulty, he appeared in support of the bill. He said he did concur with Mr. Jacobsen's comments.

Keith Hendrikson said they could live with the bill if amended as suggested by Mr. Guinn; however, he said there was one glaring exception and that was the provision eliminating contingencies. He said most of the 380 lobbyists do work on contingencies and he did not think this should be a part of this bill.

Tom Young spoke on behalf of Wally Warren verifying that Mr. Warren was in full support of the comments and recommendations of Mr. Guinn.

This concluded the hearing of AB 454.

Mr. Dreyer then suggested to the committee that it introduce two bills to encompass the provision in AB 234. One bill would provide for a pre-session orientation and another bill would provide for per diem for legislators' travel. Mr. Bennett moved for committee introduction of these two proposed bills. This was seconded by Mrs. Wagner and carried the committee unanimously.

The meeting was then adjourned at 6:10 P.M.

Respectfully submitted,

Joan Anderson, Secretary

## AGENDA FOR COMMITTEE ON LEGISLATIVE FUNCTIONS

Date April 10, 1975 Time 4:30 P.M. Room 234

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THIS AGENDA SUPERSEDES PREVIOUS AGENDA POSTED FOR THIS DATE (IN TIME)  
 Bills or Resolutions to be considered Subject Counsel requested\*

AB 454

Requires lobbyists to register and file a registration statement and periodic disclosure statements with the Secretary of State, and provides certain duties for Secretary of State.

AB 469

Provides procedure for distribution of executive agency reports to legislators.

AR 21

Adds Assembly Standing Rule 5 for the 58th regular session of the Legislature.

AR 24

Amends Assembly Standing Rule 110 for the 58th regular legislative session.

AJR 24

Memorializes Congress to provide for Veterans' Administration to contract with hospitals in local communities to provide care to veterans.

ACR 27

Directs legislative commission to conduct study of hospital charges in state and anticipated effects of enactment of national health insurance act on health care.

ACR 28

Directs legislative commission to review compensation plans of classified and unclassified state employees.

ACR 38

Directs the legislative commission to study electric utility companies, gas utility companies and the public service commission of Nevada.

ACR 44

Directs legislative commission to study feasibility of establishing state home for veterans in Nevada.

1 SECTION 1. Chapter 218 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to [28,-] 26 inclusive, of this act.

3 SEC. 2. Section 2 to [28] 26 inclusive, of this act may be cited as the  
4 Nevada Lobbying Disclosure Act.

5 SEC. 3. The legislature declares that the operation of responsible rep-  
6 resentative government requires that the fullest opportunity be afforded  
7 to the people to petition their government for the redress of grievances  
8 and to express freely to individual members of the legislature and to  
9 committees of the legislature their opinions on legislation. [~~on pending~~  
10 ~~executive actions and on current issues. -- To preserve the integrity of the~~  
11 ~~legislative process, it is necessary that the identity, expenditures and activ-~~  
12 ~~ities of certain persons who engage in efforts to persuade members of~~  
13 ~~the legislature to take specific actions, either by direct communication~~  
14 ~~to such officials or by solicitation of other to engage in such efforts, be~~  
15 ~~publicly and regularly disclosed.~~]

16 SEC. 4. As used in sections 2 to [28] , 26 inclusive, of this act, the terms  
17 defined in sections 5 to 11, inclusive, of this act have the meanings  
18 ascribed to them in such sections.

1 SEC. 5. "Expenditure" means any advance, conveyance, deposit, dis-  
 2 tribution, transfer of funds, loan, payment, pledge or subscription of  
 money or anything of value including cost of entertainment  
 4 except the payment of a membership fee otherwise exempted pursuant to  
 5 section 16 of this act and any contract, agreement, promise or other  
 6 obligation, whether or not legally enforceable, to make any expenditure  
 7 while the legislature is in session.

8 SEC. 6. 1. "Gift" means a payment, subscription, advance, forbearance,  
 9 rendering or deposit of money, services or anything of value unless  
 10 consideration of equal or greater value is received.

11 2. "Gift" does not include a political contribution of money or services  
 12 related to a political campaign, a commercially reasonable loan made  
 13 in the ordinary course of business, cost of entertainment  
 14 or anything of value received from a member of the recipient's immediate  
 15 family or from a relative of the recipient or his spouse within the third  
 16 degree of consanguinity or from the spouse of any such relative.

17 SEC. 7. "Legislative action" means introduction, sponsorship, debate,  
 18 voting and any other official action on any bill, resolution, amendment,  
 19 nomination, appointment, report and any other matter pending or pro-  
 20 posed in a legislative committee or in either house of the legislature, or on  
 21 any matter which may be the subject of action by the legislature.

22 SEC. 8. 1. "lobbyist" means, except as limited by subsection 2:  
 23 (a) ~~[A person who makes a total expenditure in excess of \$250 in a~~  
 24 ~~calendar year, not including his own travel, food or lodging expenses or~~  
 25 ~~his own membership dues, for communicating directly with one or more~~  
 26 ~~members of the legislative or executive branch to influence legislative~~  
 27 ~~action.~~

28 ~~(b) A person who receives compensation or reimbursement from~~  
29 ~~another to communicate directly with a member of the legislative or execu-~~  
30 ~~tive branch to influence legislative action.~~ 1.714

31 An individual [~~(c) A person, other than a member of the judicial, legislative-~~  
32 ~~or executive branch of state government~~] who appears in person in the  
33 Legislative Building and communicates directly with a member of the  
34 legislative [~~or executive~~] branch on behalf of someone other than himself  
35 to influence legislative action whether or not any compensation [~~in addition~~  
36 ~~to the salary for that regular employment~~] is received for the commu-  
37 nication.

38 2. "Lobbyist" does not include:

39 (a) Persons who confine their activities to formal appearance before  
40 legislative committees and who [~~in writing~~] clearly identify themselves [~~and~~  
41 and the interest or interests for whom they are testifying each person, firm,  
42 corporation, association or other interest whom they represent

43 ~~(b) Employees of a bona-fide news medium who meet the definition of~~  
44 ~~"lobbyist" only in the course of their professional duties. ]~~

45 [~~(c)~~] (b) Employees of departments, divisions or agencies of the state gov-  
46 ernment who appear before legislative committees only to explain the  
47 effect of legislation related to their departments, divisions or agencies.

48 [~~(d)~~] (c) Employees of the legislature, legislators, legislative agencies or leg-  
49 islative commissions.

50 [~~SEC. 9. - "Member of the executive branch" means an elected officer~~  
51 ~~or employee of any state agency, department or office in the executive~~  
52 ~~branch of the state government].~~

1 SEC. [10] 9. "Official member of the legislative branch" means any mem-  
2 ber of the legislature, staff person, assistant, employee or other person  
3 employed with reference to the legislative duties of the legislator.

4 SEC. [11] 10. "Person" means a natural person, [corporation, -association,  
5 partnership or other organization] or a group of persons [who are volun-  
6 tarily] acting in concert.

7 SEC. [12] 11. Every person who acts as a lobbyist shall, not later than 2  
8 days after the beginning of such activity, file a registration statement in  
9 such form as the secretary of state shall prescribe.

10 SEC. [13] 12. The registration statement of a lobbyist shall contain the fol-  
11 lowing information:

12 1. The registrant's full name, permanent address, place of business  
13 and temporary address while lobbying.

14 [~~2. - The full name and complete address of each person, - whether or  
15 not an employee, - who will lobby on behalf of the registrant.-~~]

16 [3] 2. The full name and complete address of each [person] individual,  
17 corporation, association, partnership, group or other organizations if any,  
18 by whom the registrant is retained or employed or on whose behalf the reg-  
19 istrant appeals. [~~if the person is other than a natural person, there shall be  
20 included a listing of the officers and board of directors.~~]

21 [4] 3. A listing of any direct business associations or partnerships with  
22 any current member of the legislature.

23 [~~5. - A description of the general areas of interest on which the regis-  
24 trant expects to lobby.~~]

25 [~~6. - If the registrant lobbies or purports to lobby on behalf of mem-  
26 bers a statement of the number of members and a description of the~~]

27 procedure by which the registrant develops and makes decisions about  
28 positions on policy.]

29 [7] 4. A sworn declaration that none of the registrant's compensation or  
30 reimbursement is contingent, in whole or in part, upon the production  
31 of any legislative action.

32 SEC. [14] 13. Each person required to register shall file a notice of termi-  
33 nation within 30 days after he ceases the activity that required his regis-  
34 tration, but this does not relieve them of the reporting requirement for that  
35 reporting period.

36 SEC. [15] 14. Each person required to register shall file a supplementary  
37 registration statement with the secretary of state no later than 5 days  
38 after any change [in the information supplied] in the registrant's last regis-  
39 tration statement. The supplementary registration statement shall include  
40 complete details concerning the changes that have occurred.

41 SEC. [16] 15. Each registrant shall file with the secretary of state [between  
42 the first and tenth day of April, July, October and January a] within 30 days  
43 after close of the legislative session a final report

44 signed under penalty of perjury concerning such person's lobbying activ-  
45 ities [during the previous calendar quarter. - If the registrant is not a nat-  
46 ural person, - an authorized officer or agent of the registrant shall sign the  
47 form.] In addition, each registrant who attempts to influence legislative  
48 action shall file with the secretary of state between the first and tenth day  
49 of the month subsequent to each month that the legislature is in session  
50 a report concerning such lobbying activities during the previous month.

51 [A registrant must file an additional activity report for each person from-  
52 whom the registrant receives compensation or reimbursement.] Each

1 report shall be on a form prescribed by the secretary of state and shall  
2 include the total expenditures made by the registrant for directly com-  
3 municating with a member of the legislative [~~or executive~~] branch to influ-  
4 ence legislation, including expenditures made by others on behalf of the  
5 registrant for those direct communications if the expenditures were made  
6 with the registrant's express or implied consent or were ratified by the  
7 registrant. Such report shall include:

8 1. A monthly compilation of [~~breakdown~~] expenditures in [~~to~~] the following categories:

- 9 [~~(a) - Postage, - telegraph and telephone.~~]
- 10 [~~(b) - Publication and advertising if used for influencing legislative action.~~]
- 11 [~~(c) - Travel, - salaries and fees.~~]
- 12 [(d)] (a) Entertainment
- 13 [(e)] (b) Gifts [,] and loans [~~and political contributions; - and~~]
- 14 [(f)] (c) Other expenditures [~~not including food, - lodging or membership dues.~~]
- 15 directly associated with legislative action not including personal expenditures
- 16 for food, lodging and travel expenses or membership dues.

17 [~~2. - A list of general and specific areas of legislative interest, including~~  
18 ~~specific bills where possible, - supported or opposed by the registrant, - by~~  
19 ~~any employee of the registrant, - or by any person retained or employed by~~  
20 ~~the registrant or appearing on the registrant's behalf.~~

21 SEC. ~~17~~ - Each person about whose activities a registrant is required to  
22 report shall provide a full account of such activities to the registrant at  
23 least 5 days before such registrant's report is due to be filed.]

24 SEC. [18] 16. The filing of a registration statement or report by a person  
25 who is engaged as a lobbyist in direct or personal communication with  
26 members of the legislative [~~or executive~~] branch does exempt that lobby-  
27 ist's employer or the person whom such lobbyist or his employer repre-  
28 sents from the requirement of filing registration statements and reports.

27 SEC. [19] 17. The secretary of state shall:

28 1. Inspect each statement and report filed within 10 days after its  
29 filing.

30 2. Immediately notify the person who has filed:

31 (a) If the information filed does not conform to law.

32 (b) If a written complaint has been filed with the secretary of state by  
33 any person alleging an irregularity or lack of truth as to the information  
34 filed.

35 3. Notify any person of the filing requirement who the secretary of  
36 state has reason to believe has failed to file as required.

37 SEC. [20] 18. The secretary of state shall:

38 1. Adopt regulations to carry out the provisions of sections 2 to 28,  
39 inclusive, of this act.

40 2. Prepare and furnish forms for the statements and reports required  
41 to be filed.

42 3. Prepare and publish uniform methods of accounting and report-  
43 ing to be used by persons required to file such statements and reports.

44 4. Accept and file any information voluntarily supplied that exceeds  
45 the requirements of sections 2 to 28, inclusive, of this act.

46 5. Develop a filing, coding, and cross-indexing system consistent with  
47 the purposes of sections 2 to 28, inclusive, of this act.

48 6. Make the statements and reports available for public inspection  
49 and copying during regular office hours, and make copies available at a  
50 charge not to exceed actual cost.

1 7. Preserve the statements and reports for a period of 5 years from  
2 the date of filing.

3 8. Prepare and publish [quarterly and annual] summaries of the state-  
4 ments and reports received. These summaries shall list separately indi-  
5 vidual lobbyists and other persons.

6 SEC. [21] 19. The secretary of state may also prepare and publish such  
7 reports concerning lobbying activities as he may deem appropriate.

8 SEC. [22] 20. The secretary of state shall provide for dissemination of the  
9 summaries described in subsection 8 of section 20 of this act and of any  
10 reports he may prepare under section 21 of this act to

11 the legislative counsel bureau [-] and

12 [2.-E] each county clerk [;].

13 3.- Each registrar of voters

14 4.- Each public library; and

15 5.- Each library of the university system.

16 and may make additional distributions of such summaries and reports.-]

17 SEC. [23] 21. The secretary of state shall:

18 1. Make investigations on his own initiative with respect to any  
19 irregularities which he discovers in the statements and reports filed and  
20 with respect to the failure of any person to file a required statement or  
21 report and shall make an investigation upon the written complaint of any  
22 person alleging a violation of any provision of sections 2 to [28] 26, inclusive,  
23 of this act.

24 2. Report suspected violations of law to the attorney general who  
25 shall investigate and take any action necessary to carry out the provisions  
26 of section 2 to [28,] 26, inclusive, of this act.

27 SEC. [24] 22. The district courts may issue injunctions to enforce the pro-  
28 visions of sections 2 to 28, inclusive, of this act upon application by [any-  
29 citizen of this state] the attorney general.

30 [~~SEC. [25] 23. 1. - Any person who fails to file a registration statement or~~  
31 ~~activity report disclosing payment of compensation, - reimbursement or~~  
32 ~~expenditure as required by sections 2 to 28, - inclusive, - of this act shall,~~  
33 ~~in addition to any other penalty provided by law, - forfeit to the state~~  
34 ~~an amount equal to three times such compensation, - reimbursement or -~~  
35 ~~expenditure.~~

36 ~~2. - The forfeiture may be recovered in a civil action by the attorney~~  
37 ~~general in any court of competent jurisdiction.]~~

38 SEC. [26] [24] 23. 1. Any registrant who files an activity report after the time  
39 provided in section 16 of this act shall pay the secretary of state a fee  
40 for late filing of \$5 for each day of the first 30 days that it was late and  
41 \$100 per day thereafter, but the secretary of state may reduce or waive  
42 this fee upon a finding of just cause.

43 2. An activity report with respect to which a late filing fee has been  
44 paid by the registrant or waived by the secretary of state shall be deemed  
45 timely filed, and the late filing is not a public offense.

46 SEC. [27] [25]. 24. 1. A lobbyist shall not knowingly or willfully make any false  
47 statement or misrepresentation of facts:

48 (a) To any member of the legislative [or executive] branch in an effort to  
49 persuade or influence him in his official actions.

1 (b) In a registration statement or report concerning lobbying activities  
2 filed with the secretary of state.

3 2. A [~~registrant or person acting on behalf of a registrant~~] lobbyist shall not give  
4 to a member of the legislative [~~or executive~~] branch or a member of their  
5 staff or immediate family gifts that exceed \$100 in value in the aggregate  
6 in any calendar year.

7 3. A member of the legislative [~~or executive~~] branch or a member of  
8 their staff or immediate family shall not solicit anything of value from a  
9 registrant or accept any gift that exceeds \$100 in aggregate value in any  
10 calendar year.

11 4. A person who employs or utilizes a lobbyist shall not make that  
12 lobbyist's compensation or reimbursement contingent in any manner upon  
13 the outcome of any legislative action.

14 5. Information copies from registration forms and activity reports  
15 filed with the secretary of state or from lists compiled from such forms  
16 and reports shall not be sold or utilized by any person for the purpose of  
17 soliciting campaign contributions or selling tickets to a testimonial or  
18 similar fundraising affair or for any commercial purpose.

19 6. A member of the legislative or executive branch shall not receive  
20 compensation or reimbursement other than from the state for personally  
21 engaging in lobbying.

22 7. A lobbyist shall not instigate the introduction of any legislation  
23 for the purpose of obtaining employment to lobby in opposition thereto.

24 SEC. [~~28~~][~~26~~] 25. Any person subject to any of the provisions contained in  
25 sections 2 to [~~28~~] 26, inclusive, of this act who refuses or fails to comply  
26 therewith is guilty of a misdemeanor.

27 SEC. [~~29-27~~] 26. NRS 218.537 and 218.538 are hereby repealed.

GUEST REGISTER  
 LEG. FUNCTIONS  
~~CONVEGE COMMITTEE~~

0

DATE: 4/10

PLEASE  
 CHECK IF YOU  
 WISH TO SPEAK

NAME	REPRESENTING	PLEASE CHECK IF YOU WISH TO SPEAK
Bob Alkire	Kennecott Koppel Corp. New motor transport bus	✓
Robert F. Quinn	New England Dist. Radio	✓
Les Kofoed	Earning Ind. Ass'n	possibly
C. A. Soderblom	NEW. R.R. Assoc.	✓
JOHN G. ANOTTI	HARRAH	
Keith Hendrickson		
Father Dunphy	Common Cause	✓
Sen Mary gojak		✓
Sen Dick Bryan		✓
Pauland Oakes	Associated Gen Contractors	✓
Tom Young	asst to Wally Warm	