

GOVERNMENT AFFAIRS COMMITTEE

Minutes of Meeting - March 24, 1975

Present: Chairman Gibson
Senator Dodge
Senator Walker
Senator Hilbrecht
Senator Foote
Senator Gojack
Senator Schofield

Also Present:

Len Mays, Sun Valley Water Dist., Director
Frank Sala, Attorney for Sun Valley
Donald E. Wiggins, Sun Valley Water Dist., Director
Edmund C. Douglas, Sun Valley Water Dist., Director
Priscilla S. McBride, Sun Valley, Director
W.W. White, General Manager, Incline Village, General Improvement District.
George Hastings, A.S. C.E. & N.S. P.E.
J. Clark Gubber, American Society of Civil Engineers
David L. Howard, Washoe County Registrar of Voters
Urban J. Schreiner, City of Henderson
J. N. Littlefield, State Public Works Board
Bill Adams, City of Las Vegas
Bob Warren, Nevada League of Cities
Fred Daniels, P.E. Registration Board
Jim Wittenberg, Personnel Director, N.S.E.A.
Bob Gagnier, N.S.E.A., Executive Director
Bob L. Kerns, Firefighters and Police
Richard Bunker, Clark County
Bart Jacka, Metro. Police
Bob Bruce, Controller's office

The twenty second meeting of the Government Affairs Committee was called to order at 3:15 p.m. and the minutes reflect that a quorum was present.

SB-355 Requires state controller to make certain payroll deductions for state officers and employees. (BDR 18-826)

Mr. Frank Sala, attorney representing the Sun Valley Water District spoke to the committee on the problems which required the drafting of SB-355. Mr. Sala stated that the districts are overlapping in the Sun Valley area and without the requirement of registration the general improvement elections are almost impossible to conduct accurately. Mr. Sala indicated that a Washoe County judge, after looking over NRS 318.020, felt that without the requirement of registration it was unconstitutional. Feels that registration should be available to the public at either the County Clerk's office or the Registrar of Voter's office. Also that they should at the time of registration sign an affidavit indicating that they meet the electoral qualifications defined by the statutes. This will be on record and available to anyone. On the election day the list will be sent to the districts so the people handling the voting

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can determine who is eligible and who is not eligible to vote. Feels that NRS 318.020 should contain the same language as is provided in Chapter 309.060 regarding the local improvement district and the absentee ballot.

Mrs. McBride, Sun Valley Water District, Chairwoman, testified in favor of SB-355 and Mr. Sala's comments. She was in charge of the election in which the problems arose regarding the absence of registration.

Mr. Wally White, General Improvement District for Incline Village stated that he believed SB-355 was too restrictive. The county recorder provides a list of registered voters to them. Their difficulty with this bill is that it would be denying some people the right to vote.

Mr. David Howard, Washoe County Registrar of Voters, had a few problems with the suggestions Mr. Sala had. First he felt that very few people would come to his office to register to vote. He also felt the law as it now stands does cover the problem with the absentee ballot. Feels that it will increase the work in their office if the bill does go into effect. Mr. Howard felt there will be some confusion with the term "check list" shown on lines 20 and 21. Should be changed to "roster". Also noted that there is no place for the person registering to vote for his signature, there should be a place for the voter to sign and give the person in charge a means of identification.

Senator Dodge suggested that it might be possible to get some of the people to register for the general improvement districts when they are out getting people to register for the general elections.

Mr. Howard felt that it was possible to get the secretary in the registrar's office to handle this in their own areas.

Chairman Gibson requested Senator Foote to handle the follow up on this bill, making it more workable for everyone concerned.

AB-322 Requires state controller to make certain payroll deductions for state officers and employees. (BDR 18-826)

Bob Gagnier, Executive Director for S.N.E.A., stated that AB-322 was amended at the request of the State Controller's office. Wants the Attorney General's opinion to be backed up by law, and this bill makes that clear.

Bob Bruce, Controllers Office, stated that the existing payroll system does permit them to take the deductions for the employee's association as well as for employee's credit union. If there is an additional employee's association or additional deductions of

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other types the existing payroll system will not be adequate. Mr. Bruce is in favor of the changes in AB-322 and feels the bill will enable them to create a uniform deduction form.

Motion to "Do Pass" by Senator Walker, seconded by Senator Foote. Motion carried unanimously.

AB-290 Provides method of selection of registered professional engineer or licensed architect for public works project. (BDR 54-930)

Mr. Bill Adams, representing the Nevada Society of Professional Engineers, stated that this bill is aimed at setting up a selective process in getting professional services for engineers and architects within the public works realm. Chapter 625, governing both architects and engineers, provides a selection process in which this can be accomplished. This bill was changed in the Assembly to remove the word "shall" in subsection 3, line 21 and replaced with the word "may".

J. N. Littlefield, Deputy Manager of the State Public Works Board, indicated his support of this bill stating that this bill is how they select their engineering and architectural services.

Fred Daniels, member of the Professional Registration Board, stated his support of AB-290 but indicated that it would be better to put "shall" back into the bill in place of "may" on line 21.

Motion to amend and "Do Pass" by Senator Walker, seconded by Senator Schofield. Motion carried unanimously. Amendment was to change "may" back to "shall" on line 21.

SB-227 Requires cities & counties to establish disability pension plan or provide disability insurance for firefighters and certain peace officers. (BDR 20-987)

Mr. Bob Kerns, representing the police and firefighters, spoke in behalf of SB-227 indicating that the police and firefighters face more hazards than most state employees. Is concerned about the man who has been on the force for less than 10 years, as he does not fall under the retirement system until he has been working for 10 years. Now the employee under 10 years has no disability coverage and would only get what N.I.C. would pay. This bill would mandate the city to set up a plan.

Senator Gojack indicated that it had been suggested to her to include something in the bill for the wife of a policeman or fireman who has been killed on the job. What type of coverage would she get?

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Mr. Kerns indicated that the wife of an employee killed on the job would only receive what N.I.C.'s maximum benefits would be. Under the new plan Mr. Kerns thought it would be possible to include this type of coverage. If AB-228 and AB-367 should pass then their bill would not be necessary but if they failed he would urge the passage of this bill.

Discussion followed on whether or not this type of coverage should be uniform throughout the state. In checking with the Legislative Counsel Bureau they found the cost for this type of high risk insurance would be very high. Feels that the committee should take this into consideration.

Mr. Bill Adams, City of Las Vegas, agrees with Mr. Warren's testimony. He feels that it should be uniform throughout the state and should be appropriated on a statewide basis.

Mr. Bart Jacka, Assistant Sheriff of the Metropolitan Police Department in Las Vegas, concurs with Mr. Kern's testimony. He stated that since insurance companies made it so difficult to obtain insurance for these high risk jobs that the state should make some provisions for the policeman and firefighter.

Chairman Gibson read to the committee the letter from the Fiscal Analysts office concerning the fiscal impact of SB-227 on the cities and counties. (see the attached). Further discussion will take place after the committee has had time to study this letter.

SB-186 Amends various provisions relating to trusts for the furtherance of public functions (BDR 19-582)

Mr. Urban Schreiner, representing Henderson, stated that he had come before the committee to answer any questions they might have on SB-186 and the material that has been provided. (see the attached) Feels that lines 6 and 7 should not be deleted, that it could cause some confusion. Suggests that a provision be included on page 2 to authorize removal of the legislative body of the public beneficiary of the trust by the court and the city counsel.

Senator Dodge asked if the city of Henderson would have any objection to having the existing projects now under consideration "grandfathered" in.

Mr. Schreiner felt that this would be acceptable and would not hurt the projects that are now active. Suggested that the bonds first be offered for public sale and then if no satisfactory bids are received they could be negotiated in a private sale.

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Chairman Gibson passed out some printed material for the committee to read before considering SB#18.

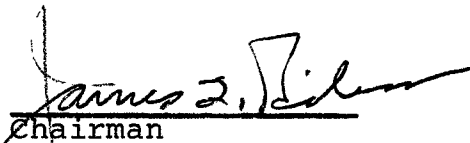
With no further business the meeting was adjourned at 5:30 p.m.

Respectfully submitted,



Janice M. Peck
Committee Secretary

Approved:


Chairman

AGENDA FOR COMMITTEE ON GOVERNMENT AFFAIRS
 MONDAY
 DATE March 24, 1975... TIME... 2:45 P.M. ... ROOM... 345.....

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Counsel Requested*</u>
SB-18 COMMITTEE RE-WORK	Provides minimum standards for political activities of certain public officers and employees. (BDR 23-417) Notify: Senator Sheerin	
SB-186 COMMITTEE RE-WORK	Amends various provisions relating to trusts for the furtherance of public functions. (BDR 19-582) Notify: Senator Dodge	
SB-227	Requires cities & counties to establish disability pension plan or provide disability insurance for firefighters and certain peace officers. (BDR 20-987) Notify: Senator Gojack, Firefighters Assn. League of Cities, County Association, N.I.C.	
SB-355	Requires persons voting in general improvement district elections to register with county clerk or registrar of voters. (BDR 25-1246) Notify: Senator Raggio	
AB-322	Requires state controller to make certain payroll deductions for state officers and employees. (BDR 18-826) Notify: Assm. Dini, Bob Gagnier, Jim Wittenberg Wilson McGowan, Controller.	
AB-290	Provides method for selection of registered professional engineer or licensed architect for public works projects. (BDR 54-930) Notify: Assm. Robinson, Bill Hancock, Bill Adams, League of Cities, County Association.	

Please leave list

* Please do not ask for counsel unless necessary

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CARSON CITY, NEVADA 89701



LEGISLATIVE COMMISSION
LAWRENCE E. JACOBSEN, Assemblyman, Chairman
INTERIM FINANCE COMMITTEE
FLOYD R. LAMB, Senator, Chairman

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ARTHUR J. PALMER, Director

PERRY P. BURNETT, Legislative Counsel
EARL T. OLIVER, Legislative Auditor
ARTHUR J. PALMER, Research Director

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MEMORANDUM

TO: Senator James I. Gibson

FROM: Ron Sparks, Chief Deputy Fiscal Analyst
Office of Fiscal Analysis

SUBJECT: Fiscal Impact of Senate Bill 227 on Cities and Counties

S.B. 227 requires cities and counties to establish a disability pension plan or provide disability insurance which would pay peace officers and fire fighters 65% of their actual salary in combination with NIC benefits if totally disabled in the line of duty. Currently, NIC maximum benefits are based on the statewide average monthly wage of \$485. The mean benefit as provided in S.B. 227 would be \$662. (Mean salary calculated for peace officers and firemen statewide is \$1,018.) The difference between the benefits paid by NIC and S.B. 227 is \$177 a month.

Shown below is the estimated fiscal impact to cities and counties should S.B. 227 be enacted and elect to:

1. Establish Disability Pension Plan - The estimated fiscal impact given is for the large entities with 1,000 or more employees since it would not be feasible for small entities to self-insure. In order to fund a self-insurance program, NIC estimated a premium rate of \$17.92, excluding administration, per employee per year based on a yearly total disability factor of 1.2 employees per 1,000 employees.

Clark - \$22,238
Las Vegas- \$22,113

2. Disability Insurance - Per discussions with NIC, the Insurance Division and several insurance agents, it was estimated that for cities or counties to purchase disability insurance they would have to pay a rate of \$14.00 per year per employee for each \$100 of coverage. The \$14.00 rate was based on 10 or more employees.

The following shows the estimated fiscal impact for each of the cities and counties purchasing \$177 of insurance coverage for each employee qualifying as a peace officers and fire fighters. Does not include volunteer personnel in the table below.

<u>Cities</u>		<u>Counties</u>	
Carson City	\$ 1,908	Churchill	\$ 347
Fallon	421	Clark	30,752
Boulder City	743	Douglas	1,313
Henderson	1,784	Elko	520
Las Vegas	30,578	Esmeralda	173*
N. Las Vegas	5,129	Eureka	124*
Carlin	124*	Humboldt	248
Elko	1,239	Lander	273
Wells	NA	Lincoln	173*
Winnemucca	297	Lyon	619
Caliente	99*	Mineral	520
Yerington	198*	Nye	644
Gabbs	50*	Pershing	124*
Lovelock	149*	Storey	298
Reno	9,763	Washoe	3,643
Sparks	NA	White Pine	446
Total	<u>\$52,482</u>		<u>\$40,217</u>

*Less than 10 employees - cost would probably be greater.

According to the Insurance Division, there currently are no insurance firms offering this insurance coverage in Nevada.

Presently before the legislature is A.B. 428. A.B. 428, if enacted, would increase the amount paid by NIC to the totally disabled which would be in most cases greater than those benefits provided by S.B. 227. The maximum benefit paid by A.B. 428 would be \$760 on a state average wage of \$1,140 per month as estimated by NIC.

N.R.S. §242B.030 now provides that the instrument or will creating such a trust may provide for the appointment, term, compensation, and powers of the trustees. If the instrument does not so provide, then the general law is the state shall control.

SB186 deletes this provision and sets out the method of appointment and the terms and other requirements for trustees.

The amendment would prevent trustors and testators from creating trusts for the benefit of state agencies such as the University, childrens' home, museum, etc. The following amendment would probably cure the objection.

The paragraph deleted from 242B.030 shall be retained but it shall be modified to read as follows:

"242B.030 The instrument or will creating such trust may provide for the appointment, succession, powers, duties, term and compensation of the trustee or trustees, and in all such respects the term of the instrument or will shall be controlling. In the event the instrument or will makes no provision in regard to the foregoing, or in the event the trustor or testator specifically so provides, then the general laws of the state shall control as to the administration of the trust or trusts and specifically the following provisions of this act shall apply:"

(Then proceed with the bill as amended)

This language should mean then that a trustor of an inter vivos trust or a testator can control the terms of his trust whether it be a split interest trust, a trust with multiple beneficiaries, or even a trust with contingent

interests. If the maker of the trust does not wish to control the powers, duties, etc., of his trustees, he can omit such language and merely leave his property for the benefit of named beneficiaries in which case the amendments would apply, or he can specifically state that his trust shall be administered pursuant to the terms of this Act.

Respectfully submitted,

F. R. Breen



CITY OF HENDERSON

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CITY HALL

243 WATER STREET

702/565-8921

HENDERSON, NEVADA 89015

Gateway to Lake Mead Resorts

TO: COMMITTEE ON GOVERNMENT AFFAIRS

RE: S.B. 186

Attn: Chairman Gibson and Committee members

During the discussion of S.B. 186 at your March 12 meeting, it was requested that the committee be provided the following information:

1. A written summary of our position concerning the amendments to Nevada Revised Statutes chapter 242 B as proposed in Senate Bill 186.
2. Reference to pertinent provisions of Oklahoma law which we feel could be used to supplement or clarify said statute and S.B. 186.
3. The nature and status of applications pending before the City of Henderson, Nevada, Public Improvement Trust.

The material which follows is submitted in accordance with that request. Due to meetings of the Civil Service Board and the City Council, I will not be in attendance at your March 24th meeting, however, Attorney Urban Schriener, our bond counsel, will be present representing the City Council

and the Trustees of the Public Improvement Trust of the City
of Henderson, Nevada.

Your consideration in this matter is very much
appreciated.

A handwritten signature in cursive script that reads "Kent Dawson". The signature is written in dark ink and is positioned above a horizontal line.

KENT J. DAWSON
CITY ATTORNEY

1 ITEMS 1 and 2.

2
3 Section 1 of S.B. 186 deletes certain language from
4 N.R.S. 242B.010. The purpose of this amendment according to
5 a letter written over the signature of Samuel Ford M.D., who
6 initially proposed the Bill, was to narrow the scope of pro-
7 jects which could utilize the law as a method of financing.
8

9 However, the proposed amendment does nothing to affect
10 the determination of what constitutes an "authorized or proper
11 function of the beneficiary", yet that determination is the
12 only one made under state law which would limit the variety
13 of projects which could be financed.

14 The only apparent effect of the deletion in question
15 would be to raise the question of whether the law could be
16 used at all for the purpose of providing funds for authorized
17 projects or functions.
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19 As mentioned at your last meeting wherein this bill was
20 discussed, the present Oklahoma Statute contains the language
21 which Section 1 of S.B. 186 proposes to omit. (60 Oklahoma
22 Statutes §176(a)).
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Section 2 of S.B.186 sets forth a series of 6 amendments relating to proceedings of the trustees. Amendments 3,4,5 and 6 of said section 2 have very apparently been copied from Section 178 of Title 60 of the Oklahoma Statutes and together with amendment 2 are unobjectionable.

Amendment 1 refers to the general laws of the state concerning appointment, succession, powers, duties and compen-

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sation of trustees. Such a provision would be extremely burdensome in that ascertainment of the rights and duties of the trustees could be made only after considerable research of the statutes of the state, most of which have questionable application to the public trust situation.

With the above matters provided for in the instrument creating the trust even a person not having a background in law could easily determine whether the trustees were acting within the scope of their authority. To give you an idea of how well this can be handled in the instrument creating the trust, I am forwarding a copy of the Declaration of Trust adopted by the City of Henderson.

Based upon the foregoing, we feel that it would be preferable to retain the existing language of N.R.S. 242B which looks to the general laws of the state only in the event the trust instrument is insufficient.

Section 4, part 2, of S.B. 186 provides that "all bonds issued by any trust created for the benefit and furtherance

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22 of any public function shall:

23 (a) Be sold at a public sale; and

24 (b) Have a bond rating issued by a nationally
25 recognized bond rating organization."

26 Part (a) requiring public sale of all bonds fails to
27 consider the fact that public sale is not in all cases the
28 most advantageous method of disposal. Due to that factor,
29 the trustees should be allowed the opportunity to exercise
30 some discretion in that regard. (60 Oklahoma Statutes §176(c)
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1 provides an example of what can be done to give the trustees
2 limited discretion in that regard).

3 Part (b) requires that any bonds issued have a bond
4 rating issued by a nationally recognized bond rating organ-
5 ization. Said requirement is of questionable value in that
6 any bond issue can receive a rating provided the interested
7 parties are willing to assume the cost entailed in obtaining
8 it.
9

10 Section 5 of S.B. 186 amends N.R.S. 242 B to require
11 competitive bidding on trust contracts. The Oklahoma law
12 contains similar provisions. (Title 60, §176 (d)).
13

14 For your convenience we have attached copies of the
15 above referenced portions of the Oklahoma Statutes.
16

17
18 Oklahoma and other states have been able to obtain
19 considerable development through financings accomplished
20 pursuant to provisions of statutes similar to N.R.S. 242B.
21 Said chapter fills a need not covered by our Economic
22 Development Revenue Bond Law or by Local Improvement District
23

24 provision.

25 Provided proper safeguards, there is no valid reason
26 why the State of Nevada should be at a disadvantage in
27 competing with nearby states for development. Repeal of
28 N.R.S. 242 B would place us in this position.

29 The possibility of default of any bond issue is of
30 prime concern for every responsible governmental entity.
31 Unfortunately, a default situation can arise regardless of
32

1 the particular statute under which the bonds were issued,
2 and it might be added that defaults are not peculiar to
3 Public Trust type issues. Certainly, the possibility of one
4 default is not a valid reason for repeal of the entire
5 statute whether it be a local improvement district issue,
6 public trust issue or otherwise.
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8 Also attached hereto is a letter from a prominent
9 Illinois attorney to whom reference was made at our last
10 meeting, which letter emphasises the importance of N.R.S.
11 Chapter 242B to the State of Nevada.
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1 3. The following applications are pending before the
2 City of Henderson, Nevada, Public Improvement Trust.
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4 A. Applicant: American Nevada Corporation

5 Project: Construction and acquisition of water,
6 sanitary sewer and appurtenances, roads, drainage
7 and utility services for Green Valley Subdivision.

8 Proposed Issue: \$3.5 million

9 Application Fee Paid: \$4,000.00

10 Status: Approved by trustees and city council subject
11 to approval of underwriting commitment, indenture
12 and other contractings. Awaiting favorable interest
13 market prior to issuance of bonds.
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16 B. Applicant: Las Vegas Downs, Inc.

17 Project: Construction of Horse and Dog racing facility

18 Proposed Issue: \$5 to 7.5 million.

19 Application Fee Paid: \$5,000.00

20 Status: Approved by trustees and city council subject
21

over

22 to approval of underwriting committment, indenture
23 and other contractings. Currently negotiating for
24 financing committment and awaiting action on bill in
25 Nevada State Legislature.

26 C. Applicant: Lake Adair Corporation

27 Project: Roadways and water supply system for residential,
28 recreational and resort development adjacent to Lake Mead.

29 Proposed Issue: \$2.2 million

30 Application Fee Paid: \$3,000.00

31 Status: Completely approved subject to cash Collateral
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1 requirements imposed by trustees and approval of
2 final form of documents.

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4 (None of the above projects have yet been reviewed
5 by the State Board of Finance)

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after distribution of the estate to the trustee in administration of the trust estate the trustee should not be subject to direction, supervision or control of any probate court. *Swanson v. Bates*, 202 Okl. 128, 211 P.2d 781 (1949).

Where estate in remainder vested in remaindermen before effective date of section 175.33 which undertook to reduce interest of remaindermen by requiring apportionment be-

tween principal and income of money received as consideration for permanent severance of natural resources from land, as to such remaindermen this would amount to depriving remaindermen of property without due process of law, and therefore, under this section, section 175.33 did not apply. *Franklin v. Margay Oil Corporation*, 194 Okl. 519, 153 P.2d 480 (1944).

TRUSTS FOR FURTHERANCE OF PUBLIC FUNCTIONS

§ 176. Trusts for benefit of state, county, municipality, etc. authorized — Approval — Expenditures — Sale of bonds—Contracts—Bids

(a) Express trusts may be created in real or personal property, or either or both, or in any estate or interest in either or both, with the state, or any county, municipality, political or governmental subdivision, or governmental agency of the state as the beneficiary thereof by the: (1) express approval of the Governor if the State of Oklahoma or any governmental agency thereof is the beneficiary; (2) express approval of two-thirds ($\frac{2}{3}$) of the membership of the governing body of the beneficiary if the county or a political or governmental subdivision thereof is the beneficiary; (3) express approval of two-thirds ($\frac{2}{3}$) of the membership of the governing body of the beneficiary if a municipality or a governmental subdivision thereof is the beneficiary and the purpose thereof may be the furtherance, or the providing of funds for the furtherance, of any authorized or proper function of the said beneficiary. Provided, that no funds of said beneficiary derived from sources other than the trust property, or the operation thereof, shall be charged with or expended for the execution of said trust, except by express action of the legislative authority of the beneficiary first had. The officers or any other governmental agencies or authorities having the custody, management or control of any property, real or personal or both, of the beneficiary of such trust, or of such a proposed trust, which property shall be needful for the execution of the trust purposes, hereby are authorized and empowered to lease such property for said purposes, after the acceptance of

the beneficial interest therein by the beneficiary as hereinafter provided.

(b) No trust in which a county or municipality, or a political or governmental subdivision of the state, is the beneficiary shall hereafter create an indebtedness or obligation to be paid in whole or in part from the income of any property, real, personal or otherwise, owned by such beneficiary and leased or licensed to said trust until such indebtedness or obligation has been approved by a two-thirds ($\frac{2}{3}$) vote of the governing body of said leasing or licensing beneficiary, if the indebtedness or obligation is in excess of five percent (5%) of the then existing total indebtedness of said trust; provided, the foregoing shall not apply to any trust created for industrial or cultural purposes.

(c) All bonds described in (b) of this section, after the effective date of this act, except bonds sold to the Federal Government or any agency thereof or to any agency of the State of Oklahoma, shall be awarded to the lowest and best bidder based upon open competitive public offering, advertised at least once a week for two (2) successive weeks in a newspaper of general circulation in the county where the principal office of the trust is located prior to the date on which bids are received and opened, except, on approval of two-thirds ($\frac{2}{3}$) of the trustees, competitive bidding may be waived. No bonds shall be sold for less than par value, except upon approval of three-fourths ($\frac{3}{4}$) of the trustees; provided, that the provisions of the subsection shall not apply to bonds issued for industrial and cultural purposes.

(d) Contracts for construction, labor, equipment, material or repairs in excess of Two Thousand Dollars (\$2,000.00) shall be awarded by public trusts to the lowest and best competitive bidder, pursuant to public invitation to bid, which shall be published in the manner provided in the preceding section hereof; such advertisements shall appear in the county where the work, or the major part of it, is to be done, or the equipment or materials are to be delivered, or the services are to be rendered. Provided, however, should the trustee or the trustees find that an immediate emergency exists, which findings shall be entered in the journal of the trust proceedings, by reason of which an immediate outlay of trust funds in an amount exceeding Two Thousand Dollars (\$2,000.00) is necessary in order to avoid loss of life, substantial damage to property, or damage to the public peace or safety, then such contracts may be made and entered into with-

out public notice or competitive bids; provided that the provisions of this subsection shall not apply to contracts of industrial and cultural trusts.

(e) Provisions of this act shall not apply to entities created under Title 82 of the Oklahoma Statutes, §§ 1301 through 1323, inclusive.

Laws 1951, p. 166, § 1. Amended by Laws 1953, p. 277, § 1.
Laws 1970, c. 319, § 1.

Historical Note

Section 5 of Laws 1970, c. 319 was a severability provision.

Prior to the 1970 Amendment, this section provided as follows: "Express trusts may be created in real or personal property, or either or both, or in any estate or interest in either or both, with the State, or any county, municipality, political or governmental subdivision, or governmental agency of the State as the beneficiary thereof, and the purpose thereof may be the furtherance, or the providing of funds for the furtherance, of any authorized or proper function of the said beneficiary. Provided, that no funds of said beneficiary derived from sources other than the trust property, or the operation thereof, shall be charged with or expended for the execution of said trust, except by express action of the legislative authority of the beneficiary first had. The officers or any other governmental agencies or authorities having the custody, management or control of any property, real

or personal or both, of the beneficiary of such trust, or of such a proposed trust, which property shall be needful for the execution of the trust purposes, hereby are authorized and empowered to lease such property for said purposes, after the acceptance of the beneficial interest therein by the beneficiary as hereinafter provided, or conditioned upon such acceptance."

The provision above relating to lease of property was added in 1953.

The 1970 amendment rewrote the section in its present form.

Title of Act:

An Act relating to trusts for the benefit and furtherance of public functions; providing for their creation, administration and termination; defining the powers, duties and capacity of trustees; limiting liability of trustees and beneficiaries; and declaring an emergency. Laws 1951, p. 166.

Cross References

Electronic data processing services for counties, see Title 19, Counties and County Officers, § 378.
Local industrial development act, see Title 62, Public Finance, § 651 et seq.
Prohibition on construction or financing of turnpikes or state highways under public trusts, see Title 60, Roads, Bridges and Ferries, § 1733.

Law Review Commentaries

Charitable trusts as method of financing public utilities. 9 Okl.Law Rev. 222 (May 1956).
The charitable trust. 13 Okl.Law Rev. 354 (Aug. 1960).

Library References

Counties ⇨104.
Municipal Corporations ⇨224.
States ⇨85.
C.J.S. Counties § 166.

C.J.S. Municipal Corporations § 957.
C.J.S. States §§ 104, 106.
C.J.S. Wills § 107.

Notes of Decisions

Appeals 12
Bonds 10
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Immunity 9
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Trustees 6
Validity of trusts 4

any relief under initiative and referendum provisions of the Oklahoma Constitution, city council was authorized to execute lease with charitable public trust for lease of sewer facilities, etc., without first having submitted the question to a vote of the people, irrespective of whether city council was acting in legislative or administrative capacity. Id.

A trust created under statutes relating to trusts for furtherance of public functions, for purpose of constructing and operating a gas utility whose initial beneficiary was to be a state college and under which trust municipal corporations located within area might become beneficiaries, was a legal entity separate and apart from the state and political subdivisions of the state and as such, assuming that it qualified as a public trust, an "agency of the state and the regularly constituted authority * * * for the performance of the functions for which the trust shall have been created" within statute, and hence an agency of the towns and cities which had or which might become beneficiaries of the trust and of the college. State ex rel. Williamson v. Garrison, Okl., 348 P.2d 859 (1960).

A trust, under sections 176-180 of this title, relating to trusts for furtherance of public functions, creating a gas utility of which a college and municipal corporations would be beneficiaries was void on ground that governing bodies of municipalities undertook to grant a franchise for a longer term than 25 years to the trust without approval of majority of qualified electors in violation of constitutional provision that no franchise shall be granted, extended or

1. Construction and application

Where parties to lease of sewer and garbage disposal system from city to trustees of charitable public trust stipulated that rates and charges to be fixed by trustees and approved by city should be sufficient to cover all expenses, that it would be unlawful to fix rates which would destroy use of leased properties or impair ability to meet financial obligations, that all income should constitute trust funds, that when "surplus revenues" were transferred to city to use for any corporate purposes such revenues would continue to be trust funds and that parties did not intend that city would ever be required to spend any of its general fund revenues to supplement the "surplus revenues" in operation of the leased facilities but that city might appropriate any available general fund money for such purposes, bonds issued under such agreement would be legal. Meder v. City of Oklahoma City, Okl., 350 P.2d 916 (1960).

Since charter of Oklahoma City gives the city power to lease its property and also gives city council all legislative power, and there being no contention that taxpayers sought

city, with city to loan the electric power and distributing system to trust in order that trust could issue revenue bonds to defray cost of making replacements and improvements to system, was not a submission of multiple propositions under a single question. *Woodward v. City of Anadarko, Okl.*, 351 P.2d 292 (1960).

8. Intent

Lease agreement whereby improved real property belonging to county was leased to private charitable corporation for operation of county fair was not express public trust, as there was absolute lack of intent to create such trust. *Tulsa Exposition & Fair Corp. v. Board of County Com'rs of Tulsa County, Okl.*, 468 P.2d 501 (1970).

9. Immunity

Any fire department trust or authority created within a county as beneficiary under provisions of section 176 et seq. of this title, relating to trusts for furtherance of public functions, would not possess governmental immunity from suit or liability. *Op. Atty. Gen.*, No. 68-174 (July 11, 1968).

10. Bonds

Bonds which were to be issued by trust established by association formed pursuant to Interlocal Cooperation Act and which were to be secured by first mortgage on parking facility to be constructed by use of proceeds from sale of bonds were valid obligations of trust. Application of *Southern Oklahoma Development Trust, Okl.*, 470 P.2d 572 (1970).

Public trust may lawfully issue its bonds to be repaid from income or revenue. *Id.*

Except where municipality or county employs a public trust, created pursuant to provisions of Public Trust Act in manner contemplated by provisions of Local Industrial Development Act, trustees of such trust, unless restrained by provisions of

trust instrument, may issue revenue bonds without complying with provisions of Local Industrial Development Act. *Morrison v. Ardmore Indus. Development Corp., Okl.*, 444 P.2d 816 (1968).

Lease agreement between trustees of public trust and private corporation was not invalid on grounds of insufficient consideration for use of leased property where lessee was obligated to pay, prior to each interest payment date during primary term of lease, not only rental equal to principal of and interest on all bonds coming due on that interest payment date, but also all costs and expenses in connection with original issuance of bonds. *Id.*

Proposed bond indenture to finance acquisition of lands and construction of improvements thereon pursuant to provisions of Public Trust Act was not invalid for failure to specify exact amount of coupon bonds and register bonds, where under proposed trust indenture, bonds could be coupon bonds or fully registered bonds, or any combination thereof, as specified as successful bidder, and, at any time, prior to maturity, bonds of either class could be exchanged for bonds of other class and therefore exact amount of each class of bonds could not be specified. *Id.*

Proposed bond indenture to finance acquisition of land and construction of improvements thereon pursuant to provisions of Public Trust Act was not invalid for failure to specify name of trustee for holders of bonds or rate or rates of interest to be paid on such bonds where statement on proposed indenture that indenture was subject to correction and change and that instant draft was for information purposes only, contemplated that, prior to execution of instrument, all blank spaces would be filled in with proper information. *Id.*

Public trust may lawfully issue its bonds to be repaid solely from income or revenue. *Fort v. Oklahoma Industries, Inc., Okl.*, 385 P.2d 470 (1963).

Except where municipality or county employs public charitable trust in manner contemplated by Local Industrial Development Act, trustees of trust, unless restrained by trust instrument, may issue revenue bonds without complying with Local Industrial Development Act. *Id.*

11. Parking facilities

Parking facility to be constructed, owned and operated by trust formed by association established pursuant to Interlocal Cooperation Act was for "public purposes" and trust had power to construct and operate such facility. Application of *Southern Oklahoma Development Trust, Okl.*, 470 P.2d 572 (1970).

Association formed by several counties and cities pursuant to Interlocal Cooperation Act was authorized

to form trust to construct, own and operate parking facility in city. *Id.*

12. Appeals

Where issues involving validity of proposed bond indenture and proposed lease agreement between city and private corporation were of a public nature and of importance to municipalities of the state, Supreme Court's holding would be both advisory and directory. *Morrison v. Ardmore Indus. Development Corp., Okl.*, 444 P.2d 816 (1968).

Customers of water company had right under constitution to appeal to Supreme Court from order of Corporation Commission approving sale of water system of company to trust created by citizens of county. *Hixon v. Snug Harbor Water & Gas Co., Okl.*, 381 P.2d 313 (1963).

§ 177. Mode of creation—Acceptance—Contractual character—Duration

Such trusts may be created by written instruments, or by will. In the case of written instruments, the same shall be subscribed by the grantor or grantors and duly acknowledged as conveyances of real estate are acknowledged, and before the same shall become effective the beneficial interest therein shall be accepted by the Governor, if the state or any governmental agency thereof be the beneficiary, or by the governing body of any other beneficiary named therein, which power and authority of acceptance hereby is conferred upon the Governor and upon the governing bodies of the counties, municipalities, political and governmental subdivisions, and governmental agencies of the state. And thereupon the said instrument or will, together with the written acceptance of the beneficial interest endorsed thereon, shall be recorded in the office of the county clerk of each county wherein is situated any real estate, or any interest therein, belonging to said trust, as well as in the county wherein is located the trust property or wherein is conducted its principal operations. In the case of any trust of which the State of Oklahoma or a governmental agency thereof shall be the beneficiary, a certified copy of such instrument or will and the instrument of acceptance shall be filed with the Secretary of State. Upon the acceptance of the

beneficial interest by the beneficiary as hereinabove authorized and provided, the same shall be and constitute a binding contract between the State of Oklahoma and the grantor or grantors, or the executor of the estate of the testator, for the acceptance of the beneficial interest in the trust property by the designated beneficiary and the application of the proceeds of the trust property and its operation for the purposes, and in accordance with the stipulations of the trust instrument or will. Such trusts shall have duration for the term of duration of the beneficiary, or such shorter length of time as shall be specified in the instrument or will creating said trust.

Laws 1951, p. 167, § 2. Amended by Laws 1953, p. 278, § 2; Laws 1970, c. 319, § 2.

Historical Note

Laws 1953, p. 278, § 2 inserted the words "before the same shall become effective * * * beneficial interest endorsed thereon, shall"; the same act substituted "Upon the acceptance of the beneficial interest by the beneficiary as hereinabove authorized and provided, * * *" for the words "In the case of a will, the same shall be executed as required by the laws of the State, and shall become effective upon the death of

the testator and as provided therein. Upon the filing of such instrument, or upon the death of the testator, as the case may be, * * *."

The 1970 amendment added the provision for filing certified copies with the Secretary of State in certain instances and also substituted stipulations "of the trust instrument or will" for stipulations "specified by the trustor or trustors".

Library References

Counties ☞104.
Municipal Corporations ☞224.
States ☞85.
C.J.S. Counties § 166.
C.J.S. Municipal Corporations § 957.
C.J.S. States §§ 104, 106.
C.J.S. Wills § 107.
Forms,
Business trusts, declaration of trust, see Vernon's Oklahoma

Forms, §§ 742-744.
General powers of trustees, see Vernon's Oklahoma Forms, § 2662.
Voluntary trust agreement, see Vernon's Oklahoma Forms, § 2661.
Will with trust provisions, see Vernon's Oklahoma Forms, §§ 2771, 2773.

Notes of Decisions

Construction and application |
Purpose 2

1. Construction and application

Provision of public trust indenture specifying that indenture should be

irrevocable from time signed and delivered to trustees and should stand without power to amend, revise, modify, revoke, or terminate, was applicable only to unilateral action by trustor and did not preclude action taken jointly by trustor, trustees and beneficiary of trust, with consent of

all other interested parties. *Morrison v. Ardmore Indus. Development Corp.*, Okl., 444 P.2d 816 (1968).

Except where municipality or county employs a public trust, created pursuant to provisions of Public Trust Act in manner contemplated by provisions of Local Industrial Development Act, trustees of such trust, unless restrained by provisions of trust instrument, may issue revenue bonds without complying with provisions of Local Industrial Development Act. *Id.*

2. Purpose

A valid trust in property, with a governmental entity as beneficiary, may be created for a furtherance of

any public function which the entity might be authorized by law to perform and fact that such function had not been authorized to beneficiary at time of creation of trust does not impair its validity. *Board of County Com'rs of Oklahoma County v. Warren*, Okl., 285 P.2d 1034 (1955).

Under this section, trustees are bound by the purposes expressed in the declaration of trust so that where the development and administration of low-rent housing and slum clearance were not express purposes of the Southern Oklahoma Development Trust, nor reasonably inferable to be such, the trust could not act or qualify as a housing authority. *Op. Atty.Gen. No. 69-211 (June 24, 1969)*.

§ 177.1 Limitation upon engaging in activity other than expressly authorized

That no public trust shall engage in any activity or transaction that is not expressly authorized in the instruments or articles prescribing its creation except by express consent of the governmental agency or governmental entity that created said public trust.

Laws 1970, c. 71, § 1, emerg. eff. March 17, 1970.

Historical Note

Section 2 of Laws 1970, c. 71 directed codification.

and functioning other than that which is organized; directing codification; and declaring an emergency. Laws 1970, c. 71.

Title of Act:

An Act pertaining to public trust; providing limitation upon engaging

§ 178. Trustees—Appointment, succession, powers, duties, term, removal and compensation

(a) The instrument or will creating such trust may provide for the appointment, succession, powers, duties, term, manner of removal and compensation of the trustee or trustees subject to the provisions of (c) hereof, and in all such respects the terms of said instrument or will shall be controlling. Trustees, who are public officers, shall serve without compensation, but may be reimbursed for actual expenses incurred in the performance of

their duties as trustees. If the said instrument or will makes no provision in regard to any of the foregoing, then the general laws of the state shall control as to such omission or omissions. Every person hereafter becoming a trustee of a public trust first shall take the oath of office required of an elected public officer and every officer and employee who handles funds of a public trust shall furnish a good and sufficient fidelity bond in an amount and with surety as may be specified and approved by the persons constituting a majority of the governing body of the beneficiary of the trust, such bond to be in a surety company authorized to transact surety business in the State of Oklahoma but in no event shall any bond be required of a trustee. The cost of said bond shall be paid from funds of the trust authority. The oaths of office shall be administered by any person authorized to administer oaths in the State of Oklahoma, and shall be filed with the Secretary of State in trusts wherein the State of Oklahoma or a governmental agency of the state is the beneficiary; in the office of the county clerk in a trust wherein any county or political or governmental subdivision thereof is beneficiary; and in the office of the clerk of the municipality in a trust wherein any municipality or political or governmental subdivision thereof is the beneficiary.

(b) After the effective date of this act, meetings of trustees of any public trust shall be open to the public to the same extent as is required by law of other public boards and commissions. All records of said trusts shall be public records and shall be kept in a place, the location of which shall be recorded in the office of the county clerk of each county, wherein the trust instrument shall be recorded.

(c) Trustees of any public trust may be removed from office for cause, including incompetency, neglect of duty, or malfeasance in office, by a district court having jurisdiction. In the event of removal of a trustee under this section, a successor trustee shall be appointed as provided in the trust instrument. Provided, however, in the event a trustee is so removed who is also a member of the governing board of a municipal beneficiary, the successor trustee shall be appointed by the judge of the court wherein the removal occurred; said successor trustee shall serve only until the removed trustee ceases to serve as a member of the governing board of the municipal beneficiary and his successor on said board has qualified.

Laws 1951, p. 167, § 3. Amended by Laws 1970, c. 319, § 3.

Historical Note

Prior to the 1970 amendment, this section contained a single paragraph as follows: "The instrument or will creating such trust may provide for the appointment, succession, powers, duties, term and compensation of the trustee, or trustees; and in all such

respects the terms of said instrument or will shall be controlling. If the said instrument or will make no provision in regard to any of the foregoing, then the general laws of the State shall control as to such omission or omissions."

Library References

Counties ⇨104.
Municipal Corporations ⇨224.
States ⇨85.
C.J.S. Counties § 166.
C.J.S. Municipal Corporations § 957.
C.J.S. States §§ 104, 106.
C.J.S. Wills § 107.
Forms,
Business trusts, declaration of trust, see Vernon's Oklahoma Forms, §§ 742-744.

General powers of trustees, see Vernon's Oklahoma Forms, § 2602.
Voluntary trust agreement, see Vernon's Oklahoma Forms, § 2661.
Will with trust provisions, see Vernon's Oklahoma Forms, §§ 2771, 2773.

Notes of Decisions

I. Construction and application

Provision of public trust indenture specifying that indenture should be irrevocable from time signed and delivered to trustees and should stand without power to amend, revise, modify, revoke, or terminate, was applicable only to unilateral action by trustor and did not preclude action taken jointly by trustor, trustees and beneficiary of trust, with consent of all other interested parties. *Morrison v. Ardmore Indus. Development Corp.*, Okl., 444 P.2d 816 (1968).

Except where municipality or county employs a public trust, created pursuant to provisions of Public Trust Act in manner contemplated by provisions of Local Industrial Development Act, trustees of such trust, unless restrained by provisions of trust instrument, may issue revenue bonds without complying with provisions of Local Industrial Development Act. *Id.*

Duties of trustee of a charitable trust are similar to those of trustee of a private trust. *Harrison v. Barton*, Okl., 358 P.2d 211 (1961).

§ 179. Status of trustee—Liability for acts

The trustee, or trustees, under such an instrument or will shall be an agency of the State and the regularly constituted authority of the beneficiary for the performance of the functions for which the trust shall have been created. No trustee or beneficiary shall be charged personally with any liability whatsoever by reason of any act or omission committed or suffered in the performance of such trust or in the operation of the trust property;

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March 26, 1971

Mr. Arthur Olsen
Assemblyman
Nevada State Capitol
Carson City, Nevada

Dear Mr. Olsen:

You have asked me to summarize the advantages of the pending bill in the Nevada Legislature which would authorize public trusts acting through a Board of Trustees to perform state and municipal functions by financing and constructing public buildings or facilities on behalf of the state, a city or county without liability on the state or the county or city with the total cost of the financing of the improvement to be paid out of revenues derived from the operation of the facility.

Such a vehicle for financing the needed state, county or city buildings, improvements and other self-liquidating facilities would without question be a great benefit to the entire state because such improvements, buildings and facilities could be financed and constructed by a Board of Trustees approved by the state or other political subdivision involved without obligating the taxpayers or otherwise incurring liability by the beneficiary of the trust. Title to the facilities or improvements would vest in the beneficiary of the trust, the state, county or city, as the case may be, when the bonds issued to finance the project have been retired. The beneficiary of each public trust, whether it be the state, county or city or other municipal corporation, would have to approve the terms of the trust, the appointment of the trustees and the project or facility to be financed and constructed by the trustees. Especially would such public trusts be beneficial and perform needed public functions in a state such as Nevada with its present tax limit. (Article X, Section 2)

over

Nevada's present Economic Development Revenue Bond Laws for cities and counties do not answer the need for public improvements and buildings because those revenue bond laws authorize cities and counties to acquire and make available lands and buildings only for "manufacturing, industrial or research and development enterprises" (Section 268.522, Nevada Statutes for cities and Section 244.9196 for counties). These city and county Economic Development Revenue Bond Laws were passed in 1967 with the stated purpose of encouraging industry to move into the state. While they may be helpful to the state from the standpoint of inviting industry, they do not answer the need of the state, counties, cities and other political subdivisions for local public improvements, such as sewer and water facilities and other utilities, public buildings such as hospitals, courthouses, schoolhouses, city halls and the like.

As you know, the pending bill in the Nevada Legislature to authorize public trusts was modeled after the Oklahoma Public Trust Law. That law was passed by the Oklahoma Legislature to fill the need for local municipal improvements

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that could not be financed by revenue bonds issued by a city or county. Since its passage in 1951 many cities and counties of the state have been able to obtain badly needed public improvements without obligating the taxpayers or the state, county or city involved. Oklahoma City, for example in 1960, financed a large addition to its water system by the creation of a public trust which financed a pipeline from a water supply some 90 miles away to connect with the city water system. The city leased its existing water system to the trust and the trust entered into a separate agreement with the city whereby the city would operate the water system, including the new pipeline for needed additional water supply. The total cost of this additional pipeline to increase the city's water supply required about \$73,000,000 principal amount of bonds. The project is going well. All expenses of operation are paid out of revenues of the water system, and the bonds to finance the cost of this addition to the city's water system are being paid, both principal and interest, as they mature.

One of the first public trust functions in Oklahoma was the Oklahoma City Airport which was financed through the Oklahoma City Airport Trust in 1956. Since then many additions and extensions and improvements have been made to the Oklahoma City Airport through trust financing. Neither the taxpayers nor any city funds are liable on these bonds.

The pending trust bill in your legislature should not pose any problems as to constitutionality. The Oklahoma Supreme Court upheld the Oklahoma Public Trust Law on several occasions when different questions were raised attacking constitutionality. The Oklahoma Constitution is very strict on incurring debt by the state, cities or other political subdivisions, and only a self-liquidating project can be financed by a public trust for a city or county or the state.

over

The pending bill also contains a provision that the public trust is authorized to pay amounts in lieu of taxes as may be agreed upon by the trustees and the beneficiary of the trust at the time the beneficiary (the state, county or city) approves the trust. This procedure would correct any loss in taxes by reason of not having property owned by the trust on the tax rolls. Also, it should be borne in mind that no wild scheme could be financed by the trustees of a public trust because the bond market, before accepting the bonds to be issued to finance the project, would require very good factual evidence as to revenues to be derived in amounts sufficient to pay the principal and interest on the bonds, operate and maintain the facility and to provide for renewals and replacements.

I should also point out that a number of public buildings have been financed and constructed in different parts of the country on a self-liquidating basis by public instrumentalities such as a public trust or non-profit corporation, and were constructed with space considerably in excess of the then present needs of the public entity, and the excess space was rented to private tenants pending the time when the public entity would need such additional space. This same approach could be used in Nevada by a public trust.

Bonds issued by a public trust to finance a public facility or improvement would enjoy exemption from Federal income taxes the same as a state, city or county general obligation bond payable from taxes and issued for the same

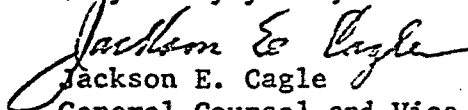
purpose. I should mention, of course, that in 1968 Congress amended the income tax exemption section of the Internal Revenue Code by adding Section 103(c) to provide for a tax on purely industrial development bonds to aid private corporations, with certain specified exceptions. Thus, municipal bonds issued for the benefit of industry are not by reason of having been issued by a state, county or city ipso facto tax exempt. But bonds issued by a public trust would be tax exempt if state, city or county bonds issued for the same purpose would be tax exempt.

Your city and county Economic Development Revenue Bond Laws also have an interest rate limitation of 7% (Section 268.534, Nevada Statutes for cities and Section 244.9202 for counties). A public trust would not be subject to this interest rate limitation and in an unfavorable bond market such as has prevailed in 1968 and 1969 and most of 1970 could nevertheless issue bonds, which would be tax exempt to finance certain needed facilities for industry, such as industrial parks, housing for residential purposes and for other purposes specified as tax exempt in Section 103(c) of the Internal Revenue Code. Nevada felt the effect of this 7% interest rate limitation recently when the financing of additions to the Las Vegas Airport was delayed because the bond market would not take the bonds at 7%. We purchased this issue of \$23,000,000 in January of this year. The interest rate was 7%.

My comments on the advantages of the public trust law are not theoretical but are based upon quite a bit of experience. John Nuveen & Co. has handled public trust bonds in Oklahoma for the last 15 years beginning with the first Oklahoma City Airport Trust Bonds in 1956. The largest issue was the Oklahoma City Municipal Improvement Authority Water Revenue Bonds of 1960. The last issue was in January of this year when we worked out the details, necessary contracts, leases and agreements for the \$6,000,000 financing by the Oklahoma University Development Authority to finance a heating and cooling plant for the benefit of the Oklahoma City Medical Center.

I realize there are many details relating to the operation of a public trust and its financings of needed local public improvements which cannot be readily covered in a letter. I have tried to touch on the most important matters and, of course, stand ready to answer any questions you may have.

Very truly yours,



Jackson E. Cagle
General Counsel and Vice President

JEC:jj

RULES FOR PERSONNEL ADMINISTRATION

8205

RULE XI

PROHIBITIONS AND PENALTIES
(Refer to NRS 284.410)

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A. Incompatible Activities

1. Employees shall not engage in any employment, activity or enterprise which has been determined to be inconsistent, incompatible or in conflict with their duties as State officers and employees, or with the duties, functions or responsibilities of their appointing authorities or agencies by which they are employed.
2. Each appointing authority shall determine and describe in writing, subject to the approval of the Commission, those specific activities which, for employees under his jurisdiction, will be considered inconsistent, incompatible or in conflict with their duties as employees, and shall provide a copy to each such employee. In making this determination, the appointing authority shall give consideration to any employment, activity, or enterprise which involves:
 - a. The use for private gain or advantage of the State's time, facilities, equipment and supplies; or the badge, uniform, prestige or influence of his State position or employment.
 - b. The receipt or acceptance by the employee of any money or other consideration from anyone other than the State for the performance of an act which the employee would be required or expected to render in the regular course or hours of his State employment or as a part of his duties as an employee.
 - c. The performance of an act in other than his capacity as an employee, which act may later be subject, directly or indirectly, to the control, inspection, review, audit, or enforcement by such employee or the agency by which he is employed.

B. Full-Time Service Required

Each employee shall during his hours of duty as an employee and subject to such other laws, rules or regulations as pertain thereto, devote his full time, attention and efforts to State employment.

C. Political Activity

Employees shall have the right to vote as they choose and to express their political opinions on all subjects without recourse, except that no employee shall:

1. Directly or indirectly solicit or receive, or be in any manner concerned in soliciting or receiving any assessment, subscription, contribution, or political purpose from anyone on any employment list or holding any position in the classified service.
2. Engage in political activity during the hours of his State employment with the purpose of improving the chances of a political party or individual seeking office; or at any time engaging in political activity for the purpose of securing preference for promotion, transfer, or salary advancement.

RULES FOR PERSONNEL ADMINISTRATION - RULE XI - Continued

8205

3. While off duty, engage in political activity to an extent that it impairs his attendance or efficiency as an employee.
4. As an employee in an agency administering federally aided programs, engage in political activities at any time which are forbidden by federal law.

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D. Strikes Against State Service

The Legislature declares it to be the public policy of the State of Nevada that strikes against the State are illegal (NRS 288, Local Government Employee-Management Relations Act, 1969).

E. Prohibition of Discrimination

Discrimination against any person in recruitment, examination, appointment, training, promotion, retention or any other personnel action, because of political or religious opinions or affiliations or because of race, national origin, age, sex, or any other non-merit factor is prohibited.