

Committee in session at 7:35 a.m. Senator Floyd R. Lamb was in the Chair.

PRESENT: Senator Floyd R. Lamb, Chairman  
Senator James I. Gibson, Vice Chairman  
Senator Eugene V. Echols  
Senator Norman D. Glaser  
Senator Thomas R.C. Wilson  
Senator Lawrence E. Jacobsen (absent during part of voting)  
Senator Clifford E. McCorkle

ABSENT: None

OTHERS: Ronald W. Sparks, Chief Fiscal Analyst  
PRESENT: Eugene Pieretti, Deputy Fiscal Analyst  
Howard Barrett, Budget Director  
A. A. Campos, Chief, Parole and Probation  
Vernon Bennett, Executive Officer, Public Employees Retirement System  
Will Keating, Assistant Executive Officer, PERS  
Sam Palazzolo, board member, PERS  
Will Deiss, board member, PERS  
Donald Baepler, Ph.D., Chancellor, Univ. of Nevada, Reno  
Paul Page, Ph.D., Chairman, Faculty Senate, UNR  
William Hancock, Secretary-Manager, Public Works Board  
James Shields, lobbyist, Nev. State Education Association  
Ed Vogel, Las Vegas Review Journal  
Cy Ryan, United Press  
John Rice, Associated Press

AB 473 Retains parole and probation officers in definition of "police officer". (Attachment A)

A.A. "Bud" Campos testified in favor of this bill (see Attachment B).

Senator Wilson asked if parole and probation officers make more arrests on a ratio basis (officer to defendant). Mr. Campos replied that they do, for arrests that result in a person being put in prison, not being put out on bail.

Senator Wilson asked if these arrests are more hazardous because the person being arrested knows he or she will go to prison. Mr. Campos said yes; but there is a benefit in knowing the defendant.

Senator Lamb asked if any parole officers have been shot. Mr. Campos said no.

Senator Echols asked if 1/3 recidivism was not a good record. Mr. Campos said this percentage is standard nationwide.

Vernon Bennett, Executive Officer, Public Employees Retirement System, introduced Will Keating, Assistant Executive Officer, and two PERS Board members: Sam Palazzolo and Will Deiss. Mr. Bennett reviewed the history of considering the Parole and Probation people for retirement. He said the Advisory Committee and Retirement Board feel that parole and probation should be covered. Mr. Bennett stated they believe these jobs are equally as dangerous as many groups which are currently enrolled in the system.

Senator McCorkle asked why there had been a "sunset" provision. Mr. Bennett said during the last session, the Senate Finance Committee reviewed all of the groups covered under police and firemen; this is one of the groups considered to be deleted because the Committee felt their jobs were not as hazardous as police or firemen.

Senator Glaser asked how many people would be involved from Parole and Probation. Mr. Campos said about 110.

Mr. Bennett said they are in the system now, paying the full employee contribution; and the State is paying the full employer contribution. He said there is no fiscal impact to the system; there is a slight fiscal impact to the State because the employer pays an additional 1/2



percent of compensation for earlier retirement. He said Parole and Probation have paid on the additional contribution since July, 1971.

AB 474      Makes fiscal changes to public employees  
retirement act.      (Attachment C)

Mr. Bennett submitted information pertaining to this bill (see Attachment D). He mentioned that some employees work overtime or are given raises their last 3 years of employment to raise their retirement payments. This bill tries to ameliorate that situation.

Senator McCorkle asked, regarding coverage of people with part-time jobs, if the provision is limited to two half-time jobs and not a 3/4 job combined with a 1/4 job. Mr. Bennett testified that their major problem has been people with two half-time jobs.

Senator McCorkle pointed out that some employees have jobs which are .8 and .6; he asked what happens to these people. Mr. Bennett said an employee has to be at least half time to be covered for membership. He said if the Committee wished, the bill could be amended to provide that employees who work at least half-time to establish membership, could contribute on the other position, provided their jobs did not exceed 100 percent employment.

Senator Gibson asked what is the difference between returning to work after regular working hours and working overtime. Mr. Bennett said there are three categories of overtime: holiday pay is when a person is paid for a holiday because he works on that day; stand-by pay is paid to people who must wait 30 minutes to 1 hour after their shift has ended, and they receive a monthly stipend to stand by; or, returning to work after regular hours is also overtime.

Senator Gibson asked if there is a contradiction in the bill which says the term includes returning to work after regular working hours and also says the term does not include payment for overtime. Mr. Bennett said they have eliminated overtime; he said there seems to be a contradiction in the bill. He said they eliminated overtime because many members would not work overtime until 3 years before retirement eligibility. Mr. Bennett said overtime is an individual thing where a particular employee decides to work overtime; recall pay is when the employer makes the decision that groups of people return to work; it is a regularly established procedure and there is an established method of payment for this in a contract.

Senator Wilson asked if Mr. Bennett was only concerned that an employee who worked part-time had at least a half-time position. Mr. Bennett said yes, providing that all employment does not exceed 100 percent employment.

Senator McCorkle asked why shouldn't a person be paid for more than full-time work if he works more than full-time. Mr. Bennett said the provisions established in 1977 prohibit going over 100 percent; they say that an employee cannot contribute on more than a 40-hour work week.

Senator Gibson said he did not think a person should collect retirement for more than 1 full-time job, because that is what has gotten other retirement systems in trouble throughout the U.S. He said if people exceed normal earnings during their last three years of employment, it ruins retirement systems.

Mr. Bennett added that few people normally work over 40 hours a week. He said it would be hard to determine whether an employee regularly worked overtime or occasionally had an extra part-time job.

Senator Lamb remarked that it seems that this retirement system is slowly being infiltrated; rules are being changes which will endanger the system. He said the system can no longer expect money from the General Fund. Senator Lamb stated that Mr. Campos has never had an employee shot, and yet claims his employees' jobs are as dangerous as police or firemen.

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Mr. Bennett said, regarding Section 1.4, that regular members contribute 8 percent by the employer and 8 percent by the employee and go to the employer pay system with a 1 percent reduction, whereby the employer pays 15 percent; the police and firemen elected not to take the 1 percent reduction. They have an 8-1/2 percent employee and 8-1/2 percent employer and go to the employer pay system with a full 17 percent contribution by the employer. He said this provides a better funding method for the police and firemen's fund; he said 60 percent of police and firemen are already under employer pay. Mr. Bennett said this section was amended in the Assembly to remove the application to State employees at the request of SNEA so the mandatory employer pay would not apply to police and firemen who are state employees.

Senator Gibson asked if employer contributions are in lieu of a pay raise. Mr. Bennett said it is governed by all of the normal provisions under employer pay (see page 3, lines 3 to 6).

Senator Gibson asked if total employer pay is a benefit to the system. Mr. Bennett said yes; it benefits not only the system but also the public employer and employee.

Senator Lamb asked why SNEA objects. Mr. Bennett said he feels that they do not properly understand it.

Senator Gibson asked about lines 31 and 32. Mr. Bennett said this is a technical correction by the bill drafters. He said they are not removing the right to have an option; it is just a reworking of the law because they felt that the present wording on the unmodified benefit and the option would allow either a regular service retirement or a disability retirement.

Senator Lamb asked if a worker is allowed to return to the system, shouldn't a judge be allowed to return to the system. Senator Gibson said the difference is that a worker is a member of the system all along. Mr. Bennett said the reason they took their position regarding the judges, is to not create a conflict with the previous law that was passed, which said that after July 1, 1977, an elected or appointed judge goes under the judges' system unless already a member of PERS. He said they were trying to prevent a conflict between the two membership situations.

Senator Gibson asked for an example of how the situation would work under Section 3.3. Mr. Bennett provided such an example.

Mr. Bennett stated, regarding Section 3.5, this benefit would not be applicable unless and until, (refer to page 7, lines 4 through 7), the 1981 legislature increases the police and fireman contribution rates to pay for this benefit based on the June 30, 1980 actuarial report. He said a policeman would also have the option to go from the unmodified and select one of the options.

He said with the employer pay aspect, they anticipate the cost to be 1.4 percent of payroll. He said this matter will be brought to the legislature in 1981, and if the legislature does not approve the increased contribution equivalent to that, or if mandatory employer pay-back is not made, this provision becomes null and void.

Senator McCorkle asked if the 1.4 percent is applicable only to the police and firemen. Mr. Bennett said yes.

AB 475      Makes administrative changes in Public Employees Retirement Act and legislator's retirement system.  
(Attachment E)

Mr. Bennett reviewed this bill (see Attachment D).

Senator McCorkle asked how an independent contractor would be kept out of the system (see Section 1). Mr. Bennett said present law defines independent contractor as one who is not in the System.



Senator Echols asked if Mr. Bennett's assistant fits into the category of taking outside work (see Section 2). Mr. Bennett replied that his assistant or anyone else on his staff could do that on their own time; he added that the Board adopts this position unanimously.

#### Loans

Mr. Bennett explained, regarding Section 3, that the 1 percent good faith deposit used to secure loans will be used to pay certain expenses related to reviewing the loan involved.

Senator Lamb questioned the safety of investing in casinos in view of present economic trends. Mr. Bennett said the Board has set a maximum of 10 percent of portfolio for casino investment. He said investments under bad times in general are limited.

Senator McCorkle asked why they charge 1 point when the market charges about 2. Mr. Bennett said the retirement system asks for more safeguards from people they lend to and also their attorney advises them, that due to the usury law, they cannot charge more anyway.

Senator Wilson asked, regarding Section 6, if the retirement system would be liable if staff told a liaison officer misleading information, who in turn, passed it on to an employee. Mr. Bennett said the retirement system would be responsible if the liaison contacts the system for information. He said their problems have been with liaison officers who have not contacted them, but give out misleading information, and then try to hold the retirement system responsible.

Senator Wilson commented that Mr. Bennett is saying that he will not be responsible for misleading information unless it is his own. Mr. Bennett agreed. He said, however, the language in the bill does not say this.

Mr. Bennett stated, regarding Section 7, that if a CETA employee becomes a regular employee and reports within 90 days, the Department of Labor will pay the employer's part of retirement for that person's CETA employment. He said they do not have to do this, but it would help. He said they did this at the recommendation of several prime sponsors.

Senator Lamb said, regarding Section 9, that CETA employees whose positions are created to relieve unemployment, are different from regular employees. He expressed concern about CETA employees acquiring retirement benefits.

Mr. Bennett said his organization did not want the prime sponsors to have to pay the employer contribution for CETA employees. It would have cost Washoe County about \$100,000 last year. They requested a provision that CETA employees not be covered. He said the Department of Labor requires them to make a provision for CETA employees who later become public career employees.

Senator Lamb said the question for the Finance Committee is whether it will allow CETA time to be purchased for retirement purposes. Mr. Bennett said to his knowledge, a decision on this question would not affect the provision which denies CETA employees membership in the retirement system.

Senator Wilson asked what the monetary effect is on the retirement system. Mr. Bennett said there is no effect. Senator Lamb mentioned that there is an effect; the retirement system could have to pay retirement earlier.

Mr. Bennett said the employer has the option to pay but does not have to; most agencies do not pay.

Mr. Bennett said Section 11 applies mainly to the University but could also apply to school districts.



Mr. Bennett said, regarding Section 12, that there are problems with retroactivity. He said they have a provision (page 19, lines 17 through 20, section 28.5) which would "grandfather in" the retired employees who are presently serving in elected positions and who went to these positions while it was not in violation of the law. Mr. Bennett said they have requested an amendment for a technical correction on section 28.5, line 19, instead of 1977 it should read 1975. He said this section should also be made effective upon passage.

Senator McCorkle asked regarding the \$4,800 limitation. He said it sounds like the "vicious cycle" that social security is in. He asked what the typical retirement benefit is now. Mr. Bennett said probably an average of \$450 per month.

Senator McCorkle said, referring to lines 23 to 28, that the wording says that if someone were to make between \$400 and \$850, it would not work. They must make less than \$400 or more than \$850 a month to come out ahead. Mr. Bennett said that is true. He said the reason they kept the \$4,800 limitation is that some agencies might take advantage of the situation and pay someone \$30,000 a year just to help out a retired employee. He said there should be a ceiling.

Senator McCorkle said the safety valve is that recipients do not lose eligibility as long as they do not take another state position with the retirement system; they can go to a private employer.

Senator Echols, referring to Section 20, said he feels the language in the bill could be misinterpreted. He said "or which" should be changed to "and which does not represent". Senator McCorkle concurred with Senator Echols.

Senator Echols asked, regarding Section 23, if holding up retirement benefits of a person charged with murder of a member of the retirement system, is not in violation of "innocent until proven guilty" status. Mr. Bennett answered it is customary to hold the status quo until a case has been resolved.

Senator Gibson asked the reason for the Section 23.5 provision. Mr. Bennett said they have had trouble with NRS 286.300, purchase of service. Technically, the person has retirement in the Social Security system because social security started covering military in 1952 and automatically covered any back service free. A person who serves 4 years in the military is never going to retire in the military nor is he probably ever going to draw social security benefits on that service. He said this provision is prohibiting him from buying his military service in Nevada's retirement system. Mr. Bennett said the intent was that he could not buy his military service in Nevada's system if he was retired from the federal military retirement, not from social security. He said they are trying to eliminate the confusion related to this matter. He added that only about 2 percent of members who have contacted the System and wanted a computational purchase of service, have ever bought it because of the excessive cost; they pay the full actuarial cost.

Mr. Bennett said he wrote a letter to the Committee regarding Section 24 (see Attachment F). He explained that "otherwise provided by statute" (page 15, lines 30-31) refers to section 22, page 14. He said their attorney is concerned about page 16, line 3 "void as to the excess". Mr. Bennett said this wording was done by the bill drafter, not at the Retirement System's request; but it has a substantial impact on the Pease case; it turns around the Pease case. He recommended that the wording "void as to the excess" be deleted; also the brackets on page 2 and 3, and to return the wording to the way it was.

Mr. Bennett said Bill Isaefff talked to Frank Daykin about this matter. Mr. Isaefff said if this section were determined unconstitutional, he would not want all of AB 475 to be determined unconstitutional. Mr. Daykin said if one section was unconstitutional, it would not affect the rest of the bill.

Senator Gibson asked if there is a reason why Section 12 should not become effective upon passage. Mr. Bennett said none.



Regarding sale of bonds - University of Nevada System

Dr. Baepler testified that a piece of legislation from the 1975 session was amended wherein the University of Nevada system was authorized to sell bonds which would be amortized by a lease with the EPA, to build a new EPA facility on campus (see Attachment G). He said when the lease is terminated, the building is totally paid for and the University obtains the building. He said the 1975 legislation provided for \$10,000,000 of tax exempt bonds. The IRS ruled that if the bonds were going to be paid by the federal government under a lease arrangement, the bonds could not be tax exempt. He said they returned to the legislature in 1977 and amended the 1975 legislation, which permits the University to sell bonds which are not tax exempt in the amount of \$10,000,000.

Dr. Baepler said the problem now is that since the request was first made in 1975, due to inflation and a desire to expand the project, they would like to sell the bonds in the amount of \$20,000,000. He requested changing the amount from "\$10,000,000" to "\$20,000,000". He said the amount of the lease would be sufficient to fully amortize the bonds, plus maintenance, and in 10 years the building would be paid for.

Senator Gibson asked if legislation has been drawn yet. Dr. Baepler said no. He said if the Finance Committee could do it he would appreciate it.

Senator Gibson moved to change the \$10,000,000 figure to \$20,000,000.

Seconded by Senator Glaser.

Motion carried.

Senator Jacobsen absent.

Senator Gibson moved that the Finance Committee draft the necessary legislation.

Seconded by Senator Glaser.

Motion carried.

Senator Jacobsen absent.

AB 731 Provides for optional program of additional retirement contributions. (Attachment H)

Mr. Bennett described this bill (see Attachment D).

Senator McCorkle asked if this included a mandatory match by the employer. Mr. Bennett said there would be no matching by any employer, and no cost to the system administratively. He said the system charges a fee which would pay for the program; the fee is paid only by those who participate in the program.

Senator McCorkle said he is concerned about competition with private enterprise. Mr. Bennett said no one spoke in opposition to the bill. He said, however, it is competitive with private enterprise.

AB 738 Permits full service credit for part-time employment of certain public employees who are eligible to retire. (Attachment I)

Mr. Bennett described this bill (see Attachment D).

Dr. Paul Page, Chairman, Faculty Senate, UNR, testified that this bill originated in the Faculty Senate; he said the universities and community colleges endorse this bill. He provided 2 examples of half-time and 3/4 time employees at 3 different ranks and showed savings to the University System (see Attachment J). He reported



(AB 738 - continued)

that the Utah and California University Systems use this method.

Senator Gibson asked if most university professors were not under the national retirement program. Mr. Bennett said about 25 percent are now members of PERS. He said the 1977 legislation provides that any new professor employed after July 1, 1977 shall be enrolled in the national system.

Senator Gibson asked why a professor of 28 years would do this; he would be making less from a half-time salary than from his retirement. Dr. Page said these were just examples on paper; they have not talked to anyone who might do this.

SJR 24      Memorializes Congress to repeal legislation requiring reduction of social security benefits to spouses or surviving spouses by amount received from certain public retirement systems.  
(Attachment K)

Mr. Bennett described this bill (see Attachment D).

SB 258      Extends and temporarily increases post-retirement allowances and benefits. (Attachment L)

Mr. Bennett described this bill (see Attachment M).

Senator Lamb read the amendments.

Senator Gibson moved that the Finance Committee concur with the amendments.

Seconded by Senator Wilson.

Senator McCorkle voted no.

Motion carried.

Senator Jacobsen absent.

SB 123      Appropriation to department of economic development for tourism and industry.  
(Attachment N)

Senator Lamb read the amendments.

Senator McCorkle said he did not realize the State was doubling the amount given to the large counties. Senator Lamb remarked that if one county does not apply by January 1, it loses the money and it would go to another county.

Senator McCorkle said he is concerned about giving Ely and other areas in distress more money.

Senator Wilson asked which rural counties applied during the last biennium. Senator Glaser said the Department of Economic Development got all the money and put together a tourism package to promote tourism in the rural counties during the winter months. He said some of the rural counties said they did not benefit at all from the economic package. He said this is why the program has been redesigned, so the counties can control their own economic development.

Senator Wilson said he would like to see the money diverted to rural counties, rather than Clark County. Senator Gibson said twice as much money is needed in Clark County as they are being granted; he said rural and large counties are separate problems.

Senator McCorkle doubted the effectiveness of \$25,000 to a rural county. Senator Gibson said this would be matched locally and would become \$50,000.

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(SB 123 - bill action continued)

Senator McCorkle said he would like to see more money diverted to rural counties. Senator Wilson concurred; he said he had not understood when the amendment was drawn, how the "spillover" would operate.

A general discussion ensued regarding the funding of small versus the large counties.

Senator McCorkle suggested that rural counties be given the first \$50,000 that Washoe County does not accept.

Senator Gibson said the rural and urban programs should be kept separate; their approach is not the same. Senator Gibson said the amendment does not provide for a pour over of money from large to small counties or vice versa, and that is the intent.

Senator Gibson moved that the amendment should be corrected to provide that money not used by a large county will be made available to the other large county; and, among the rural counties, money not used by some rural counties will be made available to other rural counties.

Seconded by Senator Jacobsen.

Senators McCorkle and Wilson voted no.

Motion carried.

SB 509 Appropriation to department of energy to economize use of energy in state facilities. (Attachment O)

Senator Lamb read the amendments.

Senator Jacobsen moved that the amendments be approved.

Seconded by Senator Wilson.

Senator McCorkle said he would rather see money invested in research rather than conservation which is treating a symptom which is non-renewable resources. He said he would rather invest the money in this bill in research, which would mean giving the money to the Desert Research Institute.

Senator Wilson remarked that research and conservation are not mutually exclusive; both are needed.

Senator Gibson said about \$5,000,000 is involved and that is the purpose of conserving. He said in general he agrees with Senator McCorkle, but conservation is also needed.

Senator Lamb called for a vote on the motion.

Motion carried.

Senator Gibson moved "Amend and Do Pass" SB 509.

Seconded by Senator Wilson.

Motion carried.

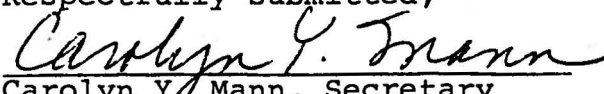
GENERAL FUND SURPLUS

Senator Lamb announced that he feels that a reserve of \$34,000,000 will not be enough due to the current economic crisis caused by the gas shortage. He said he does not believe that all the surplus should be given away during the legislative session and suggested that \$50,000,000 remain as a reserve.

Meeting adjourned at 10:35 a.m.

APPROVED:

  
Floyd R. Lamb Chairman

Respectfully submitted,  
  
Carolyn Y. Mann, Secretary



ATTACHMENT A

**A. B. 473**

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ASSEMBLY BILL NO. 473—COMMITTEE ON WAYS AND  
MEANS

FEBRUARY 27, 1979

Referred to Committee on Ways and Means

SUMMARY—Retains parole and probation officers in definition of "police officer" for purposes of public employees' retirement. (S-1539).

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: Yes.

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT to amend an act entitled, "An Act relating to public employees' retirement; amending provisions relating to administration, membership, contributions, service, retirement, benefits, vesting, investment of funds and optional programs; and providing other matters properly relating thereto," approved May 19, 1977, as amended.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

- 1 SECTION 1. Section 57 of the above-entitled act, being chapter 594,  
2 Statutes of Nevada 1977, at page 1603, is hereby amended to read as  
3 follows:  
4 Sec. 57. 1. This section and sections 2, 5, 6, 7, 8, 13, 15, 28,  
5 36.5, 37, 39, 40, 41, 42, 52 and 53 of this act shall become effective  
6 upon passage and approval.  
7 2. [Section 11 of this act shall become effective on July 1,  
8 1977, and shall expire by limitation on July 1, 1979.  
9 3. Section 11.5 of this act shall become effective on July 1,  
10 1979.  
11 4.] All other sections of this act shall become effective on  
12 July 1, 1977.  
13 SEC. 2. Section 11.5 of the above-entitled act is hereby repealed.  
14 SEC. 3. This act shall become effective upon passage and approval.



ELBERT B. EDWARDS  
CHAIRMAN EMERITUS

VERNON BENNETT  
EXECUTIVE OFFICER

WILL KEATING  
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569  
CARSON CITY, NEVADA 89701  
TELEPHONE (702) 885-4200

RETIREMENT BOARD  
L. ROSS CULBERTSON  
CHAIRMAN

SAM A. PALAZZOLO  
VICE CHAIRMAN

MEMBERS

DARREL R. DAINES  
WILLIS A. DEISS  
ELBERT B. EDWARDS  
BOYD D. MANNING  
DONALD L. REAM

ATTACHMENT B

March 8, 1979

TO: All Assemblymen

RE: AB 473

*Parole  
off*

During the 1977 Session, the Legislature approved continued membership in the early retirement program for police and firemen for state Parole and Probation officers only until June 30, 1979. The sunset provision was enacted to allow the Legislative Interim Retirement Committee, the Police and Firemen's Retirement Fund Advisory Committee and the Retirement System two years to study this in depth and make a recommendation regarding their continued eligibility.

We have received considerable testimony regarding the group and thoroughly evaluated their job descriptions and activities. The Legislative Interim Retirement Committee, Police and Firemen's Retirement Fund Advisory Committee and the Retirement System all recommend that Parole and Probation officers be enrolled under the early retirement program for police and firemen on a permanent basis.

AB 473 will remove the sunset provision and provide permanent coverage for the Parole and Probation officers. The Parole and Probation officers are not involved in the current police and firemen lawsuit which was filed by groups removed from coverage by the 1977 Legislature.

Therefore, we urge your favorable consideration of AB 473.



THE PAROLE OFFICER'S ROLE  
IN THE  
CRIMINAL JUSTICE SYSTEM

There are four (4) categories of persons within the Criminal Justice System which deal with the criminal element on a daily, close contact and personal basis. The above includes police, jailers, prison personnel, and parole and probation officers. There are differences and similarities in all of these roles. For example, jailers and prison personnel deal with people in a controlled environment, while police and parole officers deal with these offenders in the community.

According to latest Crime Commission and State figures, there is a total of two thousand and seventy-one (2,071) peace officers in the four (4) categories. The breakdown is as follows:

Police	1,534
Jailers	151
Prison	315
Parole and Probation Officers	71

Thus, the parole and probation officers represent three point four per cent (3.4%) in these categories, and excluding jail and prison personnel, we represent four point four per cent (4.4%).

Of all persons handled by this Department in 1977, seventy-seven per cent (77%) had prior arrest records and thirty-two per cent (32%) of all persons received at the Nevada State Prison were parole or probation violators.

We spend the majority of our time in dealing with the recalcitrant offender.

Recidivism is the major problem in the criminal justice field. It is very definitely our problem, and one which all of our officers deal with on a daily basis. Criminals in the community, whether under our jurisdiction or not, are continually involved in the commission of new offenses. The relatively low percentage of crimes cleared by arrest and conviction certainly bears this out, as does the continually proven antisocial behavior of persons

under our supervision. In a recent study of career criminals it was found that the probability of arrest for crimes committed by this group was five per cent (5%)\*.

In looking at which offenders the officers of this Department will supervise, we have only to recognize that seventy per cent (70%) of all convicted persons are receiving probation, (61% last year), and at least ninety-five per cent (95%) of all persons sentenced to prison will be released. That, coupled with the fact that one-third (1/3) of all prison commitments are from this Agency, parole or probation violators, should leave no doubt in any one's mind as to the caliber of person with whom we are dealing, primarily in the role of an enforcement officer, whose first concern is community protection.

The list on the following pages is a sample list of crimes committed by persons under the supervision of this Agency during the last twelve (12) month period. It excludes property, drug, and other types of offenses, and speaks directly to those offenses which are characteristically committed by people who are potentially dangerous to anyone around them, and particularly to anyone who carries a badge.

We have identified the following occurrences by the identification number of the Department of Parole and Probation. The letter "L" designates Nevada parolees, the letter "N" designates Nevada probationers, the letters "XL" represent parolees from other States being supervised in Nevada and the letters "XN" would represent probationers from other states being supervised in Nevada.

1. N76-171 ----- MURDER
2. L77-112 ----- MURDER
3. N76-736 ----- MURDER
4. L77-140 ----- MURDER
5. L77-248 ----- MURDER
6. L76-012 ----- KIDNAPPING, ROBBERY, MURDER
7. N76-085 ----- VOLUNTARY MANSLAUGHTER
8. N76-848 ----- ATTEMPTED MURDER
9. N76-1211 ----- ATTEMPTED MURDER
10. N77-195 ----- ASSAULTING A POLICE OFFICER

\*Criminal Careers of Habitual Felons - United States Department of Justice



11. L77-342 ----- BATTERY WITH A DEADLY WEAPON
12. L77-306 ----- ASSAULT ON A PEACE OFFICER (PAROLE AND PROBATION OFFICER)
13. L75-268 ----- CONSPIRACY TO COMMIT ROBBERY, EX-FELON IN POSSESSION OF FIREARM
14. XL76-092 ----- ARMED ROBBERY
15. N77-133 ----- ARMED ROBBERY, BATTERY WITH A DEADLY WEAPON
16. N77-395 ----- BATTERY ON A PEACE OFFICER (METRO DET.)
17. N76-1277 ----- ROBBERY WITH A DEADLY WEAPON, SEXUAL ASSAULT
18. L77-265 ----- BANK ROBBERY
19. N76-1340 ----- ROBBERY, USE OF A DEADLY WEAPON
20. L77-075 ----- ROBBERY AND USE OF DEADLY WEAPON
21. L75-148 ----- ROBBERY WITH USE OF DEADLY WEAPON
22. N75-028 ----- ASSAULT WITH DEADLY WEAPON
23. N76-1297 ----- CARRYING A CONCEALED WEAPON
24. XL76-050 ----- STRONG ARM ROBBERY
25. N77-1244 ----- KIDNAPPING WITH USE OF DEADLY WEAPON
26. N77-991 ----- ROBBERY, KIDNAPPING WITH USE OF DEADLY WEAPON
27. N77-519 ----- ROBBERY WITH USE OF DEADLY WEAPON
28. N76-1085 ----- INFAMOUS CRIME AGAINST NATURE WITH PHYSICAL VIOLENCE
29. N77-038 ----- POSSESSION OF FIREARM, POSSESSION OF DANGEROUS WEAPON, KIDNAPPING
30. N75-870 ----- POSSESSION OF FIREARM
31. N76-867 ----- BATTERY WITH A DEADLY WEAPON
32. N76-1187 ----- ASSAULT AND BATTERY
33. XL77-056 ----- POSSESSION OF FIREARM AND DEADLY WEAPON
34. N77-200 ----- ARMED ROBBERY
35. N75-1041 ----- EX-FELON IN POSSESSION OF FIREARM

EXHIBIT B

36. N76-1105 ---- ASSAULT AND BATTERY, RESISTING ARREST
37. L72-169 ----- SUICIDE
38. N76-1104 ---- POSSESSION OF FIREARM
39. XN76-144 ---- EX-FELON IN POSSESSION OF FIREARMS
40. N75-187 ----- POSSESSION OF DEADLY WEAPON
41. L74-187 ----- ARMED ROBBERY, BATTERY WITH INTENT TO COMMIT  
A CRIME
42. N76-550 ----- EX-FELON IN POSSESSION OF FIREARMS
43. L76-079 ----- ROBBERY, USE OF A DEADLY WEAPON, POSSESSION  
OF FIREARM BY EX-FELON, FIRST DEGREE  
KIDNAPPING
44. L75-241 ----- AGGRAVATED ASSAULT, POSSESSION OF FIREARM
45. N77-813 ----- POSSESSION OF FIREARMS
46. L74-199 ----- POSSESSION OF FIREARMS
47. N75-112 ----- ARMED ROBBERY, USE OF DEADLY WEAPON
48. L77-415 ----- KIDNAPPING
49. L75-163 ----- RAPE, CRIMES AGAINST NATURE, BATTERY WITH  
INTENT TO COMMIT A CRIME, ROBBERY
50. L77-118 ----- POSSESSION OF FIREARMS
51. N75-1095 ---- ROBBERY, USE OF DEADLY WEAPON
52. N76-1196 ---- ASSAULT AND BATTERY



SOME SIMILARITIES AND DIFFERENCES BETWEEN  
POLICE, JAIL, PRISON AND  
PAROLE OFFICER PERSONNEL

While it is not completely feasible, nor necessarily desirable to compare the roles in the above categories, there are differences and similarities which should be mentioned.

STRESS is one of the factors often mentioned in police or peace officer retirement systems. Hazard is common to all of the above and one of the measurements of stress has been the occurrence of physical ailments such as heart attacks, etcetera. Frankly, it is impossible to accurately assess this Agency in this particular category because we have only been in existence since 1945, and only of any size in the past ten (10) years. Therefore, our data would be highly questionable. However, in our Las Vegas Office, we have thirty-one (31) sworn officers and three (3) of these officers have suffered heart attacks within the last twelve (12) month period. This represents an average of just under ten per cent (10%), the average age of the officers suffering these attacks has been thirty-nine (39) years of age. Two (2) have been able to return to duty, the third is currently hospitalized in serious condition.

The armed exchange of fire is unusual in police work, still more unusual in parole and probation work, and just about non-existent in jail or prison work. It has not normally been considered a justification for early retirement.

CUSTODY of individuals is of course a primary function of prisons and jails. To some extent, both police and parole and probation officers are in custodial situations following arrests, transportation of prisoners either from a fugitive status or to Court. It would appear that parole and probation officers are in the fugitive transportation business to a degree higher than any of the other three (3) categories. Last year for example, we transported some ninety-three (93) fugitives to the State of Nevada with a departmental size of seventy-one (71) personnel while Washoe County transported ninety-one (91) individuals with a personnel of one hundred and twenty-seven (127) officers. Other movement of prisoners from within the State, either following arrest, transferred to or from jails, or to hearings, is common.

Other areas of comparison could be situations such as stakeouts, surveillance, residential searches and arrests. While there is no accurate data for comparisons, in my observation it could be safely stated that parole and probation officers probably do a little more in the area of stakeouts, surveillance, and searches, than most police officers, and not nearly as much of that activity as other specialized police officers.

ARRESTS: Officers within this three point four per cent (3.4%) ratio are more heavily involved with the criminal element in the community and make more arrests directly resulting in imprisonment than any of the above entities.

It is mandatory that our officers make unannounced home visits on most persons under our jurisdiction monthly. If an officer has seventy (70) cases, he is then doing this 70 times per month. In this capacity, we walk into drugs, stolen property, guns, fugitives, etc. Or, we are walking into someone's house who, unknown to us, has just committed a serious crime and may think we are there to make an arrest.

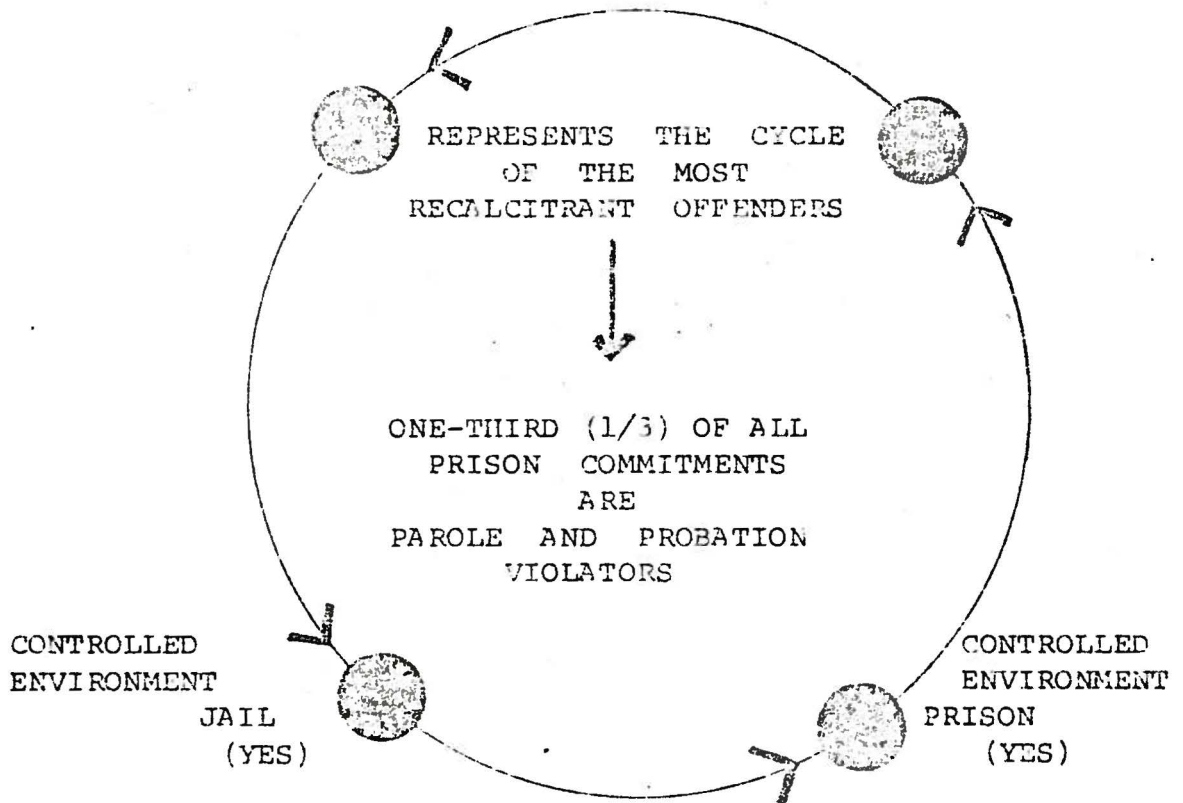
When we view these four (4) roles realistically, there does not appear to be justification for denying the protection of early retirement to officers of the Department of Parole and Probation or the Agency itself.



THE ETERNAL CIRCLE

NON-CONTROLLED ENVIRONMENT  
POLICE  
(YES)

NON-CONTROLLED ENVIRONMENT  
PAROLE AND PROBATION  
(NO)



ATTACHMENT C

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 474

ASSEMBLY BILL NO. 474—COMMITTEE ON  
WAYS AND MEANS

FEBRUARY 27, 1979

Referred to Committee on Ways and Means

SUMMARY—Makes fiscal changes to the Public Employees'  
Retirement Act. (BDR 23-847)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: Yes.

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to the Public Employees' Retirement Act; making fiscal changes thereto; requiring that certain public employers pay employee contributions for police officers and firemen; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

- 1 SECTION 1. NRS 286.025 is hereby amended to read as follows:  
2 286.025 1. Except as otherwise provided with respect to volunteer  
3 firemen, "compensation" is the salary paid to a member by his prin-  
4 cipal public employer.  
5 2. The term includes:  
6 (a) *Base pay, which is the monthly rate of pay excluding all fringe*  
7 *benefits.*  
8 (b) Additional payment for longevity, shift differential [and], haz-  
9 ardous duty [ ], *work performed on a holiday if it does not exceed the*  
10 *working hours of the normal workweek or pay period for that employee,*  
11 *and:*  
12 (1) *In the case of a police officer, holding oneself ready for duty*  
13 *while off duty.*  
14 (2) *In the case of a fireman, returning to duty after one's regular*  
15 *working hours.*  
16 [(b)] (c) Payment for extra duty assignments if it is the standard  
17 practice of the public employer to include such pay in the employment  
18 contract or official job description for the calendar or academic year in  
19 which it is paid and such pay is specifically included in the member's  
20 employment contract or official job description.  
21 (d) *The aggregate compensation paid by two separate public employ-*  
22 *ers, if one member is employed half time or more by one, and half time*



ELBERT B. EDWARDS  
CHAIRMAN EMERITUS

VERNON BENNETT  
EXECUTIVE OFFICER

WILL KEATING  
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



PUBLIC EMPLOYEES RETIREMENT SYSTEM

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SAM A. PALAZZOLO  
VICE CHAIRMAN

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WILLIS A. DEISS  
ELBERT B. EDWARDS  
BOYD D. MANNING  
DONALD L. REAM

April 28, 1979

ATTACHMENT D

TO: All Senators

During the past two sessions the Retirement System has used the omnibus bill approach. This has provided one large bill which was over 40 pages. We encountered several problems with this approach because most of our legislation would be held up due to conflict or concern regarding one or more items. For example, the major concern during the 1977 Legislative Session was eligibility for early retirement under the Police and Firemen's Retirement Fund. We have also received numerous requests from Legislators that we not use the omnibus bill approach during the 1979 Session so that they would be able to selectively vote for the things they approve and against the things they disapprove. Therefore, the Retirement Board determined this year that we would introduce several bills by subject. Several other retirement bills have been introduced by other parties.

AB 473 was introduced by the State Parole and Probation Department. AB 474 and AB 475 are bills sponsored by the Retirement System. AB 731 was introduced by several members of the Assembly. AB 738 was introduced at the request of the University Board of Regents.

We are providing in this packet a brief summary of the above bills. This is to assist you in understanding retirement legislation that is still under consideration. However, we recognize that the information is brief. Therefore, we will be pleased to meet with each of you at your convenience to fully discuss any questions you may have regarding the above legislation. Due to the fact that we are approaching adjournment, I will attempt to meet with each of you in the near future and possibly before consideration of these bills by Senate Finance to determine whether or not you have problems with any of the above legislation.

We appreciate your cooperation and assistance with the Retirement System and its legislative program.

Sincerely,

*Vernon Bennett*

Vernon Bennett  
Executive Officer

VB:dd  
Attachments  
CC: Retirement Board

**ELBERT B. EDWARDS**  
CHAIRMAN EMERITUS

**VERNON BENNETT**  
EXECUTIVE OFFICER

**WILL KEATING**  
ASSISTANT EXECUTIVE OFFICER

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**WILLIS A. DEISS**  
**ELBERT B. EDWARDS**  
**BOYD D. MANNING**  
**DONALD L. REAM**

April 28, 1979

TO: All Senators

RE: AB 473

During the 1977 Session, the Legislature approved continued membership in the early retirement program for police and firemen for state Parole and Probation Officers only until June 30, 1979. The sunset provision was enacted to allow the Legislative Interim Retirement Committee, the Police and Firemen's Retirement Fund Advisory Committee and the Retirement System two years to study this in depth and make a recommendation regarding their continued eligibility.

We have received considerable testimony regarding the group and thoroughly evaluated their job descriptions and activities. The Legislative Interim Retirement Committee, Police and Firemen's Retirement Fund Advisory Committee and the Retirement System all recommend that Parole and Probation Officers be enrolled under the early retirement program for police and firemen on a permanent basis.

AB 473 will remove the sunset provision and provide permanent coverage for the Parole and Probation Officers. The Parole and Probation Officers are not involved in the current police and firemen lawsuit which was filed by groups removed from coverage by the 1977 Legislature.

Therefore, we urge your favorable consideration of AB 473.

VB:dd



**ELBERT B. EDWARDS**  
CHAIRMAN EMERITUS

**VERNON BENNETT**  
EXECUTIVE OFFICER

**WILL KEATING**  
ASSISTANT EXECUTIVE OFFICER

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**WILLIS A. DEISS**  
**ELBERT B. EDWARDS**  
**BOYD D. MANNING**  
**DONALD L. REAM**

April 28, 1979

TO: All Senators

RE: AB 474

AB 474 is the System's fiscal bill. Section 1 requires retirement contributions on holiday pay, standby pay and call back pay. It provides that a member who is employed half time by two separate public employers can contribute on both employments and receive full time credit. It clarifies that an employer or member may not contribute on any bonus or additional salary that is an encouragement to retire early or on a specific date. The projected cost of including holiday pay, standby pay and call back pay, and allowing a member to contribute on two separate half time employments is estimated to be \$74,104 in 1979-80 and \$77,089 in 1980-81, which will be absorbed by the System.

Section 1.2 provides a technical correction only.

Section 1.4 requires mandatory employer pay for all police and firemen, except state employees, beginning July 1, 1981.

Section 1.64 provides a technical correction only.

Section 2 of the bill tightens up the procedures for application for disability retirement and places the System's current Rules and Regulations regarding disability procedures into the law. This bill provides survivor benefit coverage for the minor children of a disabled retired employee who is not eligible for regular service retirement. It also provides a beneficiary an option benefit where a member has been approved for disability retirement but deceases before his effective date. The projected cost of the latter two benefits is estimated to be \$3,444 in 1979-80 and \$3,548 in 1980-81.

Section 3 provides survivor benefit coverage for a regular part-time employee based upon the equivalent service the person would have received if full time. Our actuary has indicated the cost of this provision to be so minor that it would be impossible to figure accurately. This is due to the small number of deaths which would occur under these circumstances each year.

TO: All Senators  
RE: AB 474  
April 28, 1979  
Page Two

Because of the limited number of potential occurrences of each of these instances, these additional benefits can be provided without any increase in the contribution rate.

Section 3.3 allows a retired employee to suspend his monthly benefit and return to contributing membership if employed in a position normally eligible for membership. The original benefit cannot be recomputed, nor can the retired employee take advantage of new provisions enacted after his retirement. However, upon termination of employment, the retired employee will have the additional service computed as an additional retirement benefit and added to his original monthly benefit.

Section 3.5 allows a retired employee of the Police and Firemen's Retirement Fund to elect one of the normal retirement options or take the unmodified benefit with 50% per month protection provided to the spouse upon his demise. This provision is applicable only to the spouse of a member who was married to him at time of retirement and time of death and who has attained the age of 50 years. This section does not apply to state employees or persons who began receiving benefits prior to July 1, 1981.

Section 4.5 establishes that Section 3.3 is effective retroactive to January 1, 1979 and goes into effect upon passage and approval. Section 3.5 goes into effect July 1, 1981 only if the contribution rate then is equivalent to the requirements of the actuarial valuation as of June 30, 1980. This guarantees that the new benefit for police and firemen does not go into effect unless it is fully paid for.

Therefore, we urge your favorable consideration of AB 474.

VB:dd



ELBERT B. EDWARDS  
CHAIRMAN EMERITUS

VERNON BENNETT  
EXECUTIVE OFFICER

WILL KEATING  
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



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WILLIS A. DEISS  
ELBERT B. EDWARDS  
BOYD D. MANNING  
DONALD L. REAM

April 28, 1979

TO: All Senators

RE: AB 475

AB 475 is the System's administrative corrections bill. There is no fiscal impact. Due to the length of the bill, we will provide an analysis by section as follows:

Section 1 removes the requirement that an employee must receive all customary employee benefits to qualify for membership. We will still require membership for persons employed in a position which is half time or more.

Section 2 adds the Administrative Assistant as an unclassified member of the staff. This was approved by the State Personnel Division and the Retirement Board last year. Allows the Executive Officer to perform other work on his own time or on leave approved in advance, provided it does not conflict with his present position. This was amended by the Ways and Means Committee to spell out that the Executive Officer shall not participate in any business enterprise or investment in real or personal property if the System owns or has a direct financial interest in that enterprise or property.

Section 3 allows the System to pay Board expenses from commitment fees obtained from borrowers for special meetings limited to mortgage and real estate investment considerations.

Section 4 establishes a biennial audit of the System per recommendation of the Legislative Auditor and makes technical corrections regarding the Board's ability to adjust errors regarding records.

Section 5 provides a technical correction only.

Section 6 states that the System shall not be legally responsible for inaccurate information provided by a liaison officer or employee of a public employer. The System is responsible for the actions of the Retirement staff.

Section 7 was amended by Ways and Means to allow purchase of service after July 1, 1979 as a CETA employee if the person becomes a regular member after leaving CETA employment. This amendment will comply with Department of Labor regulations.

TO: All Senators  
RE: AB 475  
April 28, 1979  
Page Two

Section 8 provides a technical correction only.

Section 9 eliminates the prohibition for membership in the System if the person is over age 55 at time of employment due to a recent act of Congress. Prohibits membership for CETA employees who are enrolled on or after July 1, 1979. Prohibits membership to persons assigned to intermittent or temporary positions unless the assignment exceeds 120 consecutive days.

Section 10 was deleted by amendment.

Section 11 provides full credit to a member while on sabbatical leave, provided the person is receiving full compensation and benefits.

Section 12 clarifies employment of retired employees. Removes current exemption that a retired employee can serve as a Councilman, County Commissioner or Legislator without forfeiting his retirement benefit. There is no affect for a retired employee of PERS to serve as a Legislator because that service is not eligible for membership in our System.

Section 13 requires that average compensation shall be based on the monthly amounts certified by the public employer. This was amended by Ways and Means to clarify the 75% and 90% maximum allowances so that no one will receive above the 75% maximum once he is fully eligible to retire and the 90% maximum under any circumstances.

Section 14 adds two new retirement options. Option 6 allows the retired employee to establish a specific sum per month to the beneficiary which will then actuarially reduce the monthly benefit for the retired employee. Option 7 provides the same flexibility with benefits that would not begin to the surviving beneficiary until said person attains age 60.

Section 15 clarifies the requirements for disability retirement to specify that the person must be totally unable to perform a comparable job because of injury or mental illness and determine that the disability must be of a permanent nature.

Section 16 extends survivor benefit coverage to a member who dies while on leave without pay and before termination.

Section 17 clarifies survivor benefit coverage to minor children.

Section 18 allows a surviving spouse to select a survivor benefit rather than have the staff determine which is the better benefit.

Section 19 clarifies the 100% limitation on survivor benefits to be applicable only to benefits purchased by a public employer of Nevada and eliminates lump sum group insurance payments from consideration. This section shall be retroactive to May 19, 1977.



TO: All Senators  
RE: AB 475  
April 28, 1979  
Page Three

Section 20 allows the System to change the percentage of appraised value that may be invested in a first deed of trust from 70% to 80%. The System has been unable to consider several very attractive loans based on the 70% limitation. 80% is standard in the industry. This will allow the System to invest in more single family dwelling mortgages in Nevada. Allows the System to reimburse staff expenses for consideration of real estate investments from commitment fees paid to the System by prospective borrowers. This section was amended by Ways and Means to require a first lien on all real property.

Section 21 provides a technical correction only.

Section 22 exempts the Retirement System from the state usury laws. The System recently forfeited \$250,000 on one hotel/casino first deed of trust because we could not accept the one point and the 12% rate. This will allow the System to compete with lenders from other states in real estate investments in Nevada.

Section 23 prohibits a person convicted of murder or voluntary manslaughter of a member from receiving any benefit provided by the Retirement Chapter by reason of the death of that member. Authorizes the System to withhold payment to a person who has been charged with murder or voluntary manslaughter pending a final determination.

Section 23.5 allows a member to purchase service under NRS 286.300 if combined with or covered only by Social Security in the other public employment.

Section 24 provides a technical correction exempting the Retirement System from the State Usury Statute. Also establishes that the penalty for violation of the State Usury Statute shall be limited to void the excess interest income received.

Section 25 provides technical corrections regarding the Legislators Retirement System.

Section 26 places the same employment restrictions on retired legislators as provided to retired employees of PERS. See section 12.

Section 27 allows members of the Legislators Retirement System to purchase previously performed public service credit in their system in the manner provided to members of PERS.

Section 28 allows a member employed prior to July 1, 1979 who was previously excluded from membership because he was over age 55 at time of employment to enter the System on or after July 1, 1979. Provides that the employee and employer contributions must be paid. This section became necessary when Congress passed a law extending the mandatory retirement age from age 65 to age 70 for all workers.

EX HIBIT D

TO: All Senators  
RE: AB 475  
April 28, 1979  
Page Four

Section 28.5 allows retired employees who are serving in an elective public office without penalty to continue doing so as long as they serve in that elective office regardless of the provisions of this Act regarding employment of retired employees.

Section 29 establishes that certain sections shall go into effect upon passage and other sections on July 1, 1979.

This bill is a result of two years of meetings with the various employee, employer and retired employee groups throughout Nevada. The bill is endorsed by most if not all of the members and retired employees. Therefore, we urge your favorable consideration of this bill.

VB:dd



**ELBERT B. EDWARDS**  
CHAIRMAN EMERITUS

**VERNON BENNETT**  
EXECUTIVE OFFICER

**WILL KEATING**  
ASSISTANT EXECUTIVE OFFICER

## STATE OF NEVADA



## PUBLIC EMPLOYEES RETIREMENT SYSTEM

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**ELBERT B. EDWARDS**  
**BOYD D. MANNING**  
**DONALD L. REAM**

April 28, 1979

TO: All Senators

RE: AB 731

AB 731 is permissive legislation authorizing the Retirement System to establish an optional program whereby members can make additional contributions to the System on a regular basis and receive a return on that investment upon retirement. The objective is to allow members an opportunity to participate in the System's investment program and to alleviate the future need for constant postretirement increases for retired employees. The bill was amended to require an administrative fee by the individual participants in the program to eliminate any fiscal cost to the System and to make the program available to members of the Legislator's Retirement System.

The Retirement System will not be contacting you regarding AB 731 because this is not our legislation. However, we want you to be aware that we support the bill and request your favorable consideration.

VB:dd

**ELBERT B. EDWARDS**  
CHAIRMAN EMERITUS

**VERNON BENNETT**  
EXECUTIVE OFFICER

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ASSISTANT EXECUTIVE OFFICER

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**BOYD D. MANNING**  
**DONALD L. REAM**

April 28, 1979

TO: All Senators

RE: AB 738

AB 738 was requested by the Board of Regents of the University of Nevada. The objective is to develop a systematic phase out program for persons who are eligible to retire. This is permissive legislation. It will allow a member who is eligible to retire and the public employer to enter into a five year agreement whereby the member will work less than full-time but receive full-time retirement credit. The member and public employer will be required to make retirement contributions based on the equivalent full-time salary. The contract will require that the member terminate to retire at the end of a five year period. The member would have the option to break the contract and continue employment if he agrees to forfeit the additional service credit. The University has indicated that this procedure could save considerable dollars in salaries by reducing employees at the top of the pay scale to half time status and either not replacing them or employing replacements at the entry level.

We will not be contacting you regarding AB 738 because this is the University Board of Regent's legislation. However, we want you to be aware that we support the bill and request your favorable consideration.

VB:dd



ELBERT B. EDWARDS  
CHAIRMAN EMERITUS

VERNON BENNETT  
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BOYD D. MANNING  
DONALD L. REAM

May 1, 1979

TO: All Senators

RE: SJR 24

HR 9346 of 1977 established definite, regular contribution increases for Social Security. It also included a provision that beginning in 1981 the surviving spouse of a member eligible to draw benefits under both Social Security and a public retirement system would have the Social Security benefit offset by the amount paid under the public retirement system. In many cases, this will totally eliminate the Social Security benefit that was earned and paid for. This "offset provision" applies only to public retirement systems. There is no offset for additional benefits earned in a private retirement system. This amendment was tacked on to the bill by the Ways and Means Subcommittee on Social Security immediately after public retirement systems were successful in passing the Fisher Amendment which eliminated mandatory Social Security coverage for public employees beginning January 1, 1982 and established a two year study instead. It appears that this amendment was added as a way to get back at public retirement systems. We feel that the provision is very discriminatory. Therefore, the Retirement Board has taken a position to support HR 2140 by Congressman Chalmers P. Wylie which would repeal the offset provision. We have written letters to the Nevada Congressional Delegation regarding our position and received indications of support from our three members of Congress. Although the Retirement System did not request this resolution, we think it addresses a discriminatory situation between Social Security and public retirement systems. Therefore, we urge your favorable consideration.

VB:bb

ATTACHMENT E

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 475

ASSEMBLY BILL NO. 475—COMMITTEE ON WAYS AND  
MEANS

FEBRUARY 27, 1979

Referred to Committee on Ways and Means

SUMMARY—Makes administrative changes in Public Employees' Retirement Act and legislators' retirement system. (BDR 23-846)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to retirement; making administrative changes in the Public Employees' Retirement Act and the legislators' retirement system; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

- 1 SECTION 1. NRS 286.040 is hereby amended to read as follows:  
2 286.040 1. "Employee" means:  
3 (a) A public officer of the State of Nevada or its political subdivisions.  
4 (b) Any person employed by a public employer whose compensation  
5 [and all other customary employee benefits are] is provided by the  
6 public employer and who is under the direction or control of officers of  
7 the public employer.  
8 2. "Employee" does not include independent contractors or persons  
9 rendering professional services to an employer on a fee, retainer or con-  
10 tract basis.  
11 3. The board shall determine who are employees under this defini-  
12 tion.  
13 SEC. 2. NRS 286.160 is hereby amended to read as follows:  
14 286.160 1. The board shall employ an executive officer who serves  
15 at the pleasure of the board. The executive officer shall select an assistant  
16 executive officer [whose appointment is effective upon confirmation by  
17 the board. The assistant executive officer serves] and administrative  
18 assistant whose appointments are effective upon confirmation by the  
19 retirement board. The assistant executive officer and administrative  
20 assistant serve at the pleasure of the executive officer.  
21 2. The executive officer [and the assistant executive officer], assist-  
22 ant executive officer and administrative assistant are entitled to annual





STATE OF NEVADA  
OFFICE OF THE ATTORNEY GENERAL  
CAPITOL COMPLEX  
CARSON CITY 89710

RICHARD H. BRYAN  
ATTORNEY GENERAL

LARRY D. STRUVE  
CHIEF DEPUTY ATTORNEY GENERAL

May 1, 1979

ATTACHMENT F

The Honorable Floyd Lamb, Chairman  
Senate Finance Committee  
Legislative Building  
Carson City, Nevada 89710

Re: A.B. 475, an act relating to retirement

Dear Senator Lamb:

At the request of Vernon Bennett of the Public Employees Retirement System, this office recently reviewed the first reprint of A.B. 475 for the purpose of detecting any problems with the language of said bill.

With reference to Section 24 of A.B. 475, this office has some question as to the constitutionality of the change proposed on lines 2 and 3 of page 16 of said bill. Deletion of the language "null and void and of no effect as to such excessive rate of interest." and insertion of the language "void as to the excess." appears to make a substantive change to the law of usury as it currently exists in the State of Nevada, following the decision of the Nevada Supreme Court in the case of Pease v. Taylor, 88 Nev. 287, 496 P.2d 757(1972). In fact, Section 24 appears intended to completely negate the Pease decision.

The making of such a substantive change to the law of usury as a section of an act relating to retirement of public employees and legislators raises important questions as to the constitutionality of such a proposal under Article 4, Section 17 of the Nevada Constitution, which limits all laws to one subject and requires that subject to be expressed in the title. A change in the law of usury does not appear on its face to be related to the many other changes A.B. 475 makes in the public employee and legislator retirement laws.

In State v. Silver, 9 Nev. 227, 231 (1874) our Supreme Court stated that the design of the Constitution, in

The Honorable Floyd Lamb  
May 1, 1979  
Page Two

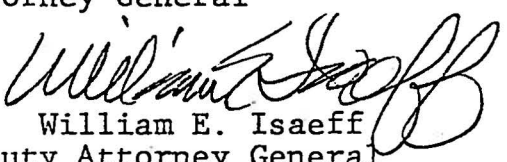
requiring that each enactment should contain but one subject and matter properly connected therewith was to prevent improper combinations to secure the passage of laws having no necessary or proper relation, and which as independent measures could not be carried; also, that neither the members of the Legislature nor the general public should be misled by the title. You will note that there is no reference in the title of A.B. 475 which refers to the major change being suggested in the usury law by Section 24.

Although we believe enactment of A.B. 475 with Section 24 would not necessarily jeopardize those provisions properly related to the subject of retirement, if it is the Legislature's desire to enact a change in the usury law as a matter of policy, use of A.B. 475 may be an inappropriate vehicle for the making of such a change.

Sincerely,

RICHARD H. BRYAN  
Attorney General

By:

  
William E. Isaeff  
Deputy Attorney General

WEI/so



ATTACHMENT G

FIFTY-NINTH SESSION

111

Assembly Bill No. 258—Committee on Ways and Means

CHAPTER 42

AN ACT to amend an act entitled: "An Act relating to the University of Nevada, Las Vegas; authorizing the board of regents to agree to lease or lease to the Federal Government facilities to be acquired at the university; authorizing the issuance and sale of securities in accordance with the act and with the University Securities Law to pay for such acquisition; providing for the payment of the securities, operation and maintenance expenses and ground rent; and providing other matters properly relating thereto," approved April 11, 1975.

[Approved March 9, 1977]

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

SECTION 1. Section 5 of the above-entitled act, being chapter 200, Statutes of Nevada 1975, at page 237, is hereby amended to read as follows:

Sec. 5. 1. If the agreement to make the lease or the lease referred to in section 4 of this act is executed by the board of regents and the Federal Government, then the board of regents, on the behalf and in the name of the university, is authorized by this act, as supplemented by the provisions of the University Securities Law:

(a) To construct and otherwise acquire facilities on the University of Nevada, Las Vegas, campus for the purpose provided in section 4 of this act;

(b) To issue bonds and other securities of the university, in a total principal amount of not exceeding \$10,000,000, in one series or more at any time or from time to time, as the board may determine, payable from the net pledged revenues, secured by a pledge thereof and a lien thereon, for the purpose of defraying wholly or in part the cost of the project, subject to the limitations in paragraph (a) of this subsection;

(c) To employ legal, fiscal and other expert services and to defray the cost thereof with any [moneys] money available therefor, including, without limitation, proceeds of securities authorized by this act; and

(d) To exercise the incidental powers provided in the University Securities Law in connection with the powers authorized by this act except as therein otherwise expressly provided.

2. Nothing in this act shall be construed as preventing the board from funding, refunding or reissuing any securities of the university or the board at any time as provided in the University Securities Law.

3. If federal law so requires, the board of regents may issue bonds whose interest is not exempt from federal income tax. Their determination to issue such bonds is conclusive in the absence of fraud. The rate of interest borne by securities issued pursuant to this subsection may exceed the limit provided generally for university securities by NRS 396.852, but shall not exceed that limit by more than 43 percent.

SEC. 2. This act shall become effective upon passage and approval.

ATTACHMENT H

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 731

ASSEMBLY BILL NO. 731—ASSEMBLYMEN BREMNER, BAR-  
ENGO, MANN, JEFFREY, MELLO, RUSK AND ROBINSON

APRIL 10, 1979

Referred to Committee on Ways and Means

SUMMARY—Provides for optional program of additional retirement  
contributions. (BDR 23-1133)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: Yes.

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to public employees' and legislators' retirement; providing for  
an optional program of additional retirement contributions; and providing  
other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly,  
do enact as follows:*

- 1 SECTION 1. Chapter 286 of NRS is hereby amended by adding  
2 thereto a new section which shall read as follows:  
3 1. *The system shall develop, establish and administer an optional*  
4 *program of additional retirement contributions. For purposes of effectuat-*  
5 *ing the program, the system may:*  
6 (a) *Obtain all necessary actuarial evaluations;*  
7 (b) *Adopt appropriate regulations and procedures;*  
8 (c) *Enter into contracts necessary to the operation of the program; and*  
9 (d) *Charge each participant a reasonable administrative fee as deter-*  
10 *mined by the board.*  
11 2. *It is the intent of this section to provide an option to members of*  
12 *the system to increase their retirement income by means of additional*  
13 *monthly contributions under an established systematic program.*  
14 SEC. 2. Chapter 218 of NRS is hereby amended by adding thereto a  
15 new section which shall read as follows:  
16 1. *The board shall develop, establish and administer an optional*  
17 *program of additional retirement contributions for legislators. For pur-*  
18 *poses of effectuating the program, the board may:*  
19 (a) *Obtain all necessary actuarial evaluations;*  
20 (b) *Adopt appropriate regulations and procedures;*  
21 (c) *Enter into contracts necessary to the operation of the program;*  
22 *and*



ATTACHMENT I

A. B. 738

ASSEMBLY BILL NO. 738—COMMITTEE ON  
WAYS AND MEANS

APRIL 12, 1979

Referred to Committee on Ways and Means.

SUMMARY—Permits full service credit for part-time employment of certain public employees who are eligible to retire. (BDR 23-1752)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to the public employees' retirement system; providing for full service credit for part-time employment of public employees who are otherwise eligible for retirement; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

- 1 SECTION 1. Chapter 286 of NRS is hereby amended by adding  
2 thereto a new section which shall read as follows:  
3 1. *An employee may receive full service credit for part-time employ-*  
4 *ment if:*  
5 (a) *The employee and his employer enter into an agreement covering*  
6 *his part-time employment and the agreement is approved by the board;*  
7 (b) *The employee is 60 years of age or older, and has contributed to*  
8 *the system on a full-time basis for 10 years or more as of the date on*  
9 *which the agreement becomes effective;*  
10 (c) *The employee works half time or more, but less than full time,*  
11 *accordng to the regular schedule established by the employer for his*  
12 *position;*  
13 (d) *The employee and the employer make contributions equal to the*  
14 *lesser of:*  
15 (1) *The amount which a person serving on a full-time basis in the*  
16 *position would contribute and which his employer would contribute for*  
17 *him; or*  
18 (2) *The amount which the employee and employer contributed dur-*  
19 *ing the last 12 months of the employee's full-time employment;*  
20 (e) *Employment ends on or before the fifth anniversary of the day on*  
21 *which the agreement became effective; and*

GOING TO HALF AND THREE-QUARTERS TIME WHILE UNIVERSITY STILL PAYS BENEFITS AS IF FULL TIME (ALLOWED AT AGE 60), AND COST OF REPLACEMENT OF THAT EMPLOYEE<sup>4</sup>

ATTACHMENT J

Full Time "B" Contract Employee Going to Half Time @ Age 60<sup>3</sup>

Full Time "B" Contract Going to Three-Quarter Time @ Age 60<sup>3</sup>

	Base Salary	Retire-ment	Health Insurance	NIC	E.S.D.	Total Cost		Base Salary	Retire-ment	Health Insurance	NIC	E.S.D.	Total Cost
Rank IV Step 12.5 (28 yrs.)	27,915.00	2,233.20	507.84	201.96	15.00	30,873.00		27,915.00	2,233.20	507.84	201.96	15.00	30,873.00
Reduce Salary by 1/2	13,957.50	0	0	84.51	7.50	14,049.51	Reduce by 1/4	6,978.75	0	0	25.78	3.75	7,008.28
Cost of Prof. @ 1/2 Salary	13,957.50	2,233.20	507.84	117.45	7.50	16,823.49	Cost @ 3/4	20,936.25	2,233.20	507.84	176.18	11.25	23,864.72
Replacement (Assumed Rank II Step 10 Per Budget Office)	9,054.00	724.32	507.84	76.19	7.50	<sup>1</sup> 10,369.85		4,527.00	362.16	253.92	38.09	3.75	<sup>2</sup> 5,184.92
Net Savings						<u>3,679.66</u>							<u>1,823.36</u>
Rank III Step 11.5 (10 yrs.)	22,224.00	1,777.92	507.84	187.01	15.00	24,711.77		22,224.00	1,777.92	507.84	187.01	15.00	24,711.77
Reduce Salary by 1/2	11,112.00	0	0	93.50	7.50	11,213.00	Reduce by 1/4	5,556.00	0	0	46.75	3.75	5,606.50
Cost of Prof. @ 1/2 Salary	11,112.00	1,777.92	507.84	43.51	7.50	13,498.77	Cost @ 3/4	16,668.00	1,777.92	507.84	140.26	11.25	19,105.27
Replacement (Assumed Rank II Step 10 Per Budget Office)	9,054.00	724.32	507.84	76.19	7.50	<sup>1</sup> 10,369.85		4,527.00	362.16	253.92	38.09	3.75	<sup>2</sup> 5,184.92
Net Savings						<u>843.15</u>							<u>421.58</u>
Rank IV Step 8 (20 yrs.)	25,080.00	2,006.40	507.84	201.96	15.00	27,811.20		25,080.00	2,006.40	507.84	201.96	15.00	27,811.20
Reduce Salary by 1/2	12,540.00	0	0	96.44	7.50	12,643.94	Reduce by 1/4	6,270.00	0	0	43.67	3.75	6,317.42
Cost of Prof. @ 1/2 Salary	12,540.00	2,006.40	507.84	105.52	7.50	15,167.26	Cost @ 3/4	18,810.00	2,006.40	507.84	158.29	11.25	21,493.78
Replacement (Assumed Rank II Step 10 Per Budget Office)	9,054.00	724.32	507.84	76.19	7.50	<sup>1</sup> 10,369.85		4,527.00	362.16	253.92	38.09	3.75	5,184.92
Net Savings						<u>2,274.09</u>							<u>1,132.50</u>

<sup>1</sup>Replacement Instructor assumed to be half time. If the replacement instructor were full time (with half his salary charged elsewhere), then his health insurance cost to this example would be half and there would be an additional savings of \$253.92.

<sup>2</sup>Replacement Instructor assumed to be half time with half of his/her salary charged elsewhere. If he or she were one-quarter time only, there would be no retirement or health insurance costs and there would be an additional savings of \$616.08. If, on the other hand, he or she were full time with three-quarters of their salary charged elsewhere, the health insurance cost would be reduced by one-half and there would be an additional savings of \$126.96

<sup>3</sup>In both examples (full time to half and full time to three-quarters), the breakeven point is approximately \$20,600.00.

<sup>4</sup>Information furnished by Dan Pease, Controller's Office.

2055



S. J. R. 24

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SENATE JOINT RESOLUTION NO. 24—COMMITTEE  
ON TAXATION

APRIL 27, 1979

Referred to Committee on Finance

**SUMMARY**—Memorializes Congress to repeal legislation requiring reduction of social security benefits to spouses or surviving spouses by amount received as pension from certain public retirement systems. (BDR 1606)

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**EXPLANATION**—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

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**SENATE JOINT RESOLUTION**—Memorializing the Congress of the United States to repeal legislation requiring that social security benefits payable to a spouse or surviving spouse be reduced by the amount received as a pension from certain public retirement systems.

- 1 WHEREAS, Congress has enacted legislation which requires that social  
2 security benefits payable to a spouse or surviving spouse be reduced by  
3 the amount received as a pension from certain public retirement systems;  
4 and  
5 WHEREAS, That provision of law is unfair and discriminatory in that it  
6 applies only to amounts received from certain public-retirement systems  
7 and does not apply to amounts received from private pension plans or  
8 certain other sources of income; and  
9 WHEREAS, That provision of law does not significantly enhance the  
10 funding of the social security system; now, therefore, be it  
11 *Resolved by the Senate and Assembly of the State of Nevada, jointly,*  
12 That the Congress of the United States is hereby memorialized to enact  
13 HR 2140 introduced by the Honorable Chalmers P. Wylie, which would  
14 repeal the provision of law which requires that social security benefits  
15 payable to a spouse or surviving spouse be reduced by the amount  
16 received as a pension from certain public retirement systems; and be it  
17 further  
18 *Resolved,* That a copy of this resolution be prepared and transmitted  
19 forthwith by the legislative counsel to the President of the United States,  
20 the Vice President of the United States as President of the Senate, to  
21 every member of the United States Senate and the House of Representa-  
22 tives and to the Secretary of Health, Education and Welfare; and be it  
23 further  
24 *Resolved,* That this resolution shall become effective upon passage and  
25 approval.

SENATE BILL NO. 258—COMMITTEE ON FINANCE

FEBRUARY 21, 1979

Referred to Committee on Finance

SUMMARY—Extends and adds temporary increases in post-retirement allowances and benefits. (BDR S-845)

FISCAL NOTE: Effect on Local Government: No. Effect on the State or on Industrial Insurance: Yes.

EXPLANATION—Matter in italics is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to public employees' retirement; extending certain temporary increases and providing additional temporary increases; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

SECTION 1. Section 1 of chapter 465, Statutes of Nevada 1977, at page 926, is hereby amended to read as follows:

Section 1. 1. In addition to the other post-retirement allowances and increases provided by law, the public employees' retirement system shall provide a monthly post-retirement increase during the period beginning on July 1, 1977, and ending on June 30, [1979,] 1981, as follows:

Base Benefit	Monthly Increase
\$0—\$100	\$20
101— 200	15
201— 300	10
301— 500	5
501 and above	3

This benefit shall be paid only to a person who began receiving benefits before January 1, 1977, or to his designated beneficiary upon his death.

2. A single post-retirement increase pursuant to this section [shall] must be [provided and] prorated [between or] among two or more recipients of [survivor benefits] benefits for survivors on behalf of one deceased member.

SEC. 2. In addition to other post-retirement allowances or benefits provided by law, and subject to the limitation provided in section 4 of this act, the public employees' retirement system shall, if money is provided for this purpose from a source other than the public employees'

1 retirement fund or the police and firemen's retirement fund; provide a  
2 post-retirement increase to each eligible person, based upon:

3 1. The number of years he has received a retirement allowance or  
4 in the case of a beneficiary of a retired employee, the number of years  
5 an allowance or benefits have been received since the retired employee's  
6 effective date of retirement; and

7 2. The amount of his cumulative allowance or benefit computed as  
8 of the dates on which these increases are payable.

9 SEC. 3. The increases provided in section 2 are payable on July 1,  
10 1979, and July 1, 1980, as follows:

Number of Years Receiving Allowance or Benefit	Increase in Cumulative Allowance or Benefit
5 years or more	5 percent
4 years	4.5 percent
3 years	4 percent
2 years	3.5 percent
1 year	3 percent

17 SEC. 4. These percentage increases are payable only if they do not  
18 exceed the percentage increase in the "All Items Consumer Price Index"  
19 for the preceding calendar year. If the percentage increase in the index  
20 for the preceding year is less than any percentage increase described in  
21 section 3, the latter increase must be reduced to the former.

22 SEC. 5. A person is eligible to receive the increase provided in sec-  
23 tion 2 of this act if he is:

- 24 1. A retired employee receiving a retirement allowance;
- 25 2. A survivor of a deceased member who is receiving a benefit; or
- 26 3. A beneficiary of a deceased retired employee who is receiving a  
27 benefit.

28 SEC. 6. The percentage increase payable to each beneficiary is based  
29 on the effective retirement date of the retired employee from whom that  
30 beneficiary's eligibility is derived, and:

- 31 1. The amount of his cumulative benefits on the payment dates if the  
32 retired employee had selected options 2 or 4; or
- 33 2. One-half of his cumulative benefits on the payment dates if the  
34 retired employee had selected options 3 or 5.

ATTACHMENT I

2057



ELBERT B. EDWARDS  
CHAIRMAN EMERITUS

VERNON BENNETT  
EXECUTIVE OFFICER

WILL KEATING  
ASSISTANT EXECUTIVE OFFICER

STATE OF NEVADA



PUBLIC EMPLOYEES RETIREMENT SYSTEM

P.O. Box 1569  
CARSON CITY, NEVADA 89701  
TELEPHONE (702) 898-4200

RETIREMENT BOARD  
L. ROSS CULBERTSON  
CHAIRMAN  
SAM A. PALAZZOLO  
VICE CHAIRMAN

MEMBERS  
DARREL R. DAINES  
WILLIS A. DEISS  
ELBERT B. EDWARDS  
BOYD D. MANNING  
DONALD L. REAM

April 28, 1979

ATTACHMENT M

The Honorable Floyd Lamb, Chairman  
Senate Finance Committee  
Legislative Building  
Carson City, Nevada 89710

RE: Senate Bill No. 258 as amended

Dear Senator Lamb:

Senate Bill 258 was amended by the Assembly to provide a larger breakdown in the two year additional postretirement benefit increases that were initiated in 1977. The amendment deletes the current provision that a person drawing \$201 to \$300 per month shall receive a \$5 per month increase and establishes that those persons shall receive a \$10 per month increase. It deletes the provision where a person drawing \$300 per month or above would receive a \$3 per month increase and establishes that a person who draws \$301 to \$500 per month shall receive a \$5 per month increase, and persons who draw \$501 and above shall receive a \$3 per month increase. The Ways and Means Committee felt that this was a more equitable breakdown. The estimated additional cost will be \$161,952 for the biennium which would be absorbed by the Retirement System. The Retirement System favors the amendments and recommends that the Senate Finance Committee and the Senate concur in Senate Bill 258 as amended.

We will be pleased to meet with you and your committee to discuss the amendment should you so desire.

Sincerely,

A handwritten signature in cursive script that reads "Vernon Bennett".

Vernon Bennett  
Executive Officer

VB:dd  
CC: Senate Finance Committee  
Retirement Board

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 123

SENATE BILL NO. 123—SENATOR GLASER

JANUARY 25, 1979

Referred to Committee on Finance

SUMMARY—Makes appropriation to department of economic development to develop industry and tourism. (BDR S-489)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT making an appropriation to the department of economic development to assist in developing industry and tourism throughout the state; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

1 SECTION 1. There is hereby appropriated from the state general fund  
2 to the department of economic development the sum of \$450,000 to be  
3 used as follows, subject to the provisions of section 2 of this act:  
4 1. For industrial development within Clark and Washoe counties:  
5 For the fiscal year 1979-80, \$150,000; and  
6 For the fiscal year 1980-81, \$150,000,  
7 prorated for each fiscal year between the counties on the basis of their  
8 populations as determined by the last preceding national census of the  
9 Bureau of the Census of the United States Department of Commerce.  
10 Applications for grants in aid pursuant to this subsection must be sub-  
11 mitted before January 1 of the fiscal year to which the grant applies. If  
12 after all applications have been acted upon, money remains available  
13 from the total amount appropriated for the fiscal year, the remainder is  
14 subject to reallocation between the counties eligible under this subsection.  
15 2. For the development of tourism and industry in the remainder of  
16 the state,  
17 For the fiscal year 1979-80, \$75,000; and  
18 For the fiscal year 1980-81, \$75,000.  
19 The money appropriated by this subsection must be distributed as grants  
20 in aid, in proportion to the populations of the counties as determined  
21 by the last preceding national census of the Bureau of the Census of the  
22 United States Department of Commerce. The money may be distributed

1 to a recognized local organization which is engaged in projects, advertis-  
2 ing or promotion of economic development upon application by resolu-  
3 tion of the board of county commissioners of the county in which the  
4 organization operates. Applications for grants in aid pursuant to this sub-  
5 section must be submitted before January 1 of the fiscal year to which the  
6 grant applies. If, after all applications have been acted upon, money  
7 remains available from the total amount appropriated for the fiscal year,  
8 the remainder is subject to reallocation among the counties eligible under  
9 this subsection.  
10 SEC. 2. No money may be distributed for a local project pursuant to  
11 section 1 of this act unless it is matched as follows:  
12 1. For the first two-thirds of the amount for which a county is eligi-  
13 ble, an equal amount must be provided from local sources.  
14 2. For the last one-third of the amount for which a county is eligible,  
15 twice the amount must be provided from local sources.  
16 SEC. 3. 1. After June 30, 1980, the unencumbered balance of the  
17 amounts allocated in section 1 of this act for the fiscal year 1979-80 may  
18 not be encumbered and must revert to the state general fund.  
19 2. After June 30, 1981, the unencumbered balance of the amounts  
20 allocated in section 1 of this act for the fiscal year 1980-81 may not be  
21 encumbered and must revert to the state general fund.  
22 SEC. 4. This act shall become effective upon passage and approval.

ATTACHMENT N



(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

S. B. 509

SENATE BILL NO. 509—COMMITTEE ON FINANCE

APRIL 23, 1979

Referred to Committee on Finance

SUMMARY—Makes appropriation to department of energy to economize use of energy in state facilities. (BDR S-1790)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: Contains Appropriation.

EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

AN ACT relating to energy; making an appropriation to the department of energy to encourage the use of energy in state facilities; making an appropriation for the acquisition of petroleum products under certain circumstances; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

1 SECTION 1. 1. There is hereby appropriate from the state general  
2 fund to the department of energy the sum of \$250,000 to economize the  
3 use of energy in state facilities.

4 2. A project proposed to economize the use of energy, the cost of  
5 which will be met with money appropriated by this act, must be approved  
6 by the interim finance committee before it is begun and must be carried  
7 out under the supervision of the state public works board.

8 SEC. 2. There is hereby appropriated from the state general fund to  
9 the fund for acquisition of petroleum products the sum of \$10,000,000  
10 to be used to alleviate possible shortages of such products. Any unex-  
11 pended balance of this appropriation reverts to the state general fund on  
12 June 30, 1981.

13 SEC. 3. 1. If the governor finds that a shortage of petroleum products  
14 threatens the safety or welfare of the people of this state, he shall order  
15 the director of the department of energy to prepare a general plan for  
16 the acquisition of petroleum products to enlarge the supply available to  
17 wholesalers in this state, and shall submit this plan to the state board of  
18 examiners. If the board finds the plan feasible, the state board of exam-  
19 iners shall forward the plan, with a record of its approval attached  
20 thereto, to the director of the legislative counsel bureau for submission  
21 to the interim finance committee. If the plan is disapproved, the board  
22 shall return the plan to the director of the department of energy, together  
23 with the reasons for the disapproval.

1 2. If the state board of examiners submits the plan to the interim  
2 finance committee, it shall also request the allocation of specified amounts  
3 of money to carry it out.

4 SEC. 4. Upon receipt of a plan and request for allocation of money  
5 from the fund for acquisition of petroleum products, the director of the  
6 legislative counsel bureau shall notify the chairman of the interim finance  
7 committee, who shall thereupon call a meeting of the committee. If the  
8 committee, after independent examination of the request, finds that the  
9 allocation recommended by the state board of examiners should be made,  
10 the committee shall by resolution establish the amount and purposes of  
11 the allocation, and direct the state controller, upon request of the director  
12 of the department of energy, to draw one or more warrants up to that  
13 amount payable to sellers designated by the director or, within limits  
14 designated by the committee, to defray the expenses of the department in  
15 administering the program.

16 SEC. 5. 1. If the interim finance committee allocates money for the  
17 acquisition, the director of the department of energy may acquire petro-  
18 leum products anywhere in the United States or in any other nation and  
19 offer petroleum products for sale or sell them to any wholesaler of  
20 petroleum products in this state.

21 2. For this purpose the director may:

22 (a) Contract with any wholesaler of petroleum products in this state to  
23 acquire any petroleum product for resale to him. Every contract for  
24 acquisition and resale must contain a provision which renders unenforc-  
25 ible the entire contract if the director is unable to acquire the petroleum  
26 product by a date to be set forth in the contract.

27 (b) Acquire title to any petroleum products situated in any other state  
28 of the United States or in any other nation and exchange the title so  
29 acquired for any petroleum products situated in this state.

30 (c) Store any petroleum product acquired by him in any state of the  
31 United States or in any other nation.

32 (d) Transport any petroleum product acquired by him from the place  
33 of purchase to any other place, including this state.

34 (e) Employ or contract with suitable persons to administer the program  
35 in his office and to provide advice or services as independent contractors.

36 (f) Engage in any other lawful act necessary to acquire and resell  
37 petroleum products.

38 3. The director may enter into contracts with consultants, advisers,  
39 brokers and other persons to obtain competent advice relating to the  
40 acquisition or resale of petroleum products.

41 SEC. 6. 1. The fund for acquisition of petroleum products is hereby  
42 created in the state treasury as a special revenue fund.

43 2. The director shall, upon receipt of money derived from the sale of  
44 any petroleum product, deposit the money in the state treasury for credit  
45 to the fund. Any uncommitted balance in the fund reverts to the state gen-  
46 eral fund on June 30, 1981.

47 SEC. 7. 1. This section and sections 2 to 6, inclusive, of this act shall  
48 become effective upon passage and approval.

49 2. Sections 2 to 6, inclusive, of this act expire by limitation on July  
50 1, 1981.

ATTACHMENT O