

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON GOVERNMENT AFFAIRS

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
May 11, 1981

The Senate Committee on Government Affairs was called to order by Chairman James I. Gibson, at 2:08 p.m., Monday, May 11, 1981, in Room 243 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT

Senator James I. Gibson, Chairman
Senator Jean Ford, Vice Chairman
Senator Gene Echols
Senator Virgil Getto
Senator Keith Ashworth
Senator James Kosinski
Senator Sue Wagner

GUEST LEGISLATORS:

Senator Lawrence Jacobsen
Assemblyman Robert Robinson

STAFF MEMBER PRESENT:

Anne Lage, Committee Secretary

SENATE BILL NO. 638

Prohibits public investments in banks or companies doing business in or with Republic of South Africa.

Senator Joe Neal, Prime Sponsor, testified that this bill addressed itself toward the constitutional principal of equality. This bill would disallow the investment of state funds directly and indirectly with companies or firms doing business with the Republic of South Africa. Senator Neal presented his testimony to the committee. (See Exhibit C.)

He also presented an article to the committee; The Sullivan Principles: A Critical Look at the U.S. Corporate Role in South Africa. (See Exhibit D.) He also included an editorial from the Las Vegas Review-Journal. (See Exhibit E.)

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 11, 1981

Mr. Bob Cameron, Chief Deputy State Treasurer, stated that they were not opposed to the concept of this bill. However, there would be a few conflicts. The First National Bank is a part of the Western Bank Corporation who has an outstanding loan of \$700 million with the Republic of South Africa. He stated that they also did business with Citibank of New York as they were their paying agent on bond issues.

Chairman Gibson asked what would have to be done if this bill passed. Mr. Cameron replied that they could change banks.

The committee decided to give this bill further consideration.

SENATE BILL NO. 639

Creates commission on minority affairs.

Senator Kosinski, Prime Sponsor, stated that this bill was a result of the recent census figures which showed that the minority population had risen to 13 to 20 percent.

This bill as drafted created a commission of nine members who would be appointed by the governor. Those members would be representative of the various ethnic racial minorities within the state. Senator Kosinski stated that the appropriation with the bill of \$49,200 was primarily for per diem and travel expenses.

Mr. Onie Cooper, NAACP, testified that some type of agency or commission was needed other than the Nevada Equal Rights Commission as it was not doing the job. If this commission would address itself to the problem areas by taking action on these problems then it would be worthwhile. If it was only going to define the problems then it was not necessary as they already knew what the problems were.

Dr. Michael Passi, Director of Research and Planning for the community services agency of Washoe County, testified in support of this bill. He believed a minority affairs commission could play a significant role in assisting policy makers in Nevada in responding to the needs of the growing minority population. He stated that the minority population was about 16.5 percent of the entire state population. It was greater than the City of Reno's population.

Dr. Passi believed that a commission of the kind proposed in this legislation provided a more than adequate mechanism to begin the planning process. He did not feel that the recommended

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 11, 1981

level of funding was entirely adequate to permit the commission to effectively carry out its duties as provided in this bill. He added that he did not view this commission as a substitute for the Nevada Equal Rights Commission, although he thought it should review the Nevada Equal Rights Commission and make recommendations to strengthen that body if necessary.

Dr. Carlos Romo, Washoe County Community Service Agency, testified that one thing which had not been mentioned was the benefits that the minority groups bring to the state. He agreed with Senator Kosinski and Dr. Passi's suggestion to give the commission a specific time limit as far as coming up with recommendations.

Mr. George Cotton, EEO/Employee/Labor Relations Consultant, testified in support of this bill. He did not feel that this commission should be a threat to other minority agencies. He did not think there was a need for a four year staff. A two year staff would be adequate.

Mr. Esteban Valle, Reno resident, testified that he had been active in minority affairs for some time. He believed this commission was the first step toward recognizing the problems that existed. He was in support of this bill.

The committee decided to give this bill further consideration.

SENATE BILL NO. 641

Establishes August 8 of each year as Pat McCarran Day.

Senator Kosinski, prime sponsor, testified that this bill would recognize the contributions of Senator McCarran by a state day of observance.

Mr. Michael Triggs, Sparks resident, explained the background of Pat McCarran. The bill outlined several areas that Pat McCarran worked on; the Civil Aeronautics Act, the Internal Security Act, the Administrative Procedures Act, the Immigration and Nationalization Act, and many others.

Mr. Triggs stated that Nevada had one official state holiday, Nevada Day. He felt that the people of Nevada would benefit by having a day after Pat McCarran who was the first native son to serve in the United States Senate. This would not mean that this was to be a holiday, merely a day of observance.

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 11, 1981

The committee agreed to give this bill further consideration.

SENATE BILL NO. 646

Requires disposal of surplus public property by public auction.

Mr. Joe Cathcart, City of North Las Vegas, testified that this bill took away the right to hold sealed bids and only allowed for the auctioning of merchandise. He stated that much of the merchandise to be discarded is plain scrap and this would be difficult to auction off. He recommended that this bill be sent to a subcommittee to study problems which might be encountered.

Senator Jacobsen, prime sponsor, testified that this bill originated out of interest in Douglas County. He stated that he had observed that the public auction can generate as much if not more revenue as the sealed bid sale. Douglas County had been very successful with the public auction.

Mr. Anthony Watkins, Auctioneer from Douglas County, testified that by properly advertising auctions Douglas County had been able to make substantial profits. He explained that private auctioneers were highly motivated as they received a percentage of the profits.

Mr. Terry Sullivan, Nevada State Purchasing Division, testified that he was in support of the bill, but felt it needed to be worked on. He stated that it was impossible to sell everything by public auction. He also agreed that a private auctioneer received the most money possible. However, he did not approve of using this method in every situation. He stated that in most cases the state had received its moneys worth and anything extra was "gravy". He also stated that selling scrap at a public auction did not make sense.

Ms. Debi Langston, City of Reno, testified that this bill would not necessarily bring in the most money. There were many instances where a sealed bid brought in more money than an auction could have.

The committee decided that the use of a public auction was an option available to any governmental entity that chose to use it, thus it was not necessary to make its use mandatory.

Senator K. Ashworth moved "Indefinite Postponement" on Senate Bill No. 646.

Senator Kosinski seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 386

Makes various changes to law governing metropolitan police departments.

Chairman Gibson requested that the subcommittee give a report on the current status of this bill.

Senator Ford, Chairman of the Metropolitan Police Department subcommittee which also included Senators Keith Ashworth and Don Ashworth, testified that the subcommittee had proposed amendments to Nevada Revised Statutes chapters 280, 277 and 211 which would provide an enabling act to allow local governments within one county to join together to form a metropolitan police department through the adoption of ordinances. Copies of the proposed amendments to this bill were distributed to the committee members along with the proposed funding formula. (See Exhibits F and G.)

Senator Ford reviewed and summarized the following basic elements of this bill:

1. It provides for a joint department serving all of the political subdivisions which choose to be a part of the agreement, with the sheriff as the administrative head and the chief law enforcement officer.
2. It provides for a metropolitan police fiscal affairs committee; two from each participating entity and they in turn pick one additional person from the public at large from a list of nominees. The chairman of that group is elected by the group. If the group cannot agree upon an appointee, that appointee is chosen by the governor. The fiscal affairs committee would meet quarterly, but could meet more often.
3. It provides for a budget to be prepared by the head of the metropolitan police department and a funding apportionment plan which shall be presented to the participating entities for their approval. If there is disagreement on the funding apportionment plan, the impasse would be given to a panel of arbitrators residing in the state of Nevada to arrive at a final decision.
4. It provides a funding formula with certain factors spelled out in the law which must be used in the preparation of the budget.

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 11, 1981

5. It provides for the handling of the jails.
6. It provides transitional language for the existing metropolitan police department to adopt this new form. Some sections resolve conflicts with bills already passed regarding the handling of claims.
7. It provides certain internal powers of the department to do business and handle personnel matters through a civil service system.

Sheriff John McCarthy, Clark County Sheriff, testified that this bill as amended provided for a fair and equitable funding formula, removed the constitutional defects and ensured the continuation of the metropolitan police department. He commended the subcommittee for their patience and diligence in working out the amendments to this bill.

Mr. Ron Lurie, Las Vegas City Commissioner, testified that he was in support of the amendments as presented this date and felt that they were an answer to the dilemma they had faced for the past eight years. He felt that this bill as amended would make the case pending in the Supreme Court moot.

Mr. Bruce Spalding, Clark County Manager, testified that Clark County was in complete support of this bill as it was currently amended. He stated that it was a delicate balance which demanded compromise on all sides.

It was agreed by the committee to have the amendments drafted into the bill and have it brought before the committee for action.

SENATE BILL NO. 655

Entitles members of county fair and recreation boards to compensation for attendance at meetings.

As there was no one present to speak on this bill, it was decided to hold it until a later date.

SENATE CONCURRENT RESOLUTION NO. 53

Requests Council of State Governments and National Conference of State Legislatures to study regional primaries for presidential candidates.

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 11, 1981

Senator Kosinski testified that he had discussed this bill with the committee in the past, particularly in view of some of the bills that were being introduced to do away with the presidential primary. At that time, Senator Kosinski suggested that a request be made of the National Conference of State Legislatures or the Council of State Governments to conduct a study to determine whether or not other states would be interested in a regional approach to the presidential primary as an alternative.

Senator Ford stated that she served on the National Conference of State Legislatures committee on elections and this type of study had been discussed and would fit with the kinds of study agendas that they were involved with.

Senator Kosinski moved that Senate Concurrent Resolution No. 53 "Be Adopted".

Senator K. Ashworth seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 161

Extends the provisions for military leave for public officers and employees and for members of certain military organizations.

Assemblyman Bob Robinson testified that this bill was introduced as a result of a problem encountered by a school teacher who was a member of the Air Force Reserve. Under the current law members of the Air Force Reserve could not receive their regular salaries and also their reserve salary. Since the law provided this benefit for all other reserve services, Assemblyman Robinson felt these members should also be included. He presented his written testimony to the committee members. (See Exhibit H.)

Senator Kosinski moved "Do Pass" on Assembly Bill No. 161.

Senator Getto seconded the motion.

The motion carried unanimously.

ASSEMBLY BILL NO. 512

Sets prerequisite for exercise of power of eminent domain by certain community redevelopment agencies.

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 11, 1981

Mr. Alex Fittinghoff, Sparks City Planner representing the Sparks mayor and city councilmen, testified that this bill would help the redevelopment effort in Sparks.

He explained that the Sparks city council was the Sparks redevelopment agency. As members of the redevelopment agency they did not have the authority to exercise eminent domain. So, when they wanted to acquire property for street widening or off street parking, the councilmen sitting as the redevelopment agency have to give the eminent domain problem to the council who do have the authority to exercise eminent domain. Section 1 of this bill would provide eminent domain authority to the redevelopment agency.

Section 5, subsection 2, would provide authority to the agency to negotiate the sale of agency bonds.

Mr. Fittinghoff explained that section 9 would repeal the prohibition against construction of buildings. It would also repeal the provision which prohibited the use of eminent domain without going to an election. He stated that the only reason they would use eminent domain was entirely for public purposes, not for resale purposes.

Senator K. Ashworth voiced concern over the provision of this bill which would delete the public's right to election whenever property was to be condemned through eminent domain.

The committee decided to give this bill further consideration before acting on it.

SENATE BILL NO. 163

Provides for urban subdistricts within water conservancy districts.

Senator Kosinski explained that the proponents of this legislation had met with the City of Reno and Washoe County and concluded that they would have a very difficult time working out a plan during the remainder of this session. As an alternative, they requested the legislature to direct a study of the problems.

The amendment, which was drafted by Russ McDonald, would take out all the provisions of the original bill and mandate a study instead. The legislative commission would appoint a member of the Senate and the Assembly from Washoe County to participate in this study.

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 11, 1981

Senator K. Ashworth moved "Amend and Do Pass" on Senate Bill No. 163.

Senator Getto seconded the motion.

The motion carried unanimously.

SENATE RESOLUTION NO. 12

Adds new standing rule which provides procedure for deciding contest of election.

Chairman Gibson reviewed the proposed amendments for this bill.

Senator Ford moved "Amend and Be Adopted" on Senate Resolution No. 12.

Senator Echols seconded the motion.

The motion carried unanimously.

SENATE JOINT RESOLUTION NO. 26

Proposing to amend the constitution of Nevada to permit varied forms of county government.

Chairman Gibson informed the committee that the Assembly had added an amendment to this bill. (See Exhibit I.)

Senator Ford moved "Do Not Concur" on this amendment.

Senator Getto seconded the motion.

The motion carried unanimously.

SENATE JOINT RESOLUTION NO. 38

Proposes constitutional amendment to increase the number of days for which legislators may be compensated during regular session.

Senator Ford moved "Do Pass" on Senate Joint Resolution No. 38.

Senator Echols seconded the motion.

The motion carried. (Senators K. Ashworth and Kosinski voted "No".)

SENATE COMMITTEE ON
GOVERNMENT AFFAIRS
May 11, 1981

The committee agreed to meet on Tuesday, May 12, 1981 to discuss reapportionment.

There being no further business, the meeting was adjourned at 5:20 p.m.

Respectfully submitted by:

Anne L. Lage
Anne L. Lage, Secretary

APPROVED BY:

James I. Gibson
Senator James I. Gibson, Chairman

DATE: June 17, 1981

SENATE AGENDA

COMMITTEE MEETINGS

Committee on Government Affairs , Room 243 .

Day Monday , Date May 11, 1981 , Time 2:00 p.m. .

S. B. No. 638--Prohibits public investments in banks or companies doing business in or with Republic of South Africa.

S. B. No. 639--Creates commission on minority affairs.

S. B. No. 641--Establishes August 8 of each year as Pat McCarran Day.

S. B. No. 646--Requires disposal of surplus public property by public auction.

S. B. No. 655--Entitles members of county fair and recreation boards to compensation for attendance at meetings.

S. J. R. No. 38--Proposes constitutional amendment to increase the number of days for which legislators may be compensated during regular session.

S. C. R. No. 53--Requests Council of State Governments and National Conference of State Legislatures to study regional primaries for presidential candidates.

A. B. No. 161--Extends the provisions for military leave for public officers and employees and for members of certain military organizations.

A. B. No. 512--Sets prerequisite for exercise of power of eminent domain by certain community redevelopment agencies.

Senator Joe Neal
Testimony in Support of Senate Bill No. 638
Given before the Senate Committee on Government Affairs
May 11, 1981

EXHIBIT C

Mr. Chairman and ladies and gentlemen of this committee:

You have before you today, one of the most important bills of this session. A bill that addresses the constitutional principles that this country governs itself by; a principle which addresses itself to the equality of persons.

I speak of Senate Bill No. 638 which would disallow investment of state funds, directly or indirectly with companies or firms doing business with the Republic of South Africa. You may ask, why should the State of Nevada pass such a bill? The answer to that question is a simple one, the State of Nevada ascribe to the principle of equal justice under law as does the country. This being the case, this state should not permit its public funds to be utilized in such a way to do damage to this principle either directly or indirectly, be it within or outside the borders of this country.

Many firms or companies which are presently utilizing the investment capital of this state, are presently doing business with South Africa. Chemical Bank and Western Bank Corp., or First National Bank as it is known here, are just two examples.

Bank Loans

The significance of U. S. bank loans to South Africa was most clearly seen in the period of 1974-76 when South

Africa was suffering from severe recession. In 1974, total South African debt liabilities were only US \$2.7 billion, but by 1976 these had nearly tripled to US \$7.6 billion. U. S. banks were able to mobilize nearly US \$2 billion during that period to rescue South Africa, with U. S. loans providing nearly one-third of the credit needed. Citibank is clearly the world leader in lending to South Africa participating in loans totalling at least US \$1.6 billion. Other major U. S. banks lending to South Africa include Bank of America, Chase Manhattan, Chemical, Manufacturer's Hanover, Morgan Guaranty, First National of Chicago and Irving Trust.

In addition to direct loans, most of which are to the government or parastatals, many of these same banks are involved in trade financing. Trade financing figures cannot be precisely obtained, but as an example, Chemical Bank claims that it finances trade with South Africa totalling anywhere from US \$23-35 million in a given month. Trade financing is mostly short-term, 180-day loans involving a variety of products from catsup to automotive spare parts.

Some U. S. banks, including Citibank and Chemical Bank have claimed that they have a current policy not to make new loans to the South African government or related agencies, nor will they roll-over old loans. However, no U. S. bank has categorically stated that it will not consider new loans some time in the future while South Africa is still under minority rule.

Further, there are other means of lending money to South Africa without making it a direct transaction. For example, hundreds of U. S. Banks have correspondent relationships with South African banks, ostensibly to facilitate trade financing and to handle corporate accounts. Yet, through these correspondent relationships, U. S. banks can approve letters of credit, interbank loans and the like which could provide money requested by a South African customer.

U.S. Investment

Various lists compiled by different authorities suggest that there are between 250 and 400 U. S. companies active in South Africa. It is clear however that between ten and fifteen corporations account for some 75% of direct U. S. investment in South Africa. Further, U. S. investment in South Africa is heavily concentrated in a few major areas of the industrial economy, so that for instance U. S. companies dominate the auto and oil industries--controlling over 40% of the oil market. Recent estimates indicate that the major investors are:

Mobil--\$1/3 billion

Caltex--more than \$225 million

General Motors--\$150 million

Ford--more than \$100 million

Chrysler--\$45 million--South Africa unit
merged with South African-owned company
in 1976

Union Carbide--over \$100 million

Kennecott--\$130 million

Phelps Dodge--over \$100 million

The Need for Action

Black people in South Africa live under apartheid, a tightly meshed system of total dispossession that deprives them of their citizenship, freedom of movement, land ownership, organizing rights and education. This system is official policy and exists to maintain the black population as a vast reservoir of powerless, cheap labor to be used when and where the government and corporations decide.

For more than forty years, U. S. corporations and banks have been investing in South Africa, not merely aware of the repressive system, but clearly defending it. In exchange for the enormous profits on cheap black labor, U. S. corporations and banks have helped provide the capital and technology for the nuclear, military, police and prison systems needed by the white minority to maintain control of the black majority. Continuing U. S. corporate support for apartheid is evidenced by the tripling of corporate investments in South Africa over the past two decades, making the U. S. the largest foreign investor next to Britain. U. S. banks have also bolstered the apartheid economy with more than \$2.2 billion in recent loans.

The uprisings in the sprawling black township of Soweto in 1976, the death in detention of black consciousness leader, Stephen Biko, in 1977, and numerous reported banings and arrests are a telling sign that apartheid not only continues in South Africa but is becoming even more repressive. It is time to end U. S. support for the apartheid system by withdrawing corporate investments and ending bank

loans that are so crucial to its survival.

After years of claiming neutrality or defending apartheid, U. S. firms have only recently begun to claim that their investments in South Africa are vital to the prospect of reforming apartheid. But a close look at the corporate reformist strategy demonstrates that it is aimed at pacifying critics of South Africa in the U. S. The most progressive reforms imaginable cannot change apartheid which is based on the bantustan system of land distribution. Thirteen per cent of the land is all that blacks are allocated and, until this is altered, blacks will be slaves in their own country. Corporate reforms do not even address this problem nor the problem of political disenfranchisement.

Only a strategy which considers the need for fundamental redistribution of wealth and power will suffice. Among the strategies tried by anti-apartheid groups in the U. S. have been shareholder resolutions and divestment.

Shareholder resolutions work within the arena of corporate shareholder meetings. Occasionally the resolutions have called for corporations to withdraw from South Africa. More often they call for the gathering of information about operations in South Africa. They have been a way of raising the issue among stockholders.

The Benefits of Divestment

First, divestment of the portfolio can end an institution's direct support for U. S. funding of apartheid.

Secondly, although much of what is loaned to South Africa is in the form of Eurodollars, the extension of loans to South

Africa lessens funds available in the U. S. for mortgages, home improvement loans, low-interest student loans, small business loans, community improvements and the like. Money can only be spent in one place and there are better things to invest in than apartheid. An example is the practice of redlining, whereby banks draw a line around poorer neighborhoods and virtually cut off funds to these communities which they perceive as high risks. While the inner cities decay, the apartheid government of South Africa has enjoyed almost unlimited credit. The divestment strategy not only calls for an end to the financing of apartheid, but also for a return of such deposits to communities at home.

U. S. corporations with operations in South Africa continue to profit from cheap black labor there while plants at home are being closed. Paying blacks near starvation wages in South Africa means increased unemployment in the United States. This is not to suggest an end to all multinational operations, but that American workers cannot compete with the wages of apartheid labor.

Perhaps the most significant benefit of divestment is the contribution it can make in the ongoing struggle for liberation in South Africa. In response to increasing international pressure, Prime Minister P.W. Botha has declared that South Africa has adopted a "total war strategy." Part of this strategy is the National Supplies Procurement Act which authorizes the South African government to order any U.S. company to supply the government with goods determined to be necessary for national security. General

Page Seven

Motors, for example, has already been designated a key industry which would undoubtedly be seized in the event of "civil unrest."

The Sullivan Principles:

A Critical Look at the U.S. Corporate Role in South Africa

Twenty seven and a half million people live in South Africa. Only 4.5 million, all of them white, are citizens. Only whites can exercise political power and organize economic power. Eighty seven percent of the land is designated white, and blacks are allowed into this "white land" only when their labor is needed. The remaining 13 percent of the land has been set aside as bantustans for black habitation. The bantustans, primarily rural wastelands, are unable to support the black population. Thus blacks are forced to work for white employers, and their movements are controlled by an elaborate system of laws which deprive them of control over their lives.

The issue of power is at the core of the black demand for change in South Africa. Blacks are not struggling and dying to reform or improve apartheid. They want nothing less than the total abolition of the system and the establishment of a new state based on full popular participation. To propose change in any lesser terms is trivial and irrelevant. This is as true now as it was half a decade ago when codes of conduct for investors were first discussed.

THE BACKGROUND

According to Reverend Leon Sullivan, the Principles which bear his name developed out of a 1975 visit to Johannesburg during which he was urged to try to make US companies agents of change in South Africa. Upon his return, Sullivan, a Baptist minister who is the only black member of the General Motors board of directors, met with a number of corporate executives and began work on a voluntary set of six principles relating to workplace conditions.

The months during which the code was being developed were momentous ones for South Africa. The uprisings by young Soweto students in June 1976 started a wave of protests against apartheid which swept across the country and left an estimated 1,000 Africans dead in its wake. Pictures of defiant black children facing armed white police made Americans acutely aware of the injustice and frustration which black Africans were experiencing in white-ruled South Africa.

Large part due to the events in Soweto and elsewhere, public indifference regarding the role of US corporations

ended. University students began calling for divestment of stock in companies doing business in South Africa. Many churches, unions and black community groups demanded an end to bank loans to South Africa and corporate investments by US firms in South Africa.

Despite the massive resistance to apartheid and the growth in the divestment campaign in the US, it took Sullivan eighteen months to persuade twelve corporations to accept the set of principles, demonstrating the fundamental reluctance of US corporations to oppose apartheid stability in any way.

Indeed, the corporations were so cautious, so unwilling to antagonize South African authority, that the adoption of the Principles was not announced until after they had been checked and approved by Ambassador Roelof Botha, then South Africa's representative in Washington and now Foreign Minister. The six principles were:

- Non-segregation of the races in all eating, comfort and work facilities.
- Equal and fair employment practices for all employees.
- Equal pay for all employees doing equal or comparable work for the same period of time.

- Initiation and development of training programs that will prepare, in substantial numbers, blacks and other non-whites for supervisory, administrative, clerical and technical jobs.
- Increasing the number of blacks and other non-whites in management and supervisory positions.
- Improving the quality of employees' lives outside the work environment in such areas as housing, transportation, schooling; recreation and health facilities.

In the abstract, the principles made unobjectional reading. The catch lay in what they excluded rather than what they included. There was no demand for any change in the fundamental structure of apartheid, no demand for black political rights, and no commitment to negotiate with black trade unions or demand their recognition by the government. It took some time for Sullivan to issue an "amplified" set of principles endorsing the right of blacks to unionize, and by 1981 only a handful of Sullivan signatories had actually recognized a black union.

In March 1977, after the Principles had been fully discussed with South African officials, the code was announced to the American public. Those companies in the original group of signers were American Cyanamid, Burroughs, Caltex, Citicorp, Ford, General Motors, IBM, International Harvester, Minnesota Mining & Manufacturing, Mobil, Otis Elevator, and Union Carbide.

The Sullivan Principles quickly fulfilled the companies' hope that they would act as a deflector of criticism. Institutions which had been called on to divest began using the principles to judge companies' performance, with signing of the principles taken as an indication of sufficiently good intentions as to eliminate any reason for action.

Seeing what was happening many US firms rushed to get on the band-wagon. By 1980, 140 companies out of 300 US firms operating in South Africa had endorsed the Sullivan Principles. As one subsidiary of a US firm explained to the Investor Responsibility Research Center, a public interest research group in Washington, it held off signing the Principles for some time—until it realized that "the Principles were being used to pacify critics in the States."

NO CHALLENGE TO APARTHEID

The Six Principles do not challenge the system of apartheid itself. Instead, they act merely as a set of guidelines for instituting reforms in one area of society, the workplace.

Because of the intrusion of apartheid into every aspect of life, the problems faced by blacks in the workplace cannot be separated from those encountered elsewhere. As the Black Allied Workers Union of South Africa has pointed out, "Black workers' interests extend beyond the factory: they extend to the ghetto where black workers stay together in hostels under squalid conditions . . . to the stringent, irksome and humiliating applications of influx control (pass) laws . . . to the lack of political power and machinery."

That the Sullivan Principles are not directed toward attacking the roots of the apartheid system is not surprising. Corporations do not exist to reform society. The role of a corporation in any country is to maximize profits, and historically South Africa has been a very profitable place for

US companies to operate. Until the recession of the mid-1970's, US companies in South Africa were earning at least twice as much for every dollar invested—and often far more—as they were in the world as a whole. Even now, South Africa compares favorably with the rest of the world in this regard.

The corporations describe their position in South Africa as that of guests, a position they do not wish to jeopardize by antagonizing the government. A *Wall Street Journal* editorial of August 18, 1979 summed up the corporate view: "We provide goods and services to our customers and profits to our investors; we obey the local laws and try not to do anything beastly, and politics is the politicians' business."

CONTINUED US AID TO APARTHEID

While the Sullivan Principles provide a convenient cover which US companies can use to shield their continued activities in South Africa, they fail to address the issue of the role corporations play in supporting the white minority. As Bishop Desmond Tutu, the General Secretary of the South African Council of Churches, said in a 1979 interview, "Foreign investors must not kid themselves. Their investments maintain the apartheid system."

US corporations have helped provide South Africa with much of the capital it needs to strengthen its economy and assure that whites continue to enjoy a high standard of living. US investment currently stands at triple what it was 10 years ago. This investment has gone primarily to build up and expand manufacturing, mining and refining facilities. Among US firms with investments of \$100 million or more are Mobil, Caltex, General Motors, Ford, Union Carbide and Kennecott.

General Motors, despite the issuance of US Department of Commerce regulations which prohibit the sale of goods and services containing US-produced components to the police and military, continues to make such sales. It does this by buying the necessary parts from overseas sources.

GM has itself acknowledged that commercial vehicles can effectively be used for defence purposes. Secret contingency plans prepared in 1977 by GM officials in South Africa reveal that the company would cooperate with the South African government "in the event of civil unrest." This would include supplying "trucks and commercial vehicles to meet national needs . . . Vehicles may be taken over for Civil Defence purposes." In fact, the plans indicate that GM's entire operation would be taken over by the military in a time of emergency.

GM is just one of many Sullivan Principle signers which has been designated a national keypoint. National keypoints are strategic industries vital to South Africa's security. Keypoint industries, directly responsible to the Defence Minister, are being asked to organize all-white military reserve units to protect their plants from attack by internal black resistance forces. Of the 633 national keypoints, it is not known how many are US corporations, but since US investment has gone into strategic fields such as automotive, oil and electronics industries, many US owned plants will be designated keypoints. The Sullivan Principles are irrelevant to this direct collaboration between US corporations and the South African government.

The Fluor Corporation of California, which endorsed the Principles in 1979, has received two contracts totalling more than \$4 billion to expand South Africa's previously small facilities for converting coal into oil. This immense project—by far the largest ever undertaken in South Africa—will help South Africa, which has no oil of its own, to lessen its vulnerability to possible oil sanctions.

Approximately 40 percent of the oil used in South Africa is refined and marketed by Mobil and Caltex, both original signers of the Principles. In addition, they supply oil to the South African armed forces.

Another signer of the Principles is Control Data, whose chairman commented in 1979 that "the little bit of repression that is added by the computer in South Africa is hardly significant" compared with the good the company feels it is doing. Yet South Africa could not maintain its current degree of control over its black population without the vast use of computers for administering the pass laws, for maintaining police files, and other similar functions. It was revealed in mid-1979 that Control Data was knowingly supplying certain parts for equipment sold to the South African police, in violation of the Commerce Department regulations.

In addition to the corporations, US banks have provided capital in the form of loans to both the South African government and private firms. In 1979 such loans stood at more than \$2 billion, or about one-fourth of all foreign loans. This money has gone to cover rising oil and arms costs and to finance government self-sufficiency projects, as well as to assist in balance of payment problems.

Citibank, the largest lender and an original signer of the Sullivan Principles, has made loans to South Africa, either by itself or as the leader of a group of banks, which total well over \$1 billion. Chase Manhattan, a more recent signer, has also been an important lender. One \$110 million loan in which both banks participated went directly to the government to assist in its balance of payments problems. Other loans, just as important, have gone to corporations whose stability helps to determine the country's overall economic health.

In 1978, Citibank announced that it would make no new loans to the South African government because "apartheid was having a negative effect on the economy." However, in the fall of 1980, Citibank again participated in a loan to the South African government, this one for the amount of \$250 million.

WORK PLACE REFORMS RESTRICTED

Quite apart from the issue of whether they will alter apartheid, the Sullivan Principles can do little to change black working conditions. The South African government, not the corporations, sets the limits within which change is possible. In 1977, promising reform the government set up the Wiehahn Commission to look into labor laws. Careful consideration of the recommendations of the Wiehahn Commission and new legislation based on the findings of the Commission, reveal that the "reforms" are hardly concessions to blacks. Rather they mark the start of a new and sophisticated effort to control the black trade union move-

ment. Like many other recently announced "reforms" this legislation displays the characteristic features of the "moderate" apartheid policies of the present Botha government: concessions to a tiny minority of blacks combined with substantial tightening of restriction on most Africans.

An unprecedented number of strikes took place in 1980. The response to the strikes shows how limited the commitment of the corporations and the government is to meaningful change. At Goodyear Tire company more than 1,000 black workers were dismissed. When the workers gathered to protest, police used tear gas, clubs and dogs to disperse them. Goodyear, a Sullivan Principle signer, was refusing to pay wages equal to those paid by other employers in the area.

Another example is Ford, where strike leaders were detained without trial by the government. After release they were "banned," which meant they could no longer work at Ford or participate in union activities. Tozamile botha, who fled into exile after being detained 48 days, described the discrimination at Ford: "I was one of only two blacks out of twenty-two engineering trainees, and our wages were just 25% of the white wages. Many other jobs are totally closed off to blacks and many facilities at the plant are still segregated."

An extensive study of Ford and the Sullivan Principles was done by the South African Institute of Race Relations in late 1979. At the outset the study acknowledges that "Ford is probably the best employer in the Uitenhage-Port Elizabeth industrial region." Yet the study also shows that of the 205 members of management none were black, while in the eight lowest grades of the pay scale where 80.4% of blacks are employed there are only 45 whites. Given these facts, it is not surprising that the report notes that "The black unionists tend to see the integrated facilities as being largely cosmetic, done for the benefit of visitors and to please the directors in America, but otherwise doing little more than distracting attention from the far more fundamental problems of economic and social justice in the company and community."

What US companies can accomplish is further limited by the fact that American firms provide jobs for only about 100,000 people, one percent of the total workforce. Because of the capital intensive nature of most US investment, most of these employees are white, so that even if all US companies signed the Sullivan Principles and implemented them fully, they would effect less than one half of one percent of the workforce.

More important, however, than the number of workers employed, is the lack of interest shown by the companies toward altering the unequal working conditions of their black employees.

A US State Department Survey whose results were compiled in early 1979 showed that at least six of 28 companies examined—including most of the large employers—were paying minimum salaries below the absolute poverty level for African families. The survey also showed that moves toward placing Africans in higher-level positions—another point in the Sullivan Principles—have been equally **1138** factory. Among about 13,000 Africans employed at 21

surveyed on this issue, none held a senior management position and only eight were at the middle management level.

When Rev. Sullivan first introduced the Principles he was very optimistic, calling them "a tremendous force for change and a vital factor in ending apartheid in South Africa." Subsequent events have changed that optimism. In September 1980, he again visited South Africa where he heard criticism of the Principles from trade union and other black leaders and saw how slowly they were being implemented.

On his return to the US, Sullivan conceded that more had to be done. He said, "The Principles have been a catalyst for change. There have been gains, but all of it has been far too slow." He went on to state a new position. "Until apartheid is ended, no US bank shall make any loans to the South African government or its parastatal agencies. I am not in favor of more expanded investments New investments may cause more harm."

If there appears to be a contradiction in a position which sees new investment as harmful but old as a force for change one should bear in mind Sullivan's basic problem—balancing the need for a position sufficiently palatable to keep the corporations in his field against the equally powerful necessity of maintaining his credibility in the face of increasing black criticism.

THE ALTERNATIVE TO THE SULLIVAN PRINCIPLES

Corporate codes of conduct such as the Sullivan Principles cannot be expected to bring about an end to apartheid. Moreover, even if companies were to make a genuine commitment to workplace reform, the assistance they give to the apartheid system is far greater than any good they might do. Given this situation, there is growing sentiment both in South Africa and in the US in favor of an end to all economic ties.

South Africans must be cautious in discussing foreign investment: because calling for withdrawal can be considered a crime under the Terrorism Act. Thirteen black young people were charged in 1975 with such an offense, among others, after having sent a letter to foreign corporations asking them to stop putting money into South Africa. Nine eventually were tried and convicted under the Act, which carries a minimum term of five years in prison.

Despite the dangers, however, many black leaders have spoken out against foreign investment. The late Steve Biko, a founder of the Black Consciousness Movement who died in police custody in 1977, said in an interview the year before his death: "The argument is often made that loss of for-

ign investment would hurt blacks in the short run, because many of them would stand to lose their jobs. But it should be understood in Europe and North America that foreign investment supports the present economic system of political injustice."

Biko added, "If Washington is really interested in contributing to the development of a just society in South Africa it would discourage investment in South Africa. We blacks are perfectly willing to suffer the consequences! We are quite accustomed to suffering."

Written by Karen Rothmyer and
TerriAnn Lowenthal
August, 1979

Revised by Gail Morlan and
Richard Knight
February, 1981

"This Manifesto is just good cosmetics for the outside world. To us as trade unionists, we see no difference between American and SA companies."

Emma Mashinini
Secretary-Commercial Catering
and Allied Workers Union of SA

"When the manifesto was announced there was a general feeling of 'Good, this will force those white people in management to do something for us.' But nothing has happened. Now, there's a lot of disappointment."

Black employee at Ford in
South Africa
—January 1978

"My brother Leon Sullivan has a plan; so have I. Leon outlined six principles—I have but one! They are called the Sullivan principles. My principle is not mine but God's principle. This principle is freedom."

Reverend Wyatt Tee Walker
Canaan Baptist Church
New York City

Opinion

Racist South Africa can be trap for U.S.

Can the United States justify increased support for racist South Africa solely on the grounds that its location is strategic, and its mineral deposits immense?

We think not. While we support the Reagan administration's move toward a more pragmatic foreign policy, we believe it hypocritical for this nation to back South Africa, where blacks outnumber whites by a margin of 4-1, yet cannot vote or serve on juries, and are tightly restricted in their activities.

We also believe strong support for the apartheid government there will prove harmful to our best interests in the future.

We understand the arguments of those in the Reagan administration who advocate closer relations with South Africa. It is true that the Union of South Africa has always stood as a foe of Communism, and that its location on the Cape of Good Hope is of strategic importance. It is also true that it controls the largest deposits of critical manganese, platinum and chrome found outside the Soviet Union.

Pragmatically, it might seem imperative to be strong backers of South Africa. But a closer look reveals that zealous support of the current government will backfire, for two reasons.

First, we believe strong support of an apartheid government plays into the hands of the Communists. When America, the self-crowned champion of freedom, backs a totally repressive regime, we destroy any credibility as a friend of the oppressed, and allow the Soviets to play the role of protectors of equal rights in other regions, like Afghanistan and El Salvador.

We also believe it inconceivable that the white-dominated government in South Africa will last into the next century. Its former partner in apartheid, Rhodesia, has already disappeared from the map, re-emerging as black-dominated Zimbabwe. South Africa is under attack from within, as the black majority struggles to gain equal rights, and it is surrounded by black nations intent on removing the last vestige of European colonialism from their continent. It cannot last.

What will happen when at long last the black majority emerges victorious? Will they remember the United States as their friend, and allow us access to their precious minerals? Or will they remember us as allies of their repressors, and so move into the Soviet orbit of influence?

Despite its incompetence in other areas, we believe the Carter administration set a worthy example in its handling of the Rhodesian crisis. It walked a precarious line by withholding support for the white minority in that country until it scheduled truly free elections, while making it clear it would not permit a military takeover by black rebels.

Today, the democratically elected government of Zimbabwe is working out its admittedly difficult problems. While it is not as zealously pro-Western as the earlier government had been, neither has it been the Communist satellite feared by many. The United States should work for a similar solution in South Africa.

EXHIBIT E

Section 1. Chapter 280 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 3.5, inclusive, of this act.

Sec. 2. Delete in its entirety.

Sec. 3. No county may merge its law enforcement agency with the law enforcement agency of any of the cities in such county to create a single law enforcement agency for the participating political subdivisions except pursuant to the provisions of this chapter.

Sec. 3.1. "Committee" means a metropolitan police fiscal affairs committee.

Sec. 3.2. "Investigative Function" means those units within the department the primary responsibility of which is to investigate cases for the purposes of apprehending and convicting criminals.

Sec. 3.3. "Rural resident officer program" means a law enforcement program which provides police protection to a rural area, as defined and identified by a metropolitan police department, with the approval of the governing body of each participating political subdivision, before January 1 preceding the commencement of each fiscal year.

Sec. 3.4. "Uniform Field Function" means those line operation units within the department the primary responsibilities of which are to protect the public safety, to be the first line respondents to disturbances and calls for service and to supervise and enforce all traffic regulations.

Sec. 3.5. In any county in which there is an existing metropolitan police department, all rights, duties and obligations of the existing department shall devolve upon the new department if the department is reorganized pursuant to this act.

Sec. 4. Delete in its entirety.

Sec. 5. Delete in its entirety.

Sec. 6. Delete in its entirety.

Sec. 7. NRS 280.020 is hereby amended to read as follows:

280.020 as used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 280.030 to 280.080, inclusive, and sections 3.1 to 3.4, inclusive, of this act, have the meanings ascribed to them in those sections.

Sec. 7.1. NRS 280.030 is hereby amended to read as follows:

280.030 "Board" means a civil service board appointed by the [police commisson.] committee.

Sec. 8. NRS 280.060 is hereby amended to read as follows:

280.060 "Department fund" means [a metropolitan police department] any fund created in a county treasury under the provisions of NRS 280.220.

Sec. 9. NRS 280.110 is hereby amended to read as follows:

280.110 1. [The law enforcement agencies of any participating county and each participating city in such county shall merge into one metropolitan police department.] The board of county commissioners of any county and the governing body of any city or cities located in the county may merge their respective law enforcement agencies into one metropolitan police department. To do so, the board of county commissioners of the participating county and the governing body of each participating city must each adopt an ordinance providing for the merger. Except with respect to ordinances providing for the reorganization of an existing department under the provisions of this chapter, the ordinances providing for merger must be adopted and become effective on or before November 30 in the year preceeding the commencement of the fiscal year in which the merger

is to occur.

2. [Any nonparticipating city may merge into an existing metropolitan police department with the consent of the police commission of such department and subject to such rules and regulations as such police commission may promulgate.] Any participating political subdivision may withdraw from the metropolitan police department by repealing the ordinance which provided for the merger, but such withdrawal may only take place effective at the beginning of a fiscal year and must be on six months notice.

3. [If] Where the [charter of a nonparticipating city] act or charter under which a participating city is organized provides for the appointment of a chief of police and his duties of law enforcement[, the governing body of the city may by ordinance provide for the merger authorized by this section and]:

(a) The charter provision for appointment of a chief of police shall be deemed [repealed] superseded as long as such ordinance providing for merger remains in effect.

(b) The duties of law enforcement [shall] devolve upon the metropolitan police department, but duties of law enforcement do not include the construction, maintenance or operation of any county or city jail.

4. Any nonparticipating city may, by adopting an ordinance for merger, merge its law enforcement agency into an exiting metropolitan police department with the unanimous consent of the committee and subject to such rules and regulations as the committee may adopt and which are not inconsistent with the provisions of this chapter.

Sec. 9. 1. NRS 280.120 is hereby amended to read as follows:

280.120 Upon merger:

1. The law enforcement agencies of each participating political

subdivision shall be [dissolved] deemed superseded as long as the ordinance providing for merger remains in effect.

2. The resulting department shall operate under the provisions of this chapter.

Sec. 10. NRS 280.130 is hereby amended to read as follows:

280.130 1. The metropolitan [police commission] committee consists of [the sheriff of the county and] two representatives [from the county and] from each participating [city] political subdivision.

2. [The county and the largest participating city are each entitled to three representatives on the commission. Every other participating city is entitled to one representative.] Representatives of the participating political subdivisions shall not receive any additional compensation nor be permitted reimbursement from the department for any expenses associated with serving on the committee.

3. Each representative of a participating political subdivision [shall] must be a member of its governing body[.] and shall serve at the pleasure of the governing body making the appointment.

4. The members of the committee so appointed shall, by majority vote, select an additional member of the committee from a list consisting of 5 persons nominated by each participating political subdivision and 5 persons nominated by the sheriff from the general public who shall:

(a) Serve until August 1 next succeeding and until his successor is duly selected and qualified;

(b) Receive as compensation \$40 for each day actually employed on the work of the committee;

(c) Be entitled to reimbursement for necessary travel and per diem

expenses in the manner provided by the committee for the reimbursement of officers and employees of the department.

5. If the members of the committee appointed by the participating political subdivisions fail to agree on the additional member to be selected pursuant to subsection 3 within 30 days after their initial meeting following merger or by August 1 in any year thereafter, the additional member of the committee shall be selected by the governor.

6. When the initial committee is fully constituted, and at its first meeting in August in each year thereafter, the committee shall select one of its members as its chairman.

Sec. 11. Delete in its entirety.

Sec. 12. NRS 280.150 is hereby amended to read as follows:

280.150 1. A majority of the [police commission] committee is a quorum for the transaction of business but a quorum must include at least one representative from each participating political subdivision.

2. [On any question put before the police commission, the sheriff may vote only in case of a tie vote on the question.

3.) Except as otherwise specifically provided in this chapter, whenever this chapter requires a particular vote of the committee to transact certain business, the vote shall be determined with reference to the quorum present and voting on the matter in question.

Sec. 12.1. NRS 280.160 is hereby amended to read as follows:

280.160 Members of the [police commission] committee may administer all oaths or affirmations necessary in discharging the duties of their office.

Sec. 12.2. NRS 280.170 is hereby amended to read as follows:

280.170 [1. The sheriff of the county is the chairman of the commission.

2.] The [police commission] committee shall employ a clerk and may employ other clerical personnel necessary to the discharge of its duties. The clerk is secretary for the [commission.] committee.

Sec. 13. NRS 280.180 is hereby amended to read as follows:

280.180 1. The [police commission] committee shall meet at least once [a month] each quarter on a regularly scheduled day and may meet more often upon the call of the chairman[.], either on his own motion or at the request of any two members of the committee.

2. The clerk of the [police commission] committee shall give written notice of each special meeting to each member of the [police commission] committee at least 1 day before the meeting or by mailing the notice to each member's place of residence in the county[.] at least 3 days before the meeting.

3. The notice shall specify the time, place and purpose of the meeting. If all of the members of the [police commission] committee who did not receive the notice are present at [a] the special meeting, lack of notice shall not invalidate the proceedings.

Sec. 14. NRS 280.190 is hereby amended to read as follows:

280.190 The [police commission] committee shall:

1. [Cause to be prepared and] Direct the department to prepare and shall approve an annual operating budget for the department.

2. Submit the budget to the governing bodies of the participating political subdivisions [prior to February 1] before March 1 for funding for the following fiscal year.

3. [If there is more than one participating city, cause to be prepared]

Direct the department to prepare and shall adopt the funding apportionment plan provided for in NRS 280.201 and submit the plan before January 1 to the governing bodies of the participating political subdivisions [and the department of taxation] for approval. [The Nevada tax commission has the final right of approval for the plan and shall act as an arbitrator if the local governing bodies cannot agree on the funding apportionment.] The governing bodies shall approve or reject the plan before February 1.

4. If [there is more than one participating city, cause a new funding apportionment plan to be prepared:

(a) In 1980 and every 10 years thereafter upon ascertaining the results of the national decennial census taken by the Bureau of the Census of the United States Department of Commerce;

(b) If the law enforcement agencies of additional cities are merged into an existing department; and

(c) At intervals of not less than 4 years upon request by a majority vote of each of a majority of the governing bodies of the participating political subdivisions. If only one city is participating in a department, the police commission shall prepare a new plan under the provisions of this paragraph only upon request by a majority vote of each of the governing bodies of the participating political subdivisions.] any of the governing bodies fails to approve the apportionment plan, the plan or any disputed element thereof must be submitted to an arbitration panel for resolution. The governing body of each participating political subdivision shall name one arbitrator to the panel, who must reside within the State of Nevada. If this results in an even number of arbitrators, the arbitrators so named shall, by majority vote, select an additional arbitrator, who must reside within the State of Nevada and who shall

serve also as chairman of the panel. The department must provide such advice and technical and clerical assistance as requested by the panel, and the panel must make its award and submit it to the participating political subdivisions before March 1. Except as provided in this section, the provisions of the Uniform Arbitration Act contained in NRS 38.015 to 38.205, inclusive, shall apply.

Sec. 15. NRS 280.201 is hereby amended to read as follows:

280.201 1. [In those counties which have:

(a) Only one participating city, the county shall pay 53 percent and the city shall pay 47 percent of the total capital and operating costs of the department.

(b) More than one participating city, the governing bodies of the various participating political subdivisions shall, in determining the amounts of their respective budget items allocated to law enforcement, apportion among all the participating political subdivisions the total anticipated capital and operating costs of the department, as submitted by the police commission, on the basis of a formula which has been approved by the Nevada tax commission.

2. This formula must take into account all meaningful factors which will produce an equitable distribution of costs among the participating political subdivisions, including but not limited to, comparative:

(a) Population statistics.

(b) Geographic extent of the participating incorporated and unincorporated areas.

(c) Transient population of each of the participating political subdivisions. The number of available hotel and motel rooms in each political subdivision may be considered in determining transient populations.

(d) Historical crime statistics.

(e) Law enforcement requirements of the respective participating political subdivisions.

For the purpose of this subsection, the population, area and facilities attributable to a county do not include the population, areas or facilities of the cities within that county.]

The funding apportionment plan must exclude the cost of:

(a) operating and maintaining a county or branch county jail.

(b) a county rural resident officer program, where applicable; and

(c) Any contract service program which is totally funded by the contracting agency or entity. The costs described in paragraphs (a) and (b) are a proper charge against the county. The capital costs of building a county or a branch county jail are the responsibility of the board of county commissioners.

2. If a department operates a school crossing guard program, each participating political subdivision must fund the total costs of operating the positions located within that jurisdiction.

3. The funding apportionment plan must apportion the anticipated operation, maintenance and capital costs of the department, after deducting all anticipated revenue internally generated by the department, between or among the participating political subdivisions according to the formula developed in accordance with this section.

4. In developing the formula, the department must divide its budget into functional areas as follows:

(a) Those activities which are totally the responsibility of any one of the participating political subdivisions must be identified as a separate

functional area.

(b) Contract services which are performed solely for another agency or entity must each be identified as a separate functional area.

(c) Administrative or support activities must be identified as a separate functional area.

(d) The remaining activities, services or programs are to be allocated to those functional areas that are to be jointly funded by the participating political subdivisions.

5. The department must identify the several bureaus, sections, divisions and groups that are assigned to each functional area. Each function must be a separate accounting unit within the department budget for the purpose of cost apportionment between or among the participating political subdivisions.

6. The costs of the several activities within the administrative or support function must be allocated to the other functional areas to which they apply in the ratio that the cost of each of the other functional areas bears to the combined costs of the other functional areas.

7. The costs of each functional area which is to be jointly funded, including the administrative and support costs allocated in accordance with subsection 6, must be apportioned between or among the participating political subdivisions in accordance with the following method:

(a) Uniform Field Function - on a percentage basis according to the comparative, unweighed, cumulative percentage relationship between or among the participating political subdivisions of the permanent population of the participating political subdivisions, as determined annually by the ^{Comptroller} ~~state planning~~ coordinator, the total number of calls for service which were dispatched by the department in each participating political subdivision, excluding:

(1) Calls for service with respect to felony crimes;

(2) Calls for service originating in those areas which were served by a rural resident officer program; and

(3) Calls for service originating from a contract service program which is totally funded by the contracting agency or entity, during the 12 months preceding the month of December of the current fiscal year and the total number of felony crimes which were reported in each participating political subdivision during the 12 months preceding the month of December of the current fiscal year;

(b) Investigative Function - on a percentage basis according to the comparative percentage relationship between or among the participating political subdivisions of the total number of felony crimes which were reported in each participating political subdivision during the 12 months preceding the month of December for the current fiscal year.

8. For the purpose of subsection 7, the population attributable to a county does not include the population of the cities within that county or the population of those areas within that county which are served by a rural resident officer program.

9. The department shall be responsible for maintaining all of the statistics necessary to implement the funding apportionment plan and for maintaining accurate records in support of the determination required in order to comply with this section.

10. If, in the year in which the ordinances provided for in subsection 1 of NRS 280.110 are adopted, the statistics necessary to determine the funding apportionment plan for the remainder of that year are incomplete, the department shall prepare a funding apportionment plan for the remainder of that year based

upon the best statistics available, applied as closely as possible in the manner proscribed in this section, and the fact that the budget and the funding apportionment plan were not prepared and submitted within the time constraints provided for in NRS 280.190 and section 3.3 of this act shall not invalidate either the budget or the funding apportionment plan.

Sec. 16. NRS 280.220 is hereby amended to read as follows:

280.220 Upon merger, the county auditor or county comptroller of a county which has a department shall:

1. Create [a metropolitan police department fund] in the county treasury one or more funds and accounts within those funds, pursuant to the provisions of NRS 354.470 to 354.626, inclusive, as the department may request, for the exclusive use of the department.

2. Receive all money from the county, participating cities and any other source on behalf of the department and deposit the money in the appropriate department fund.

3. Receive all money collected by the department for any purpose, except criminal and civil fines, and deposit the money in the appropriate department fund.

4. Issue warrants against [the] a department fund in the manner provided in this chapter.

5. Credit any interest earned on money held in a department fund to any such fund designated by the department.

6. Retain in each department fund any balances remaining at the end of each fiscal year.

Sec. 16.1. NRS 280.230 is hereby amended to read as follows:

280.230 The [police commission] committee may examine and audit the

accounts of all officers having the care, management, collection or disbursement of any money belonging to the department or appropriated by law or otherwise, for its use and benefit.

Sec. 16.2. NRS 280.240 is hereby amended to read as follows:

280.240 The [police commission] committee shall examine, settle and allow all accounts legally chargeable against the department.

Sec. 17. NRS 280.250 is hereby amended to read as follows:

280.250 1. Every demand against a department, except [the salary of the sheriff, shall be acted upon by the police commission. The demands shall] a demand for the sheriff's salary, a contested claim or demand or a demand required by the committee to be submitted to it, after the demand is approved and signed by the sheriff or his designee, must be listed on a cumulative voucher [sheets, and a copy of such vouchers shall be presented to each member of the police commission. When the demands have been approved by a majority of the police commission and the cumulative voucher sheets have been signed by the chairman and secretary of such commission, such demands are valid vouchers in the hands of the county auditor or comptroller for him to issue warrants on the county treasurer to be paid out of the department fund.

2. The county auditor or comptroller shall satisfy himself whether the money is legally due and remains unpaid, and whether the payment thereof from the department fund is authorized by law.

3.) sheet.

2. If the county auditor or comptroller allows the demand, he shall endorse upon the voucher the word "allowed," the name of the [department fund,] department's fund and the date of [such] the allowance and shall sign his name thereto and draw his warrant on the county treasurer for the amount allowed.

3. The county auditor or comptroller and the county treasurer must sign the cumulative voucher sheets and the warrants. The county treasurer shall send a signed copy of the cumulative voucher sheets to the committee.

4. A majority of the members of the committee must approve a contested claim or a demand required to be submitted to the committee before such a demand is paid from the department's fund. A contested demand must be paid as provided in NRS 280.260.

Sec. 17.1. Section 1 of Chapter 110, Statutes of Nevada 1981, at page ____, is hereby amended to read as follows:

Section 1. NRS 280.250 is hereby amended to read as follows:

280.250 1. Every demand against a department, except a demand for the sheriff's salary, a contested claim or demand or a demand required by the [police commission] committee to be submitted to it, after the demand is approved and signed by the sheriff or his designee, must be listed on a cumulative voucher sheet.

2. If the county auditor or comptroller allows the demand, he shall endorse upon the voucher the word "allowed," the name of the department's fund and the date of the allowance and shall sign his name thereto and draw his warrant on the county treasurer for the amount allowed.

3. The county auditor or comptroller and the county treasurer must sign the cumulative voucher sheets and the warrants. The county treasurer shall send a signed copy of the cumulative voucher sheets to the [police commission.] committee.

4. A majority of the members of the [police commission] committee must approve a contested claim or a demand required to be submitted to the [commission] committee before such a demand is paid from the department's fund. A contested demand must be paid as provided in NRS 280.260.

Sec. 18. NRS 280.260 is hereby amended to read as follows:

280.260 1. [The county auditor or comptroller shall not sign a warrant authorizing the payment of money by the county treasurer until a copy of the order of the police commission allowing the amount and ordering the payment thereof, together with the account, have been submitted to him, and his allowance is endorsed on such order.] If the county auditor or comptroller refuses to [audit and] allow the payment of [such warrant, the order shall] any demand, the demand must be presented to the [police commission] committee with the refusal of the county auditor or comptroller endorsed thereupon and his reasons for [such] the refusal.

2. If the [police commission] committee, by a unanimous vote of all its members, orders the issuance of [such warrant by a unanimous vote of all the members,] a warrant in such case, the county auditor or comptroller shall immediately issue [such warrants] the warrant upon service upon him of a copy of [such order of the police commission, certified to by] the committee's order on which the secretary of the [commission, that all members of the commission] committee has certified that all its members voted for [its] passage; otherwise, the [account shall] demand must be declared rejected, and no warrant [shall] may thereupon issue.

3. If the county auditor or comptroller allows such [account] a demand in part, a warrant [shall only issue for such] may be issued only for that part [,]

unless the [police commission] committee allows a greater sum by a unanimous vote[.] of all of its members.

4. No warrant [shall] may be drawn by the county auditor or comptroller on [the department fund,] a department's fund unless there is sufficient money in the fund to pay the warrant. Any warrant drawn contrary to the provisions of this subsection is void.

Sec. 18.1. Section 2 of Chapter 110, Statutes of Nevada 1981, at page ____, is hereby amended to read as follows:

Sec. 2. NRS 280.260 is hereby amended to read as follows:

280.260 1. If the county auditor or comptroller refuses to allow the payment of any demand, the demand must be presented to the [police commission] committee with the refusal of the county auditor or comptroller endorsed thereupon and his reasons for the refusal.

2. If the [police commission,] committee, by a unanimous vote of all its members, orders the issuance of a warrant in such case, the county auditor or comptroller shall immediately issue the warrant upon service upon him of a copy of the [police commission's] committee's order on which the secretary of the [commission,] committee has certified that all its members voted for passage; otherwise, the demand must be declared rejected, and no warrant may thereupon issue.

3. If the county auditor or comptroller allows such a demand in part, a warrant may be issued only for that part unless the [police commission] committee allows a greater sum by [a] unanimous vote[.] of all of its members.

4. No warrant may be drawn by the county auditor or comptroller on a department's fund unless there is sufficient money in the fund to pay the warrant. Any warrant drawn contrary to the provisions of this subsection is void.

Sec. 19. NRS 280.280 is hereby amended to read as follows:

280.280 1. Upon the formation of a department, every power and duty conferred or imposed by law upon a county sheriff which relates to law enforcement, and upon a chief of police or police department of any participating city, devolves automatically upon the department. After the formation of a department, contracts to furnish police services [shall] must be made with the department and not with a participating political subdivision.

2. The department may, upon the approval of the committee and compliance with chapter 332 of NRS, enter into contracts to purchase goods and services necessary to operate and maintain the department.

3. The department may sue or be sued in its own name with respect to any contract it is permitted by law to enter.

4. The department is responsible for the defense of all claims and for all judgments, under either state or federal law, arising out of any act or omission, for which a political subdivision of the state may be held responsible pursuant to the provisions of NRS 41.035 to 41.039, inclusive, of the committee, the sheriff, or any officer, employee or agent of the department, and the department may sue or be sued with regard to these matters.

5. The department may:

(a) Insure itself against any liability arising under subsection 4.

(b) Insure the members of the committee, the sheriff, and any of its officers, employees and agents against tort liability resulting from an act or

omission in the scope of his duties or employment.

(c) Insure against the expense of defending a claim against itself, the committee, the sheriff or any of its officers, employees or agents whether or not liability exists on the claim.

Sec. 19.1. NRS 280.305 is hereby amended to read as follows:

280.305 1. The [police commission] committee may establish, by contract or otherwise, and administer a disability pension plan or disability insurance program for the benefit of any department police officer who is disabled, to any degree, by an injury arising out of and in the course of his employment. The cost of such plan or program may be charged, in whole or in part, against the annual operating budget for the department.

2. The [police commission] committee may adopt rules, regulations, policies and procedures necessary to establish and administer the plan or program specified in subsection 1.

3. If the [police commission] committee elects to consider implementation of a plan or program specified in subsection 1, or to change the benefits provided by an existing plan or program, the persons affected by the proposed plan or program, or proposed change, may negotiate with the [commission] committee concerning the nature and extent of such plan, program or change. Chapter 288 of NRS shall apply to negotiations for this purpose.

4. The plan or program authorized by this section shall be supplemental or in addition to and not in conflict with the coverage, compensation, benefits or procedure established by or adopted pursuant to chapter 616 of NRS.

5. The benefits provided for in this section are supplemental to other benefits an employee is entitled to receive on account of the same disability. In no event shall the benefits provided for in this section, when added to bene-

fits provided for or purchased by the expenditure of public moneys, exceed the maximum amount of benefits an employee is entitled to receive if he has been a member of the department or agency for 10 years or more.

Sec. 19.2. NRS 280.310 is hereby amended to read as follows:

280.310 1. Each department shall have a system of civil service, applicable to and governing all employees of the department except elected officers and such other positions as designated by the [police commission.] committee.

2. The system of civil service must be governed by a board composed of five civil service trustees appointed by the [police commission.] committee. Upon creation of the board, the [police commission] committee shall appoint one trustee for a term of 2 years, two trustees for terms of 3 years and two trustees for terms of 4 years. Thereafter all trustees serve for terms of 4 years.

3. The members of the board may administer all oaths or affirmations necessary in discharging the duties of the board. The board may issue subpoenas in the discharge of its duties in the same manner as subpoenas are issued in civil actions.

[3.] 4. The board shall prepare rules or regulations governing the system of civil service to be adopted by the [police commission.] committee. The rules or regulations must provide for:

- (a) Examination of potential employees;
- (b) Recruitment and placement procedures;
- (c) Classification of positions;
- (d) Procedures for promotion, disciplinary actions and removal of employees; and
- (e) Such other matters as the board may consider necessary.

[4.] 5. Copies of the rules or regulations of the system of civil service must be distributed to all employees of the department.

[5.] 6. The sheriff shall designate a personnel officer to administer the personnel functions of the department according to the policies, rules or regulations of the board, including but not limited to the items enumerated in subsection [3.] 4.

Sec. 19.3. NRS 280.320 is hereby amended to read as follows:

280.320 1. A department is a local government employer for the purpose of the Local Government Employee-Management Relations Act[.] and an employer for the purpose of the Public Employees' Retirement Act.

2. The [police commission] committee for such department shall represent a department in negotiations arising under the provisions of chapter 288 of NRS.

Sec. 20. NRS 280.340 is hereby amended to read as follows:

280.340 1. Upon merger, the title to and possession of all personal property which is:

(a) Owned or held by, or in trust for, any of the participating political subdivisions, or by their officers or agencies in trust for public use; and

(b) Exclusively devoted at the time of merger to the [uses and] purposes of law enforcement, shall be vested in and transferred to the department.

2. Property which is required to be transferred under the provisions of this section [shall] must be inventoried and appraised before [such] the transfer in a manner which satisfies the accounting requirements of each participating political subdivision, in order that values may be determined as of the date of transfer.

3. The department shall hold title to all personal property it acquires after the time of merger.

4. For the purpose of acquiring personal property, the department may, upon the approval of a petition of the committee therefor by the unanimous vote of all members of the governing body of each participating political subdivision, issue negotiable notes in the amount of the purchase price thereof, which shall:

(a) Mature not later than 5 years from the date of issuance; and

(b) Bear interest at not to exceed () percent per annum.

5. The participating political subdivision shall provide in their respective annual budgets for the payment of the principal of and interest on the negotiable notes according to the funding apportionment plan established pursuant to NRS 280.201 for the fiscal year in which the negotiable notes were issued.

6. If a participating political subdivision gives notice of its intention to withdraw from the department by repealing its ordinance for merger, personal property held by, for the use and benefit of or in trust for the department shall forthwith be inventoried and appraised, and the withdrawing political subdivision shall receive its share of the value of the personal property, in cash or in kind, or both, or in such other manner as determined by the committee, based upon the average of the following factors:

(a) In the proportion that its total personal property contribution to the department bears to the total personal property contributions to the department by all participating political subdivisions since the time of merger; and

(b) In the proportion that its total budgetary contribution to the department bears to the total budgetary contributions to the department by all participating political subdivisions since the time of merger.

7. Upon the withdrawal from the department by a participating political

subdivision pursuant to subsection 6, the withdrawing political subdivision shall become obligated for the payment of its share of the unpaid balance of any negotiable note issued by the department pursuant to subsection 4, determined in accordance with the funding apportionment plan established pursuant to NRS 280.201 for the fiscal year in which the negotiable note was issued, and the department or the other political subdivision, if there were only two participating political subdivisions prior to the effective date of the withdrawal, shall be obligated for the payment of the remainder of the unpaid balance.

Sec. 21. NRS 280.350 is hereby amended to read as follows:

280.350 1. Upon merger, the department may possess all real property owned or held by any of the participating political subdivisions for the [uses and] purposes of law enforcement[.] at the time that the participating political subdivision adopts the ordinance provided for in NRS 280.110.

2. Upon a showing of good cause and a [two-thirds] majority vote of the [police commission,] committee, the political subdivision which holds title to such property may repossess [such] the property for public use if the department no longer needs [such property for law enforcement purposes.] it for the purposes of law enforcement.

3. [Any jail facility owned or held for and used by a department shall be deemed a county jail for the purpose of state law and county ordinances and a city jail for the purpose of city ordinances.

4.) The maintenance costs for any real property [owned or] held for the use and benefit of or in trust for a department [shall] must be paid by the department.

with Approval of Committee

4. The department may lease or rent real property for the purposes of law enforcement.

5. If a participating political subdivision gives notice of its intention to withdraw from the department by repealing its ordinance for merger:

(a) The right to possess any real property, the right of possession of which passed to the department by operation of this section and title to which remains in the withdrawing political subdivision, shall revert to the withdrawing political subdivision upon the effective date of the withdrawal; and

(b) Real property which was acquired for the use and benefit of or in trust for the department after merger shall forthwith be inventoried and appraised, and the withdrawing political subdivision shall receive its share of the value of each parcel of real property, together with improvements thereon, in cash or in kind, or both, or in such other manner as determined by the committee, in the proportion that its total budgetary contribution to the department during the fiscal year or years the parcel was acquired and improved bears to the total budgetary contributions to the department by all participating political subdivisions during the fiscal year or years the parcel was acquired and improved.

Sec. 22. NRS 277.045 is hereby amended to read as follows:

277.045 1. [Any] Except as limited by section 3 of this act, any two or more political subdivisions of this state, including without limitation counties, incorporated cities and towns, unincorporated towns, school districts and special districts, may enter into a cooperative agreement for the performance of any governmental function. Such an agreement may include the furnishing or exchange of personnel, equipment, property or facilities of any kind, or the payment of money.

2. Every such agreement [shall] must be by formal resolution or ordinance of the governing body of each political subdivision included, and [shall] must

be spread at large upon the minutes or attached in full thereto as an exhibit, of each governing body.

3. Each participating political subdivision shall provide in its annual budget for any expense to be incurred under any such agreement, the [funds] money for which is not made available through grant, gift or other source.

Sec. 23. NRS 277.110 is hereby amended to read as follows:

277.110 Except as limited by section 3 of this act:

1. Any power, privilege or authority exercised or capable of exercise by a public agency of this state, including but not limited to law enforcement, may be exercised jointly with any other public agency of this state, and jointly with any public agency of any other state or of the United States to the extent that the laws of such other state or of the United States permit such joint exercise. Any agency of this state when acting jointly with any other public agency may exercise all the powers, privileges and authority conferred by NRS 277.080 to 277.180, inclusive, upon a public agency.

2. Any two or more public agencies may enter into agreements with one another for joint or cooperative action pursuant to the provisions of NRS 277.080 to 277.170, inclusive. [Such agreements shall be] Those agreements become effective only upon ratification by appropriate ordinance, resolution or otherwise pursuant to law on the part of the governing bodies of the participating public agencies.

Sec. 24. Delete in its entirety.

Sec. 25. NRS 211.010 is hereby amended to read as follows:

211.010 [Except as otherwise provided in this section, one] ^{At Least} One common jail shall be built or provided in each county, and maintained in good repair at the expense of the county. [In a county where a metropolitan police department is

established, the expense of providing and maintaining the jail shall be apportioned among the participating political subdivisions as other expenses of the department are apportioned.]

Sec. 26. NRS 211.020 is hereby amended to read as follows:

211.020 The board of county commissioners [or metropolitan police commission] shall:

1. Have the care of building, inspecting and repairing such jail.
2. Once every 3 months, inquire into the state thereof, as respects the security thereof and the treatment and condition of the prisoners.
3. Take all necessary precautions against escape, sickness or infection.

Sec. 27. NRS 211.030 is hereby amended to read as follows:

211.030 1. The sheriff has the custody of the jail in his county, and of the prisoners therein, and shall keep the jail personally, or by his deputy, or by a jailer or jailers appointed by him for that purpose, for whose acts he is responsible.

2. The board of county commissioners [or metropolitan police commission] shall allow, out of the county treasury, as in other cases provided, a fair and adequate monthly compensation for the services of all jailers employed or appointed by the sheriff.

Sec. 28. NRS 211.040 is hereby amended to read as follows:

211.040 1. Payment of expenses and the method of transporting a prisoner from a county jail to an institution of the department of prisons shall be as provided in chapter 209 of NRS. When a prisoner is transferred from the county jail to such an institution, the sheriff shall provide the director of the department of prisons with a written report pertaining to medical, psychiatric, behavioral or criminal aspects of the prisoner's history. This report may be

based upon observations of the prisoner while confined in the county jail and shall note in particular any medication or medical treatment administered in the jail, including type, dosage and frequency of administration.

2. Except as provided in subsection 1, the sheriff, personally or by his deputy, or by one or more of his jailers, shall transfer all prisoners within his county to whatever place of imprisonment the sentence of the court may require, at as early a date after the sentence as practicable. For that purpose the board of county commissioners [or metropolitan police commission] shall pay all necessary costs, charges and expenses of the prisoner or prisoners, and of the officer or officers having charge thereof, to which shall be added mileage for each officer, at the rate of 20 cents per mile, one way only.

3. The provisions of subsection 2 apply in cases where prisoners are taken from county jails to be tried at any courts in other counties.

Sec. 29. NRS 211.050 is hereby amended to read as follows:

211.050 Any sheriff or jailer who defrauds a prisoner of his allowance, or does not allow reasonable allowance and accommodation, shall forfeit \$50 for each offense. The money may be recovered in an appropriate civil action by the board of county commissioner [or the metropolitan police commission].

Sec. 30. NRS 211.090 is hereby amended to read as follows:

211.090 1. A board of county commissioners [or metropolitan police commission] may establish a branch county jail in any town in the county, if in its judgment the public needs require it, and provide that persons charged with or convicted of a misdemeanor in such town or other town or townships mentioned in the order shall be imprisoned in such branch county jail instead of in the county jail at the county seat.

2. Any judge or justice of the peace before whom such conviction may be had

may order that a prisoner be imprisoned in the county jail of the county wherein such conviction may be had if the public safety or the safety of such prisoner requires it.

Sec. 31. NRS 211.110 is hereby amended to read as follows:

211.110 The board of county commissioners [or the metropolitan police commission] may direct the jailer of such branch county jail to work the prisoners on the public streets of such town or on the public roads of the county where the branch county jail is located.

Sec. 32. NRS 211.120 is hereby amended to read as follows:

211.120 The board of county commissioners [or metropolitan police commission] in a county, and the governing body of an incorporated city, shall make all necessary arrangements, as provided in NRS 211.120 to 211.170, inclusive, to utilize the labor of the prisoners committed to any jails within any county, city, or town within this state, for a term of imprisonment by the judges of the several district courts within this state, or the justices of the peace in any and all townships throughout this state.

Sec. 33. NRS 211.140 is hereby amended to read as follows:

211.140 1. The sheriff of each county has charge and control over all prisoners committed to his care in the respective county jails, and the chiefs of police and town marshals in the several cities and towns throughout this state have charge and control over all prisoners committed to their respective city and town jails.

2. The sheriffs, chiefs of police and town marshals shall see that the prisoners under their care are at all times kept at labor on the public works in their respective counties, cities and towns, at least 6 hours a day during 6 days of the week, when the weather permits when required by the board of county

commissioners [or metropolitan police commission,] by the mayor and [board of aldermen] governing body of their respective cities or by the board of trustees of their respective towns.

3. "Public works" as used in NRS 211.120 to 211.170, inclusive means the construction, repair, or cleaning of any streets, road, sidewalks, public square, park, building, cutting away hills, grading, putting in sewers, or other work whatever, which is or may be authorized to be done by and for the use of any of the counties, cities or towns, and the expense of which is not to be borne exclusively by persons or property particularly benefited thereby.

4. The sheriff, chief of police or town marshal shall arrange for the administration of such medical care as may be required by prisoners committed to his custody. The county, city or town[, or the metropolitan police department where one exists,] shall pay the cost of appropriate medical:

(a) Treatment for injuries incurred by a prisoner during his arrest for commission of a public offense or while he is in custody;

(b) Treatment for any infectious, contagious or communicable disease which the prisoner contracts while he is in custody; and

(c) Examinations required by law or by court order unless the order otherwise provides.

5. A prisoner shall pay the cost of medical treatment for:

(a) Injuries incurred by the prisoner during his commission of a public offense;

(b) Injuries or illnesses which existed before the prisoner was taken into custody;

(c) Self-inflicted injuries; and

(d) Except treatment provided pursuant to subsection 4, any other injury or

illness incurred by the prisoner.

6. A health and care facility furnishing treatment pursuant to subsection 5 shall attempt to collect the cost of the treatment from the prisoner or his insurance carrier. If the facility is unable to collect the cost and certifies to the appropriate board of county commissioners that it is unable to collect the cost of the medical treatment, the board of county commissioners shall pay the cost of the medical treatment.

Sec. 34. 1. The provisions of this act shall govern the operation of any metropolitan police department which is in existence on the effective date of this act until September 1, 1981.

2. The costs of operation of an existing metropolitan police department for any period prior to the time that the metropolitan police fiscal affairs committee has been fully constituted and has approved the operating budget for the department and the funding apportionment plan provided for in sections 14 and 15, respectively, of this act shall be allocated between or among the participating political subdivisions on the basis of the funding apportionment plan in existence on the effective date of this act, applied to the combined amount appropriated for law enforcement in the final budgets submitted by the participating political subdivisions for the fiscal year in which the merger occurs.

3. If the contribution by any participating political subdivision to the costs of operation of the existing metropolitan police department during the period provided for in subsection 2 exceeds the amount that its contribution should have been during that period, based upon the operating budget and funding apportionment plan as approved by the metropolitan police fiscal affairs committee, that political subdivision must be credited with the amount of the excess

against its total contribution for the remainder of that fiscal year.

Sec. 35. If the implementation of this act results in an increase in the contribution of any political subdivision to the costs of the operation of a metropolitan police department which is in existence on the effective date of this act or to the operation and maintenance costs of the detention facilities of the department or the political subdivision, the legislature hereby declares that the increase is the type of expense referred to in subsection 5 of section 3 of Chapter 150, Statutes of Nevada 1981, at page ____.

Sec. 36. NRS 211.100, 280.070, 280.100, 280.141 and 280.210 are hereby repealed.

Sec. 37. 1. This section and sections 3.1, 10, 14 through 16, inclusive, and 34 of this act and the repeal of NRS 280.210 shall become effective upon passage and approval.

2. The remaining sections of this act shall become effective on July 1, 1981.

Exhibit G

MAY 7, 1981

FUNDING FORMULA

OPTION 1

COST FOR POLICE SERVICES DISTRIBUTED BY FUNCTION.

Note: This is the funding plan recommended by Metro and accepted by Clark County and the City of Las Vegas, on May 8, 1981.

1981-82 BUDGET REQUEST

Breakdown By Function

DIRECT COSTS:

Uniform	\$17,533,103
Investigative	11,380,226
Detention	9,821,451
Community Services	598,896
Resident Officers	<u>731,486</u>

TOTAL DIRECT COSTS

\$40,065,162

INDIRECT COSTS:

Administrative Support	\$ 5,138,269
Field Support	<u>6,170,566</u>

TOTAL INDIRECT COSTS

11,308,835

TOTAL COSTS

\$51,373,997

INDIRECT COST DISTRIBUTION

ADMINISTRATIVE SUPPORT:

<u>FUNCTION</u>	<u>PCT. OF TOTAL</u>	<u>DISTRIBUTION</u>
Uniform	37.9%	\$1,947,405
Investigative	24.6%	1,264,014
Detention	21.2%	1,089,313
Community Services	1.3%	66,797
Resident Officers	1.6%	82,212
Field Support	13.4%	688,528
TOTAL	<u>100.0%</u>	<u>\$5,138,269</u>

FIELD SUPPORT:

<u>FUNCTION</u>	<u>PCT. OF TOTAL</u>	<u>DISTRIBUTION</u>
Uniform	60.6%	\$4,156,611
Investigative	39.4%	2,702,483
TOTAL	<u>100.0%</u>	<u>\$6,859,094*</u>

*Includes proportionate distribution of Administrative support.

TOTAL COST

Breakdown By Function

<u>FUNCTION</u>	<u>DIRECT COST</u>	<u>INDIRECT COST</u>	<u>TOTAL COST</u>
Uniform	\$17,533,103	\$ 6,104,016	\$23,637,119
Investigative	11,380,226	3,966,497	15,346,723
Detention	9,821,451	1,089,313	10,910,764
Community Services	598,896	66,797	665,693
Resident Officers	731,486	82,212	813,698
TOTAL BUDGET	<u><u>\$40,065,162</u></u>	<u><u>\$11,308,835</u></u>	<u><u>\$51,373,997</u></u>

COST APPORTIONMENT PLAN

UNIFORM SERVICES:

<u>Factor</u>	<u>City Statistics</u>	<u>City Pct.</u>	<u>County Statistics</u>	<u>County Pct.</u>
Population ¹	164,674	43.8%	211,450	56.2%
Calls for Service ²	69,290	52.4%	62,948	47.6%
Felony Crimes ³	20,837	44.7%	25,753 ⁴	55.3%
Average Percentage		47.0%		53.0%

INVESTIGATIVE SERVICES:

<u>Factor</u>	<u>City Statistics</u>	<u>City Pct.</u>	<u>County Statistics</u>	<u>County Pct.</u>
Felony Crimes ³	20,837	44.3%	26,198	55.7%

COMMUNITY SERVICES:

<u>Factor</u>	<u>City Statistics</u>	<u>City Pct.</u>	<u>County Statistics</u>	<u>County Pct.</u>
Crossing Guard Hrs. ⁵	204	48.3%	218	51.7%

- 1--1980 U.S. Census - County Population excludes Incorporated Cities & Rural Area.
2--Excludes calls associated with Felony Crimes. County's calls exclude calls at Airport and Resident Officer program.
3--Total Part I Crimes plus estimated Non-Part I Felony Crimes.
4--Excludes Felony Crimes for Airport and Resident Officers.
5--Estimated Weekly hours budgeted.

COST SHARING PLAN

<u>Function</u>	<u>Total Cost</u>	<u>Cost Sharing Ratio</u>	<u>City Cost</u>	<u>County Cost</u>
Uniform	\$23,637,119	47.0/53.0	\$11,109,446	\$12,527,673
Investigative	15,346,723	44.3/55.7	6,798,598	8,548,125
Community Svcs.	665,693	48.3/51.7	321,530	344,163
Resident Officers	813,698	0/100	-0-	813,698
TOTAL	<u>\$40,463,233</u>		<u>\$18,229,574</u>	<u>\$22,233,659</u>

Percentage Split

45.1%

54.9%

BUDGET DISTRIBUTION

<u>Budget Request:</u>		\$53,399,511
Less: Internally Generated Revenue	\$ 3,819,564	
Detention	<u>10,910,764</u>	
		<u>14,730,328</u>
TOTAL POLICE SERVICES TO BE DISTRIBUTED		<u>\$38,669,183</u>

City Contribution:

45.1% of \$38,669,183 \$17,439,802

County Contribution:

54.9% of \$38,669,183 \$21,229,381

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



ARTHUR J. PALMER, Director
(702) 885-5627

LEGISLATIVE COMMISSION (702) 885-5627

KEITH ASHWORTH, Senator, Chairman
Arthur J. Palmer, Director, Secretary

INTERIM FINANCE COMMITTEE (702) 885-5640

DONALD R. MELLO, Assemblyman, Chairman
Ronald W. Sparks, Senate Fiscal Analyst
William A. Bible, Assembly Fiscal Analyst

FRANK W. DAYKIN, Legislative Counsel (702) 885-5627
JOHN R. CROSSLEY, Legislative Auditor (702) 885-5620
ANDREW P. GROSE, Research Director (702) 885-5637

EXHIBIT H

A.B. 161

May 4, 1981

MEMORANDUM

TO: ASSEMBLY WAYS AND MEANS COMMITTEE

FROM: Fiscal Analysis Division

SUBJECT: A.B. 161--Extends the provisions for military leave for public officers and employees and for members of certain military organizations.

NRS 284.370 provides that all state classified employees be released from their employment without loss of regular compensation for a period not exceeding 15 working days in any one calendar year to serve as active members of the United States Army Reserve, United States Air Force Reserve, United States Naval Reserve, United States Marine Corps Reserve, United States Coast Guard Reserve, United States Public Health Service Reserve or the Nevada National Guard. Additionally, NRS 412.078 provides that all public employees in either state or local government be released from their employment without loss of regular compensation for a period not exceeding 15 working days for training activities as members of the Nevada National Guard. These current statutory provisions provide an unequal military leave policy for Nevada's state and local government employees. State employees are relieved from their regular job duties for up to 15 days for service in either the Nevada National Guard or the various armed force reserve components that function throughout the state, while the statutes provide that non-state public employees be relieved from their regular job duties only for service in the Nevada National Guard.

A.B. 161 corrects this inequity by repealing the two statutory provisions (NRS 284.370 and NRS 412.078) dealing with military leave and consolidating them into one single provision providing that all state and local public employees be relieved from their regular job duties, without loss of regular compensation, for a period of not more than 15 working days for service to either the Nevada National Guard or a reserve component of one of the branches of the United States Military Service. Testimony before the Ways and Means Committee estimated that the fiscal impact of A.B. 161 was relatively insignificant since there are

probably fewer than 20 members of reserve components throughout the state who are also public employees of a local government jurisdiction that does not provide for reserve military training without a loss of regular compensation.

WAB:ym

1981 REGULAR SESSION (61st)

EXHIBIT I

ASSEMBLY ACTION	SENATE ACTION	Assembly	AMENDMENT BLANK
Adopted =	Adopted =	AMENDMENTS to	Senate
Lost =	Lost =		Joint
Date: =	Date: =	Bill No.	Resolution No. 26
Initial: =	Initial: =	BDR C-914	
Concurred in =	Concurred in =	Proposed by	Committee on Government Affairs
Not concurred in =	Not concurred in =		
Date: =	Date: =		
Initial: =	Initial: =		

Amendment No 494



Amend the resolution on page 1, line 2, by deleting "section 25" and inserting "sections 25 and 36".

Amend the resolution on page 1, by inserting after line 11:
"Sec. 36. 1. The legislature shall not abolish any county unless the qualified voters of the county affected shall at a general or special election first approve such proposed abolishment by a majority of all the voters voting at such election. The legislature shall provide by law the method of initiating and conducting such election.

2. The legislature shall not merge or consolidate a city organized under a charter into another political subdivision or cause such a city to be absorbed by another political subdivision without the approval of a majority of the electors in the city obtained at a general election."

Amend the title of the resolution on the first line by deleting: "section 25" and inserting "sections 25 and 36".

Amend the title of the resolution on the third line by deleting the period and inserting:
 "and to limit the conditions under which certain cities may be merged, consolidated or absorbed."

To: E & E
 LCB File
 Journal
 Engrossment
 Bill

Drafted by ES:ml Date 4-11-81

1180