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Background
from 1999

**MINUTES OF THE
ASSEMBLY WAYS AND MEANS COMMITTEE**

**Seventieth Session
May 4, 1999**

Excerpt:

Assembly Bill 600 Establishes allowances and increases compensation for legislators. (BDR 17-1367)

Ms. Vilardo, representing the Nevada Taxpayers Association said the discussion among a number of trade associations had started in the 1997 legislative session about the concern for the amount of pay the legislators were receiving. Her association had consistently supported a raise for legislators. On October 25, 1998 Ms. Vilardo and Darryl Capurro sent out a letter asking the trade associations for support.

Ms. Vilardo said the bill mandated legislators' salaries be raised to \$250 per day, which would become effective after the legislators run for re-election. The Senators would have to run for re-election also, which meant no one who voted for the bill would benefit immediately. Also, the last pay increase approved by the legislature was in 1985. The present increase would not be available until 2001, which was a long time away. In addition, the candidate workshops the association ran had consistently dropping numbers. There was a strong financial disincentive to run for office.

Ms. Vilardo read a statement from the findings of the Commission to Study Legislative Pay Raises in 1989 that Governor Kenny Guinn formerly chaired.

Because of the conservative fiscal nature of the state, legislators have been very wary of providing increases for themselves. After reviewing all of the testimony and considering the financial burdens placed upon legislators to serve in the legislature, the blue-ribbon commission believed that legislators in Nevada were not adequately compensated both during and between sessions to satisfactorily maintain the citizen legislature. The commission believes an appropriate salary is needed to attract and retain well-qualified citizens, so that service in the legislature does not become financially prohibitive. The commission strongly believes the legislature should not be the province of the wealthy or retired. At the present time, legislators receive no salary or stipend during the interim period between sessions, even though they must still continue to provide services to their constituents.

ASSEMBLY GOVERNMENT AFFAIRS
DATE: 4/3/03 ROOM: 3143 EXHIBIT I. 148
SUBMITTED BY: Assemblyman Advantage

The commission believed legislators should receive a stipend during the interim period to compensate them for their representational responsibilities. While adequate compensation is an important factor in the maintenance of a citizen legislature, an equally important factor is the implementation of measures to limit the length of the legislative session. Voters did that last session. The recommendation tied the two together in 1989 and provided a salary of \$200 per day salary, and \$350 per month stipend during the interim period between legislative sessions.

Ms. Vilardo urged the committee's support. Mr. Hettrick said he supported the issue last time and would again. He said what the state asked legislators to do was a joke, in particular those from southern Nevada. When people came to the legislature and asked how much money the legislators made they gasped when they heard how little it was. When they asked when the last raise was and heard it was 16 years ago they were amazed and asked why a legislator would do the job. Mr. Hettrick said it was time the state did something reasonable. He hated to see the raise characterized by percentages because it looked large, when it was really not. The state kidded itself on the legislators' expenses as well. The \$2,000 check they were handed and the postage amount that was fixed since 1864 were not realistic. If the state wanted to have meaningful government and to have people serve, this issue needed to be addressed. **Mr. Arberry said he agreed, and hoped everyone would support the bill.**

Ms. Vilardo said they had talked about the political difficulties of the association's perception that they had not been able to move a pay bill out for three or four sessions. There was obviously a concern over the amount and if it would take another 18 or 20 years before the people who came later were able to convince the next group of legislators that they needed a pay raise. Looking at the political practicalities, she knew there had always been a concern from legislators who could not give other state workers salary increases for whatever reason. The association felt there should be a provision with an automatic escalator that would not kill the bill. Therefore, if public employees did not get a raise that year, the legislators would not receive a cost of living increase. Mrs. Evans said the idea of indexing was a good one, and that what made it palatable was that the legislators would not get a pay raise if the public employees did not.

Mrs. Cegavske said she opposed the bill last session and intended to do the same again. She felt there was a need for a pay raise, but she felt no one in office should be voting on the bill with the intent that they would be running again. She firmly believed no elected official should vote for something that benefited them salary-wise. If there was a commission or a vote of the people, that would be different. She added that the legislature had no

money that session for anyone else so she could not even look at giving herself a raise, even if it was in 2001.

Ms. Vilaro said the bill could be amended, and she appreciated what Mrs. Cegavske was saying. She added that the only people who would be filing and running in the future would be the incumbents if the pay was not made more reasonable. From her perspective, she wanted to know that people had the ability to exercise the right to run for office. Someone had to start the ball rolling to attract future legislators.

Mr. Capurro, Nevada Motor Transport Association, said he did not know of any other profession where an employee would accept a pay raise every 15 years. The issues were more complicated, and the demands on the legislators time had increased. Mr. Capurro had been a member of the 1994 salary commission. He said there was a concern then the taxpayers would not understand exactly what the value was of having a decent living wage to serve in the capacity of representative. The recommendations that came out of the 1994 commission were for a \$24,000 annual salary and for participation in the state health insurance program. That commission represented some broad interests in the state, including Common Cause. Mr. Capurro said his concern was that the number of people who were willing to devote time to public service was dwindling very rapidly. This was due to the fact that it was simply not worth it to serve in the legislature, considering all the legislators had to go through. He did not think the electorate intended that legislators work another 15 years without a pay raise. He thought the bill was inadequate in light of what previous commissions had found, but he thought it was a step forward and provided a helpful indexing system.

Mrs. Evans asked if there was anything in the bill that would preclude any legislator who felt the pay raise was inappropriate to refuse it. Mr. Capurro said he did not know the answer, but felt if that were the case the legislator should be able to do so if the bill was so amended. Mrs. Evans felt it was right that a person should be able to opt out of receiving the raise. Mr. Hettrick said he would amend the bill to specifically say that anyone who felt it was inappropriate could opt out. He added his net paycheck after taxes and retirement was \$24.12 per day for the first 60 days. He did not see how people in the state could expect citizens to serve for that kind of paycheck. Someone had to step up to the plate and vote for the bill.

Ms. Giunchigliani said the whole issue was to be honest with constituents. The bill did not affect the present legislature, and for those who did run again, honesty was the best policy. If the person had voted for the raise, they would just have to say that outright when they ran. She added it was disingenuous to not let people know the legislators did not make an adequate

salary to deal with their costs, and for other people down the road to maintain a citizen legislature. At some point, people would have to decide if they could afford to run again. **Chairman Arberry commended the lobbyists for coming forward with the issue since he understood they took a lot of heat for the issue.**

Peter Krueger, representing various trade associations like the Nevada Rental Association, said the citizens who elected the legislators were not paying them for what they were worth. He put the blame for the failure for those kinds of reasonable compensation packages to pass at the feet of many of the media people. This was because the issue generated sensational headlines. Mr. Krueger said he could not get the small business owners he worked with to take the time and the pay cut to come to the legislature and serve. If the citizens saw how hard the legislators worked and the time they spent, they would feel differently. He urged the committee to support the bill so the state could attract good legislators.

Mrs. Cegavske said she was not opposed to a pay raise, but felt strongly about how that came about. When she ran she knew full well how much money she would be paid. She felt there were a couple of options other than asking the legislators to approve their own pay raises, which she felt was wrong.

Cheryl Blomstom, Nevada Chapter of Associated General Contractors, said it was time for the legislature to raise the pay in order to keep it a citizen's legislature.

Cami Dempsy, Las Vegas Chamber of Commerce, said the chamber supported the bill and felt the legislators should be more adequately compensated.

Ray Bacon, Nevada Manufacturer's Association, stated if anything the bill probably did not do enough to address the ongoing and interim expenses of the legislators. He hoped though the first step would be taken by passing the bill.

Amy Hill, McMullen Strategic Group, said her clients supported the bill and were committed to defending it. The time had come for the bill and it was more than appropriate.

Jim Richardson, Nevada Faculty Alliance Chapters, stated he supported the bill, and that it was a long time coming and needed to be passed. He was astonished when he found out years earlier the legislators did not have health insurance, and felt that program should be available to legislators who desired it.

Mary Lau, Executive Director of the Retail Association of Nevada, supported the bill. The legislature was the people's business, and part of the concern they should have was not only should legislators vote for a raise for themselves, but for the future and the quality of legislators the state could attract. The bill, if passed, probably would not make the job affordable, but would be more of an incentive. The job was one in the people's legislature, but that did not mean the people serving could not be paid for what they did. The members of the Retail Association had instructed her to support the bill, and she urged the committee to do so also.

Maureen Brower, former legislator, said she supported the bill. She had seen people lose their jobs and have their businesses suffer due to the time they spent serving in the legislature. She understood Mrs. Cegavske's point, and said if there was another option that was workable the committee should act on that. At that time though, she felt the best option was to vote for the bill as it was.

With no further testimony to come before the committee concerning A.B. 600, the hearing on the bill was closed.

Assembly Bill No. 600—Committee on Ways and Means

(On Behalf of Legislative Commission)

March 17, 1999

 Referred to Committee on Ways and Means

SUMMARY—Establishes allowance and increases compensation for legislators. (BDR 17-1367)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

EXPLANATION -- Matter in *bolded italics* is new; matter between brackets ~~(omitted material)~~ is material to be omitted. Green numbers along left margin indicate location on the printed bill (e.g., 5-15 indicates page 5, line 15).

AN ACT relating to the legislature; providing for an allowance for legislators for the cost of certain communications; increasing the compensation for legislators; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO
ENACT AS FOLLOWS:

1-1 **Section 1.** Chapter 218 of NRS is hereby amended by adding thereto

1-2 a new section to read as follows:

1-3 *1. Each senator and assemblyman is entitled to an allowance each*

1-4 *month of not more than \$100, reduced on a prorated basis for each day*

1-5 *that the legislature is in regular or special session, for the payment of*

1-6 *postage, telephone tolls and other communication charges incurred by*

1-7 *him in the performance of his duties.*

1-8 *2. An allowance made pursuant to this section must be paid from the*

1-9 *legislative fund.*

1-10 **Sec. 2.** NRS 218.210 is hereby amended to read as follows:

1-11 218.210 1. Each senator elected before November ~~{4, 1986,}~~ 7,
1-12 2000, or appointed to succeed a senator elected before November ~~{4,~~
1-13 ~~1986,}~~ 7, 2000, is entitled to receive as compensation ~~{\$104}~~ \$130 per day
1-14 for each day of service:

1-15 (a) During any regular session, for the number of days the legislature is
1-16 in session, or in adjournment for not more than 3 days, or the maximum
2-1 number of days for which compensation for a regular session is permitted
2-2 by the constitution, whichever is smaller; and

2-3 (b) During any special session, for the number of days the legislature is
2-4 in session or the maximum number of days for which compensation for a
2-5 special session is permitted by the constitution, whichever is smaller.

2-6 2. Each senator and assemblyman elected on or after November ~~{4,~~
2-7 ~~1986,}~~ 7, 2000, or appointed to succeed a senator or assemblyman elected
2-8 on or after November ~~{4, 1986,}~~ 7, 2000, is entitled to receive as
2-9 compensation ~~{\$130}~~ *the amount set forth in subsection 3* per day for each
2-10 day of service:

2-11 (a) During any regular session, for the number of days the legislature is
2-12 in session, or in adjournment for not more than 3 days, or the maximum
2-13 number of days for which compensation for a regular session is permitted
2-14 by the constitution, whichever is smaller; and

2-15 (b) During any special session, for the number of days the legislature is
2-16 in session or the maximum number of days for which compensation for a
2-17 special session is permitted by the constitution, whichever is smaller.

2-18 3. *The compensation each senator and assemblyman is entitled to*

2-19 *receive pursuant to subsection 2 is \$250 per day, increased on July 1 of*

2-20 *each year in an amount corresponding to the lesser of:*

2-21 *(a) The percentage of increase in the Consumer Price Index (All*

2-22 *Items) published by the United States Department of Labor for the*

2-23 *preceding fiscal year;*

2-24 *(b) The percentage of any cost of living increase provided by law for*

2-25 *the current fiscal year for the salaries of employees in the classified*

2-26 *service of this state; or*

2-27 *(c) Four percent.*

2-28 *The amount of compensation per day pursuant to this subsection must*

2-29 *not decrease.*

2-30 **Sec. 3.** This act becomes effective on November 7, 2000.

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