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PREPARED BY  
 RESEARCH DIVISION  
 LEGISLATIVE COUNSEL BUREAU  
 Nonpartisan Staff of the Nevada State Legislature

# WORK SESSION

## Assembly Committee on Government Affairs

### **SENATE BILL 78 (First Reprint)**

**Makes various changes relating to assistance to finance housing.  
 (BDR 25-467)**

**Sponsored by:** Senate Committee on Government Affairs,  
 On behalf of the Department of Business and Industry,  
 Housing Division

**Date Heard:** April 25, 2003

Senate Bill 78 authorizes the Housing Division of Nevada's Department of Business and Industry to issue letters of credit to finance residential housing if, at the time of issuance, the Division has a credit rating within one of the three highest rating categories of a nationally recognized credit rating agency. The measure also extends the bonding authority limit of the Division from \$2 billion to \$5 billion. In addition, the Division may acquire information systems and is added to the list of agencies who may negotiate with Nevada's Department of Information Technology for the development of information systems.

**Amendments:** At the hearing on the bill, concerns were expressed about the deletion of the sunset date of July 1, 2003, in Senate Bill 552 from the 2001 Session. Senate Bill 552 expanded the authority of the Housing Division. A copy of the bill summary for S.B. 552 is attached.

Although a new sunset date has been discussed, a specific date has not yet been proposed.

**Opposition:** None

**Fiscal Impact:** Local Government: No  
 State Government: No

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5/1/2003

ASSEMBLY GOVERNMENT AFFAIRS  
 DATE: 5-2-03 ROOM: 3193 EXHIBIT D  
 SUBMITTED BY: SUSAN SCHOLEY  
 PAGE 1 of 22



PREPARED BY  
RESEARCH DIVISION  
LEGISLATIVE COUNSEL BUREAU  
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**BILL SUMMARY**  
71st REGULAR SESSION  
OF THE NEVADA STATE LEGISLATURE

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**SENATE BILL 552**  
**(First Reprint)**

**Topic**

Senate Bill 552 makes various changes relating to financial assistance for affordable housing.

**Summary**

The measure allows the Housing Division of the Department of Business and Industry to enter into rate reduction and protection contracts on debt issues, upon approval by the State Board of Finance. Additionally, the bill updates the general powers of the Division and specifically adds that the issuance of bonds by any legal entity controlled by the Division is subject to approval by the State Board of Finance.

The bill makes urban renewal projects eligible to receive loans. To remove inconsistencies with the Federal insurance program, the measure also eliminates existing provisions regarding guaranteed and insured loans. Further, the bill eliminates existing language regarding false ceilings on Letters of Credit.

Lastly, the bill updates the definition of a mortgage loan for consistency with the Federal insurance program and allows the Division to determine repayment arrangements.

**Effective Date**

The bill is effective on July 1, 2001.

**Background Information**

According to testimony, the bill modernizes provisions to incorporate new financial market requirements and innovations; deletes outdated provisions; and establishes the State Board of Finance as the authority on debt.



# WORK SESSION

## Assembly Committee on Government Affairs

PREPARED BY  
RESEARCH DIVISION  
LEGISLATIVE COUNSEL BUREAU  
Nonpartisan Staff of the Nevada State Legislature

### **SENATE BILL 112**

**(First Reprint)**

**Makes various changes to provisions relating to Secretary of State.  
(BDR 18-557)**

**Sponsored by:** Senate Committee on Government Affairs,  
On behalf of Secretary of State

**Date Heard:** April 23, 2003

Senate Bill 112 clarifies when a document is deemed filed with the Office of the Secretary of State and amends certain fees relating to the filing of documents, copies, and returned checks.

**Amendments:** The Nevada State Resident Agents, LTD expressed concern about the provision relating to the effect of a postmark. The Association suggested that the Secretary of State be authorized to adopt regulations on that subject.

A mock-up of the proposed amendment is attached.

**Opposition:** None

**Fiscal Impact:** Local Government: No  
State Government: No

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MOCK-UP

PROPOSED AMENDMENT TO  
SENATE BILL NO. 112  
FIRST REPRINT

PREPARED FOR COMMITTEE ON GOVERNMENT AFFAIRS  
APRIL 29, 2003

PREPARED BY THE LEGAL DIVISION

**NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE OFFICIAL AMENDMENT MAY DIFFER.**

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~green bold double strikethrough~~ is language proposed to be deleted in this amendment and (5) ~~green bold dashed underlining~~ is deleted language in the original bill that is proposed to be retained in this amendment.

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

1 **Section 1.** NRS 225.085 is hereby amended to read as follows:

2 225.085 ~~{A}~~

3 1. *Except as otherwise provided by specific statute, a record shall be*  
4 *deemed to be filed with the Secretary of State ~~if~~ when it is placed in the*  
5 *care, custody and control of the Office of the Secretary of State ~~[- Such a]~~*  
6 *and the Secretary of State determines that the record:*

7 (a) *Is accompanied by the appropriate filing fee, if applicable; and*

8 (b) *Meets all other applicable requirements for filing.*

9 2. *A record that is filed with the Secretary of State may be disposed*  
10 *of only in accordance with a schedule for retention and disposition*  
11 *approved by the Committee to Approve Schedules for the Retention and*  
12 *Disposition of Official State Records pursuant to procedures set forth in*  
13 *NRS 239.080.*

14 3. *The Secretary of State shall adopt regulations to define "care,*  
15 *custody and control" for the purposes of subsection 1.*

16 **Sec. 2.** NRS 225.140 is hereby amended to read as follows:

PAGE 1 of 22

\*PROPOSED AMENDMENT TO SB112\_R1\*

1 225.140 1. Except as otherwise provided in subsection 2, in addition  
2 to other fees authorized by law, the Secretary of State shall charge and  
3 collect the following fees:

- 4
- 5 ~~{For a copy of any law, joint resolution, transcript of~~
- 6 ~~record, or other paper on file or of record in his office,~~
- 7 ~~other than a document required to be filed pursuant to~~
- 8 ~~title 24 of NRS, per page ..... \$1.00~~
- 9 ~~For a copy of any document required to be filed pursuant~~
- 10 ~~to title 24 of NRS, per page ..... .50}~~
- 11 ~~For certifying to {any such} a copy of any law, joint~~
- 12 ~~resolution, transcript of record or other paper on file~~
- 13 ~~or of record with the Secretary of State, including,~~
- 14 ~~but not limited to, a document required to be filed~~
- 15 ~~pursuant to title 24 of NRS, and use of the state seal,~~
- 16 ~~for each impression..... {10.00} \$20.00~~
- 17 ~~For each passport or other document signed by the~~
- 18 ~~Governor and attested by the Secretary of State..... 10.00~~
- 19 ~~{For a negotiable instrument returned unpaid ..... 10.00}~~
- 20

- 21 2. The Secretary of State:
- 22 (a) Shall charge a reasonable fee for searching records and documents
- 23 kept in his office ~~{ }~~, *including, but not limited to, records and*
- 24 *documents that are stored on a computer database.*
- 25 (b) May charge or collect any filing or other fees for services rendered
- 26 by him to the State of Nevada, any local governmental agency or agency of
- 27 the Federal Government, or any officer thereof in his official capacity or
- 28 respecting his office or official duties.
- 29 (c) May not charge or collect a filing or other fee for:
- 30 (1) Attesting extradition papers or executive warrants for other
- 31 states.
- 32 (2) Any commission or appointment issued or made by the
- 33 Governor, either for the use of the state seal or otherwise.
- 34 (d) May charge a reasonable fee, not to exceed:
- 35 (1) Five hundred dollars, for providing service within 2 hours after
- 36 the time the service is requested; and
- 37 (2) One hundred dollars, for providing any other special service,
- 38 including, but not limited to, providing service more than 2 hours but
- 39 within 24 hours after the time the service is requested, accepting
- 40 documents filed by facsimile machine and other use of new technology.
- 41 (e) Shall charge ~~{a fee, not to exceed the actual cost to the Secretary of~~
- 42 ~~State, for providing:~~
- 43 ~~----- (1) A copy of any record kept in his office that is stored on a~~
- 44 ~~computer or on microfilm if the copy is provided on a tape, disc or other~~

1 medium used for the storage of information by a computer or on duplicate  
2 film.

3 ~~\_\_\_\_\_ (2) Access to his computer database on which records are stored.] a~~  
4 ~~person, for each check or other negotiable instrument returned to the~~  
5 ~~Office of the Secretary of State because the person had insufficient~~  
6 ~~money or credit with the drawee to pay the check or other instrument or~~  
7 ~~because the person stopped payment on the check or other instrument, a~~

8 ~~\_\_\_\_\_ (1) A fee of \$25 ~~or the direct~~; and~~

9 ~~\_\_\_\_\_ (2) A fee in an amount equal to the actual cost incurred by the~~  
10 ~~Office of the Secretary of State in ~~processing the check or other~~~~  
11 ~~instrument, whichever is greater to perform any administrative duties~~  
12 ~~required as a result of the returned check or instrument.~~

13 The Secretary of State shall, by regulation, establish procedures for the  
14 imposition of the fees authorized by this paragraph and the manner in  
15 which a fee authorized by subparagraph (2) of this paragraph will be  
16 calculated.

17 3. From each fee collected pursuant to paragraph (d) of subsection 2:

18 (a) The entire amount or \$50, whichever is less, of the fee collected  
19 pursuant to subparagraph (1) of that paragraph and ~~half~~ *one-half* of the  
20 fee collected pursuant to subparagraph (2) of that paragraph must be  
21 deposited with the State Treasurer for credit to the Account for Special  
22 Services of the Secretary of State in the State General Fund. Any amount  
23 remaining in the Account at the end of a fiscal year in excess of  
24 \$2,000,000 must be transferred to the State General Fund. Money in the  
25 Account may be transferred to the Secretary of State's operating general  
26 fund budget account and must only be used to create and maintain the  
27 capability of the Office of the Secretary of State to provide special  
28 services, including, but not limited to, providing service:

29 (1) On the day it is requested or within 24 hours; or

30 (2) Necessary to increase or maintain the efficiency of the Office.

31 Any transfer of money from the Account for expenditure by the Secretary  
32 of State must be approved by the Interim Finance Committee.

33 (b) After deducting the amount required pursuant to paragraph (a), the  
34 remainder must be deposited with the State Treasurer for credit to the State  
35 General Fund.

36 4. *The Secretary of State shall post a schedule of the fees authorized*  
37 *to be charged pursuant to this section in a conspicuous place at each*  
38 *office at which such fees are collected.*

39 **Sec. 3.** NRS 238.100 is hereby amended to read as follows:

40 238.100 1. Except as provided in subsections 2 and 4, or by specific  
41 statute, any document or payment required or permitted by law or  
42 regulation to be filed or made by mailing to the State or any of its agencies  
43 or political subdivisions shall be deemed filed or made on the date of the  
44 postmark dated by the post office on the envelope in which it was mailed.

1 2. If a document or payment was mailed but not received by the  
2 addressee or was received but the postmarked date is illegible or omitted,  
3 the document or payment shall be deemed filed or made on the date it was  
4 mailed, if the sender:

5 (a) Establishes by a postal receipt for registered or certified mail that  
6 the mailing date was on or before the required date for filing or payment;  
7 and

8 (b) Where the document or payment was not received, files a duplicate  
9 of the contents of the envelope within 15 days after he becomes aware that  
10 it was not received.

11 3. For the purposes of this section, if the required date for filing or  
12 making payment is a Saturday, Sunday or legal holiday, the filing or  
13 payment is timely if performed on the next day which is not a Saturday,  
14 Sunday or legal holiday.

15 4. This section does not apply to the filing of documents ~~under~~  
16 *pursuant to NRS 225.085 or title 24 of NRS.*

17 **Sec. 4.** This act becomes effective on July 1, 2003.

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\*PROPOSED AMENDMENT TO SB112\_R1\*





# WORK SESSION

## Assembly Committee on Government Affairs

PREPARED BY  
RESEARCH DIVISION  
LEGISLATIVE COUNSEL BUREAU  
Nonpartisan Staff of the Nevada State Legislature

### **SENATE BILL 141** **(First Reprint)**

**Revises provisions relating to certain investments made by local governments. (BDR 31-458)**

**Sponsored by:** Senate Committee on Government Affairs,  
On behalf of the County Fiscal Officers Association

**Date Heard:** April 28, 2003

Senate Bill 141 extends the period over which a local government may invest any collateral received in exchange for lending securities from its investment portfolio by changing the maturity deadline from 90 days to an average weighted maturity of not more than 90 days. Senate Bill 141 also revises provisions relating to the investment and reinvestment by certain municipalities of the proceeds of bonds or other municipal securities. The bill also lowers the threshold amount for investing or reinvesting proceeds of bonds or other municipal securities to \$10 million (from \$40 million). This provision applies in a municipality whose population is 50,000 or more.

**Amendments:** The State Treasurer asked that the threshold amount be set at \$25 million to ensure eligible municipalities have sufficient expertise to handle such a complex transaction. Representatives of the Washoe County School District and Clark County testified that they preferred to leave the \$10 million threshold as is.

A mock-up of the proposed amendment is attached.

**Opposition:** None

**Fiscal Impact:** Local Government: No  
State Government: No

MOCK-UP

PROPOSED AMENDMENT TO  
SENATE BILL NO. 141  
FIRST REPRINT

PREPARED FOR ASSEMBLY GOVERNMENT AFFAIRS  
MAY 1, 2003

PREPARED BY THE RESEARCH DIVISION

**NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE OFFICIAL AMENDMENT MAY DIFFER.**

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

- 1     **Section 1.** NRS 355.178 is hereby amended to read as follows:  
2     355.178 1. The governing body of a city whose population is  
3 150,000 or more or a county whose population is 100,000 or more may  
4 lend securities from its investment portfolio if:  
5     (a) The investment portfolio has a value of at least \$100,000,000;  
6     (b) The treasurer of the city or county:  
7         (1) Establishes a policy for investment that includes provisions  
8 which set forth the procedures to be used to lend securities pursuant to this  
9 section; and  
10        (2) Submits the policy established pursuant to subparagraph (1) to  
11 the city or county manager and prepares and submits to the city or county  
12 manager a monthly report that sets forth the securities that have been lent  
13 pursuant to this section and any other information relating thereto,  
14 including, without limitation, the terms of each agreement for the lending  
15 of those securities; and  
16     (c) The governing body receives collateral from the borrower in the  
17 form of cash or marketable securities that are:

1 (1) Authorized pursuant to NRS 355.170, if the collateral is in the  
2 form of marketable securities; and

3 (2) At least 102 percent of the value of the securities borrowed.

4 2. The governing body of a city or consolidated municipality whose  
5 population is 60,000 or more but less than 150,000 may lend securities  
6 from its investment portfolio if:

7 (a) The investment portfolio has a value of at least \$50,000,000;

8 (b) The governing body is currently authorized to lend securities  
9 pursuant to subsection 5;

10 (c) The treasurer of the city or consolidated municipality:

11 (1) Establishes a policy for investment that includes provisions  
12 which set forth the procedures to be used to lend securities pursuant to this  
13 section; and

14 (2) Submits the policy established pursuant to subparagraph (1) to  
15 the manager of the city or consolidated municipality and prepares and  
16 submits to the manager of the city or consolidated municipality a monthly  
17 report that sets forth the securities that have been lent pursuant to this  
18 section and any other information relating thereto, including, without  
19 limitation, the terms of each agreement for the lending of those securities;  
20 and

21 (d) The governing body receives collateral from the borrower in the  
22 form of cash or marketable securities that are:

23 ( ) Authorized pursuant to NRS 355.170, if the collateral is in the  
24 form of marketable securities; and

25 (2) At least 102 percent of the value of the securities borrowed.

26 3. The governing body of a city, county or consolidated municipality  
27 may enter into such contracts as are necessary to extend and manage loans  
28 pursuant to this section.

29 4. ~~Any~~ *The total of investments made by a particular city, county*  
30 *or consolidated municipality with collateral received pursuant to*  
31 *subsection 1 or 2 must ~~mature not later~~ have an average weighted*  
32 *maturity of not more than 90 days . ~~after the date on which the securities~~*  
33 *are lent.*

34 5. The governing body of a city or consolidated municipality whose  
35 population is 60,000 or more but less than 150,000 shall not lend securities  
36 from its investment portfolio unless it has been authorized to do so by the  
37 State Board of Finance. The State Board of Finance shall adopt regulations  
38 that establish minimum standards for granting authorization pursuant to  
39 this subsection. Such an authorization is valid for 2 years and may be  
40 renewed by the State Board of Finance for additional 2-year periods.

41 6. *As used in this section, "average weighted maturity" means the*  
42 *average length of time until the securities in which a particular city,*  
43 *county or consolidated municipality has invested with collateral received*  
44 *pursuant to subsection 1 or 2 will mature or be redeemed by their issuers,*  
45 *with the length of time of each individual security proportionally*

1 *weighted according to the total dollar amount that the particular city,*  
2 *county or consolidated municipality has invested in that individual*  
3 *security with collateral received pursuant to subsection 1 or 2.*

4 **Sec. 2.** NRS 350.659 is hereby amended to read as follows:

5 350.659 The governing body of a municipality whose population is  
6 50,000 or more, subject to any contractual limitations from time to time  
7 imposed upon the municipality by any ordinance authorizing the issuance  
8 of outstanding securities of the municipality or by any trust indenture or  
9 other proceedings appertaining thereto, may cause to be invested and  
10 reinvested, except as otherwise provided in NRS 350.698, any proceeds of  
11 taxes, any pledged revenues and any proceeds of bonds or other municipal  
12 securities issued hereunder for which the amount of the principal of the  
13 original issuance was ~~[\$40,000,000]~~ ~~\$10,000,000~~ \$25,000,000 or more in  
14 an investment contract that is collateralized with securities issued by the  
15 Federal Government or agencies of the Federal Government if:

16 1. The collateral has a market value of at least 102 percent of the  
17 amount invested and any accrued unpaid interest thereon;

18 2. The municipality receives a security interest in the collateral that is  
19 fully perfected and the collateral is held in custody for the municipality or  
20 its trustee by a third-party agent of the municipality which is a commercial  
21 bank authorized to exercise trust powers;

22 3. The market value of the collateral is determined not less frequently  
23 than weekly and, if the ratio required by subsection 1 is not met, sufficient  
24 additional collateral is deposited with the agent of the municipality to meet  
25 that ratio within 2 business days after the determination; and

26 4. The party with whom the investment contract is executed is a  
27 commercial bank, or that party or a guarantor of the performance of that  
28 party is:

29 (a) An insurance company which has a rating on its ability to pay  
30 claims of not less than "Aa2" by Moody's Investors Service, Inc., or "AA"  
31 by Standard and Poor's Ratings Services, or their equivalent; or

32 (b) An entity which has a credit rating on its outstanding long-term  
33 debt of not less than "A2" by Moody's Investors Service, Inc., or "A" by  
34 Standard and Poor's Ratings Services, or their equivalent.

35 **Sec. 3.** This act becomes effective upon passage and approval.

Proposed amendment  
by State Treasurer  
raising the threshold.

H



# WORK SESSION

## Assembly Committee on Government Affairs

PREPARED BY  
RESEARCH DIVISION  
LEGISLATIVE COUNSEL BUREAU  
Nonpartisan Staff of the Nevada State Legislature

### SENATE BILL 200

**Authorizes grants to pay certain costs associated with connections to community sewage disposal system. (BDR 30-889)**

**Sponsored by: Senator Washington**  
**(Joint Sponsor: Assemblyman Marvel)**  
**Date Heard: April 28, 2003**

Senate Bill 200 adds required connections to community sewer systems to the existing program of grants for improvements to local water systems. To support this added element, the bill increases by \$4 million the cap on bonds (from \$69 to \$73 million) that may be issued to fund the grants. It should be noted that the provisions of this measure are "triggered" only when the State Division of Environmental Protection requires an area be converted from septic tanks to a community sewer system.

**Amendments:** None

**Opposition:** None

**Fiscal Impact:** Local Government: No  
State Government: Yes (attached)

**Special Note:** Concurrently referred to the Assembly Committee on Ways and Means.

**EXECUTIVE AGENCY**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared February 26, 2003

Agency Submitting: Office of the State Treasurer

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Bd Interest & Redemption (Expense)		\$400,000	\$400,000	\$7,200,000
Issuance Costs (Expense)		\$80,000		
Property Taxes (Revenue)		\$480,000	\$400,000	\$7,200,000
Total				\$0

Explanation (Use Additional Sheets of Attachments, if required)

This authorization is not included in the proposed budget, CIP plan or suggested bonding authorization. The debt capacity report finalized (attached) includes recommended projects and corresponding bonding authorization requests. This capacity model was developed on maximizing 16 cents of ad valorem (a recommended increase of 1 penny). If the CIP were reduced dollar for dollar in authorization, the capacity would be able to absorb this request.

Please note: This is not a static report. As interest rates vary, our ability to issue debt varies. Other variables include the timing of issuance, whether it is issued with other debt etc. I have listed the numbers above as a worse case scenario. Impact could be minimized substantially by including small portions of this authorization with the issuance of large CIP Projects. For example, if \$400,000 were issued in the first year with other debt, the payments would be approximately \$40,000 and issuance costs could be as less than \$1000 if issued in a \$200,000,000 deal. Would would prorate costs amongst all the issues. The end result could be FY03-04 \$41,000 FY 04-05 82,000 Future Biennia \$7,877,000 spread over FY 06-23. This could very well be incorporated within the proposed 16 cent assessment, if issued incrementally.

Work load within the organization is increased as we increase the amount of debt outstanding. Taken one small bit at a time, this is not really measurable or substantial. As it adds up, new personnel could be necessary. However, I do not perceive this small authorization necessitating any new staff within the Debt section of the Office of the Treasurer. I do not know the organizational fiscal impact on the agency running the grant program itself.

Name Robin V. Reedy  
Title Deputy Treasurer of Debt Mgt.

DEPARTMENT OF ADMINISTRATION'S COMMENT

Date February 26, 2003

Agency comments are correct.

Name John P Comeaux  
Title Director



# WORK SESSION

## Assembly Committee on Government Affairs

PREPARED BY  
RESEARCH DIVISION  
LEGISLATIVE COUNSEL BUREAU  
Nonpartisan Staff of the Nevada State Legislature

### **SENATE BILL 240**

**(First Reprint)**

**Revise various provisions relating to benefits payable to surviving spouses and children of certain police officers and firemen.  
(BDR S-696)**

**Sponsored by: Senator Townsend**  
**Date Heard: April 29, 2003**

Senate Bill 240 makes the provisions of Senate Bill 404 from the 1999 Legislative Session retroactive to January 1, 1998, to allow a surviving spouse or child of a police officer or firefighter killed in the line of duty to continue to participate in the group insurance or medical and hospital coverage of the decedent's employer. Among other people, this measure would assist Carolyn Sullivan, widow of 43 year-old UNR Police Officer Sgt. George Sullivan, who was slain January 13, 1998, after 19 years of service. Officer Sullivan had five children.

**Amendments:** None

**Opposition:** None

**Fiscal Impact:** Local Government: Yes (attached)  
State Government: Yes (attached)

Note: Testimony was received that the Senate amendment to the bill removing the continuation of death benefits under industrial insurance after remarriage of the surviving spouse significantly reduced or avoided the fiscal impacts of the bill.

**EXECUTIVE AGENCY**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 03, 2003

Agency Submitting: Public Employees Benefits Program

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2002-03</b>	<b>Fiscal Year 2003-04</b>	<b>Fiscal Year 2004-05</b>	<b>Effect on Future Biennia</b>
Total				

Explanation (Use Additional Sheets of Attachments, if required)

No fiscal impact to PEBP since survivors pay 100% of premium.

Name Leslie Johnstone

Title Accounting Officer

DEPARTMENT OF ADMINISTRATION'S COMMENT

Date March 04, 2003

Agency comments appear reasonable.

Name John P Comeaux

Title Director



EXECUTIVE AGENCY  
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 07, 2003

Agency Submitting: Risk Management, Department of Administration

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Indemnity Costs (Expense)		\$32,321	\$32,321	\$64,643
Total		\$32,321	\$32,321	\$64,643

Explanation (Use Additional Sheets of Attachments, if required)

Currently, The State has only one death claim for a police officer/firefighter. The indemnity payments are actuarialized to the age of 72 for the widow. Should the widow remarry and this bill be passed, the fiscal impact to the state's workers' comp fund for just this one claim would be \$32,321 annually, totaling \$452,499 for the expected life of this claim.

Name Susan Dunt

Title Risk Manager

DEPARTMENT OF ADMINISTRATION'S COMMENT

Date March 18, 2003

The agency's estimates appear reasonable.

Name John P. Comeaux

Title Director, Dept. of Admin.

LOCAL GOVERNMENT  
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 21, 2003

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Total				

Explanation (Use Additional Sheets of Attachments, if required)

Counties:

Carson County – Unknown.

Churchill County – Indicated that the county would be impacted through its involvement in the Nevada Public Agency Compensation Trust Fund, but could not project a direct impact on the county.

Douglas County – \$210,000 would be added to the cost of the current outstanding claim.

Eureka County – Estimated impact of approximately \$20,000 per year.

Humboldt County – Indeterminate impact for future claims.

Lincoln County – Indeterminate impact for future claims.

Nye County – No fiscal impact.

Washoe County – Based on the two life pensions currently paid to spouses of police officers, estimated impact is \$81,350 in FY 2005 and \$162,700 in future biennia if certain assumptions are met. Cost could increase if additional claims arise.

The following counties did not respond:

- Clark County
- Elko County
- Esmeralda County
- Lander County
- Lyon County
- Mineral County
- Pershing County
- Storey County
- White Pine County

Name Rick Combs  
Title Deputy Fiscal Analyst

LOCAL GOVERNMENT  
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 11, 2003

Agency Submitting: City of Henderson

Items of Revenue or Expense, or Both	Fiscal Year 2002-03	Fiscal Year 2003-04	Fiscal Year 2004-05	Effect on Future Biennia
Per Occurance (Expense)		\$750,000	\$750,000	\$1,500,000
Total		\$750,000	\$750,000	\$1,500,000

Explanation (Use Additional Sheets of Attachments, if required)

The proposed legislation has a significant fiscal impact on the City of Henderson. Our current deductible for this type of claim is \$750,000. It is important to note that deductibles have been doubling in recent years. Other city's deductible are as high as \$1.0 or \$2.0 million. Current law allows the benefits to continue as long as the widow(er) does not remarry. If remarried a lump sum payment of two years of benefits is awarded. The benefits are intended to replace lost income to the spouse and children. When someone remarries its presumed that the lost income is replaced. The concept of continuing these benefits in perpetuity may give the appearance of double or triple dipping. Although nothing we do replaces the loss of a loved one, the family is not without resources. The federal government also pays line of duty death benefits in the range of \$200-250K. This is absent any life insurance or PERS benefits. PERS also pays death benefits in addition to any accrued retirement benefits. Additionally State law requires the employer to provide lifetime health coverage at no cost to the surviving family. None of these benefits (with the exception of PERS and life insurance) are available to any other workers' dependents killed in the line of duty.

Name Carol S. Turner

Title Accountant, Special Projects

**LOCAL GOVERNMENT**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 03, 2003

Agency Submitting: City of Las Vegas

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2002-03</b>	<b>Fiscal Year 2003-04</b>	<b>Fiscal Year 2004-05</b>	<b>Effect on Future Biennia</b>
Benefits paid (Expense)				
Total				\$0

Explanation (Use Additional Sheets of Attachments, if required)

No change from previous submission - Revision of this statute would provide surviving spouses of firefighters and police officers substantially higher benefits (we estimate \$650,000 on average for re-married spouses) than those available to the surviving spouse of other employment categories, including those in the private sector. Unfortunately, we have no statistics on re-married spouse of deceased employees. Further, the current NV statute is almost identical to the majority of statutes around the country.

Name Gail Hall  
Title Administrative Officer

**LOCAL GOVERNMENT**  
**FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 11, 2003

Agency Submitting: City of North Las Vegas

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2002-03</b>	<b>Fiscal Year 2003-04</b>	<b>Fiscal Year 2004-05</b>	<b>Effect on Future Biennia</b>
Workers compensation (Expense)	\$50,000	\$52,500	\$55,125	\$319,829
Total	\$50,000	\$52,500	\$55,125	\$319,829

Explanation (Use Additional Sheets of Attachments, if required)

The cost of this legislation is difficult to determine, because it is based on work related deaths and if the spouse would remarry.

Per internal discussions, no amendments to the current legislation are required, because the spouse and children would be covered until remarriage. In addition, the spouse would receive a lump sum.

The City estimates that this could cost \$50,000 per year (unadjusted for inflation) for each case where the spouse would remarry.

The effect on future biennia is for five years adjusted for inflation.

In addition, this cost is based on one occurrence.

Name Gerard H Cote  
Title Financial Analyst



# WORK SESSION

## Assembly Committee on Government Affairs

PREPARED BY  
RESEARCH DIVISION  
LEGISLATIVE COUNSEL BUREAU  
Nonpartisan Staff of the Nevada State Legislature

### **SENATE BILL 359**

**(First Reprint)**

**Revises provisions relating to freedom to display flag of United States. (BDR 22-310)**

**Sponsored by: Senator Titus**  
**Date Heard: April 30, 2003**

Senate Bill 359 is virtually identical to Assembly Bill 408 (Griffin) heard by the Committee April 11, 2003, except S.B. 359 contains an additional provision prohibiting a local government employer from preventing an employee from engaging in the display of the United States flag on the person of the employee, in the workplace, or on a vehicle owned by the local government employer that is operated by the employee in the course of performing his or her duties. In addition, S.B. 359 specifically permits a local government to include height and setback restrictions in its ordinance regulating the time, place and manner of display.

**Amendments:** None

**Opposition:** None

**Fiscal Impact:** Local Government: No  
State Government: No



# WORK SESSION

## Assembly Committee on Government Affairs

PREPARED BY  
RESEARCH DIVISION  
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Nonpartisan Staff of the Nevada State Legislature

### **SENATE BILL 439**

**Makes various changes concerning Public Employees' Retirement System and Judicial Retirement System. (BDR 23-563)**

**Sponsored by:** Senate Committee on Government Affairs,  
On behalf of the Public Employees' Retirement System  
**Date Heard:** April 29, 2003

Senate Bill 439 makes the following changes to the Public Employees' Retirement System (PERS) statutes: (1) changes "fireman" to "firefighter;" (2) requires 4-year degree for certain positions within PERS; and (3) requires review of designation of position as critical labor shortage after 2 years. With respect to the Judicial Retirement System (JRS), the bill amends certain statutes so the JRS parallels the provisions of the PERS, especially with regard to permitting the maximum benefit of up to 75 percent of average compensation.

**Amendments:** None

**Opposition:** None

**Fiscal Impact:** Local Government: No  
State Government: No