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2003 SESSION (72nd)

PROPOSED AMENDMENT AB249

Submitted to Senate Committee on Government Affairs.

Amendment proposed by Gary Wolff
Teamsters 14 and Nevada Highway Patrol Association.
Concurred to by State Personnel.

FISCAL NOTE: Effect on Local Government. No.
Effect on the State. No.

The proposed Amendment amends **NRS 281, Section 1** referring to payroll deductions for employee organizations and labor unions.

NRS 281.129 is amended by adding to **Subsection (5)** after the words **Labor Organizations** *who have 100 members or those Organizations that currently have payroll deduction status as of January 1, 2003.*

Note: The proposed amendment will remove the requirements for payroll deductions as they apply to Employee or Labor Organizations under the provisions of **NAC 281.250 Sec.1 Subsection (e)**. See attachment.

Explanation: **NRS281.129** authorizes any officer of the State, except the Legislative Fiscal Officer, who disperses money in payment of salaries and wages of officers and employees of the state may withhold those amounts upon written request and pay them to Charitable Organizations, Employee Credit Unions, Savings Bonds, Employee and Labor Organizations. Although not stated in Statute, this employee benefit has been expanded to payroll deductions for additional life insurance, auto insurance, home owners insurance, disability insurance, deferred compensation plans, etc. Of all these payroll deductions only one has an additional permissive restriction, that allows the State Controller to adopt regulations for employees who belong to employee or labor organizations. The question is why and further why are the regulations so restrictive and complicated. Just recently the State Controller sent out letters to all labor organizations mandating the organizations to justify their right to payroll deductions based on the provisions of **NAC 281.250**.

Currently only one Employee Organization enjoys the privilege of statewide organization and payroll deductions without meeting the requirements of a homogeneous unit as stated in **NAC 281.250** subsection (2) of section (1). This requirement gives special treatment only to SNEA. All other organizations must stay within the homogeneous requirements unless the State Controller makes special exceptions to the rule. In our opinion the rules

established under **NAC 281.250** are grossly unfair denying state employees who wish to join organizations other than SNEA the right to payroll deduction.

We further question why the State Controller is given the authority to establish rules regarding payroll deductions for employee organizations when in fact with the one exception in **NRS 281.129(5)** the State Controller has nothing to do with employee requested payroll deductions. **Chapter 227**, specifically **NRS 227.130** describes the duties of the State Controller. The only mention of payroll deductions is for the purpose of collecting required payroll taxes such as income and social security taxes. The authority and responsibility for employee requested payroll deductions is given to the Director of the Department of Personnel and the Payroll Center under the provisions of **NRS 284.105**, **NRS 284.115** and **NRS 281.120**. Employee requested payroll deductions have no effect on the Controller's office, other than giving one individual the State Controller the power to regulate employee organizations through payroll deductions. Under the current rules, as few as 13 individuals have the privilege of payroll deductions while other organizations with far more members must ask their members to write out checks and mail in their dues each month. This practice is simply not fair.

The Nevada Highway Patrol Association is the third oldest employee organization in the state. Established in 1971 the NHPA has enjoyed payroll deduction over the last 32 years. Due to circumstances beyond our control, such as being 65 positions down, we could be in jeopardy of losing our payroll deductions under the current rules established by the Controller. If the NHPA loses its payroll deduction statutes it will lose its ability to provide the additional \$20,000 life insurance and other benefits it gives to each member. It would also stop the thousands of dollars given to community and charitable organizations over the past 32 years. This is also true of the Teamsters who just donated \$ 500 to the Department of Transportation Memorial wall from dues paid by their members.

We feel the proposed amendment to **AB249** is based on fairness to all state employees, giving them the freedom of choice. This amendment has no opposition from the Director of State Personnel and has no more fiscal impact on the Department than the other payroll deductions currently allowed under **NRS 281.129** and has no fiscal impact on the Controller's Office. The Department of Personnel assisted us in the proposed amendment for which we are grateful. The proposed amendment assures those who currently have payroll deduction will retain that privilege and will be able to build without restrictions. It further provides that any new organization be required to have at least 100 members as a safe guard to the payroll centers to establish multiple accounts for small groups.

This amendment is proposed and submitted on the issue of fairness to all state employees.

We sincerely hope you will consider the amendment and allow testimony to further justify our position.

A.B. 249

ASSEMBLY BILL NO. 249—COMMITTEE ON
GOVERNMENT AFFAIRS

(ON BEHALF OF THE PUBLIC EMPLOYEES' BENEFITS PROGRAM)

MARCH 6, 2003

Referred to Concurrent Committees on Government
Affairs and Ways and Means

SUMMARY—Makes various changes concerning Public Employees'
Benefits Program. (BDR 23-549)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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 Public Employees' Benefits Program; requiring certain agencies to use the amounts specified by the Public Employees' Benefits Program for coverage by the Program for payroll deductions from the salaries of participating officers and employees; requiring the Public Employees' Retirement System and each public employer that participates in the Program to provide information to the Program concerning the change in status of an active or retired officer or employee; eliminating the requirement that certain retired persons show evidence of good health as a condition of enrollment in the Program; limiting the subsidy paid by the State of Nevada for retired state officers and employees to years of state service; repealing the prospective expiration of two positions on the Board of the Program; repealing the period of open enrollment for certain retired persons to join the Program; and providing other matters properly relating thereto.

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

2-1 **Section 1.** NRS 281.129 is hereby amended to read as follows:

2-2 **281.129 1.** Any officer of the State, except the Legislative
2-3 Fiscal Officer, who disburses money in payment of salaries and
2-4 wages of officers and employees of the State ~~may~~:

2-5 **(a) May**, upon written requests of the officer or employee
2-6 specifying amounts, withhold those amounts and pay them to:

2-7 ~~1. (1)~~ Charitable organizations;

2-8 ~~2. (2)~~ Employee credit unions;

2-9 ~~3. Insurers, if the Board of the Public Employees' Benefits
2-10 Program has approved the request;~~

2-11 ~~4. (3) Except as otherwise provided in paragraph (b),
2-12 insurers;~~

2-13 **(4)** The United States for the purchase of savings bonds and
2-14 similar obligations of the United States; and

2-15 ~~5. (5)~~ Employee organizations and labor organizations.

2-16 **(b) Shall**, upon receipt of information from the Public
2-17 Employees' Benefits Program specifying amounts of premiums or
2-18 contributions for coverage by the Program, withhold those
2-19 amounts from the salaries or wages of officers and employees who
2-20 participate in the Program and pay those amounts to the Program.

2-21 **2.** The State Controller may adopt regulations necessary to
2-22 withhold money from the salaries or wages of officers and
2-23 employees of the executive department.

2-24 **Sec. 2.** Chapter 286 of NRS is hereby amended by adding
2-25 thereto a new section to read as follows:

2-26 **1. The System shall provide to the Public Employees' Benefits
2-27 Program:**

2-28 **(a) Written notice regarding a change in the status of a
2-29 member or a dependent of a member that affects the eligibility of
2-30 the member or dependent to participate in the Program. Such
2-31 notice must be provided to the Program, on a form prescribed by
2-32 the Program, within 15 calendar days after the System is notified
2-33 or otherwise becomes aware of the change in status.**

2-34 **(b) Upon request, any other information necessary for the
2-35 Program to carry out the provisions of NRS 287.0402 to 287.049,
2-36 inclusive.**

2-37 **2. The System shall reimburse the Public Employees'
2-38 Benefits Program for any premium or contribution that was not
2-39 paid to the Program as a result of the failure of the System to
2-40 provide the notice required pursuant to subsection 1. The System
2-41 shall not require any member or dependent of a member to
2-42 reimburse the System for the amount of any premium or
2-43 contribution for which the System is liable to the Program
2-44 pursuant to this subsection.**

the request, a transcript concerning the matter has been prepared by the commission's staff; or

(b) Pay for copies of the transcript pursuant to the provisions of NRS 239.053 or, with the approval of the commission, pursuant to arrangements made directly with the court reporter.

4. A person may not obtain copies of a transcript concerning a matter that was recorded by the commission unless the contents of the proceedings concerning that matter may be disclosed to that person pursuant to the provisions of NRS 281.411 to 281.581, inclusive, and NAC 281.093 to 281.1127, inclusive.

5. A court reporter may not provide to a person copies of a transcript concerning a matter that was recorded by the commission or any other documents unless the court reporter has received written permission from the commission to do so.

6. The commission may waive all or a portion of the cost of obtaining copies of public records or a transcript if the person requesting the copies files a written request for such a waiver at the office of the commission and the commission determines that:

(a) The copies requested are reasonable in quantity; and

(b) The person requesting the copies is a party to a matter before the commission and does not have the financial ability to pay for all or a portion of the cost of the copies.

(Added to NAC by Comm'n on Ethics by R038-98, eff. 4-17-98; A by R102-00, 8-28-2000)—
(Substituted in revision for NAC 281.121)

WITHHOLDING FROM STATE PAYROLL

NAC 281.250 Duties and authority of state controller; resolution of disputes.

1. In addition to any other withholdings provided by law, the state controller will withhold money from the salary or wages of an officer or employee of the executive department whose payroll is processed by the state controller, for payment to:

(a) Any charitable organization approved by the controller.

(b) Employee credit unions.

(c) One health and accident insurer for each officer or employee.

(d) The United States for the purchase of a savings bond or similar obligation.

(e) An employee organization or labor organization if:

(1) At least 20 percent of the officers or employees of the state request withholdings from their wages or salaries for payment to the organization; or

(2) At least 51 percent of the officers or employees of the state who are eligible to be members of a homogeneous unit request withholdings from their wages or salaries for payment to the organization. For the purposes of this subparagraph, a "homogeneous unit" means a group of state employees or officers having a sufficient community of interest to make it appropriate for them to be represented by a particular employee organization.

2. An officer or employee of the executive department is not entitled to continue the withholding provided by paragraph (e) of subsection 1 if the number of officers or employees who request the withholding falls below an average for a calendar year of:

(a) Ten percent of the officers and employees of the state, if the withholding is made pursuant to the provisions of subparagraph (1) of paragraph (e) of subsection 1.

(b) Twenty-six percent of the officers and employees who are members of the organization, if the withholding is made pursuant to the provisions of subparagraph (2) of paragraph (e) of subsection 1.

3. The state controller will send written notice to an employee organization or labor organization if the number of officers and employees who request that money be withheld for payment to the organization falls below the percentage required by paragraph (e) of subsection 1. The members of the organization may continue to have the money withheld from their salaries or wages and paid to the organization for not more than 1 year after the date of the notice given by the state controller. If the percentage required by paragraph (e) of subsection 1 is not met in that year, the withholding will be discontinued.