

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS AS REQUIRED BY
ADMINISTRATIVE PROCEDURES ACT, NRS 233B.066**

LCB FILE R078-15

Trust Funds for Future Retirement Benefits of Local Government employees

The following statement is submitted for amendments, additions and deletions, to Nevada Administrative Code (NAC) 287 adopted by the Committee on Local Government Finance.

1. The Need for and Purpose of the Permanent Regulation.

The need and purpose of the proposed permanent regulation, **LCB File No. R078-15**, is to update and clarify existing provisions relating to the administration of trust funds for future retirement benefits of local government employees.

2. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

The Department of Taxation (Department), as staff to the Committee on Local Government Finance ("CLGF") solicited comment from the public by sending notice of workshops and hearings by electronic or regular mail as follows:

<u>Date of Notice</u>	<u>Workshop/ Hearing</u>	<u>Date of Workshop</u>	<u>Number Notified</u>	<u>Representing Businesses</u>
8-12-2015	Subcommittee Meeting	8-18-2015	274	16
10-5-2015	Workshop	10-27-15	303	117
12-22-2016	Hearing	1-26-2016	234	109

The mailing list included the interested parties list maintained by the Department, as well as officials of local jurisdictions. These documents were also made available on the website of the Department of Taxation, www.tax.nv.gov, the legislative website at www.leg.state.nv.us and the Department of Administration website at <https://notice.nv.gov/>. These documents were also posted at the following locations:

Department of Taxation
1550 College Parkway
Carson City, NV

Department of Taxation
4600 Kietzke Lane
Building L, Suite 235
Reno, NV

Department of Taxation
Grant Sawyer Building, Suite 1300
555 E. Washington Avenue
Las Vegas, NV

Department of Taxation
2550 Paseo Verde Parkway, Suite 180
Henderson, NV

Nevada Gaming Control Board
1919 College Parkway
Carson City, NV

Nevada Gaming Control Board
Grant Sawyer State Office Building
555 East Washington Avenue
Las Vegas, NV

Legislative Counsel Bureau
4041 South Carson Street
Carson City, NV

In addition, the notices were faxed to the following libraries for posting:

Amargosa Valley Library
829 E. Farm Road
Amargosa Valley, NV

Boulder City Library District
701 Adams Blvd
Boulder City, NV

Clark County Library
1401 East Flamingo Road
Las Vegas, NV

Churchill County Library
553 South Maine Street
Fallon, NV 89406
Douglas County Library
1625 Library Lane
Minden, NV

Elko County Library
720 Court Street
Elko, NV

Esmeralda County Library District
Goldfield Public Library
Corner of Crook and Fourth Street
Goldfield, NV 89013-0430

Henderson District Public Libraries
Paseo Verde Library

Clark County Government Center
500 South Grand Central Parkway
Las Vegas, NV

Nevada State Library and Archives
100 N. Stewart Street
Carson City, NV

Nevada Attorney General's Office
100 North Carson Street
Carson City, NV

280 S. Green Valley parkway
Henderson, NV 89012

Humboldt County Library
85 East Fifth Street
Winnemucca, Nevada 89445

Lincoln County Library
63 Main Street
Pioche, NV 89043-0330

Mineral County Library
First & "A" Street
Hawthorne, NV 89415

Pahrump Community Library
701 East Street
Pahrump, NV 89048

Pershing County Library
1125 Central Avenue
Lovelock, NV

Round Mountain Public Library
73 Hadley Circle
Round Mountain, NV

White Pine County Library
950 Campton Street
Ely, NV

Comments were received from a local government trust fund representative, CLGF members, and Department staff during the workshop and adoption hearing.

The comments included a request to change the requirement to have a 5 member trustee board only when the trust fund invests in equities. There was also a request to waive the \$100 million asset benchmark for approval by CLGF in the event a trust fund has less than \$100 million in assets. Both requests were incorporated into the final draft.

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Nevada Department of Taxation, 1550 College Parkway, Carson City, Nevada 89706, or by e-mailing the Nevada Department of Taxation at cmgriffith@tax.state.nv.us.

The Legislative Counsel Bureau (LCB) completed its review of submitted revisions on October 1, 2015. CLGF adopted the regulation at the hearing held on January 26, 2016.

3. The number of persons who:
(a) Attended and testified at each workshop:

Date of Workshop	<u>Attended</u>	<u>Testified</u>
10-5-2015	40	2

(b) Attended and testified at each hearing:

<u>Date of Hearing</u>	<u>Committee/Public Attended</u>	<u>Testified</u>
1-26-2016	41	2

(c) Submitted to the agency written comments:

<u>Date of Workshop / Hearing</u>	<u>Number Received</u>
10-5-2015	0
1-26-2016	0

Name	Telephone	Business Address	Business Telephone	Electronic Mail Address	Representing
Terry Rubald	775-684-2095	1550 College Parkway Carson City, NV 89701	775-684-2095	trubald@tax.state.nv.us	Dept of Taxation
Carole Vilardo	702-457-8442	2303 E. Sahara Ave., Ste 203 Las Vegas, NV 89104	702-457-8442	info@nevadataxpayers.org	Nevada Taxpayers Association
Tammi Davis	775-328-2550	P.O. Box 30039 Reno, NV 89520- 3039	775-328-2550	tsdavis@washoecounty.us	Washoe County Treasurer
Mark Mathers	775-328-2071	1001 E. 9 th St., Reno, NV	775-328-2071	mmathers@washoecounty.us	Washoe County
Brenda Mathers	775-328-2535	1001 E. 9 th St., Reno, NV	775-328-2535	bmathers@washoecounty.us	Washoe County Treasurer
Susan Lewis		1550 College Parkway, Carson City	775-684-2027	ssulewis@tax.state.nv.us	Dept of Taxation

Jeff Church				Renocop@earthlink.net	Reno Public Safety Org
Frank Carbone	775-751-7075	2100 E. Walt Williams Drive, #100, Pahrump, NV 89048	775-751-7075	Fcarbone@co.nye.nv.us	Nye County
Lorinda Wichman	775-761-1626	HC 60 Box 51363, Round Mountain, NV 89045	775-761-1626	lawichman@gmail.com	Nye County
Ron Dreher	775-830-8877	P.O. Box 40415	775-830-8877	NRS289@aol.com	P.O.R.A.N.
Anna Thornley	775-882-2697	116 EE. 7 th St., Ste 202, Carson City	775-882-2697	athornley@nevadataxpayers.org	NTA
Kelly Langley	775-684-2073	1550 College Parkway, Carson City	775-684-2073	klangley@tax.state.nv.us	Dept of Taxation
Wayne Carlson				waynecarlson@poolpact.com	Pool/Pact
Heidi Rose	775-684-2065	1550 College Parkway, Carson City	775-684-2064	hrose@tax.state.nv.us	Dept of Taxation
Penny Hampton	775-684-2092	1550 College Parkway, Carson City	775-684-2092	phampton@tax.state.nv.us	Dept. of Taxation
James Eason					Nye County
Renny Ashleman	702-733-9055	1810 E. Sahara Ave, Suite 326, Las Vegas, NV	702-733-9055	ashleman@gmail.com	Las Vegas Valley Water District
Dwight Lilly	760-628-4029	1891 Las Casitas St., Pahrump, NV 89048	760-628-4029	mrwacky@hotmail.com	Self
Betsy Lilly	775-513-4026	1891 Las Casitas Str., Pahrump, NV 89048	775-513-4026	Betsy_lilly@yahoo.com	self
Eunette Gentry	702-417-2437	9004 Fox Hollow Way, #202, Pahrump, NV	702-417-2437	Egentrynews46@gmail.com	KPVM TV, Pahrump
Herb Melvain	702-816-0478	1101 S. Highway 160, Pahrump, NV	702-816-0478	herbmvegas@gmail.com	KPVM TV 46, Pahrump
Jessica Colvin				Jessica.colvin@clarkcountynv.gov	Clark County (NACO)
Cindy Creighton				info@nevadataxpayers.org	NTA
Karen Scott	775-485-6337	P.O. Box 458, Goldfield, NV 89013	775-485-6337	Esmar1@frontiernet.net	Esmeralda County
Justin Harrison	702-334-8735	575 Symphony Park Ave, Las Vegas, NV 89106	702-334-8735	jharrison@lvchamber.com	Las Vegas Metro Chamber of Commerce
Darren Adair				AdairD@cityofnorthlasvegas.com	City of North Las Vegas
Rhonda Garlick				garlickr@cityofnorthlasvegas.com	City of North Las Vegas
Qion Liu				LiuQ@cityofnorthlasvegas.com	City of North Las Vegas
Carole Vilardo					NTA
Deborah Barton				bartond@cityofnorthlasvegas.com	City of North Las Vegas
Brian Kunzi	702-317-1419	3100 W. Charleston, Las Vegas, NV		briank@nvbar.org	Nye County
Rusty McAllister	702-493-2796			phyrapt@aol.com	Professional Firefighters
Gabriella Carr					Humboldt County
Fred James					Las Vegas Library District
Chris Mulkerns					Tonopah
Barbara Miller				Barbara.j.miller@baml.com	Bank of America
Tom Baker					City of Henderson
Yolanda King					Clark County Finance Dept
Kim Lara					Nye County Treasurer

Tim Sutton	775-751-7080	1520 East Basin, Suite 107, P.O. Box 39, Pahrump, NV 89049	775-751-7080		DA – Nye County
Jeff Share					Clark County

4. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected and interested local governments, businesses and persons, by notices posted at the Nevada State Library; various Department of Taxation locations throughout the state; and at the Main Public Libraries in counties where an office of the Department of Taxation is not located. Comments were also solicited by direct email to county officials and other interested parties lists maintained by the Department. Approximately 46% of the approximately 234 direct notices were sent to individuals or associations representing business.

In addition, the Department mailed or emailed a Small Business Impact Statement and Questionnaire prior to the workshop held on October 27, 2015 to persons and businesses on the Department's interested parties list. The Questionnaire requested input on whether the small business owner anticipates the regulation would have a direct and significant economic burden upon the business or if the regulation would directly restrict the formation, operation, or expansion of the small business. No responses were received. Because of the nature of the regulation, the Department believes there is no impact on a small business.

Local government officials commented on some or all of the proposed language changes during the workshop process and during the Adoption Hearing of the Committee on Local Government Finance. No comments from small businesses were made.

A copy of the audio taped comments or the record of proceedings may be obtained by calling the Nevada Department of Taxation at (775) 684-2100 or by writing to the Nevada Department of Taxation, 1550 East College Parkway, Carson City, Nevada 89706, or by e-mailing the Nevada Department of Taxation at ware@tax.state.nv.us.

5. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The permanent regulation was adopted with changes reflecting the verbal comments made during the workshop and adoption hearing listed above. The CLGF adopted the permanent regulation as revised in the workshop and adoption hearing; and believed no changes other than those made were necessary.

6. The estimated economic effect of the adopted regulation on the businesses which it is to regulate and on the public. These must be stated separately, and each case must include:

- (a) Both adverse and beneficial effects; and**
- (b) Both immediate and long-term effects.**

Adverse and Beneficial Effects

The proposed permanent regulation presents no reasonably foreseeable or anticipated adverse economic effects to businesses or to the general public. The regulation reduces the number of required trustees on the board of the trust fund when the assets of the trust fund will not be invested in stocks or other equity securities or bonds or other debt securities; requires an investment plan unless the assets of the trust fund are invested in any investments authorized pursuant to NRS 355.170; and requires the Committee on Local Government Finance to review investment plans under limited circumstances. The beneficial effects include reducing costs and improving efficiencies relating to: (1) the composition of the trust fund board; (2) preparing an investment plan when the assets are not invested in stocks, other equities, and bonds; and (3) limiting the oversight of the Committee on Local Government Finance in the administration of the trust fund to certain circumstances. The regulation does not directly affect private businesses.

Direct and Indirect Effects

The immediate and long-term effects will be to improve efficiency and reduce costs associated with the administration of a trust fund for retirement benefits of a local government.

7. The estimated cost to the agency for enforcement of the adopted regulation.

The Department does not anticipate any cost to the agency for enforcement.

8. A description of any regulations of other state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

There are no other state or government agency regulations that the proposed amendments duplicate.

9. If the regulation includes provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

The Committee on Local Government Finance is not aware of any provision in this regulation which is also governed by federal regulation.

10. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The regulation does not provide for a new fee, and does not increase an existing fee.

11. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business or directly restricted the formation, operation or expansion of

a small business? What methods did the agency use in determining the impact of the regulation on a small business?

Please see attached Small Business Impact Statement.