

MINUTES OF MEETING ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS,  
55TH LEGISLATIVE SESSION, MARCH 12, 1969

2-314

Present: Smith, Branch, Lingenfelter, Getto, Bryan Hafen, and Mello.

Absent: Dini and Wood.

Chairman Smith opened the meeting by offering two proposed bills for the committees consideration.

BDR 17-1773 creates the office of legislative investigator.

Hilbrecht moved that the committee introduce BDR 17-1773.\*  
Lingenfelter seconded.  
Motion unanimously passed.

BDR 23-1820 authorizes public employees retirement board to deduct insurance premiums from the retirement allowance of retired public employees.

Lingenfelter moved that the committee introduce BDR 23-1820.\*\*  
Getto seconded.  
Motion unanimously passed.

Mr. Dave Henry, County Manager, Clark County asked the committee to introduce BDR 7-1710 having to do with the microfilming of documents in the recorders office.

Getto moved that BDR 7-1710 be introduced.  
Motion seconded.  
Motion unanimously passed.

AB 289 which provides accounting and financial procedures for local government was before the committee and Mr. Henry was asked to comment on this bill.

Mr. Henry said that the bill provided a series of procedural recommendations coming from the advisory council for the Nevada Tax Commission. Mr. Henry outlined the bill stressing the establishment of a short-term financing procedure to replace emergency loan processes and a budget augmentation resolution.

Mr. Ernest Newton asked the committee if could comment on the bill and indicated his objections to the measure. He told the committee that several aspects of the bill deliberately enabled fiscal officers in the county to protract their reporting processes until the auditors' reports were available thereby sidetracking their fixed responsibility. Fiscal officers should not wait until the auditor's report to properly report their own work. Mr. Newton indicated that the warrant provision in subsection 2 is worthless. Assemblyman Hilbrecht agreed that the legal value of the warrant provision was useless. Mr. Newton also objected to the budget augmentation section of the bill stating that such a procedure leaves the door wide open for the presentation of "phony" budgets.

The committee discussed the bill at length and agreed that the budget augmentation portion was objectionable. Mr. Henry said that

if the committee saw fit to delete that portion of the bill and provided the short-term financing, he would have no objection. Assemblyman Hilbrecht agreed that some short-term financing procedures would be highly preferable to emergency loan processes in many cases. Mr. Curt Blyth of the Nevada Municipal Association expressed his association's interest in the bill.

Assemblyman Bode Howard was called before the committee to comment on AB 323 which requires approval of voters before television franchises and certificates of public convenience and necessity can be issued in counties where television districts have been organized.

Assemblyman Howard explained to the committee that the area surrounding Winnemucca has been divided into television districts that are benefitting financially from the service that comes out of Winnemucca financial support. He said that in the event a franchise were adopted in Winnemucca it is possible that it would cut off the present reception enjoyed in the surrounding area. This bill would allow the voters an opportunity to vote prior to the granting of any such franchise. Mr. Howard was thanked for his presentation and excused from the committee.

AB 533 and 536 were considered by the committee.

AB 533 requires the Executive Director of the Employment Security Department to divulge certain information.

Mello moved AB 533 be indefinitely postponed.  
Motion seconded.  
Motion unanimously passed.

AB 536 requires certain local governing bodies to regulate non--conforming uses under zoning laws.

Mello moved AB 536 be indefinitely postponed.  
Motion seconded.  
Motion unanimously passed.

The committee discussed Mr. Howard's presentation of AB 323.

Mello moved Do Pass AB 323.  
Lingenfelter seconded.  
Motion unanimously passed.

Assemblyman Reid was called before the committee to comment on AB 486. Mr. Reid said that in Clark County many qualified law enforcement personnel from surrounding states with excellent training and experience have been denied employment opportunity due to the residence requirement for deputy sheriffs. The purpose of AB 486 would be to allow the residence requirement to be eliminated for this sort of job so that these trained personnel could be taken advantage of. Mr. Reid told the committee that the bill had the support of the Peace Officers' Association. He was thanked for his presentation and excused.

Getto moved Do Pass AB 486.  
Branch seconded.  
Motion unanimously passed.

AB 186 which increases public employer contribution under group insurance programs was offered for comment to Mr. Keith Hendriksen of the Firefighters Association for comment.

Mr. Hendriksen stated that his group felt that the bill would create chaos unless amended. He introduced to the committee Mr. Arland Conner, Group Sales Manager of California-Western States Life Insurance Company. Mr. Conner discussed the insurance bills before the committee including AB 186, 302 and 447. He alluded to a letter he had sent to Mr. Hendrickson outlining the contribution plans of employees under various group plans. This letter is made a part of these minutes.

AB 302 broadens the authority of public agencies to participate in group insurance programs. Me. Henriksen said if the fireman are included under the bill they would be opposed to it.

AB 447 empowers political subdivisions to purchase insurance to guarantee salaries to disabled employees. Mr. Henriksen said the firemen supported this bill to provide for that period after 60 days when their compensation in the event of disability would be insufficient.

AB 188 is another insurance bill which would allow certain governmental units to participate in state group insurance plans.

Mr. Conner advised the committee that when a bill specifies the amount of an insurance premium it should be carefully considered because this feature robs the bill of any flexibility with regard to the ever-changing rates in the sickness-accident area.

Chairman Smith asked Mr. Lingenfelter to research these insurance bills for the benefit of the committee's further consideration.

Assemblyman Prince was called before the committee to comment on AB 406 and 407. He told the committee that AB 406 was intended to provide compensation for members of the television maintenance district board in White Pine County. He said the district is self supporting and the board feels that the compensation should be provided with the funds that are available.

AB 407, Mr. Prince, said was a bill that would allow the agriculture districts to realign themselves for the purposes of promoting their own state fairs as they wish to do so. The present situation has not been satisfactory as this realignment has been requested by the districts themselves.

The committee discussed AB 289 that Mr. Henry and Mr. Newton and Mr. Blyth had commented upon. It was agreed that the bill was in need fo considerable alteration and that perhaps a new bill should be drawn to establish the short-term financing procedures.

Mello moved AB 289 be indefinitely postponed.

Lingenfelter seconded.

Motion unanimously passed.

Assemblyman Hilbrecht said he would see the bill drafters about a new bill on short-term financing.

Lingenfelter moved that AB 186 be given an amendment and Do Pass as amended.

Motion seconded.

Motion passed over the objection of Getto.

The committee discussed AB 406 and 407 as presented by Assemblyman Prince and agreed that they were good pieces of legislation for the areas requesting them.

Getto moved Do Pass AB 406.

Lingenfelter seconded.

Motion unanimously passed.

Lingenfelter moved Do Pass AB 407.

Motion seconded.

Motion unanimously passed.

Chairman Smith suggested that SB 150 and 151 were not controversial bills and asked the committee's pleasure.

Getto moved Do Pass SB 150.

Branch seconded.

Motion unanimously passed.

Lingenfelter moved Do Pass SB 151.

Hilbrecht seconded.

Motion unanimously passed.

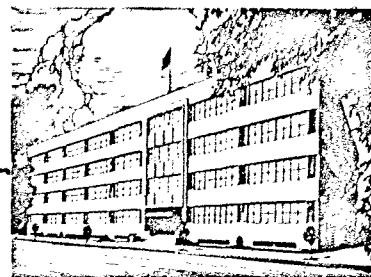
Meeting adjourned.

# CALIFORNIA-WESTERN STATES LIFE Insurance Company

Home Office - Sacramento

ARLAND R. CONNER  
MANAGER - GROUP SALES

PHONE - (702) 329-2950  
44 MARY ST. - P.O. BOX 3116  
RENO, NEVADA 89501



March 11, 1969

Mr. Keith J. Hendrickson

Dear Keith:

In answer to your question as to what municipality groups do when they have the authority to contribute as much as they desire of the employee and dependent group insurance premium, I have compiled the following data. The following is a random selection of 18 municipal groups of various types located in the State of California.

<u>MUNICIPAL GROUP</u>	<u>Per Cent Employee Premium</u>	<u>Per Cent Dependent Premium</u>
City of Sacramento	100%	0
S. M. U. D.	66-2/3%	66-2/3%
Tulare County	100	0
Orland Water Users	50	0
Pacific Fire District	100	0
Paradise Fire District	100	0
City of Redding	100	75
Redding School District	100	0
Shasta Lake Union Schools	\$3.16	0
Siskiyou County	100	0
Trinity County	50	0
Sacramento City Schools	100	0
San Juan Unified Schools	100	0
City of Alturas	100	100
Lassen County	\$3.85	0
City of Susanville	\$5.91	0
Modoc County	50	0
State of California	\$8.00	0

As you can see, Keith, the contributions bounce around from a bare minimum to 100% of employee and dependent premiums, and I am sure the same

Mr. Keith Hendrickson

Page 2  
March 11, 1969

would be true when this decision is left to any municipal group.

Some of your other questions involved what a 100% contribution would mean to a group now paying a small portion of premium. I have a specific example available--that is, the Washoe County School group. A proposal that has just been presented to the Washoe County Schools would reduce premiums by 12% if the School District paid the entire employee premium. The reasons for this are savings in administrative costs because all employees would be covered and record keeping would not need to be so precise, actuarial assumptions are more valid because selection against the carrier is eliminated, and the complete cross-section of the group is insured; and, of course, the additional volume would account for some of the savings.

We talked about one other area of savings, and again I will use a specific example. The City of Sparks presently insures 140 employees plus virtually all their dependents. Ninety-nine per cent of the group is covered under their present plan. The annual premium is approximately \$50,000. If the City does not participate in the premium and the entire cost is paid by the employee (assuming a top-of-the-tax-bracket rate of 25%) the employees would have to earn \$62,500. to pay the premium. At present the City pays one-half of the employee and dependent premium so only \$56,250. need be earned to pay the annual premium. If the entire premium were paid by the City, the total potential earnings necessary would be the actual premium--\$50,000. This is one of the few areas in which a dollar can buy more when the employer spends it. If we assume that indirectly the taxpayers are going to buy the group insurance benefits for the City of Sparks, the same benefits can be derived for \$12,500. less tax than if we first pay it as salary and let the employees buy their own insurance. This, Keith, is a comparatively simple concept, but I am afraid few people understand it fully.

If you desire additional clarification or have other questions, please feel free to call.

Very sincerely,

*Arland Conner*

Arland Conner  
Manager - Group Sales

AC/pab