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#### **OCTOBER 2015**

#### LOOKING OUT FOR BUSINESS

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# RAN MATRIX—THE LEGISLATIVE AFTERMATH

**O ANALYSIS OF THE 2015** LEGISLATIVE **SESSION OR** 

the Retail Association of Nevada's legislative matrix would be complete without understanding that Question 3 (on the 2014 ballot, known as the margin tax) had more impact on the focus and drive of the legislature than most elected officials.

A multi-million dollar campaign organized by the Nevada Resort Association, the Nevada Mining Association, the Las Vegas Metro Chamber of Commerce, and the Retail Association of Nevada was successful in educating voters on why taxing businesses on their margin would have many negative consequences. Voters shared that opinion by a margin of 4 to 1 (79% no to 21% yes).

 $\Delta//\Delta$ 

Just 72 days later at Governor Sandoval's 2015 State of the State, the governor announced a new chapter in Nevada's history that begins with a tax on Nevada's business' margin. Many say that the two proposals are different and incomparable. However, the campaign to defeat Question 3 was clear: the percent of the tax was irrelevant; any tax

#### By Bryan Wachter

that went after and is based on marginal receipts will have negative consequences to the business community. The economic theory of both proposals is the same.

The New Nevada's "new" commerce tax determined the margin of each business by NAIC codes. Businesses are now paying taxes on a margin of their receipts, not their profit—equivalent to Question 3. In terms of economic viability, the two proposals are identical in theory, practice, and flaws.

The legislature had many proposals to raise the additional billion dollars needed to fund the governor's budget. At the end of May, two proposals were left standing: the governor's "new and improved commerce tax," or AB 464—a proposal to raise the already established and most reliable Modified Business Tax proposed by Assembly Majority Leader Paul Anderson and Assembly Tax Committee Chairman Derek Armstrong.

On May 31st at 8:27 PM, with 27.5 hours left in the session, the Assembly **Republican Leadership** moved and approved a tax conglomerate (SB 483) that included the commerce tax. Because of a credit to the Modified Business Tax, the new tax was estimated to bring in \$80 million. The economist working with Governor Sandoval testified that he thought there was a 25% chance he was wrong.

Unfortunately, due to the support of all Democrats and the questionable support of a majority of Republicans, the very tax theory and practice the voters just heavily weighed in against, became law.

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### LEGISLATIVE AFTERMATH Continued from page 1

The choices the 2015 Legislature made also weigh heavily on the RAN Legislative Matrix. Because of the historical nature of the commerce tax, the feeling that voter preference was ignored, and the inability to debate alternatives, RAN felt it should increase the point value of the final passage vote of SB 483 from 5 points to 15 points.

The graphs on page 6 show that the Democratic averages and the Republican averages in both Houses dropped to their lowest scores ever under Republican leadership. With a Republican control of the Legislature and the Governor's Office, GOP scores had the potential to increase.

As you see on pages 4 and 5, some legislators did score despite their votes on the commerce tax, but many more did not. Even fewer Senators made the cut. You can see the full matrix on our website at **www.rannv.org.** 

It is difficult to reconcile the rhetoric against Question 3 with what is now being said by the same now-elected officials who ignored the warning voters clearly sent in November 2014. RAN does recognize that other opinions exist, however, the intended consequences and the unintended consequences will have a major impact on our businesses—large and small.

You can find more information on the Matrix on page 3.

RAN decided over 10 years ago to implement the Matrix to reflect the voting record of legislators in order to have an honest conversation with our legislators. It was the goal of the association to reward the positive behavior of our elected officials. This association has never advocated for "no taxes" and has always had honest discussions about what was in the best interest of all citizens in Nevada.

We urge you to study the voting record of your legislators—the legislators that represent both where you live and where you do business. Educate your employees about the consequences of legislative actions and how they truly do have an impact on their daily lives. As business owners we must hold our elected officials accountable.

# RAN CEO TO RECEIVE ECONOMIC FREEDOM AWARD



By Amanda Schweisthal

#### ARY LAU, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE RETAIL ASSOCIATION OF NEVADA, WILL BE AWARDED THE ECONOMIC FREEDOM AWARD BY THE KEYSTONE CORPORATION AT THEIR

annual meeting on October 30 th, 2015.

The award honors President Lau's lifetime work on representing business interests while always seeking the highest and best good for the State of Nevada.

"On behalf of the Retail Association of Nevada Board of Directors, I congratulate Mary on this outstanding achievement. She has been a constant voice for businesses, an unyielding force in Nevada politics for decades, and we look forward to her continued success," said Francisco Uribe, Chairman of the Board of the Retail Association of Nevada.

Lau began with the Association in 1983, where she served as secretary/treasurer, and in 1987 took over as President and CEO.

# FORMULA FOR CALCULATING MATRIX SCORES

#### AN HAS PUBLISHED A LEGISLATIVE VOTING

matrix following each legislative session since 2005. This is a valuable tool that we use to evaluate what happened this session and how it compares to past sessions, as well as how to prepare for the upcoming election cycle and future legislative sessions.

Each session begins with a clean slate. Matrix scores are not carried forward from session to session. This allows legislators an opportunity to become more familiar with business issues and vote their consciences.

We do not select the bills that will be assessed on the Matrix until after sine die. At that time, the RAN Government Affairs Team determines the bills that most impact the retail industry as identified by our Legislative Committee's list of priorities. The Matrix reflects a broad range of business issues that presented a clear choice for legislators to protect the business climate or not.

#### **INDUSTRY BILL VOTES:**

This category accounts for 88% of a legislator's

By Lea Tauchen

total matrix score. The twelve bills that appear on the Matrix represent a cross section of our member issues, with general business, general merchandise, grocery and pharmacy issues all taken into account.

For each bill, the scores are based on the final floor vote in either chamber, and not based on votes taken in committee. For 11 of the 12 bills, a score of "5" indicates a pro-business position on a bill while a "0" indicates an anti-business position on a bill. However, for Senate Bill 483, which was the Commerce Tax legislation, a score of "15" is awarded to the pro-business position due to the magnitude of the impact that this bill will have on the retail industry.

A perfect pro-business voting record score is 70 points.

#### PRIMARY SPONSOR BILL INTRODUCTIONS:

This category accounts for six percent of a legislator's total matrix score. The Bill Introductions category scores a legislator on the potential business impact of the bills that they requested as a primary sponsor, regardless of whether those bills Industry Bill Votes (88%)

- + Primary Sponsor Bill Introductions (6%)
- + Accessibility (6%)
  - Sub-Total Points
- + Committee Assistance for Extra Credit

#### 2015 Legislative Session Matrix Score

received a hearing or a vote. Bill Introduction scores range from the lowest possible score of "-5" to the highest possible score of "5", with "0" being a neutral score.

#### **ACCESSIBILITY:**

This category accounts for the remaining six percent of a legislator's total matrix score. The Accessibility category scores a legislator on the work that happens between committee hearings and floor sessions. Having the opportunity to discuss business issues with legislators is crucial to the legislative process. Accessibility scores range from the lowest possible score of "-5" to the highest possible score of "5", with "0" being a neutral score.

#### COMMITTEE ASSISTANCE (EXTRA CREDIT):

This category provides an opportunity for legislators to earn extra credit. The Committee Assistance category scores legislators on their ability to advance pro-business legislation by asking pertinent questions during committee hearings, speaking publicly in favor of such issues, lobbying their colleagues, or providing other assistance. Committee Assistance scores range from the lowest possible score of "0" to the highest possible score of "5".

RAN has determined that an individual legislator's total matrix score of 65% or greater is necessary for us to consider making a campaign contribution for the 2015-2016 election cycle.

Please note that all legislative votes are public record and are available through the Legislative Council Bureau website at **www.leg.state.nv.us.** We encourage our members to research votes on bills of particular interest to them. And contact your legislators to thank them for their support or urge them to do better next session.

Overall, here are the average scores calculated from the matrix:

Assembly	
Average Score:	59.56%
Democrats:	48.46%
Republicans:	67.11%
Senate	
Average Score:	62.72%
Democrats:	50.58%
Republicans:	73.75%
Matrix Scores on pages 19.5	

Matrix Scores on pages 4&5 →





# RAN 2015 MATRIX SCORES ASSEMBLY





# RAN 2015 MATRIX SCORES SENATE



• 5



# HISTORICAL PERSPECTIVE OF MATRIX SCORES





# Nevada Notes

#### NEW STYLE CREDIT CARDS

Patrons may have noticed something different about that new credit or debit card: the rectangular metallic design above the number on the left side.

It's a computer chip that's going to make card transactions a lot more secure than the magnetic stripe everyone is used to.

It has one serious implication for merchants who rely on credit card transactions. Those business operators who don't make the switch to EMV are going to find if they take a bad card, they could be on the hook for the loss instead of the bank or card company.

Although banks and card companies say they've been working to get the word out to their customers, a lot of small business operators say they aren't really aware of the changes and the need to get a chip-enabled credit card machine. And those

changes—including shifting the liability for a bad transaction to the merchant—happen Oct. 1. *Nevada Appeal* 

#### APPEAL OF MINIMUM WAGE RULING

Nevada's labor commissioner says she will appeal the ruling striking down regulations that let Nevada employers count tips as part of employee salaries. Judge James Wilson ruled August 12 employers can't count tips to determine whether workers should get the \$8.25 an hour minimum wage or the lower \$7.25 an hour allowed for businesses that provide health insurance to employees.

Shannon Chambers said this week she wants the ruling stayed while her office files an appeal with the Nevada Supreme Court. *Continued on page 8* 





### FLU SEASON ONCE AGAIN By Liz Macmenamin



role in promoting influenza immunizations will be more difficult this season due to the ineffectiveness of last year's vaccine. The pharmacist is going to be playing a major role in this effort according to CDC Associate Director of Adult Immunizations Carolyn Buxton Bridges, M.D., speaker at the National Association of Chain Drug Stores Total Store Expo. She believes they will be the "key partners" in generating public awareness and compliance.

The pharmacy and pharmacist is not only convenient and timesaving

for the patients, they have also proven they have the ability to maintain the "management and distribution systems" according to Dr. Bridges.

Nevada was a pioneer in implementing a reporting system for the pharmacy through the regulatory process. The state established a website, WebIZ that enables officials to have access to information regarding the rates and patient information on those that have received the immunizations.

The Nevada Board of Pharmacy "...prepares an annual report concerning immunizations administered by pharmacists that includes, without limitation, the number of immunizations which were administered by pharmacists during the previous year, any problems or complaints reported to the Board

concerning immunizations administered by pharmacists and any other information that the Board determines would be useful in determining whether pharmacists should continue to administer immunizations in the State." according to information in a legislative report the Board of Pharmacy filed in 2012.

Employers in Nevada should consider educating their employees about the benefits of the flu vaccine and, as soon as the vaccines become available, encourage them to obtain this vaccination. The

: more employees



immunized, the healthier your work force and the less chance of any type of internal pandemic within your business with the possible result of a more productive winter for everyone.

### MORE PROPOSALS FOR MORE COPS By Amanda Schweisthal

#### ISTORY SEEMS TO REPEAT ITSELF

at the Clark County Commission. The 2014 Legislative Special Session approved authority for a 0.15-percent increase in Clark County sales tax to hire more cops.

The law requires the County Commissioners to enact the tax. However, neither Commissioner Tom Collins' full-percentage proposal nor Commissioner Susan Brager's alternative 0.075-percentage proposal received the five-out-of-seven votes, which are required to pass.

Eight days after Commissioner Tom Collins' surprise resignation, and Governor Sandoval's appointment of former Assembly Speaker Marilyn Kirkpatrick to replace Commissioner Collins, a compromise version surfaced with a 0.05-percent increase, and passed the Commission on September 1, by a 6-1 margin. Commissioner Chris Giunchigliani, the sole "nay" vote, cited her concerns with the regressiveness of sales taxes and hopes to look at alternative "broad-based revenue systems" in the future. The tax, effective January 1, 2016, will raise the county's sales tax rate from 8.1 percent to 8.15 percent, and is scheduled to sunset in 2025. It is estimated to raise \$19.4

million each year.





# NEVADA BOARD OF PHARMACY **REGULATORY HEARING**

#### By Liz MacMenamin

#### HE BOARD OF PHARMACY **BEGAN WORKSHOPS**

on September 4, 2015, on regulations to address the use of Naloxone, an opioid antagonist, which was part of Senate Bill 459 addressing prescription drug abuse. Board staff brought forward language to initiate the conversations to discuss the intent of this bill.

Elyse Monroy, Health and Human Services Policy Analyst for Governor Sandoval, was able to enlighten the board on the intent of SB 456 and to help with crafting the language.

One of the comments by Ms. Monroy was that the Governor never intended that a doctor would have to write a prescription for a pharmacy to be able to

provide this medication. It was her suggestion that all barriers be removed from someone being able to obtain this medication, whether it is the drug addict, a family member of the addict, or a friend of the addict. She believes the intent of the legislation was to enable anyone to obtain this medication. The discussion also included removing the

reporting requirements,

#### as this was also problematic.

Paul Edwards, the attorney for the board, will take the comments and recommendation of the board, and public comments and rewrite the regulation. He will bring this back to the board at the next meeting in Las Vegas on October 14th and 15th.

### NEVADA NOTES Continued from page 6

The amendment approved in 2006 allows businesses to pay the lower minimum wage if they offer their workers health insurance coverage for no more than 10 percent of the worker's earnings.

He also ruled employers can't simply offer insurance that the worker must accept it

before the business can pay the lower wage.

Nevada Appeal

#### **COLD COFFEE HEATS UP** LAS VEGAS SALES

For U.S. coffee shops, business usually cools down as the weather heats up.

However, Americans' year-round thirst for cold coffee has been rising

for years.

Last year, they consumed 90 million gallons of ready-to-drink coffee beverages. This resulted in a 52 percent rise from 2009, data from Beverage Marketing Corp. show.

The amount of venues serving iced coffee in the U.S. rose from 19 percent in 2009 to 24 percent in 2013, data from market research

firm Mintel show.

Traditional iced coffee is brewed the same way as regular coffee — via hot dripping.

Hot dripping requires fewer beans because the heat extracts more flavors from them than steeping. At one coffee shop,

ice coffee has a 65-cent difference.

Las Vegas Review-Journal

# National Notes

#### WALMART TO STOP SELLING **SEMIAUTOMATIC** RIFLES

Walmart said that it will stop selling militarystyle semiautomatic rifles, including AR-15s due to

slumping demand. A spokesman said they want to serve people who hunt and fish and have a great sporting goods department.

Generally speaking, gun sales have been strong this summer. The Federal Bureau of Investigation conducted 1.6 million background checks in July for all gun sales, not just semiautomatic weapons. That's up from 1.4 million total checks in July of 2014.

Background checks aren't a direct indicator of gun sales, since they are not required for some sales at trade shows and between individuals-but they are a good barometer for the market. CNNMoney Continued on page 9





### NATIONAL NOTES Continued from page 8

#### SHATTERPROOF WINDOW FOILS EFFORT TO STEAL... FAKE IPHONES

The security camera was angled away from the display window, but it picked up the sounds of banging moments later. The would-be burglars did not know that the glass was shatterproof. After many strikes with decorative bricks that had been beside a sidewalk tree, they gave up and left.

A window that looked breakable but was not had stopped them from stealing iPhones that looked real but were not. The plan was to replace the window, but that quickly became expensive and complicated by the fact that its frame is embedded in the wall. And the new look is getting a lot of attention. The owners might just cover it with film to prevent anyone from cutting himself or herself on the glass and leave it at that.

#### NONSTOP STANDING AT WORK MAY CAUSE MUSCLE FATIGUE

Many pharmacists are required to work on their feet for long hours, but that can have serious health consequences similar to sitting.

Previous research has linked prolonged standing in the workplace to reports of short-term fatigue, backache, and leg muscle pain. Now, there is evidence of a long-term effect on muscles, which could contribute to back disorders.

Researchers recently examined 26 individuals from 2 different age groups—18 to 30 years, and 50 to 65 years—who all simulated a standing workday for 5 hours, including 5-minute breaks and a 30-minute lunch.

The results of the MTF tests showed a "significant fatigue effect" from the prolonged standing work. This persisted for more than 30 minutes after the end of the simulated workday.

Because they found no evidence of muscle fatigue after 2 hours of standing with a 5-minute seated rest in between, the researchers suggested that this standing duration would be acceptable in a workplace, but 5 hours of standing would pose health risks.

Pharmacy Times

# CREATE A WINNING BUSINESS PARTNERSHIP By Barbara Wold

#### ODAY'S SMART BUSINESS OWNERS UNDERSTAND

that the sharing of ideas and resources among likeminded businesses can lead to newfound success. Develop and plan for longterm partnerships that will help grow your business for years to come.

The opportunities for these kinds of partnerships are endless. No matter what kind of business you're in, you share customers with other businesses. Find yourself a business buddy or two and you'll pass those customers around and keep them in your local shopping district and community.

A business partnership can be a positive experience, so consider the following:

# • Have The Same Vision:

For a partnership to be successful, all parties involved must agree on the same strategic direction of the companies. Set a clear agreed course for the businesses that meets the needs of all partners.

#### • Define Business Roles:

A winning business partnership capitalizes on the strengths and skills of each partner. Divide business roles according to each individuals strengths. E.g. one partner may be strong in marketing, operations and finance, the other sales, human resources and leadership.

#### • Hold A Monthly Partner Meeting:

A strong business

partnership is built on an open communicating relationship. Meet on a monthly basis to share grievances, review roles and go over new ideas. Building a small business can be more rewarding and profitable in a partnership environment. Consider a business partnership when you have someone to compliment your skill set and add value to your company. Partnerships can work when the right foundation is laid in the beginning.



### **Important Information for SIG Members**

NRS requires all existing members of a self-insured group to be notified of all new members. NRNSIG new members are listed below.

Autism and Behavioral Consulting Services

Best Defense LLC dba Clean Works Mobile Media Blasting

Infinity Support Providers, LLC

Pic N Save Auto Recyclers Inc

Pro West Logistics LLC

Smart Cleaners LLC

**NRNSIG** members who wish to register a negative vote on a new group member, please write NRNSIG at 575 S. Saliman Road, Carson City, NV 89701, indicating which member and the reason(s) for the negative vote.





# **GRUMPY IN THE AFTERNOON** By James Larsen

Vour problems at the door"

your problems at the door." Raise your hand if you've ever said this to an employee. Raise your hand if it's ever been said to you.

Customers, coworkers, and bosses need to experience employees who have their emotions under control, at least the outward signs of emotion. If a person is angry, we expect to see a calm, reasonable exterior. If a person is frustrated, we expect to see calm, steady actions that mask the inner turmoil. We need people to stay in control of themselves, and generally, they do, but it's work. We call it emotional labor.

Researchers have devised a theory that explains this process of feeling one way and acting another. It's called resource-based selfregulation. It proposes that at any given time, individuals have a finite amount of energy available to regulate their emotions. When energy reserves are high, a person can successfully manage their outward expressions of emotion. When reserves are low, they have trouble. Emotions may leak out and betray themselves in outward actions, like

displaced aggression, e.g. hostile actions taken toward available or safe targets rather than directed to the source of the provocation.

Yihao Lin from the University of Florida is interested in resourcebased self-regulation. Recently, she made predictions based on the theory, and she tested them in the workplace.

Lin began by considering everyday events that would draw down energy reserves. High on her list was work/ family conflict. Most of us find it difficult to balance our roles in our families and in our work. and often, when they conflict, it prevents us from being good at both roles, and that's upsetting. Workplace interpersonal conflict also draws on resources, i.e. when strains must be endured and slights ignored while inner ruminations scream to retaliate. Finally, environmental factors like temperature, noise, and interruptions can also nag at a person and tax limited resources.

Considering all these factors, Lin made two sets of predictions. First, she predicted that people who manage emotions associated with work/ family role conflicts would run out of energy by midafternoon, and then, they would be more likely to act aggressively toward coworkers, supervisors, and customers. We call this being grumpy, sharp, or snappy. Lin also predicted that interpersonal conflict at work and environmental irritants would add to the drain of energy making afternoon displaced aggression even more likely. In her examination of these predictions in a typical workplace, she found that she was right. Further, she predicted that employees who run out of energy in the afternoon would also be more likely to exhibit displaced aggression after they leave work, when they get home to their families. Once again, Lin found that she was right.

Second, Lin predicted that manager actions that create a sense of support in work/family role conflicts would lessen the energy required to manage emotions thereby making mid-afternoon emotional exhaustion less likely and displaced aggression less frequent. Once again, when she investigated, she found she was right.

So, are you grumpy in the afternoon? Are your people? If so, Lin suggests you find ways to be supportive to your people in work/family role conflicts. It's probably the underlying cause. Focus on ways you can help people meet family demands and fulfill family duties such as childcare assistance, dependent care, and elder care assistance. Also, anything you can do to reduce workplace interpersonal conflict and environmental annoyances will help.

Displaced aggression can be discouraged, and it's so bad for business that steps we can take to reduce it would be a wise investment.

Reference: businesspsych.org

## UPCOMING EVENT

NRF Retail Big Show

"RETAIL IN A BIG WAY" Annual Convention

Jan. 17–20, 2016

> New York City, NY



### NEVADA NEWS

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## WASHINGTON RETAIL INSIGHT DOL REFUSAL TO EXTEND OVERTIME DEADLINE 'ASTOUNDING'

#### HE NATIONAL RETAIL FEDERATION ISSUED THE

following statement from Senior Vice President for Government Relations David French on the Labor Department's decision to move forward with the Obama administration's proposal to expand overtime, denying requests from business groups for an extension to the comment period:

"Today's announcement by the Department of Labor that it will not extend the comment period for a flawed proposal that has such broad, negative implications for retail businesses large and small across America is astounding. However, no one should be surprised when you consider this administration's continued assault on business in deference to their friends in organized labor.

"Make no mistake, this is not good policy for job growth and building a middle class. This is purely driven by a political agenda that will ultimately cost jobs, slow the economy and shutter Main Street businesses that cannot afford mandate after mandate written behind closed doors and handed down by a federal bureaucracy that doesn't understand how to run a successful enterprise, earn a dollar rather than tax one or even balance a budget..."

NRF said in July that the overtime proposal was too complex for businesses to respond by the DOL's deadline, set for Friday, and asked for an extension until November.

A study conducted for NRF by research firm Oxford Economics found that the proposal, which would grant overtime eligibility to workers making up to \$970 a week rather than the current \$455 a week, would cost the restaurant and retail industries alone \$8.4 billion a year in added wages if fully implemented.

But the study said many employers would offset most of the cost by reducing hours or benefits or using more part-time workers. Nonetheless, employers would see an estimated \$745 million in administrative costs even if workers saw no increase in take-home pay.

A separate survey conducted for NRF by the firm GfK found the majority or retail managers oppose the changes, saying that becoming hourly workers would undermine their ability to lead by example.