



# THE DESTINY OF THE 2017 LEGISLATIVE SESSION

By Mary Lau

**T**HE 2017 REGULAR LEGISLATIVE SESSION HAS, AS OF THIS WRITING,

27 days before it ends at midnight on Monday, June 5, 2017. All participants, be they elected, appointed or employed to work in "the building" during this time, know that once the mid-session Economic Forum puts out their numbers the real session starts. Meetings become more intense, deals become more certain and policy discussions move from the halls and committee rooms to the back rooms for fine-tuning.

To date, there has been 1215 Bill Draft Requests, and while ignoring the various types of resolutions and Initiative Petition 1, the Assembly had 513 bills and the Senate had 542 bills introduced. During the build-up to what is referred to as the "end game," there have been some pretty rough times on both sides of the aisle. Legislators have been largely partisan and there has been a lot of posturing, pontification and just plain mean-spirited behavior that leadership on both sides had to work to overcome,

and figure out how to work together in a bi-partisan manner to determine the political outcome of this session.

This is also Governor Sandoval's final legislative session -- a session which is commonly referred to as a lame-duck session. This would be a very bad misnomer for how Governor Sandoval has approached this final session for him. His demeanor this session would more accurately be known as his "legacy session." He was serious enough about his 2015 agenda for Nevada to hold every legislator's feet to the fire to pass the Commerce Tax after the voters turned it down. So it is safe to trust that this session he is serious enough to also veto bills, insist his over-all vision be adopted and those overarching policies be put in statute.

The 2016 Election saw a turnover in Legislative leadership from Republican to Democrat in the Assembly and the Senate, and a need to educate new lawmakers. It wasn't quick. They had to be taught by the more experienced leaders to determine policies that were

of value to the public versus policies that special interest groups convinced them would be great to pass for their wish lists.

Democrat leadership recognized the trend in time, and loathed the mantle of the most unfriendly-to-business legislative session ever, coupled with the soft- on-crime label, and it almost became too much to overcome. Legislators consider policy through the microscope of re-election and also political career advancement. Thus, it

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# FORECASTING THE BUDGET

By Amanda Moss

## THE ECONOMIC FORUM IS REQUIRED TO MEET FOUR

times every two years to help the governor prepare his budget proposal that will be introduced in the coming weeks.

On Monday, May 1, 2017, the five-member panel projected the anticipated major revenue funds that support the General Fund including: sales and use tax, gaming revenues, insurance premium tax, modified business tax, cigarette tax, live entertainment tax, real property transfer tax, and the commerce tax.

The news was optimistic: "...although Nevada was one of the hardest hit states in the nation during the recession, we've bounced back just about better than any state," said Forum member Ken Wiles.

The Forum added \$44.2 million for the remainder of this biennium, and over \$93 million for the 2018-2019 biennium. This puts the General Fund revenue projections at \$3.9 billion for the remainder of this fiscal year and \$8.3 billion for the next biennium respectively.

However, much of the \$44.2 million in additional dollars has already been spent on higher-than-

anticipated costs, of which, \$22 million is earmarked for the unexpected increase in K-12 student enrollment for the 2015-2016 and 2016-2017 school years.

See below a breakdown per revenue stream:

### SALES AND USE TAX

Sales tax is the largest single contributor to the General Fund, accounting for about 30 percent.

Although sales tax has historically performed at or above projections, the panel reduced their projections by \$1.6 million. This is due to the discrepancy of higher taxable sales but lagging collections. Russell Guindon, fiscal division analyst of the Legislative Counsel Bureau, attributes this to the Tesla sales tax exemption.

Taxable sales are up 6.4%, and will account for over \$2.3 billion of General Fund revenues. Once the Tesla exemption phases out, and projects like the Raiders' stadium and convention center expansion begin construction, taxable sales collections are likely to go up in the next biennium.

### GAMING REVENUE

Gaming taxes are the second largest source of general fund revenue at about 18 percent. Revenue is projected to rise in the next biennium, and

the Form increased their December forecast by \$17.9 million. The increase is due to a number of factors, including stronger wage growth, which drives up slot play.

### INSURANCE PREMIUM TAX

The insurance premium tax makes up 9.4 percent of General Fund revenues. The Economic Forum raised their December projection by \$18.3 million. However, there is much uncertainty surrounding federal policies and President Trump's healthcare reform act, which are likely to raise premiums.

### MODIFIED BUSINESS TAX

The modified business tax, also called the payroll or "head" tax, accounts for 13 percent of General Fund revenue. Chief Economist of the Department of Employment, Training and Rehabilitation Bill Anderson says wages are increasing, and the state is anticipated to add roughly 33,000 additional jobs by 2019. This leads MBT projections to increase as well, by about \$23 million more than the December forecast.

### LIVE ENTERTAINMENT TAX

The gaming side of the live entertainment tax

accounts for about three percent of general fund revenues. It is expected to increase by about three percent each year, but the Economic Forum reduced its forecast by \$6.5 million because of reforms passed in the 2015 legislative session. The tax is now projected to yield over \$210 million in the upcoming biennium.

However, the non-gaming side of live entertainment tax entities is likely to continue to increase, as the restructuring of the tax now captures events such as Burning Man, the Electric Daisy Carnival, and events held at the T-Mobile arena.

### CIGARETTE TAX

The 2015 Legislature under then-Senate Majority Leader Roberson increased the cigarette tax by 80 cents per pack to \$1.80/pack. The tax is expected to produce about \$350 million in the 2018-2019 biennium, but all three economists presenting projections to the panel agreed this number is going to continue to decline. Some credit the only slight decline to Californians coming into the state to buy cigarettes in bulk after their tax increase was effective this April, but others believe the decrease will increase

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# CHANGING THE FACE OF HEALTHCARE IN NEVADA

By Liz MacMenamin

## WITH CONGRESS LOOKING AT THE

Affordable Care Act and making decisions regarding other healthcare issues, the National Association of Chain Drug Stores (NACDS) commissioned an opinion poll to be done nationwide and broken down by states to ascertain the public perception of pharmacists. The pollster they used was Public Opinion Strategies, one of the nation's leading public opinion research firms. The poll was conducted in November 2016.

The results of this poll in Nevada were not surprising and reaffirm Gallup's annual Honesty and Ethics survey that determined that a pharmacist is ranked second only to nurses among all professions.

This finding has been consistent for the last few years.

NACDS's poll revealed that 86% of voters in Nevada say pharmacies are easy to access and 74% of the voters have visited a pharmacy in the past 12 months. The findings also showed that 78% of the voters believe in the credibility of a pharmacist on how the assist them in saving money on their prescription drugs. This finding is even higher than doctors (72%) and hospitals (58%).

A pharmacist has extensive education and training that enables them to help a patient improve their health and their quality of life. The poll showed that the voters support health tests (86%), such as blood pressure; immunizations (84%); tests for flu or strep throat (80%); and helping with managing illnesses like diabetes (79%). Source of poll information: NACDS report to members.

The pharmacist helps a patient use their medications

safely and effectively by taking the medications as prescribed and educating a patient on drug information. A pharmacist can provide immunizations to patients in Nevada currently and there is pending legislation that will allow a pharmacist to collaborate with a physician to also help manage disease states, engage in drug therapy management and perform point of care testing (e.g. Flu, Strep). RAN is working with legislators to allow Nevada will soon join other states that permit a pharmacist to utilize their education and training. The pharmacist will be recognized an accessible partner in the patient healthcare team.

2017 Legislation to follow: **Senate Bill 260** is the enabling legislation that would allow a pharmacist to work in collaboration with a physician, under a collaborative

agreement, to perform point of care testing to address chronic disease states and assist a patient in their drug therapy management.

This bill was sponsored by the Senate Committee on Commerce and Labor at the agreement of Chairman Kelvin Atkinson. It passed unanimously out of the Senate with the agreement to physicians that their concerns would be addressed in the Assembly. RAN worked with the medical community on language and presented new amendments when the bill was presented in the Assembly Committee on Commerce and Labor. Chairwoman Irene Bustamante Adams has worked closely with RAN and the providers to create good public policy with these changes.

At the time of this article, this legislation is slated to be

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## DESTINY *Continued from page 1*

took a while to turn the ship around as much as practicable, and to change the reputation and perceived outcome of this legislative session.

Leadership and Committee Chairs have worked with the various groups, and continue to do so to continue

the fine-tuning. RAN's team of professionals is privileged to work with the legislators and participate in meetings that have helped to amend and work on making bills of concern more business-oriented and less onerous. Included in this edition of Nevada News are some of

the bills that your team has worked on. RAN has never been an organization that rests on NO, and works proactively with all interested parties.

Ralph Waldo Emerson has a very famous quote, which reads: "The only person you are destined to become is the person

you decide to be". It would appear that the majority and minority leaders, along with this Governor, have decided the destiny (paraphrasing, of course) of this session isn't going to be one of strife and bitterness. ■



# DO YOU SELL GIFT CARDS?

By Lea Tauchen

## EXISTING LAW REQUIRES THAT IF A BUSINESS ISSUES A GIFT

certificate or gift card that expires on a certain date, the expiration date must be printed plainly and conspicuously in 10-point font on the front or back of the certificate/card so that it is readily visible to the buyer before they purchase it.

However, there is a proposal that will ban the use of expiration dates. Assembly Bill 287,

sponsored by Speaker of the Assembly Jason Frierson, will make it a deceptive trade practice for a person, in the course of their business, to issue a gift certificate or gift card that expires on a certain date. Read the bill language at: <http://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB287.pdf>

Additionally, Assembly Bill 361, sponsored by Assemblyman Richard Carrillo, proposes to require that for a free

gift certificate or gift card offered as part of a promotion or incentive AND redeemable only by mail, the expiration date of the offer must be in 12-point bold font on any brochure, leaflet, pamphlet, packaging, advertisement or other written material provided to the customer.

Read the mock-up bill language at: <https://www.leg.state.nv.us/App/NELIS/REL/79th2017/ExhibitDocument/OpenExhibitDocument?exhi>

[bitId=32263&fileDownloadName=AB361%20R1%204350%20V1%20MockUp.pdf](https://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB361%20R1%204350%20V1%20MockUp.pdf)

RAN will provide an update on these measures as the legislative session progresses. For questions or comments on gift certificates/cards, please contact Lea Tauchen at [lea@rannv.org](mailto:lea@rannv.org). To learn more about the Nevada Legislature or to watch live committee hearings, visit [www.leg.state.nv.us](http://www.leg.state.nv.us).

# BILLS SENT TO THE GRAVEYARD

By Lea Tauchen

## AT THIS POINT OF THE LEGISLATIVE SESSION,

we have moved beyond two major deadlines. April 14 marked the first house committee passage deadline and April 25 marked the first house passage deadline.

All bills that are not exempt, must have passed out of their house of origin (either the Assembly or the Senate) or they are considered "dead." However, we continue to monitor these topics because they can be amended into other bills that remain alive or they can be reintroduced as

emergency measures by leadership.

Here is a list of business-related bills that will not be moving forward:

● **AB149:** Revises provisions relating to non-compete provisions in employment contracts.

● **AB 178:** Revises provisions concerning employment discrimination.

● **AB313:** Enacts provisions governing geolocation information.

● **AB344:** Establishes provisions related to the use of certain plastic bags.

● **AB394:** Revises provisions governing the use of sick leave by

employees in certain private employment.

● **SB82:** Revises provisions relating to employment and trade secrets.

● **SB157:** Revises provisions governing the payment of compensation for overtime and the requirement for a 30-minute meal period.

● **SB222:** Provides that certain non-compete provisions in employment contracts are void and unenforceable.

● **SB275:** Revises the penalties imposed for certain crimes (commercial burglary).

● **SB395:** Makes various changes relating to

the cybersecurity of critical infrastructure.

● **SB431:** Revises provisions relating to civil actions (comparative negligence).

● **SB495:** Provides for certain causes of action against employers.

May 19 will be the second house committee passage deadline and May 26 will be the second house passage deadline.

The 79th Session of the Nevada Legislature will conclude, or sine die, on June 5. To learn more about the Nevada Legislature or to watch live committee hearings, visit [www.leg.state.nv.us](http://www.leg.state.nv.us).



# ENERGY BILLS

By Amanda Moss

## ON THE NOVEMBER 2016 BALLOT WAS THE

Energy Choice Initiative to create a de-regulated energy market with multiple players.

Due to the overwhelming support of voters, the Governor has established an energy commission responsible for preparing for the potential drastic change in the state's energy market. Here are some energy bills the Retail Association is following:

● **AB 206:** Assembly Bill 206 revises provisions relating to the renewable portfolio standard, and is sponsored by Assemblyman Chris Brooks, who is an energy consultant, as well as the chairman of the Energy Subcommittee of the Assembly Committee on Commerce and Labor. AB 206 declares that the state of Nevada must encourage and accelerate the development of renewable energy projects, and become a leading producer and consumer of clean energy by at least 80% by 2040.

Most of the energy bills introduced this session were exempt from any and all deadlines, and AB 206 is no different. As of

publication, the Assembly Committee on Commerce and Labor has yet to vote on the measure, which still needs to pass the Assembly before it can be considered in the second House.

● **AB 223:** Assembly Bill 223 revises provisions relating to energy efficiency programs, and is sponsored by Assemblyman William McCurdy II. AB 223 requires cost-effective energy efficiency programs to be established and requires the Public Utilities Commission to establish a plan directing at least five percent of the expenditures of the approved energy efficiency plan toward energy efficiency programs for low-income customers.

As of publication, AB 223 passed out of the full Assembly unanimously, and has been heard in the Senate Commerce, Labor and Energy committee. The Senate is likely to pass the bill by a similarly widely supported fashion.

● **AB 270:** Assembly Bill 270 revises provisions governing net metering, and is sponsored by Assemblyman Justin Watkins. Existing law requires each electric utility in the state to offer net metering to customer-generators operating in the service territory of the utility until the cumulative capacity of 235 megawatts is reached. After capacity is reached, each utility must offer net metering at a set tariff amount approved and regulated by the Public Utilities Commission.

AB 270 requires each electric utility to offer net metering to customer-generators operating in the service territory of the utility under the pre-2015 tariff, rate, and charges amounts. Section 2 of the bill provides that if the customer-generator is billed at a time-of-use rate schedule (peak load times), any excess electricity carried forward is transferrable. RAN has been working with the Nevada Resort Association and other stakeholders on a friendly amendment. This language is not yet available, but will likely address all of the business community's concerns with the original language of the bill. As of publication, the bill is

still in the Assembly and will likely move through the process quickly with no opposition when the amendment becomes available.

● **SB 150:** Senate Bill 150 revises provisions related to energy efficiency programs, and is sponsored by Senator Spearman. SB 150 would require the Public Utilities Commission to establish annual goals for energy savings resulting from the implementation of energy efficiency programs. The bill passed out of the Senate unanimously, and is currently waiting for a vote in the Assembly Commerce and Labor committee. We do not anticipate the bill, as amended, to have much, if any, opposition.

● **SB 392:** Senate Bill 392 revises provisions relating to energy, and is sponsored by Senator Denis. The bill requires the Public Utilities Commission to establish standards for the operation of

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# Nevada Notes

## NEVADA MARKETPLACE FAIRNESS RESOLUTION

A Nevada lawmaker is pushing the Legislature to support the Marketplace Fairness Act, a piece of federal legislation that could come up again this year.

Sen. Joyce Woodhouse, D-Henderson, has been encouraging fellow lawmakers since at least 2013 to urge Congress to pass the national measure allowing taxes to be collected on local sales by out-of-state retailers.

Opponents say it would be difficult to implement based on states' varying tax codes, while supporters call it a method of putting lost sales tax dollars back into state budgets.

Gov. Brian Sandoval supports the Marketplace Fairness Act, one of several efforts in Congress that have sought to solve the issue of states missing out on taxes from online sales.

LV SUN

*(Editor's Note: RAN Senior Vice President of Government Affairs Bryan Wachter spoke in favor of SJR5, the Resolution that upon passage will be sent to Congress. Wachter pointed out the unfairness of stick and brick retailers paying the state sales tax while online companies avoided the tax. "We support S.J.R. 5 and*

*have for many years. I want this resolution to encourage the House of Representatives to pass this measure," he said.)*

## MORE SALES DAYS? NEVADA MAY SOON RECOGNIZE INDIGENOUS PEOPLES DAY

A bill establishing Indigenous Peoples Day passed the Legislature sending the measure to Gov. Brian Sandoval for his review.

SB 105 would establish Aug. 9 as Indigenous Peoples Day, which the United Nations has designated as the International Day of the World's Indigenous Peoples.

Another bill seeking to designate May 18 as a day to recognize the contributions to Nevada from Asians and Asian-Americans is scheduled to be passed out soon.

Columbus Day will remain the same.

LVRJ

## 25 YEARS OF LUXURY SHOPPING ON THE STRIP

The Forum Shops opened in a Las Vegas with few options for luxury shopping. They were created to be not just a mall but an "experience." People didn't just beeline from store to

store, but could wander, gazing at the ever-blue Mediterranean sky, ancient Roman facades and the animatronic Atlantis show.

And for those with the means, the Forum Shops became a playground unlike any other in Las Vegas at the time. Despite the fact that it only sold women's wear, the Escada boutique had a men's lounge, for accompanying husbands.

While luxury initially defined the Forum Shops, they have become a destination for all budgets. Brick-and-mortar stores across the country have lost sales to Internet retailers; stores on the Strip have been mostly shielded from that trend because of the nature of tourists' spending habits.

Sixty-nine percent of visitors spent money shopping in 2016, up from 58 percent in 2012, according to the Las Vegas Convention and Visitors Authority's annual visitor profile study. Shopping continues to cement itself as a quintessentially Las Vegas attraction.

LVRJ

## NEVADA LEGISLATURE INTRODUCES INTERNET PRIVACY BILL

Legislative leadership introduced a bill they say is designed to strengthen Internet privacy

protections.

They said SB538 simply requires consumers be notified when their personal information is being collected online. The bill would allow the Attorney General's office to bring a civil action against Internet sites or service providers for violating the rules.

*Nevada Appeal*

## \$5 MILLION TO FIGHT AGAINST OPIOID ABUSE

Nevada received notice from United States Health and Human Services (HHS) Secretary Tom Price, M.D. that Nevada will receive a \$5,663,328 grant to combat opioid addiction. The funding, which is the first of two rounds provided for the 21st Century Cures Act, will be provided through the State Targeted Response to the Opioid Crisis Grants administered by the Substance Abuse and Mental Health Services Administration (SAMHSA).

Governor Sandoval thanked the Trump Administration, specifically Secretary Price and the members of Nevada's federal delegation who supported the 21st Century Cures Act.

In August 2016, Governor Sandoval and First Lady

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# MARIJUANA LEGISLATION

By Amanda Moss

## RAN IS FOLLOWING MARIJUANA CLOSELY

this session. Voters legalized recreational marijuana through an initiative petition in the November 2016 election, and lawmakers and stakeholders are working together to regulate and tax the product that can legally be sold on July 1st.

RAN is involved from a public safety and Human Resources/workers' compensation perspective, but remains neutral on the product itself. Here are some marijuana bills being followed through the process:

● **AB 135:** Assembly Bill 135 revises provisions relating to prohibited acts concerning the use of marijuana and the operation of a vehicle or vessel, and is sponsored by the Assembly Committee

on Judiciary. AB 135 removes the use of a person's urine to test for specified amounts of marijuana and marijuana metabolite when a person is in physical control of a vehicle. Instead, the amount of marijuana and marijuana metabolite in a person's system must be measured through a blood test. The First Reprint of the bill deletes the saliva test in Section 4.

The bill passed out of the Assembly on a 34-4 vote, and as of publication, has not yet been scheduled for a floor vote in the Senate. We anticipate it passing as is.

● **AB 135:** [https://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB135\\_R1.pdf](https://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB135_R1.pdf)

● **AB 463:** Assembly Bill 463 revises provisions relating to the taxation of marijuana, and is sponsored by

Assemblyman Araujo. Existing law imposes a 2% excise tax on the wholesale price of marijuana, edible products, and marijuana-infused products and a 15% excise tax upon each wholesale sale of marijuana by a marijuana cultivation facility. Section 2 of this bill eliminates the excise tax, and Sections 3-6 limit the county and city licensing fees. The bill was passed out of the Assembly Committee on Taxation on April 13th, but has not yet been voted on in the first House. The bill is declared as exempt.

● **AB 463:** <https://www.leg.state.nv.us/Session/79th2017/Bills/AB/AB463.pdf>

● **SB 508:** Senate Bill 508 imposes an excise tax on sales of marijuana and related products by a retail marijuana store, and was sponsored on

behalf of the Office of Finance in the Office of the Governor. Section 9 of the bill imposes the 10% excise tax the Governor proposed in his State of the State. This bill, is part of the Governor's budget.

There are a few other bills moving through the process to tax marijuana products, but this will likely be the vehicle for the tax. As of publication, the bill is currently in the Senate Finance Committee.

● **SB 508:** <https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB508.pdf>

If you have any questions about marijuana legislation or how the legalization of recreational marijuana may impact your business, please contact Amanda Moss at **775-720-6869** or [amanda@rannv.org](mailto:amanda@rannv.org).

## ENERGY BILLS *Continued from page 5*

community solar gardens, which is done in many states across the nation. This is a priority energy bill for the Retail Association of Nevada because it would benefit our large anchor members, as well as small businesses and residents in these community

gardens. According to the amended version of SB 392, a subscriber to the community solar garden will receive a credit on their monthly utility bill and utilities are required to purchase any unsubscribed electricity produced by a community

solar garden. As of publication, the bill is currently awaiting a vote of the full Senate.

● **SB 392:** [https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB392\\_R1.pdf](https://www.leg.state.nv.us/Session/79th2017/Bills/SB/SB392_R1.pdf)

If you have any questions about energy legislation or how the Energy Choice Ballot Initiative passage in 2018 may impact your business, please contact Amanda Moss at **775-720-6869** or [amanda@rannv.org](mailto:amanda@rannv.org).



# TAKE BACK DRUG UPDATE

By Liz MacMenamin

**T**HE STATEWIDE COALITIONS, IN CONJUNCTION WITH THE DEA,

held their semi-annual Take Back Drug Day on Saturday, April 29, 2017. Community locations were furnished by members of the Retail Association of Nevada (RAN), that enabled citizens to have a safe place to drop off their unused prescription drugs.

As of publication, the only statistics that RAN has access to is the Washoe County Round Up. These totals show that there

is still a great need for this program. The overall count of pills collected on this day was 224,416 pills. These pills are separated into four categories; opiate, depressants, stimulants and "other". The total pills counted since the inception of this program in October of 2009 is 2,376,893 pills.

The DEA is tasked with the oversight of the Take Back locations and the disposal of all these unused medications. They weigh all the drugs once they collect them and

report the total poundage collected. They have reported that Washoe County collected a total of 3,917 pounds.

The program in Washoe County depends on pharmacists and pharmacy technicians to volunteer their time to count the pills as they are dropped off. There are others who also volunteer their time to greet the public dropping off their medications and to help educate them on safe disposal options available at all times. The

prescription drug return also depends heavily on those members of law enforcement that help maintain the safety and integrity of the program; Reno PD, Sparks PD, and Washoe County Sheriff's office.

Everyone involved also depends on the generosity of those retailers that not only donate the space to set up, but have provided food and drink for those that volunteer. Congratulations Washoe County for another successful drug round up! ■

# HAPPY: VIVID OR AUTHENTIC?

By James Larsen, Ph.D.

**C**USTOMERS ARRIVE AT OUR BUSINESSES WITH A MIX OF

emotions, some positive and some negative. When they leave, we want them to leave feeling better. We want them to feel happy. This can happen in two ways. First, we want them to be happy with their purchase. Second, we want them to be happy with the interpersonal encounter they had with our customer contact people.

With product delivery, we establish standards at milestones and we monitor them. Interpersonal encounter delivery is emotional labor that is accomplished by a single individual, the employee who

waits on the customer.

Once standards for product quality are satisfied, important decisions about future purchases in this category of product or service rests entirely on the interpersonal encounter delivered by the customer contact employee. Success or failure of the business rests on this foundation.

Interpersonal encounters in business settings are of interest to Ze Wang of the University of Central Florida. In a recent study, he focused on happy, and he narrowed his investigation to happy vivid and happy authentic.

Happy vivid is happiness displayed unmistakably by smiling a lot, smiling broadly, making eye contact, listening,

greeting the customer, and so on. Happy authentic is displayed when there is agreement between inwardly held emotions and outward expressions of emotion. Eyes often betray a person trying to fake being happy, and when they do, customers feel uneasy and worry they're being misled.

One would think that both would be equally important, but Professor Wang learned that this isn't true. Happy vivid is more important in some settings with some customers while happy authentic is more important in other settings with different customers. Trust seems to be the key.

In some settings, service delivery is quick and routine.

When you place an order in a fast food restaurant, you want a clerk who is fast, precise, and in a good mood. A smile and a greeting along with precise, rapid delivery of your food doesn't require trust. The encounter lasts only as long as it takes to list the items you want to buy. In this setting, with these customers, happy vivid is sufficient, and it is easily monitored by supervisory staff. Customers leave happier than when they arrive.

In other settings, customers arrive with questions and a need to rely on the knowledge and judgments of sales staff. "Here's my problem, what do I need?" "Does this outfit compliment my

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# BORDER ADJUSTMENT TAX IS POISON PILL FOR NEVADA RETAILERS

By Bryan Wachter

## IT'S SAID THAT THERE ARE TWICE AS MANY JOBS SUPPORTED BY RETAIL IN NEVADA

as there are slot machines in Las Vegas. Statewide, retail provides 371,000 jobs and contributes more than \$23 billion to our economy.

The retail industry has faced a lot of challenges recently. Much of this has been due to a changing market and the rise of online commerce, but policy also plays a key role that can make or break our business. As a local retail advocate, I've seen firsthand the burdens placed on businesses created by uncertainty in taxes and regulations.

One of the biggest threats facing retailers today

is the proposed Border Adjustment Tax (BAT) in Washington. The BAT would impose a 20% tax on all imported goods and would, in reality, be a painful cost hike for retailers and many small businesses right here at home at a time when they can least afford it.

Many successful businesses today rely on imports, whether it is a clothing line, manufacturing parts, fertilizer or even foods. A 20% hike on the cost of doing business won't be easy for anyone, regardless of their size.

An overwhelming majority of retailers are small businesses that employ fewer than 50 people. Most of them will

be unable to absorb the increase and will have to raise prices. Others may be faced with more painful choices like scaling back employee hours or eliminating jobs altogether. The retail industry, which employs 1 in 4 Americans nationally would be disproportionately affected. Gas prices will rise and supply chains will be disrupted. At a recent trade show in Las Vegas, Rick Helfenbein, chief executive officer of the American Apparel & Footwear Association (AAFA), told his industry that the BAT would "put us out of business" and warned retailers that it "could be your tombstone. If you don't do something, this will

happen." The ripple effect of the BAT will also reach households, who will see nearly \$1,700 in increased costs for everyday items that they put in their shopping carts—food, clothing and medicine. Even their daily cup of coffee is likely to cost more. We need pro-growth tax reform that fosters a better business climate so companies can expand and hire more employees. The BAT divides the business community, harms small businesses and retailers and will be a strain on consumers. There are not enough spoons of sugar to make this poison pill any easier to swallow. ■

## UPCOMING

**NRFtech 2017**  
July 23–25

**Hotel Del Coronado**  
San Diego CA

#nrftech

Join top retail CIOs, CMOs, and senior digital leaders at NRFtech 2017, a unique event that lets you explore the latest retail technology while networking with industry innovators.

This year's agenda will feature an all-new Tour of the Possible and a focus on new technologies designed to enhance, elevate or disrupt the retail consumer experience.

## HAPPY *Continued from page 5*

appearance?" Here, the customer is pondering what to do. He's evaluating inputs and making decisions, and one of the inputs he's evaluating is the trustworthiness of the clerk waiting on him. Authenticity leads customers to trust the clerk and have confidence that he/she is offering suggestions that really are in the customer's best interests. Here, happy authentic enhances trust, leads to purchase decisions, and leads to intentions to return in the future. Customers leave happier than when they

arrive. Retailers need to assess the interpersonal encounter needs likely to be present in their settings and then, staff, train, and supervise customer contact employees appropriately. Where happy vivid is adequate, performance can be delivered more reliably. Where trust needs require happy authentic, performance delivery is less certain, and careful staffing and professional development become wise investments. Customer contact employees

can also make predictions of their own by sensing the needs of customers who approach them. Based on their assessment, they can deliver happy vivid or happy authentic depending upon the customer's needs. For retailers, this is the goal, to have customer contact employees who can sense and adapt successfully to the needs our customers present. The least we can do is pay them well. ■ Reference: [businesspsych.org](http://businesspsych.org)



## 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.

**Laughlin Watercraft Rentals LLC**

**Nortec Constructors**

**Paradise Cove Fun Center & Rentals LLC dba Paradise Cove Fun Center**

**Western Precision**

**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.



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**Elko Office**  
557 W. Silver Street, #206, Elko, NV 89801  
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**MEMBERSHIP INFORMATION:** Find out more about RAN’s self insured group. Call Pro Group, **800-859-3177**,



## NEVADA NOTES *Continued from page 6*

Kathleen Sandoval convened a drug abuse Summit in Las Vegas with approximately 500 stakeholders and developed a blueprint to combat opioid abuse in Nevada, which included Assembly Bill (AB) 474, introduced in this session of the Legislature. The bill makes various changes relating to reporting of drug overdoses and establishes prescribing protocols for all health care providers that are

prescribing controlled substances for the treatment of pain. Among the priorities for funding are the expansion of prevention and treatment programs, increased access to Naloxone to reduce overdose deaths, and education for prescribers on the implementation of medication assisted treatment and Prescribe 365 in AB474. Nevada was awarded funds based on rates of

overdose deaths and unmet need for opioid addiction treatment. For additional information on the Division of Public and Behavioral Health, link to: <http://dpbh.nv.gov/> *Press Release*  
**INTERNET SAFE ZONES BILL HEADED TO NEVADA GOVERNOR**  
Private buyers and sellers of Internet goods would have a safe place to complete their

transactions under a bill given final legislative approval Thursday by the Nevada Senate. Assembly Bill 297 sponsored by Assemblywoman Sandra Jauregui, D-Las Vegas, requires county and city governments to establish at least one sheriff's office or police department as a "safe zone" where people can meet to finish online purchases. *LVRJ*

## FORECASTING THE BUDGET *Continued from page 2*

drastically based on the high popularity of e-cigarettes.

### COMMERCE TAX

As you may recall, the commerce tax (created in 2015) is imposed on businesses that gross

more than \$4 million a year. It makes up about four percent of projected General Fund revenue. In 2016, the tax's first collection, lawmakers anticipated about \$120 million. Instead,

they received \$143.5 million. There was much discussion on the ability for businesses to use up to 50% of their commerce tax liability and apply the credit to their modified business

tax. State fiscal analysts were concerned many businesses that were qualified for the tax and didn't take it will come back later to amend their returns and collect that credit. ■

## HEALTHCARE IN NEVADA *Continued from page 3*

heard during a work session and then will proceed to the Assembly Floor for a vote of all members. It will have to be transmitted back to the Senate for a vote of concurrence on the most recent amendment.

The bill will then be sent to the Governor for his signature.

**Senate Bill 337** will allow a pharmacist to collect specimens and perform certain laboratory tests.

Nevada is the only state that has not allowed a pharmacist to perform these tests and this language will now allow "point of care" testing in a pharmacy. This bill was sponsored by Senator James Settlemeyer and was passed unanimously out of the Senate. It was heard in the Assembly Commerce and Labor and is scheduled to be heard in work session on Wednesday, May 10th. There will be an amendment to the

bill to address the concerns of Assemblywoman Maggie Carlton. She was concerned that the federally allowed CLIA waived tests was too broad and wanted assurance that certain tests would not be performed in a pharmacy. The amendment narrows the tests allowed in Nevada to finger sticks and oral swabs and gives the Board of Pharmacy oversight on this language. RAN has no opposition to

the amendment. This bill will also be transmitted back to the Senate for concurrence after final passage out of the Assembly. RAN will update members on this legislation and others in the next newsletter. If you have any questions or concerns you can call Liz MacMenamin at **775-720-2528** or email her at [lizm@rannv.org](mailto:lizm@rannv.org). ■



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# “PRESSURE IS BUILDING ON CONGRESS TO FINALLY ADDRESS THIS ISSUE”

*NRF SVP David French*

## WASHINGTON: THE NATIONAL RETAIL FEDERATION

welcomed renewed efforts in Congress to require online sellers to collect sales tax the same as local stores.

“With more states passing sales tax laws or going to court, pressure is building on Congress to finally address this issue,” NRF Senior Vice President for Government Affairs David French said. “The states know they can’t fix this on their own, but they agree with retailers that Congress has stalled for

far too long. Online sellers should not continue to receive an unfair price advantage.”

Senator Michael Enzi, R-Wyo., reintroduced the Marketplace Fairness Act, legislation that passed the Senate in 2013 but never received a vote in the House. In the meantime, Representative Kristi Noem, R-S.D., reintroduced a House version that had also been delayed, the Remote Transactions Parity Act.

The two measures vary in details but both would allow states to require out-of-state sellers to

collect sales tax regardless of whether they have a physical presence in a customer’s state. Under a 1992 U.S. Supreme Court ruling, out-of-state sellers can be required to collect only if they have a physical presence such as a store, warehouse or office.

Various bills that would effectively overturn the Supreme Court ruling have been introduced in Congress over the past 15 years but none have won final passage. In the past two years, several states have passed or considered legislation requiring collection nonetheless,

with some acknowledging that the ruling leaves them without authority to do so but saying they want to prompt Congress to act or the Supreme Court to reconsider the issue. States and local governments lose close to \$25 billion a year because of untaxed online sales.

In 2015, Justice Anthony Kennedy said the court made a mistake in 1992 by relying on an out-of-date precedent on physical presence.

More recently, 11 states asked the court in November 2016 to reconsider the 1992 ruling. ■