



# NEVADA NEWS

## E-FAIRNESS

*By Bryan Wachter*

### **E**LEVEN YEARS AFTER WORLD WAR II, NEVADA PASSED THE SALES AND USE

Tax Act. President Eisenhower was in the White House, the cold war was on, and the big threat to Nevada merchants was the "Sears & Roebuck Catalogue." To protect their merchants, Nevadans adopted a Constitutional Amendment creating the sales and use tax and Legislation describing how to administer its application.

It would take mankind another 13 years to go to the moon, invent the ATM or even bar codes. Beta tapes, VCRs and walkmans, and today's iPhones, and the Internet with it's Google, or Skype, were all inconceivable in 1956. Times have changed, but not Nevada's sales and use tax. It's still in 1956 and ready to take on catalogues. But today's remote sales include things like Bluenile.com and Amazon.com. Because of our antiquated laws, these entities do not collect nor pay sales taxes on purchases made by Nevadans.

According to the Nevada Sales and Use Tax Act, Nevada retailers must collect and remit Sales Tax to the state for all purchases made inside the state. For purchases made outside the state, and brought into Nevada, the consumer

is required to submit the Use Tax to the state. E-fairness would require any company conducting business in Nevada to collect and remit the Sales Tax regardless if the sale is conducted in a physical location or on-line IF the company does business in Nevada. A California company that sells property to a Nevada resident would not see any change in how they do business.

In essence, E-fairness changes the collection mechanism from the consumer to the business to match the standard practice for all other sales transactions. Retailers who have a physical presence in Nevada must collect and remit the sales tax levied by the purchaser's county to the state, and the final price they charge to their customers reflects that. Stores that claim no physical presence in the state are able to charge prices that don't include the sales tax, and have an inherent advantage. The tax is owed; E-fairness doesn't change the rate or create a new tax, but rather shifts the burden of remitting the tax to the business and off of the backs of consumers.

The current playing field is not fair. Companies that don't build in Nevada (and thus don't invest in Nevada infrastructure

or pay property tax) can go on-line and sell their merchandise to other Nevadans without being required to collect and remit the sales tax. Meanwhile, a company that does open a physical location and sells their merchandise to other Nevadans IS required to collect and remit the sales tax. E-fairness would even the playing field for all Nevada businesses, whether they have a physical presence in Nevada or not.

The Nevada Legislature should make E-fairness a priority in the current session. Not only is the state losing out on revenues from taxes it has already levied, but small businesses can't compete when their competitors can charge less because there is no sales tax. ■

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# LEGISLATIVE UPDATE

**LEA TAUCHEN**  
*Senior Director of Government Affairs, Grocery and General Merchandise Issues*

## EMPLOYMENT ISSUES:

### ● **SJR 2: Repeal of Minimum Wage**

On 2/9, RAN testified before the Senate Committee on Commerce, Labor and Energy in support of Senate Joint Resolution 2 that proposes to amend the Nevada Constitution to repeal the provision requiring the payment of minimum wage. Nevada's minimum wage is adjusted annually and is currently set at one dollar above the federal rate if no health benefits are provided or at the federal rate with qualified health benefits

provided by the employer. RAN commented that this law was enacted at a time of phenomenal economic expansion and does not allow for flexibility to respond to changes. We addressed our concern with potential unintended consequences of continuing a one-size-fits-all compensation policy in Nevada. At the table, the Reno-Sparks and Las Vegas Chambers of Commerce joined RAN in support.

Testimony in opposition was provided by the Nevada State AFL-CIO. No action has been taken on this bill.

### ● **AB64: Revises provisions governing education**

This bill was heard before the Assembly Committee on Education on 3/14. AB64 is a

large education bill from the Clark County School District. Most of the provisions do not concern us, but RAN is monitoring the bill as Section 34 involves employers of 14-18 year olds. This bill proposes that each child must submit to a potential employer proof that they are enrolled in school, have completed school or have a valid reason to not be in school. No action was taken on this bill.

### ● **AB90: Makes various changes to provisions relating to employment practices**

This bill was heard before the Assembly Committee on Commerce and Labor on 3/7. AB90 proposes to prohibit employers from subjecting an employee to an abusive work

environment. It also prohibits employers from discriminating against an employee because of a physical characteristic such as height or weight. RAN took a position in opposition, along with several other business groups. The business community is concerned that this language is so broad, there really isn't anyone who wouldn't fall into this newly created protected category, which would lead to additional complaints and/or litigation. No action has been taken on this bill.

## GENERAL BUSINESS ISSUES:

### ● **AB142: Makes various changes governing crime against property**

This bill was initially heard before the Assembly

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## RENO CITY COUNCIL DISCUSSES PACKAGED LIQUOR ISSUES

*By Lea Tauchen*

### **O** N MARCH 9, THE RENO CITY COUNCIL ADDRESSED

two agenda items relative to the sale of packaged liquor:

Agenda Item L.5 called for a discussion, with potential direction to staff, regarding an ordinance change to prohibit the sale of alcohol, tobacco and related paraphernalia near parks and schools. The Council directed Code Enforcement staff to determine if there has been a high incidence of problems with minors obtaining alcohol and/or tobacco from stores located in

close proximity to parks and schools.

RAN expressed concern as to what is driving this issue as, regardless of location, those activities are already against the law and consequences are already in place to punish offenders. RAN intends to work with Code Enforcement as they research this issue. Should an ordinance be drafted, RAN will request existing license holders be exempt. We will continue to follow this issue and provide an update when the staff report becomes available.

Agenda Item L.6 called for a discussion with potential

direction to staff regarding a moratorium on Bars, Packaged Liquor Stores, Tattoo Shops, Gaming in Grocery Stores and Bars and the allowable proximity from school for these establishments. The Council directed Code Enforcement staff to conduct a study of design standards and separation requirements used by other municipalities to address the issue of licensing too many of the same type of business model.

The discussion was focused heavily on tattoo shops and how to differentiate between a "convenience store"

and a "liquor store." Prior to this discussion, RAN testified in opposition of a citywide moratorium on any type of business. Fortunately, it did not appear there was an appetite by Council members to proceed with a moratorium, but rather to simply examine other tools to address what is considered to be an abundance of tattoo shops and liquor stores in Reno. Again, RAN intends to work with Code Enforcement as this issue proceeds and will provide an update when the staff report becomes available. ■



# LEGISLATIVE UPDATE *Continued*

Committee on Judiciary on 2/28, but was brought back for a "work session" hearing on 3/11. AB142 proposes to increase the monetary threshold for the penalty classification of theft and related property offenses. The Category D level would be raised from \$250 to \$450; the Category C level would be from \$450 to \$3500 instead of \$2500; and the Category B level would be bumped to anything over \$3500. However, the bill sponsor brought an amendment to increase the felony threshold to \$650 to further reduce the number of crimes that would mandate prison. Then, the Committee expressed support for raising the threshold to \$1000. Fortunately, the Committee Chair would not entertain that level and reminded the members to recall RAN's testimony of the sophistication of thieves who know the threshold and steal accordingly. Ultimately, the Committee amended the break point to \$650 and passed the bill.

● **AB223: Makes various changes concerning the execution on property of a judgment debtor**

This bill was heard before the Assembly Committee on Judiciary on 3/14. AB223 proposes to provide debtors an increase in the exemption amount that cannot be garnished from a bank account by a creditor. This bill would also give this exemption to a debtor automatically, where they currently must apply. The bill sponsor is attempting to

protect seniors and vulnerable citizens by ensuring they maintain enough funding for essentials. However, opponents argued that this would open the door for debtors to take advantage of the situation, whereas they could open multiple bank accounts, maintain a balance below \$1,000 in each and never be eligible for repaying their debt. RAN took a position in opposition, as business owners typically only use the garnishment process as a last resort, but they are legally entitled to receive payment for the credit/product/service that they provide. No action has been taken on this bill.

● **AB234: Revises provisions governing places of public accommodation**

This bill was heard before the Assembly Committee on Commerce and Labor on 3/14. AB234 proposes to prohibit any candle, air additive, air fragrance, air freshener or potpourri in any place of public accommodation (any business, church, school, etc.). It would also prohibit the application of an indoor pesticide while the place is occupied and then it could be applied only if it was an approved "least-toxic chemical". The bill sponsor believes these restrictions will accommodate people with asthma, allergies and chemical sensitivities. RAN took a position in opposition, along with several other business groups, the Department of Agriculture, and the county governments. No action has been taken on this bill.

● **ACR 4: Expresses support for economic development in Nevada in the sectors of logistics, supply chain management and renewable energy technology**

The Assembly Committee on Commerce and Labor voted to adopt this Assembly Concurrent Resolution on 2/21. The Chairman of the committee testified that the support of these sectors was essential to foster the creation of new jobs and the promotion of a diverse economy in Nevada. There was significant support for this measure. The resolution was then heard and adopted by the Senate Select Committee on Economic Growth and Employment on 3/16.

**GROCERY ISSUES:**

● **SB210: Revises provisions governing the regulation of food establishments that manufacture or process food intended for human consumption**

This bill was heard before the Senate Committee on Health and Human Services on 3/3. SB210 proposes to require a food establishment that manufactures or processes food to comply with nationally recognized guidelines that are adopted by the State Board of Health or a local board of health by regulation. It would also require testing of such food by an independent laboratory at the cost of the food establishment. RAN testified in opposition because of our concern that the definition of food

establishments captured grocery service delis, meat departments and bakeries. We also requested clarification on the terms "manufacture" and "process" as they are not currently defined by statute. The bill sponsor testified that her intent was to capture food manufacturers, but not restaurants, retailers, etc. The bill sponsor has been working with industry to amend the language. This is a process that may take several weeks to work through.

● **AB170: Establishes provisions relating to warnings about the health hazards of smoking during pregnancy**

This bill was heard before the Assembly Committee on Health and Human Services on 3/2. AB170 proposes to require retailers who sell cigarettes to post signage regarding the dangers of smoking tobacco during pregnancy in a conspicuous location. The contents of the warning may be included on any other required sign. This message would match existing law that requires establishments that sell alcohol for on-premise consumption to post signage regarding the dangers of drinking alcohol during pregnancy. RAN typically opposes mandates requiring additional signage, however, we took a neutral position as this would be additional language to an existing sign and we are working with the bill sponsor to make the requirement as flexible as possible for retailers. No action has been taken on this bill.



# LEGISLATIVE UPDATE *Continued*

**LIZ MACMENAMIN**  
*Vice President of Government Affairs, Health Care and Boards and Commissions*

**PHARMACY:**

● **SB203: This bill, proposed by Senator Leslie (D-Washoe), would make cold medication available by prescription**

It was heard on March 14th. RAN is opposing this bill, as we believe that this is poor public policy. The bill is intended to reduce meth abuse by limiting access in Nevada to allergy and cold medications that contain an ingredient used in its production, notwithstanding the fact that the overwhelming majority of meth in Nevada is produced outside the state. The manufacturers of the legal over-the-counter (OTC) cold and allergy medications have voluntarily offered to bring in a system to electronically track the sales of these products and link all the pharmacies to the system. This would enable the pharmacist to know if the buyer is a legitimate purchaser of this product. The proponents of the bill are unwilling to consider this proposal, as they believe the only way to "fight meth" is to enact this requirement which would increase health care cost for those that use these cold medications in a legitimate manner. The electronic tracking system would not add any cost to the state or, more importantly, to you, the consumer.

Please log in on the Legislative website and have your voice heard on this issue. <http://leg.state.nv.us/AppCF/Opinion/76th2011/Poll/index.cfm?drpMenuOne=487#>

**HEALTH AND HUMAN SERVICES:**

● **SB43: The American Recovery and Reinvestment Act of 2009 includes the Health Information Technology for Economic and Clinical Health Act of 2009, otherwise known as the "HITECH Act." (Public Law 111-5, Division A, Title XIII)**

The HITECH Act establishes various requirements with respect to electronic health records and health information exchange systems. This bill requires the establishment of a system that allows the exchange of electronic health information in accordance with the requirements of the HITECH Act and other federal laws, authorizes the State to make use of electronic records and health information exchange systems, and requires protection of individual privacy and prevention of unauthorized access to health records. No Action was taken on this bill.

● **AB54: Currently in counties of more than 400,000 populations (just Clark County) the state has authorized a "Health District"**

Many believe this current system to be flawed. What AB54 does is create a "Medical

District" that would enable the county-run hospital, again in Clark County, to be a separate entity from the Clark County Commission. During testimony, some members of the committee said that this might be too onerous and there might not be enough oversight for this "off-county" organization. No Action was taken on this measure.

**BOARDS AND COMMISSIONS:**

● **SB 205: Currently in law, the State Board of Nursing is authorized to grant a certificate of recognition as an advanced practitioner of nursing to a registered nurse who meets certain requirements (NRS 632.237)**

This bill adds the requirement that to obtain a certificate of recognition as an advanced practitioner of nursing in Nevada the registered nurse must be certified as an advanced practitioner of nursing by a nationally recognized certification agency effective June 1, 2014. The bill was passed unanimously and now goes to the full Senate for a vote.

**BRYAN WACHTER**  
*Director of Government Affairs, Taxation, Transportation, and Workers' Compensation*

On the **Taxation** front, Nevada businesses have more than a few blips on the radar. Liberal members of the

Nevada Legislature have asked for BDRs, or introduced bills that would raise cigarette and liquor taxes, put a new tax on bottled water, a junk food tax, a corporate income tax, and/or a gross receipts tax. The Senate Revenue Committee or the Assembly Taxation Committee has yet to hear any of these proposals but sources tell us to expect the conversation shortly.

Turning to **Transportation**, bills have been heard and introduced that would: ban triple trailers in Nevada; create toll roads; make not wearing a safety belt a primary offense; make it illegal to operate a communication device (cell phone) while operating a motor vehicle; and one bill would make it a requirement that a body shop checks and resets the air pressure in a customer's tire before the car leaves the shop.

Lastly, on the subject of **Workers' Compensation**, a bill was introduced by the Assembly Committee on Commerce & Labor, on behalf of the Trial Lawyers, that would remove exclusive remedy and, therefore, allow an injured employee to sue. In essence it removes the no-fault workers' compensation system in Nevada.

As these issues develop please see our weekly update *The Express Lane* on our website ([www.rannv.org](http://www.rannv.org)) for more detailed and up-to-date information. ■





# BUSINESS ISSUES IN CONGRESS

## WHEN CONGRESSMAN DEAN HELLER (R-CD2, NEV)

talks about the challenges businesses face today, he's speaking from experience.

His Dad owned a mechanic shop in Carson City, Nevada, and Dean grew up working in that shop.

"I really worked. I watched how hard my Dad worked to get ahead. When he hired someone, it was because he had a skill that was needed to grow the business. It was someone who could help him make a better profit," he explained.

"He wouldn't hire someone just because the Administration was offering a \$3,500 tax credit. That tax credit, that the Obama Administration is offering will not grow jobs," Heller said.

"We need to lower the burden on small businesses as well as large businesses. Small businesses don't have the

time or manpower to address burdensome paperwork and regulations. They're just hoping to make enough to stay in business and maybe make a profit.

"Large businesses need the revenue to expand and conduct research that will lead to economic diversification and more jobs," said Heller.

That philosophy is what led Heller, who sits on the powerful Ways and Means Committee, to vote to cut the 1099 requirement out of the Obama Health Care Plan. The cut was sent to the Floor of the House and passed. It's now in the U.S. Senate.

Heller clarified why he was so eager to eliminate the tax requirement. "This provision enacted in the healthcare law would be burden to small businesses and middle class families everywhere. The tax code is already onerous enough without requiring additional paperwork on something as common as a

home repair or a room rental."

Besides fighting the deficit, which Heller considers a killer of jobs, he's also concerned about the price of gas.

Last month he wrote the Chairmen of the House Committees on Natural Resources, and Energy & Commerce, urging them to immediately develop legislation to increase energy production and refining capacity.

"Higher gas prices mean an increase in price for almost everything including food," said Heller. "The Governor of Montana (Brian Schweitzer) recently begged for the right to drill oil on public lands. He says there's around 40 million barrels under the ground in his state. We haven't built a refinery in this country in 30 years.

"If we allowed drilling, we would probably see an immediate drop in the price



of gasoline. Plus we would create more jobs through oil exploration and construction of a refinery. At the same time, we must develop renewable energy in Nevada for our long-term energy needs, and diversifying our economy," emphasized Heller.

For more information on these issues and more, go to: <http://heller.house.gov/> ■

# STATE BOARD OF PHARMACY UPDATE

By Liz MacMenamin

## THE MARCH 2-3, 2011, MEETING OF THE STATE BOARD OF PHARMACY

was held in Reno at the Airport Plaza. The Wednesday meeting consisted of discipline cases that were brought before the Board for a hearing. There was an early adjournment on this day.

The following day, the

Board heard a presentation by the Consumer Healthcare Products Association (CHPA) on a system of electronic tracking of pseudoephedrine products. CHPA is offering to bring the system into the state and make it available as an alternative to a legislative proposal that would require a prescription for every cold medication which might contain an ingredient used in

the making of Meth.

Neil Rombaro, the Carson City District Attorney, explained his proposal to make cold medications prescription only at the last meeting of the Pharmacy Board.

The Board had many questions for the CHPA representative, Chris Ferrari. He explained to the pharmacists sitting on the Board how the

system would work. After much discussion, the Board of Pharmacy passed a motion endorsing this system as an effective tool to combat the illegal purchasing of Meth ingredients, while not increasing the health care costs of the legitimate users of cold medications. ■



# Nevada Notes

## RALEY'S CUSTOMERS CAN DONATE TO JAPAN RELIEF

Customers of the Western Nevada Raley's can now lend their support to relief efforts in Japan in the wake of a 9.0 earthquake and devastating tsunami.

Raley's announced that it's designating all donations to checkstand collection boxes in its 133 Raley's, Bel Air, Nob Hill Foods and Food Source stores to Japan disaster relief. The drive will run through April 18. One hundred percent of the donations will go directly to the American Red Cross. Raley's will absorb all administrative costs to ensure that all donations reach the victims.

*Nevada Appeal*

## GROCERS CUT BACK ON REUSABLE BAG REBATES

Supermarkets are finding a little bit of green doesn't make a big difference in breaking shoppers of the "paper or plastic?" habit. Some chains including Kroger and Safeway are starting to move away from the pennies-per-bag rebates, saying they don't do enough to keep customers from forgetting reusables at home or in their cars.

Grocers save money when customers bring reusable bags. They also want to stay ahead of plastic-bag bans and taxes that could cost them or their customers more money.

Kroger owns Smith's, which has a presence in Northern Nevada. Safeway Inc. also has

been phasing out cash rebates such as 3 cents per bag in some regions. It's still dangling discounts, but making them more occasional and targeted. Shoppers who use Safeway's "Bright Green" reusable bags get 10 percent off Safeway's line of environmentally geared household products.

*AP/RGJ*

## STUDY REVEALS NEW REASONS TO TACKLE HOME IMPROVEMENTS

A new national study shows legions of Americans set to launch spending binges this spring, positioning the home-improvement industry for a 2011 revival as property owners who scrimped and saved during the recession spruce up kitchens and bathrooms.

Spending on remodeling probably will rise 9.2 percent to \$125.1 billion in the first quarter from \$114.6 billion a year earlier, according to Harvard's Joint Center for Housing Studies.

A 13 percent increase forecast for April through June would be the largest jump in five years, a report by the Cambridge, Mass.-based center shows.

Home-improvement retailers are preparing for a spring sales bump as homeowners consider upgrading rather than selling their houses at a discount in a struggling market.

Spending on renovations may increase 3.5 percent annually through 2015, according to the Harvard

center, which measures data including hours worked by remodelers and retail sales at building materials stores. The gain follows a decline that started in the third quarter of 2007 and sent spending to a six-year low of \$112 billion in 2009.

The bulk of spending during the next five years will be on replacements and upgrades rather than high-end projects, according to the report.

*Las Vegas Review-Journal*

## TWO COMPANIES QUALIFY FOR TAX ABATEMENT INCENTIVES

Two companies will receive tax abatement incentives from the Nevada Commission on Economic Development to expand their businesses in Southern Nevada.

Commissioners unanimously approved incentives for Ken's Food Inc., Las Vegas, and Henderson-based Barbour Well Inc.

While the expansions planned by the two companies won't create an abundance of new jobs, they ultimately will generate additional tax revenue for the state. Ken's Food will receive \$1.1 million in tax abatements over 10 years while Barbour Well will get \$406,839 in incentives over 10 years.

Ken's, which has operated a manufacturing and distribution facility in Las Vegas since 2003, is investing \$15.3 million in new capital equipment and a \$3.9 million expansion of existing

warehouse space to develop a new retail bottling line to produce 16-, 18- and 24-ounce packages of salad dressings and barbecue sauce.

The company qualified for tax abatements by adding 10 jobs and investing more than \$1.3 million in capital outlay, meeting the required two of three criteria to receive incentives.

*In Business LV*

## SURVEY FINDS SMALL-BUSINESS OWNERS MORE STRESSED

A new study says it's pretty stressful out there for small-business owners.

This is one of those conclusions that just doesn't need analyzing, kind of like those reports that determine smoking is bad for you or people who can't afford cars are likelier to take the bus.

What's unusual about this business survey, though, is that it shows persistently high levels of angst despite signs of an improving national economy. The Brother Small Business Survey found that 52 percent of small-business owners said their stress level is higher than normal, up from 51 percent a year ago. Small-business owners can't relax because they're not sure the downturn has ended.

Much of the stress might be cured if there were a few months of steady revenue growth.

*LVRJ*



# National Notes

## AMERICANS PLAN TO SPEND A LITTLE, SAVE A LITTLE WITH TAX REFUNDS THIS YEAR, ACCORDING TO NRF SURVEY

With signs of an improving economy, many Americans are now keen to use their tax refunds to treat themselves or their families to a major purchase such as a new television or furniture. According to NRF's 2011 Tax Returns Consumer Intentions and Actions Survey, conducted by BIRGresearch, 13.2 percent of Americans will spend their refund on a big-ticket item, up from 12.5 percent last year.

But with the economy also serving as a reminder that it's best to be financially prepared for the worst, more people will also put their refunds away for a rainy day (42.1% vs. 40.3 percent in 2010).

"Despite the difficult unemployment situation across the country, Americans receiving a tax refund this year seem eager to plough this money back into the economy," said NRF President and CEO Matthew Shay. "With sales momentum continuing to build, NRF is becoming more bullish about the economic recovery."

Unsurprisingly, the number of people who file their taxes online continues to increase. This year, 57.6 percent of U.S. taxpayers will file their taxes online, up from just 50.1 percent in 2007

"Many Americans have

spent the last few years paying down debt with their tax refunds, but for some, it's the perfect time to buy something nice for a change," said Phil Rist, Executive Vice President, Strategic Initiatives, BIRGresearch. According to the survey, 63.9 percent of Americans will have filed their taxes by the end of February, meaning that many tax returns have already been received or are on the way. An additional 21.1 percent will file in March and 15.0 percent will wait until the last minute and file in April.

Two-thirds (66.2%) of taxpayers are expecting a refund this year, up from 65.5 percent last year, but down from the percentage expecting a refund in 2009 (68.4%).

*NRF Press Release*

## PHARMACISTS FIGHT THE RISE OF MAIL ORDER

A fierce battle is being waged between retail pharmacists and mail-order companies over where people should be able to fill their long-term prescriptions.

Community pharmacists in New York are lobbying state lawmakers to pass legislation that would prevent health plans from requiring patients taking medications for chronic ailments to fill their prescriptions through the mail. While some plans had shifted to mail delivery long ago because it was often cheaper for both employers and consumers, drugstores have been offering more competitive prices and

pushing lawmakers to level the playing field by ensuring that people can still visit their local pharmacy for their drugs.

The proposed legislation would ban mandatory mail-order programs. It would also forbid plans from demanding that people pay more for drugs if they buy them at the drugstore.

In making their argument, the pharmacists say some people, particularly the elderly who are taking multiple medications, benefit from going into a store and having a pharmacist oversee their prescriptions. They say many customers prefer being able to shop at places where they have longtime relationships with pharmacists.

But as the business of filling prescriptions also shifts from expensive branded pharmaceuticals to much cheaper generic alternatives, retail pharmacists, particularly large chains like Walgreen's, are having much more success in persuading employers and health plans to allow people the choice of using drugstores for their medications for chronic ailments.

The decision by Wal-Mart several years ago to offer generic drugs for only \$4 and the move by retailers to compete aggressively on price has damped the enthusiasm for mail order as the least expensive option.

Some companies are trying to develop programs that provide more flexibility,

CVS Caremark, for example, has made use of its CVS retail drugstore chain to offer a program called maintenance choice, where people can go to one of their stores or use mail order to fill a long-term prescription. In some cases, plans may have programs where customers pay less when they go to a limited network of retail pharmacists that are willing to offer less expensive prices or they may ask customers to pay more when they go to the drugstore.

One company instituted a co-payment when any of its employees used a retail pharmacist to fill a long-term prescription. Many of the employees happily paid for the privilege.

*NYT*

## RETAILERS SAY SHORTER HOURS FOR TRUCK DRIVERS WOULD INCREASE COSTS AND CONGESTION

The National Retail Federation told federal transportation officials that a proposal to limit the number of hours truck drivers spend behind the wheel each day would increase costs for businesses and consumers, while undermining intended safety benefits by putting more trucks on the road during the most-congested hours.

"As a result of the current 11-hour daily driving limit, U.S. retailers have been able to achieve significant efficiencies

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# TO RESIST A STEREOTYPE

By James Larsen, Ph.D.

## HERE'S AN EXERCISE: NAME GROUPS OF PEOPLE

and list stereotypes you have of them: women, Hispanics, unemployed men, and so on. Once you get started, you'll find your list grows rather quickly. As a people, we tend to generalize our perceptions and experiences of individuals into stereotypes of groups. Both positive and negative stereotypes attach themselves to people. They color our opinions and actions, and we are coached to resist them in our work. But the subject takes a curious turn when we apply stereotypes to ourselves.

If you are Asian, and you are aware of a stereotype that Asians excel in mathematics, how does this stereotype affect your self-concept, decisions, and behavior? If you are a woman, and you are aware of a stereotype that women do not excel in mathematics, how does this stereotype affect your self-concept, decisions, and behavior? And what if you happen to be both Asian and a woman?

Just as your list of stereotypes grew quickly, this list of stereotypes that apply to you will grow quickly, too, and it raises some interesting questions. Which stereotypes apply to you? When do you allow stereotypes to influence you, what you think

about yourself, how you feel, and what you do? Finally, when do you actively resist stereotypes that apply to you?

For example, the Asian woman mentioned above, what does she do about mathematics? Surprisingly, research has an answer. In a recent study, Asian women who were reminded of their ethnicity and then given an exercise in mathematics did well. Other Asian women who were reminded of their gender did poorly on the same exercise. How very curious!

Now return to your list of stereotypes and look for an entry titled "people with power." You probably won't find it, but all organizations have hierarchies, and all organizations have people occupying positions of power. List a few qualities that comprise this stereotype. List both positive and negative qualities, for example, bossy, helpful, unfeeling, instructive, cruel, inspiring, and so on. Now, think about yourself. Which stereotypes apply to you? How do you feel about these stereotypes?

When people enter the ranks of management, they are given power over others. When this happens, there is always a danger that they will handle the change poorly, that they will embrace the negative stereotypes of power, and that they will become tyrants for those who call them boss. Such

people stimulate lots of negative energy and direct attention away from company objectives. They are bad for business. Most organizations anticipate this problem and carefully control the markers of power. Markers of power are the outward signs that one person has power and others do not. Some examples include a reserved parking place, a pager worn on the belt, a corner office, a new computer or other advanced technology, wearing a tie, being called "doctor," and so on. In order to control how people react to having power over others, we often carefully control these markers so that those with power become invisible. Everyone knows who has power, but there are no markers. Everything looks quite equitable.

The objective is to help people with power resist embracing the negative stereotypes that lead to tyranny, but does it work? That's a question that Brianna Caza from Wake Forest University addressed in a recent study.

Professor Caza worked with 84 supervisors from a variety of settings. She measured their perceptions of the division of power in their organizations, and she found a range of answers. Some supervisors reported explicit divisions of power with clear markers showing who had power and who

did not. Other supervisors reported implicit divisions of power with vague or missing power markers. The division of power existed, but it would be difficult for outsiders to recognize it. Finally, she measured supervisors' self-concepts and their actual behaviors. Specifically, she measured how they felt about being supervisors and how supportive they were of their subordinates.

When Caza had finished crunching all the numbers, she found a clear difference, but it was not what you would expect. The most helpful and supportive supervisors worked in settings with explicit divisions of power and clear power markers. They also saw themselves as the leaders of a cooperative effort of a group rather than a boss who gave instructions others were expected to follow. Caza was not surprised by this finding.

Past research has demonstrated that when people are uncomfortable with a stereotype that applies to them, they sometimes resist it. They have a contrary reaction. Telling a woman that she can't run a business is a sure way to enlist her best efforts to prove you wrong. The supervisors Caza studied who worked in explicit power settings with clear power markers were reminded of their power status, and, as a group, they resisted the

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# LEGISLATION INTRODUCED TO DELAY SWIPE FEE REFORM UP TO TWO YEARS

By J. Craig Shearman, Washington Retail Insight/NRF

## BILLS WERE INTRODUCED IN CONGRESS LAST MONTH

that would delay swipe fee reform by as long as two years, but NRF told lawmakers the measures would block retailers from giving discounts to consumers who use debit cards and would cost merchants and the public more than \$1 billion per month.

"We are extremely surprised to see a bill introduced that favors Wall Street banks and price-fixing card companies over Main Street merchants and their customers," NRF Senior Vice President and General Counsel Mallory Duncan said. "Merchants are ready to pass lower swipe fees along to consumers in the form of discounts and other benefits as soon as reform goes into effect in July but we can't do that if Congress lets bankers stand in the way."

NRF said that the

issue has already been thoroughly reviewed by Congress and federal agencies. "The banks and card companies claim they want to study swipe fee reform but the truth is they want to kill it," Duncan said. "Congress has already conducted more than half a dozen hearings on this issue, and the GAO and Federal Reserve have done studies of their own. The time for study is over. The time to reduce these fees and take bankers' hands out of consumers' pockets has come." "I will strongly oppose any attempts to line the pockets of the credit card giants and Wall Street banks by delaying this common sense, pro-consumer legislation," said Senate Majority Whip Richard Durbin, D-Ill., sponsor of the Dodd-Frank swipe fee provisions. Durbin said delaying swipe fee reform would amount to a "bailout for Visa, MasterCard and their

big bank allies ... paid for by small business and American consumers." NRF's National Council of Chain Restaurants division also opposed the Tester/Capito bills. Senate Banking Committee Chairman Tim Johnson, D-S.D., said he was hesitant to take up the legislation because it could lead to reexamination of other parts of Dodd-Frank, a major reform law that addressed a wide variety of financial industry issues. Merchants are making a wide variety of plans to pass the savings along to customers who use debit cards, ranging from discounted prices to benefits and increased services such as free delivery at an appliance store, but would be unable to do so if reform is delayed. Some of the moves, such as hiring more sales associates to help customers, could result in significant job creation. ■

## National Notes

Continued from page 7

within their supply chains and distribution networks," NRF Senior Vice President for Government Relations David French said.

Proposed changes would increase transportation costs by anywhere from 3 percent to 20 percent depending on a specific retailer's supply chain network and operations, "and would adversely impact the U.S. economy," French said.

French's remarks came in comments filed with the Federal Motor Carrier Safety Administration in response to a proposal that would potentially decrease the current 11-hour on-duty "hours of service" limit for drivers. In addition, the 34 hours of time-off currently required between each week of driving would now have to include at least two mid-night-to-6 a.m. periods of nighttime rest.

Supporters of the proposal say it would result in fewer fatigued drivers on the road and help reduce accidents. But NRF is concerned that shortening the daily driving limit would require more drivers and more trucks to move the same volume of goods during the same time period. NRF is particularly concerned about the requirement for nighttime rest periods because retailers use overnight deliveries extensively in order to avoid daytime road congestion, particularly in urban areas.

FMCSA issued its proposal in December and has until July to issue final regulations.

NRF Press Release

## STEREOTYPE Continued from page 8

negative stereotype. This resistance did not exist in settings with implicit divisions of power and invisible power markers.

If you need supervisors in your stores to act like

leaders of a cooperative group, and lead people who most need support from their supervisors, then explicit power markers would help you toward this goal. Give them nametags with

"Supervisor" written on them. ■

Reference: Caza, Brianna Barker, Larissa Tiedens, and Fiona Lee (2011) Power Becomes You: The Effects of Implicit and Explicit Power on the Self. *Organizational Behavior and Human Decision Processes*, 114(1), 15-24. www.businesspsych.org



# NOTE FOR MEMBERS

If you would like us to profile your business in our newsletter, or have any questions about RAN or the NRF Partnership, please contact Piper at [Piper@rannv.org](mailto:Piper@rannv.org) or call the business office at 775-882-1700.

## Important Information for SIG Members

The NRS governing self insured groups requires notifying members of all new members to the Nevada Retail Network Self Insured Group. New members for NRNSIG from March 1, 2011 to March 31, 2011 are listed below.

American High Voltage

Desert Mobile Home Setup & Services

Vehicle Relocation Specialists

**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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**MEMBERSHIP INFORMATION:** Find out more about RAN's self insured group.

Call Mike Olson, **800-859-3177**,  
or the RAN office at **775-882-1700** (toll free in Nevada 800-690-5959).

Don't forget to check out our website, [www.RANNV.org](http://www.RANNV.org).



# THE GREEN SCENE

## Sustainable Retail Practices



The retail industry is focused on implementing sustainable practices through recycling, energy conservation, green building design and efficient supply chain issues. Each month, we will highlight a RAN member who is committed to social and environmental responsibility by adopting company-wide “green” policies. If you have a project you would like featured on this page, contact Lea Tauchen at [lea@rannv.org](mailto:lea@rannv.org)

## TARGET OUTLINES COMMITMENT TO ENVIRONMENTAL SUSTAINABILITY



**SINCE WE OPENED OUR FIRST STORE IN 1962, TARGET HAS**

invested in the health and sustainability of our communities. To guide our ongoing efforts, we recently announced formal commitments focused on sustainable living products, smart development and

efficient operations. Target also set key milestones for efficient operations, which we aim to achieve by 2016.

- Reduce the



percentage of operating waste sent to landfill by 15 percent

- Reduce water usage by 10 percent per square foot
- Reduce Scope 1 and Scope 2 greenhouse gas emissions by 10 percent per square foot and 20 percent per dollar of retail sales

• Earn the ENERGY STAR for at least 75 percent of our buildings

- Improve the efficiency of general merchandise transportation inbound to distribution centers by 15 percent and outbound by 20 percent, and support the adoption of cleaner and more fuel-efficient transportation practices ■

## BEVERAGE CONTAINER RECYCLING



**THE BEVERAGE INDUSTRY HAS A LONG-STANDING**

commitment to the environment. We’ve invested millions of dollars in sustainability by using fully recyclable packaging, reducing the amount of plastic used to make our packaging, building energy efficient bottling plants and supporting comprehensive curbside recycling programs.

Now, with our new Full Circle plan, the beverage industry is taking its commitment to the

next level. Full Circle is a comprehensive program to reinvigorate recycling across the country. Unveiled at the National Conference of State Legislatures’ 2008 Legislative Summit New Orleans, the initiative aims to foster industry innovation and boost consumer participation.

Comprehensive recycling programs are one of the best mechanisms for helping the environment. However, instead of expanding these programs, some critics instead support mandatory deposit programs, or “bottle bills.”

When it comes to bottle bills, however, three decades of data and practical experience have undeniably demonstrated that imposing mandatory deposits on beverage containers is a poor way to increase recycling and address solid waste issues.

Comprehensive recycling programs provide systems through which households can easily recycle a wide range of materials. Through these programs, households can recycle through curbside pickup or, in smaller communities,

drop-off programs. These programs often include an educational component to encourage and build participation.

We know that comprehensive recycling programs are the best way to capture waste conveniently, efficiently and equitably. These programs have expanded rapidly and are extremely popular with citizens and businesses alike for one good reason — they work.

For more information go to <http://www.ameribev.org/> ■



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## NEVADA NEWS

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### WASHINGTON RETAIL INSIGHT

# RETAIL CONTAINER TRAFFIC TO BE UP 11 PERCENT IN MARCH

## IMPORT CARGO VOLUME AT THE NATION'S MAJOR RETAIL CONTAINER

ports is expected to be up 11 percent in March over the same month last year, according to the monthly Global Port Tracker report released today by NRF and Hackett Associates.

"These numbers show solid increases over last year and are evidence that our nation's economic recovery is continuing to build momentum," NRF Vice President for Supply Chain and Customs Policy Jonathan Gold said. "Increases in imports are a clear sign that retailers expect sales to continue to climb in the next several months."

February, traditionally the

slowest month of the year, was estimated at 1.12 million TEU, which would represent an increase of 12 percent over February 2010. March is forecast at 1.19 million TEU, up 11 percent from a year ago; April at 1.24 million TEU, up 9 percent; May at 1.32 million TEU, up 5 percent; June at 1.39 million TEU, up 5 percent; and July at 1.45 million TEU, up 5 percent.

The first half of 2011 is forecast at 7.5 million TEU, up 9 percent from the first half of 2010. For the full year, 2010 totaled 14.7 million TEU, a 16 percent increase over 2009. Last year's percentages were high because 2009's 12.7 million TEU was the lowest level seen since 2003. Hackett Associates founder Ben Hackett said recent political

turmoil in Egypt, Libya, Tunisia and elsewhere is driving up oil prices and will likely increase shipping costs.

"Oil supply is going down as a number of nations have dropped out of the production cycle," Hackett said. "Freight rates have been decreasing but that will not last long as fuel costs are factored in."

Global Port Tracker, which is produced for NRF by

the consulting firm Hackett Associates, covers the U.S. ports of Long Angeles/Long Beach, Oakland, Seattle and Tacoma on the West Coast; New York/New Jersey, Hampton Roads, Charleston and Savannah on the East Coast, and Houston on the Gulf Coast. The report is free to NRF retail members, and subscription information is available at [www.nrf.com/PortTracker](http://www.nrf.com/PortTracker). ■

## UPCOMING EVENTS

### NCCR Food Safety Task Force Meeting

April 18, 2011 • Washington, DC

### The 2011 NACDS Annual Meeting

April 30 to May 3 • Scottsdale, AZ.

National Association of Chain Drug Stores will host a number of important speakers including Karl Rove.

### NRF Loss Prevention Conference & EXPO 2011

June 13-15, 2011 • Dallas, TX