

## Assembly

MINUTES OF MEETING - COMMITTEE ON JUDICIARY, 53rd Legislature, March 5, 1965

Meeting was called to order at 3:15 P.M.

Present: Close, Parsons, Jacobsen, Rosaschi, Delaney, Olsen, Knisley

Absent: Swobe, Kean

A hearing had been scheduled on AB 369 but Roland Oakes was called to Las Vegas so this hearing was postponed.

AB 379: Provides additional Justice of the Peace in townships having population of 70,000 or more.

Mr. Knisley moved Do Pass  
Mr. Rosaschi seconded  
Motion passed unanimously

AB 294: Construction control.

Mr. Close explained that the people concerned with this bill had gotten together and re-written it, deleting all reference to the land draw. He asked if the committee is satisfied with it as re-written or they would like to keep the land draw as part of the bill. He explained what the land draw is. This bill says that if you are the owner there is no change. If one person owns the land and another comes and says he would like to develop the land and build on it no one can pocket the money obtained from subordination. It has to stay in the lending institution until the building is completed.

Mr. Knisley says he feels that this land draw creates a highly inflationary condition in the building industry. He doesn't like the present set-up. It is horrible banking. He thinks this land draw is the basis of the trouble. It has created a horrible situation in Clark County. Right now Clark County is seeking tax relief for owners of vacant houses and apartments. This situation in Clark County is so big that it is going to affect all of us.

Mr. Delaney: It should be stopped. If we have power to stop it, let's stop it.

Mr. Rosaschi asked how the two members from Clark County feel about this.

Mr. Olsen said that this is not a situation that exists only in Clark County. It exists all over the country. It is due partly to the Savings and Loan Companies getting in so much money and paying such a high return on it. They try to get it out the back door as fast as it comes in the front door. They have tried to reduce interest rates but have been refused by federal authorities. They are not off the hook when they make the loan and a lot of them are holding the bag. They finally made a survey and found that they were over-built but by then it was too late to correct the situation. Clark County is still in a very healthy condition never-the-less.

Mr. Knisley: They are actually loaning 125% of the needs of the builder. When he can pull out this kind of money it is very inflationary.

Mr. Olsen: They have no intention of continuing to do this in the future because they have had to go back and complete too many structures.

Mr. Knisley: In effect the building and loan is buying the project and they are paying a high price for it. When a builder can go in with nothing but land and pull out this kind of money he isn't going to have much of a sense of responsibility.

Mr. Delaney: What is the solution?

Mr. Knisley: AB 294 as originally in here would correct it.

Mr. Close: This bill does not stop the land draw. It just means you cannot take the money out of the lending institution until the building is completed.

Mr. Knisley: If they are going to pay interest for such a long time it will slow down the borrowing. The man will not borrow more than he needs. I like this act for two reasons: It will slow down the process of overloaning; the way the contractor is operating without this bill he is going to break some of his subs to get his profit and this is going to work a hardship on the subs.

Mr. Olsen: The Federal Home Loan bank has audited all the savings and loan companies in Nevada. They did not get into the picture before the boom but they are there now setting policies and all loans have to be approved by the Home Loan Bank. They are deeply concerned with the problem.

Mr. Knisley: Are there enough auditors to get this done?

Mr. Olsen: I would say so, yes.

Mr. Knisley: Nationally 14 large banks have gone under just lately. The situation is typical in San Francisco. I hate to see sloppy business with other people's money. There has been no sense of responsibility in these things. I don't care how much the contractor makes if he makes it after the project is done.

Mr. Close was asked by Mr. Delaney what he thinks of the bill.

Mr. Close replied that he just didn't know. He thinks it would slow things down. He wondered if it is a desirable feature to have this land draw. The thing that is objectionable in present methods is they do not leave enough money to complete the project and the lender has to complete it and the owner loses his land and the subcontractors lose their labor and materials.

Mr. Delaney moved Do Pass with the land draw provisions

Mr. Rosaschi seconded the motion

Motion passed with a majority of the committee

Mr. Olsen voted no.

Mr. Close went over the various changes which are being made in AB 294.

Section 25 subsection 1 line 16, after "obtain a true copy" add "to the best of knowledge and belief of the construction control".

Mr. Knisley moved adoption  
Mr. Delaney seconded  
Motion passed unanimously

On changes 3 and 4 on Mr. Close's list,

Mr. Knisley moved adoption  
Mr. Delaney seconded  
Motion passed unanimously

Section 27 paragraph 4 line 48. On line 50 after the word "work", add "authorized by the borrower to do the work or disburses the funds directly to the owner of the premises".

Mr. Knisley moved adoption  
Mr. Delaney seconded  
Motion passed unanimously

Section 28 page 7 line 13 strike the words "any of the provisions of this chapter otherwise than" and add "any of the subsections of section 25 otherwise than". If they don't comply with section 25 then a mechanic's lien comes before their trust deed.

Mr. Jacobsen moved adoption  
Mr. Rosaschi seconded  
Motion passed unanimously

Mr. Close said there were some technical changes in spelling, etc., which he would take care of.

Mr. Knisley moved that the Chairman be requested to obtain the amendments and put the bill out Do Pass.  
Mrs. Parsons seconded  
Motion passed with a majority of the members of the committee  
Mr. Olsen voted no and will put out a minority report

AB 80: Adopts land subdivision act.

Mr. Close said that this bill is now on the chief clerk's desk where it was put by Jim Wood who wants the number of lots to be reduced from 25 to 5. Mr. Close said he objects to this reduction because developing 5 lots would not yield enough money to pave roads and so forth. You have to have at least 25 lots or there is no money to be made on the deal. If it weren't for the problem of the roads 5 might be all right.

Mr. Olsen said we have to protect the average buyer who perhaps is not aware that he must check on ingress and egress.

Mr. Knisley: Would you go for 10?

Mr. Close: How about 20?

Mr. Knisley said that if reducing the number of lots was too hard to take, he would talk to Jim Wood and try to get him to change his thinking on the matter. He personally could see no point in renegeing on 25. He suggested the bill be put out that way.

AB 236: Mechanic's lien law.

Mr. Olsen asked to be excused at this point but expressed himself before leaving as in favor of the mechanic's lien law.

Mr. Close said that on the mandatory notice precedent he feels that zero dollars is too few. Should have a limit in there somewhere. What should the limit be?

Mr. Knisley: \$300?

Mr. Close: Maybe even \$100.

Mr. Olsen said he thinks \$300 would be about right and that required notice would not need to be given on amounts under \$300.

Mr. Delaney said he thinks \$300 is pretty high.

Mr. Rosaschi suggested the committee compromise and make it \$200. There seemed to be considerable agreement on this.

Mr. Close said the first section says \$5 also. Maybe this too should be reconsidered.

Mr. Knisley: Would the amounts need to be the same?

Mr. Close: Not necessarily. \$100 seems reasonable on this section.

Mr. Knisley: Let's make them both \$100 to simplify the matter.

It was so agreed.

AB 438: Provides mutual duties of landowners, livestock owners, and motorists with respect to livestock on federal highways.

Mr. Close explained that this bill provides that land adjacent to highway having livestock must fence. If land is not adjacent owner and motorist must use reasonable care.

Mr. Knisley said that this bill is in conflict with AB 436 which reiterates the open range and is a good bill. In California and in Nevada livestock has the right-of-way on highways in unfenced areas. If you hit an animal and demolish your car and injure yourself you have no recourse. He added that there is not enough money in the state of Nevada to fence all these lands. The lands are by allotment and you do not go in with anybody else.

Mr. Delaney said that all the stockmen are against AB 438.

Mr. Delaney moved to kill the bill  
Mr. Knisley seconded  
Motion passed unanimously

[ 120

Mr. Jacobsen that he had one comment on this situation. On highways bordering the open range the highways should all be signed. He knows some sections where they are not.

SB 112: Authorized use of tokens in slot machines.

Mr. Close said he thinks this might be unconstitutional. John Bonner, U.S. Attorney thinks Uncle Sam might object. What this bill is meant to do is to put the dollar slots back in operation. It would permit the gaming commission to use some kind of a token in the dollar machines.

Mr. Jacobsen, Mrs. Parsons, and Mr. Delaney expressed themselves as being in favor of hearing what the gaming commission has to say on this.

Mr. Close said he would like to hear from Harvey Dickerson on it.

Mr. Knisley: "In slot machines" is not very descriptive.

It was decided to hear from the Attorney General and from Mr. Olsen of the gaming control board. Mr. Jacobsen was assigned to contact Mr. Olsen and see when it would be convenient for him to come in. Mr. Jacobsen left a few moments later and found Mr. Olsen in the hall so he came in and there was further discussion on the bill.

Mr. Close: What we would like to know: Is it constitutional and what is the state's position and what is the federal government's position?

Mr. Olsen said that the federal government is against the use of metal tokens as money. The clubs say the tokens are not intended to be used as money. Under existing law you cannot put a token of any kind in a slot machine. The commission did adopt a policy which would permit the use of tokens in specially designed slot machines. If this amendment is passed, then the gaming commissioners will get together with the federal people to see if this can be allowed.

Mr. Knisley: Does the federal license now specify U.S. coins?

Mr. Olsen: I am not familiar with that.

Mr. Knisley: On subsection A page 1: Can you clean this up a little for us?

Mr. Olsen said the industry can design their own tokens and redesign their machines and the gaming commission would then approve them. He added that the plastic chips are ok with the federal control.

Mr. Close asked if these objects would be interchangeable among the clubs or would each club have its own.

Mr. Olsen replied that some clubs would like to have their own. One club even asked for a copyright on their tokens. The state doesn't have jurisdiction to do

March 5, 1965

Assembly Committee on Judiciary

this. This might, however, become necessary to fill requirements of federal law. Could show the tokens were designed in a special way for a special house.

Mr. Knisley suggested the gaming commission must give serious thought to regulations to prevent counterfeiting. He said he would like very much to see the situation on dollar slots corrected but doesn't want to make it worse.

Mr. Olsen said he would talk with legal counsel for some of the clubs and see if they think section 1 needs clearing up.

SB 190: Provides for appointment of receiver for property to be sold under deed of trust.

Mr. Close explained that 30 to 90 days may elapse between the time you file claim and the time you can go in and take over the property. This bill will permit that under certain circumstances a receiver can be appointed to go in and take over the property which is in danger of being damaged, wasted, etc.

Mr. Rosaschi moved Do Pass  
Mrs. Parsons seconded  
Motion passed unanimously

SB 191: Prohibits certain deficiency judgments on purchase money deeds of trust.

Mr. Close explained the bill. Purchase money deed of trust is a trust you take out when you go in to buy something and you get the money from a lender. This bill says if you do this there can be no deficiency judgment. If the property is sold for less than you owe the debt is still paid in full.

Mr. Close said he would look into this further to see what the present law is on this matter. This act would slow things down.

Mr. Knisley said he objects to the third party in there.

SB 152: Broadens habitual criminal act.

Mr. Close explained the act.

Mr. Knisley referred to page 1, lines 15-16 and asked why "and" instead of "or".

Mr. Close replied that if you used "or" you would not broaden the scope of the act any. All we are adding is "the situs of the crime".

SB 155: Requires notice to released prisoners of certain laws applicable to them.

Mr. Close explained that when a prisoner is to be released he is to be given \$25 in silver and he is to be told that he can't carry a gun and that he must register. Then a signed statement is to be obtained from him that he has been told these things.

Mrs. Parsons moved Do Pass  
Mr. Delaney seconded  
Motion passed unanimously

March 5, 1965

Assembly Committee on Judiciary

SB 162: Clarifies language defining assault with intent to commit a crime.

Mr. Knisley moved Do Pass  
Mr. Rosaschi seconded  
Motion passed unanimously

SB 201: Permits concurrent state and federal sentences for same crime

Mr. Knisley moved Do Pass  
Mr. Delaney seconded  
Motion passed unanimously

SB 152: Broadens habitual act.

The committee decided to get this bill out again.

Mr. Knisley moved Do Pass  
Mr. Rosaschi and Mr. Delaney seconded  
Motion passed unanimously

Meeting adjourned at 5:10 P.M.