

Senate

JUDICIARY COMMITTEEMINUTES OF MEETING HELDMARCH 17, 1967

A meeting of the Judiciary Committee was held at 2:55 P.M., Friday, March 17, 1967, in Committee Room 56, State Capitol, Chairman Monroe presiding.

Members Present:

Warren L. Monroe, Chairman
 V. L. Bunker
 M. J. Christensen
 Carl F. Dodge
 Procter R. Hug
 Coe Swobe
 C. Clifton Young

Also Present:

Casey Vlautin, Woodburn, Foreman, et. al.
 L. J. McGee, First National Bank
 Mel Close, Melvin D. Close, Speaker, Assembly
 Les Carlson, Public Service Commissioner
 Senator Fisher
 Joe Jackson, Nevada State Journal

A.B. 225 "Provides when a nonresident bank or corporation may act as executor, administrator, guardian, receiver, or trustee."

Mr. Vlautin stated that the Bill amended NRS 662.110; that the present law reads that a foreign bank may not act as executor or trustee of Wills in Nevada. This legislation would amend this law so that if a foreign bank associates with a bank whose principle office is in Nevada they may act in those capacities. He commented that the present statute has prevented wealthy people who would like to domicile in Nevada, but have dealt with a certain bank in another state, from residing here and buying property, paying taxes, and adding to the general economy. Mr. Vlautin emphasized that the provisions of the Bill would hurt no one, but would help generate business in Nevada. Mr. McGee stated that he had contacted all the banks in the State, except the Bank of Nevada, and they were all in accord with the purpose of this legislation.

Disposition: ON MOTION of Senator Young, seconded by Senator Swobe, it was unanimously agreed to "Do Pass A.B. 225."

A.B. 226 "Requires claimants against estates to furnish an address and permits notice by mail."

Mr. Vlautin stated that the Bill would require creditors filing claims against an estate to indicate their mailing address on the claim so the notice to him can be mailed -- it is merely an administrative procedure.

Disposition: ON MOTION of Senator Christensen, seconded by Senator Bunker, it was unanimously agreed to "Do Pass A.B. 226."

S.B. 414 "Exempts corporate administrators, guardians, and trustees from voucher filing requirement when rendering account."

Mr. McGee stated that this was an administrative Bill; that under the present law administrators, guardians, and trustees are required to file all the vouchers when making an accounting unless it is certified by a CPA in which case the vouchers do not need to be filed. This Bill would make it possible for a Bank to also certify the accounting and eliminate the necessity of filing the vouchers. Senator Swobe asked how long the Bank would keep the vouchers. Mr. McGee replied, indefinitely and they would be microfilmed before they would ever be disposed of. Senator Young asked where this would put the individual trustee or guardian as compared to a corporation. It was determined, after discussion, that it would not affect them at all, the vouchers would have to be filed unless certified by CPA or Bank.

Later in the meeting, after Mr. McGee's departure, the Bill was again discussed. Chairman Monroe referred to Subsection (b) and pointed out that it stated "accountant" not "CPA". Senator Swobe commented that this provision would enable the Bank to reduce their fees and would make a good selling point when soliciting the business of handling estates.

Disposition: ON MOTION of Senator Young, seconded by Senator Bunker, it was unanimously agreed to "Do Pass S.B. 414".

S.B. 422 "Adopts Uniform Testamentary Additions to Trusts Act."

Mr. McGee stated that it was his personal opinion that this was a good Bill. He said that there was a tendency today to create insurance trusts as they are written in large amounts, and when another trust is set up through a Will they both have to be administered separately whereas it would be much more efficient for them to be combined.

Disposition: ON MOTION of Senator Swobe, seconded by Senator Dodge, it was unanimously agreed to "Do Pass S.B. 422."

A.B. 179 "Requires annual accounting by nontestamentary trustees."

Mr. Close advised that the Bill does two things: 1. It repeals two sections of the law requiring that nontestamentary trusts be recorded with the Clerk. By filing with the Clerk it becomes a public transaction and sometimes it should be kept quiet. Testamentary trusts are required to be filed and probated because the person is no longer here to testify for himself, but with a nontestamentary trust the man is alive and the beneficiaries are aware of the money and get their money then. 2. It requires an accounting to the beneficiary by the trustee annually, he must state how much money has been earned, what purchases have been made and what the expenses were. It is only fair that the beneficiary know the status of the trust at all times. Senator Dodge asked how extensive the use of nontestamentary trusts had become.

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Mr. Close replied that he set them up for family situations; he has them set up for all his children, in fact he has trusts instead of a Will, if he should die there will be no probate as everything is in trust. More specifically though, he stated, that he didn't think they were too widely used by are becoming more so. Senator Dodge asked, mainly in a family situation? Mr. Close replied, yes, for children, grandchildren and so forth. He said that this was the only State he had found that requires the filing, that it is not a part of the Uniform Act. There could be situations of fraud or embezzlement but there is now with the trust being filed.

Disposition: ON MOTION of Senator Bunker, seconded by Senator Christensen, it was unanimously agreed to "Do Pass A.B. 179."

A.B. 163 "Authorizes Executive Director of State Department of Agriculture to issue and District Court to enforce subpoenas."

Chairman Monroe commented that the amendment changed the word "shall" to "may".

Disposition: ON MOTION OF Senator Swobe, seconded by Senator Bunker, it was unanimously agreed to "Do Pass A.B. 163 as Amended."

S.B. 314 "Requires spark arrestors on certain vehicles and provides civil liability for causing fires."

Disposition: ON MOTION duly made, seconded, it was unanimously agreed to "Do Pass S.B. 314 as Amended."

S.B. 336 "Amends various provisions relating to regulation of public utilities by Public Service Commission."

Chairman Monroe cited Section 4, Paragraph (2), page 3, and asked Mr. Les Carlson to comment on it. Mr. Carlson stated that it was his understanding that some of the utilities, especially Nevada Power Co., had great concern over this provision because mutual fund groups buy their stock in large blocks, sometimes 19% may be owned by this type of purchaser, however, the intent was to have some control over the merging telephone companies. He then cited a case in point that had occurred in Elko. Senator Swobe suggested that some of the objection could probably be removed by amending line 8 by inserting before the word "change" the word "materially" so that every stock transaction would not require Commission approval. Senator Young objected to the provision on Page 2, Paragraph 6, where it states that no accident reports shall be open to public inspection. In addition to discussing this Bill, the two Bills introduced this date were also briefly gone over.

Disposition: Held Over pending discussion with P.S.C. Commissioners.

A.B. 240 "Adopts revised Uniform Federal Tax Lien Registration Act."

Disposition: ON MOTION of Senator Young, seconded by Senator Swobe, it was unanimously agreed to "Do Pass A.B. 240."

The meeting was adjourned at 4:00 P.M.