

Senate

JUDICIARY COMMITTEEMINUTES OF MEETING HELDMARCH 8, 1967

A meeting of the Judiciary Committee was held at 9:15 A.M., Wednesday, March 8, 1967, in Committee Room 56, State Capitol, Chairman Monroe presiding.

Members Present:

Warren L. Monroe, Chairman
M. J. Christensen
Carl F. Dodge
Coe Swobe
C. Clifton Young

Members Absent:

V. L. Bunker
Procter R. Hug

Others Present:

Richard Bast, State Fire Marshall's Office
Don Sherman, Internal Revenue Service

S.B. 163 "Provides construction standards for mobile homes and travel trailers."

Chairman Monroe commented that the Committee might recall that they had entertained some doubts as to whether the Fire Marshall could handle the work load. He then invited Mr. Bast to discuss the merits of the Bill with the Committee. Mr. Bast stated that there was no doubt that we need standards on these trailers, and that their office could handle it if they get the additional help. He also stated that the request for additional help had no bearing on this Bill just on the over-all work load. Senator Dodge asked how that Bill was going, to which Mr. Bast replied, very well, it is in the Assembly Ways and Means Committee. Senator Monroe asked him if he realized that they will get fees for the inspections amounting to about \$12,000. Mr. Bast replied that he did, and that the Governor had given them the power of licensing and permits which should provide some additional income. He said they would license fireworks and maintain fire extinguishers. The subject of fires caused by fireworks and the danger of the use of tracer shells in the brush was discussed. Senator Dodge stated that since the contemplated income from trailer inspections would go into the General Fund it might be well to check with Senators Lamb and Glaser to see what they intend to do about adding to the staff, this information might help them decide what they are going to do. Mr. Bast thanked the Committee for permitting him to speak on the Bill and assured them that he would appreciate any assistance they might be able to give.

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

Chairman Monroe advised Mr. Sherman that the Committee had received complaints relative to this Bill from County Recorders. Mr. Sherman said that the background of the Bill was quite a story, when the law was passed last July, with that Bill to provide uniform filing fees, but all that got passed was that fees would be paid by the Federal Government. He said, how

much should our simple tax lien form cost to file, we have had to live with some wild fees ranging from 25¢ to 8 or \$9.00. He mentioned that he had drafted about what the IRS wanted and then gave it to Russ McDonald, who in turn, tied the Uniform Commercial Code, which went into effect March 1st with the Uniform Tax Act and A.B. 240 is the result. Mr. Sherman stated that the section Mr. Horn objected to was their billing procedure; he visited each of the 17 County Recorders and explained Section 6 which provides for the \$6.00 fee and no release fee, and also provides for a billing arrangement. This resulted in his having obtained the endorsement of all 17 County Recorders and Mr. Sherman had turned this document over to Senator Gibson. He stated further that Mr. Horn may have some objection to some other section but he had agreed with the provisions in Section 6. He explained the difficulty of receiving a billing on the 30th day of the month and processing it for payment by the 5th -- he also commented that it was common business practise to pay on the 10th and in many instances 30 days was acceptable, but they have been trying to live with this situation with impress funds and extra help. Senator Dodge asked if they didn't have any cash, to which Mr. Sherman replied that under the law they were supposed to pay at the time of the filing but the Recorders had given them five days, but they would like to get rid of the impress funds which amounted to \$5,000. Senator Dodge asked how many filings there were annually. Mr. Sherman replied that they had made 2122 filings in Clark County last year and they anticipated an increase because of the new Act which has taken some "teeth" out of the Act and they will have to act faster on these matters. Senator Christensen commented that Mr. Horn objected to S.B. 137. Chairman Monroe stated that according to the complaint from Mr. Horn he had to pay all his money over to the County Treasurer by the 5th of the month and if he had a lot of liens filed he had to pay those fees out of his own pocket. Mr. Sherman stated that this Bill wiped that situation out. Chairman Monroe read the pertinent section, then stated that the key wording was "actually paid". Senator Dodge stated that if the IRS paid on the 10th of the month the Recorder would have until the 5th of the following month before having to make payment to the County Treasurer. Senator Christensen stated that everybody else pays when they file, consequently the Recorder has to set up the bookkeeping to handle your money. Mr. Sherman showed Senator Christensen the form that he had discussed with Mr. Horn, and Mr. Horn had approved of it, and stated that it is a simple snap-out form entitled "Bill Support", and the only bookkeeping involved is to let them accumulate and send them to the IRS twice a month. Senator Christensen said, but he receives no extra recompense for this. Chairman Monroe said, but they get \$6.00 a piece from them. Mr. Sherman explained that actually they are prepaying five years in advance because the release fee is paid at the time of recordation. Senator Christensen said that Mr. Horn already had the machinery set up to handle it and this changes it. Senator Dodge commented that 2200 x \$6. is \$13,000. Senator Christensen said, yes, but he got that last year. Mr. Sherman agreed and stated that it had cost them \$5,000.

Mr. Sherman commented that one thing that Mr. Horn would probably not like is that under the new Bill they have to file corporate liens, to reach personal property, with the Secretary of State and the Recorder would not receive that money, but, he can't do anything about it as it conforms with the Uniform Commercial Code. The other 16 Counties in the State have given the IRS considerably more leeway, Mr. Sherman stated, or it would have cost them a great deal more. He also said that the Committee could change the amount, moderately, of the fee is they wanted to as they didn't care about the amount as much as having it uniform. Senator Dodge suggested that Senator Christensen call Mr. Horn to get him straightened out, and if he has to change his procedure and can show the fee is not adequate perhaps the Committee could ask for a moderate increase. Senator Christensen asked Mr. Sherman if he recalled what the fees were in the past, to which Mr. Sherman said, yes, and he gave him the amounts which ranged from \$2.00 to \$4.00. Senator Christensen said, in other words you are telling me that the fees are greater than in the past. Mr. Sherman said, no, not in Clark County, but the fees would average about \$6.00 as they have been paying for the lien then paying separately for the release. Senator Dodge asked how much the IRS would save through this procedure. Mr. Sherman said that he could document a savings of at least \$3,500. a year, and in two or three years at least \$5,000. a year. He stated also, that it was a waste of money to have the impress fund and that way of financing went out in the early 1800's -- people just don't handle business like that any more. Chairman Monroe asked Senator Christensen if he thought he would need to call Mr. Horn about this, or could they put it out. Senator Christensen asked that the Committee hold the Bill for two or three more days.

Disposition: Held Over.

S.B. 246 "Conforms notice by publication requirements in action to terminate parental rights with rules of civil procedure."

Mr. Daykin was requested to advise the Committee on the background of this Bill. Mr. Daykin stated that it was originally requested to conform these requirements of notice on termination of parental rights as they were slightly different than commencing a civil action. There seems to be no reason why the ordinary way of giving notice should not apply in this matter, so they copies same. Chairman Monroe asked Mr. Daykin if we really needed this legislation, to which Mr. Daykin replied in the affirmative.

Disposition: ON MOTION of Senator Dodge, seconded by Senator Christensen, it was unanimously agreed to "Do Pass S.B. 246."

Chairman Monroe called a meeting for 7:30 P.M. this date.

The meeting adjourned at 10:00 A.M.