

SENATE COMMITTEE ON COMMERCE

97

MINUTES - PUBLIC HEARING

S.B. Nos. 179, 192, 196

Date: Thursday, February 27 (Room 52, State Capitol Building)

Committee Members:	Senator White, Chairman	Present
	Senator Swobe	"
	Senator Hecht	"
	Senator Lamb	Absent
	Senator Titlow	"

Others Present: Mr. Hugo Quici, Director, Department of Commerce
Mr. Frank Arnold, Commissioner of Savings & Loan Division
Mr. Perry Burnett, Legislative Counsel Bureau
Mr. John Porter, Deputy Attorney General
Mr. Clark Guild, Jr., Vice President and General Counsel
for Home Savings and Loan
Mr. Sherman Miller, President, Nevada Savings & Loan Ass'n
Mr. R. W. Hyde, Executive Vice President, First Western
Savings & Loan
Mr. Gray Maye, Frontier Fidelity Savings & Loan Ass'n
Mr. Roger Bissett, American Savings & Loan
Messrs. Wallie Warren and Joe Jackson and other interested
persons

Chairman called the meeting to order at 2:30 P.M.

The first, and main, discussion centered about S.B. No. 179, and was prefaced by introductory remarks by Mr. Burnett, who made the study upon which the draft of S.B. No. 179 was based.

The aforementioned study was undertaken at the direction of Senate Concurrent Resolution No. 4 of the 1967 Session of the Nevada Legislature. In the course of the study Mr. Burnett worked with both the Savings & Loan Division and members of the industry in Nevada, consisting of five state associations and one federal association. After exchange of correspondence between the Division and the associations, it was found that 40 sections of the entire chapter governing these activities needed amendment, or were requested to be amended.

Accordingly, a meeting of all those concerned was called shortly before Christmas and the result was a meeting of the minds which became the draft of S.B. No. 179 (originally attached as an appendix to Legislative Counsel Bureau Bulletin No. 83, a reprinting of Mr. Burnett's report pursuant to SCR 4 of 1967).

Mr. Arnold then proffered certain amendments to the proposed legislation which his Division felt should be included in the bill. A list of all amendments proposed by those present is attached to these minutes and the first four were contained in the Division's recommendations.

Senator White questioned certain language in Section 11, Subsection 3, and a discussion as to the advisability of retaining the words "unreasonable fee" ensued. It was finally agreed that such a designation was always arguable and could be challenged, with the Commissioner in a position to bring such matters under review.

Senator White questioned as to whether there was a provision for hearings on the revocation of licenses. Mr. Porter cited NRS 673.047 as covering this eventuality. Similar provisions reside in Lines 19 and 20 on Page 8 of S.B. No. 179 itself.

Mr. Arnold requested the changes represented as Items 9 and 10 on the attached list of proposed amendments, and stated that this was the extent of the Division's suggestions.

Mr. Burnett proposed a clarification to remove the possibility of certain questions arising, by the addition indicated in Item 5 of the attached listing.

Mr. Guild suggested that the language in Item 6 of the attached be included in the final bill.

Messrs. Miller, Hyde, and Maye indicated their satisfaction with the proposed legislation and the manner in which the whole study had been handled by Messrs. Quilici, Arnold, Porter and Burnett. They agreed that passage of the measure was highly desirable.

Mr. Guild echoed their sentiments and offered further suggestions. He called attention to Page 4, Line 34, and it was agreed by all concerned that the wording as it stood was too inhibiting and Item 7 of the attached was added to give greater latitude of operation. He voiced similar misgivings concerning the provisions of Section 15, Page 6, and it was agreed to delete the words "within its primary lending area" (Item 8). Questions by Senator White and responses by Mr. Porter revealed that certain other provisions for control would eliminate any dangers that might possibly be incurred by this deletion.

Mr. Bissett stated that he and the persons he represented were in high accord with the general satisfaction already expressed with S. B. No. 179's provisions. He especially commended Mr. Arnold's efforts regarding the bill.

Discussion turned to S.B. No. 192. In view of previous expressions of profound satisfaction with the handling of the aforementioned S.B. No. 179, it was agreed that comment or consideration of this bill was not merited.

Regarding S. B. No. 196, Mr. Arnold explained that this came about as a result of matters which arose after S.B. No. 179 had been prepared for printing. He had two suggestions for changes in this measure.

He directed attention to Line 4 and asked that the words "related service" be inserted before the word "corporation."

Mr. Arnold also proposed the insertion of certain provisions that would parallel the state law to the federal code; a copy of this proposed amendment is attached hereto.

Senator White questioned the provision allowing such a great disparity in the permissible number of board members. Mr. Porter explained that this existed to allow for the difference in the corporate size of individual associations.

Senator Hecht queried as to the value of this piece of legislation. Mr. Porter explained that it was to increase the competitive position of state-chartered associations as opposed to that of federally-chartered groups.

The persons other than committee members departed from the hearing.

Senator Swobe moved that the committee recommend passage, as amended, of S.B. No. 179. Seconded by Senator Hecht. Motion carried.

Senator Swobe moved to table S. B. No. 192. Seconded by Senator Hecht. Motion carried.

Senator Swobe moved that the committee recommend passage, as amended, of S.B. No. 196. Seconded by Senator Hecht. Motion carried.

The meeting adjourned at 3:25 P.M.

Approved:

Marvin L. White

Hecht

Amendments to S. B. 179:

1. Section 3, page 1, line 6, correcting "or" to read "on."
2. Section 4, page 1, line 10, inserting the word "substantially" between the words "of" and "all."
3. Section 7, subsection 2, page 2, line 20, after the word "consideration" insert ", as available,".
4. Section 11, subsection 1, page 3, line 36, add the sentence "The provisions of NRS 673.450 shall apply to the examination of such corporations."
5. Section 11, subsection 2, page 3, line 40, preceding the word "without" add the words "which has been undertaken."
6. Section 11, subsection 3, page 3, line 42, after the word "company" insert the words "which controls such association."
7. Section 13, subsection 2(a), page 4, line 34, after the word "experts" insert the words "without prior approval of the court."
8. Section 15, subsection 1, page 6, line 5, delete the words "within its primary lending area."
9. Add a section amending NRS 673.018, "Members defined" - second line, change "an" to "a" followed by "mutual."
10. Section 27, subsection 3(c), page 11, line 32, change word "dividend" to "semiannual."