

SENATE COMMITTEE ON COMMERCE

MEETING MINUTES

Date: Thursday, February 6, 1969

Committee Members	Senator White, Chairman	Present
	Senator Swobe	"
	Senator Hecht	"
	Senator Lamb	" (Part-time)
	Senator Titlow	Absent

Visitors: Mr. Pete Kelley, Northern Nevada Insurance Association
 Mr. Oliver Bolton, Northern Nevada Insurance Association
 Mr. Wilson McGowan, State Controller
 Mr. Herb Mattheus, Nevada Real Estate Association
 Mr. Hugo Quilici, Director of Department of Commerce
 Mr. Don McNelley, Administrator of Real Estate Division

Chairman called meeting to order at 8:45 A.M.

Senator White opened the meeting by stating that Harvey Dickerson had requested a bill⁺ be drafted to allow commercial use of the state seal (for advertising purposes). An outside company, for example, is preparing a book on the various states and would like to include a replica of each state's seal. Nevada is one of two states which by present law would not allow this printing. Senator Lamb expressed some reservation as to the advisability of such permission and suggested that before any action be taken, it should be determined why the prohibition of outside use of the seal was legislated in the first place. Senator Swobe expressed agreement with Senator Lamb. After some brief discussion, it was agreed to have such a bill introduced for referral back to the Committee on Commerce.

SB-92 Permits election as to annuity payments under insurance premium tax.

Senator White stated that what this bill basically does is provide interim premium tax collection on annuity purchases at time of purchase until the new insurance code becomes effective. If the bill is not passed, the Insurance Department will be required to go to all insurance companies and collect premium tax on monies that have been paid during the past three years for the purchase of annuities.

Senator Lamb recommended action be delayed. Committee members present unanimously agreed.

SB-71 (with Amendments) Prohibits malicious and arbitrary cancellation of casualty insurance.

Senator White read proposed amendments and asked for comments or questions.

* SB/41

Mr. Bolton questioned the requirement that 20-day previous notice of cancellation be given; policies as presently written provide that a 10-day notice of cancellation is required, and he is of the opinion that that is sufficient. He added that this 10-day notice is pretty standard in all casualty policies. Adoption of the 20-day notice requirement would work a hardship on the insurance companies, in that it would require reprinting of policies. Senators Swobe and Lamb felt that a span of 10 days did not give insured enough time to secure coverage elsewhere and expressed agreement that the 20-day notice was needed. It was voted to hold action on the bill.

SB-53 Abolishes duty of state controller as member of state insurance rating board.

Senator White asked Mr. Wilson McGowan, State Controller, for his comments on this bill. Mr. McGowan stated this bill was introduced by the Department of Administration. Actually serving as a member of the state insurance rating board is presently, and has been for a long time, a non-functioning duty of the State Controller. Mr. McGowan did not initiate the legislation, but he has no objection to its passage.

Senator Swobe moved "Do Pass" action; Senator Hecht seconded the motion; it was so ordered.

SB-37 Requires state and political subdivisions to purchase insurance through licensed resident agents.

Senator White read the proposed amendment to this bill, providing purchase of insurance from a "surplus line broker" in those instances where state licensed brokers could not write the required insurance. Mr. Bolton said that the basic legislation was initiated for the benefit of locally licensed companies, inasmuch as they were doing business in the state, paying taxes to the state, and it was not equitable that outside companies should be permitted to write insurance for the various governmental agencies; however, there are some instances (as an example, he mentioned malpractice insurance) where locally licensed insurers cannot write the insurance required and it is for this reason that purchase from "surplus line brokers" is provided.

Senator White asked if there were any questions. There were none. Committee voted to hold action.

SB-98 Changes expiration dates of real estate licenses. Executive estimate of cost: None.

Don McNelley, Administrator of the Real Estate Division, said that as the law stands, the expiration date of all real estate licenses is June 30, the end of the fiscal year. Setting the expiration date forward to April 30 would operate to the benefit of his office in being able to collect renewal fees and turn them over to the Treasurer's Department before the end of the fiscal year. Also, this expiration date corresponds with the expiration date on insurance licenses. He stated, also, that he knew of no opposition on the part of the real estate industry.

Senator White asked if anyone had any questions. No questions.

SB-99 Requires practical experience for real estate broker's license.
Executive estimate of cost: None.

Mr. McNelley said that this proposed legislation was designed to upgrade the real estate profession. He said that presently all one had to do to be a real estate broker was to sign up for a 96-hour course of instruction and pass the state examination; he could then operate as a real estate broker. The proposed law would require one year's actual experience as a real estate salesman and the 96-hour instruction course or actual experience of two years as a salesman before applying to take the examination to become a broker. .

Senator Swobe inquired about requirements in other states. Mr. McNelly said that California, for example, has a two-year salesman experience requirement and most of the other states also have an experience requirement.

Senator Hecht asked what the effect would be on outside brokers coming into the state to do business. Mr. McNelley said that Nevada would recognize a man's license and experience in another state, but he would still have to take and pass the Nevada examination for real estate brokers.

SB-100 Specifies information to be furnished to real estate vendors and purchasers. Executive estimate of cost: None.

This bill provides a more definitive statement of requirements in furnishing a closing statement to vendors and purchasers within 30 days after close of escrow. Mr. McNelley said the industry was thoroughly in accord with this legislation.

Mr. Herb Mattheus said he was in complete agreement and then, in his remarks, reverted to the subject of real estate broker licensing. He felt there should be more stringent requirements and said there was a national movement afoot for the adoption of such requirements.

As to the exchange of property, Senatro White said he would like to see a standardization of forms used by the title companies. Mr. Mattheus said there was presently a move under way to standarize all forms used in the real estate business and that these forms would be approved by the State Bar Associations. He also said that he anticipated that perhaps within the next two years there would be national conformity.

Senator Swobe moved for a "Do Pass" action; Senator Hecht seconded; it was so ordered.

SB-52 Gives Director of Department of Commerce responsibility of appointing Commissioner of Savings Associations.

By invitation, Mr. Hugo Quilici, Director of the Department of Commerce, joined the meeting to express his opinion on this proposed bill. He said that actually the content of the bill was of no great concern to him, but that adoption of the bill would eliminate the seeming inconsistency

Senate Committee on Commerce
Meeting Minutes

February 6, 1969
Page 4.

of the law as it now stands. Present law gives the Director of the Department of Commerce the responsibility of appointing all chiefs of the divisions of his department with the exception of the Commissioner of Savings Associations, which appointment is reserved as the Governor's responsibility. In a memo dated October 19, 1967, John A. Porter, Deputy Attorney General of the Department of Commerce, brought this inconsistency to the attention of Mr. Russ McDonald (copy of memo attached). At the same time a copy was sent to the Governor and so far as Mr. Quilici knows, the Governor has registered no protest to the change in responsibility provided by SB-52.

Senator Hecht made a motion to "Do Pass"; Senator Swobe seconded; it was so ordered.

Meeting adjourned at 9:35 A.M.

Approved:

/s/ Marvin L. White
Marvin L. White, Chairman

TO RUSSELL W. McDONALD, Director
Legislative Counsel Bureau

13

Memo

FROM John A. Porter
Deputy Attorney General (Dept. of Commerce)

DATE 10-19-1967

SUBJECT Apparent conflict in statutory provisions relating to appointment of Commissioner of Savings Associations.

References: Chapter 259, 1963 Statutes of Nevada, Section 4, paragraph 1 (amending NRS 673.0351)

Chapter 339, 1963 Statutes of Nevada, Section 4, paragraph 1 (amending Chapter 232 of NRS); also Section 99 of said Act, amending NRS 673.0351, paragraph 1

Chapter 405, 1963 Statutes of Nevada, Section 2 (amending Chapter 232 of NRS)

NRS 232.250, paragraph 1

Perhaps, it was legislative intent that the Director, Department of Commerce, with the consent of the Governor, should appoint division chiefs for insurance, banking, and real estate, but NOT for savings associations, who should be appointed and serve at the pleasure of the Governor. If so, present NRS 232.250, paragraph 1, adequately so provides. Reason for such difference in the appointing power within the same department is not apparent, and has resulted in some inquiry concerning such difference. On the other hand, it (such difference) may be inadvertent and traceable to different legislative bills and Acts assigned to different legislative committees, and a case of "the left hand not knowing what the right hand was doing". If the latter is the case, you may want to "clean up" the apparent discrepancy.

Not a matter of "life or death", but thought you might want this called to your attention.


John A. Porter