

MEETING MINUTES

Date: Thursday, March 27, 1969

Committee Members Present: Senator Marvin L. White, Chairman
Senator Floyd R. Lamb
Senator Chic Hecht
Senator Coe Swobe

Committee Members Absent: Senator Emerson Titlow

Others Present: Mr. Hugo Quilici, Director, Department of Commerce
Mr. John A. Porter, Deputy Attorney General
Mr. Frank D. Arnold, Savings & Loan Commissioner
Mr. Paul R. Laiolo, President, Pioneer Citizens Bank and
President, Nevada Bankers Association
Mr. Royal A. Stewart, Director-Attorney, Pioneer Citizens Bank
Mr. Louis J. Capurro, Chairman of the Board, Pioneer Citizens
Bank
Mr. Clark Guild, Jr., Home Savings & Loan Association
Mr. Roger Bissett, American Savings & Loan Association

Chairman called the meeting to order at 12:00 Noon.

The chairman solicited comments on each bill as it was introduced for discussion and action.

S.B. 179 Introduced by Committee on Commerce.
Modernizes regulation of savings and loan associations.

Mr. Quilici reminded the committee that a resolution was passed in the last session of the legislature asking the Legislative Counsel Bureau to create a bill strengthening the savings and loan legislation. The current bill was drawn to modernize and strengthen the regulations governing this industry. After the bill was drawn, two conflicts were discovered and thus amendments were prepared to correct them. (Copies of proposed amendments were distributed to committee members.) The proposed legislation was formulated through the combined efforts of Messrs. Quilici, Arnold, Porter, Burnett and representatives of the industry.

Mr. Quilici said that the bill as now presented, with the amendments, meets with the approval of both the industry and his department.

After Senator Lamb had been assured there had been no opposition heard to this legislation, he made a motion that the amendments be adopted; Senator Swobe seconded; motion passed. Senator Lamb then moved to pass the bill, as amended; Senator Swobe seconded; motion carried unanimously.

S.B. 196 Introduced by Committee on Commerce.
Increases authority of savings and loan associations and their directors.

There was a brief discussion on the needs and purpose of this legislation. Mr. Porter said it provided that the board of directors of savings and loan associations be authorized to amend their by-laws, which has been a matter of practice. Senator Swobe recalled that at the last meeting when savings and loan legislation was discussed, a couple of amendments were proposed. The chairman read the recommended amendments and ascertained from those present that the amendments were generally acceptable to both the industry and the state.

Senator Swobe moved to adopt the amendments; Senator Lamb seconded; motion carried. Senator Swobe then moved adoption of the bill, as amended; Senator Lamb seconded; motion carried unanimously.

S.B. 406 Introduced by Committee on Commerce.
Enlarges loan conditions for loans from savings and loan associations.

Introduction of this bill prompted a very brief discussion. Mr. Guild reported that the industry favors it. The bill is aimed at trying to bring legislation in line with the inflationary trends of today. No opposition was heard from those attending the meeting.

Senator Lamb moved to "do pass"; Senator Swobe seconded; it was so ordered.

S.B. 319 Introduced by Senator Dodge.
Provides in detail for regulation of savings and loan holding companies.

In asking for comments on this bill, Chairman White announced he had heard from First Western and other savings and loan companies in opposition to adoption of this legislation. Mr. Porter was asked if it was felt there was presently sufficient legislative control of the savings and loan associations in the area covered by this bill. He replied that it was felt there was substantial merit in the registered objections to this bill and it was further felt that before any action should be taken on this kind of bill, more consideration should be given it. He said he did not know who sponsored this bill.

Mr. Quilici said his department had had nothing to do with the framing of this bill and he understood that similar legislation had been proposed a couple of years ago. He added that he thought there may have been need for a law of this kind at one time, but he felt that now the industry is sufficiently controlled.

Senator Lamb moved to kill the bill; Senator Swobe seconded. Action on the bill was postponed indefinitely.

(At this point, Mr. Bissett passed to the chairman a copy of report prepared by the American Savings & Loan, which is representative of the kind of report which is required by federal law.)

A.B. 409 Introduced by Committee on Commerce.
Clarifies capital stock requirement of banks and trust companies.

Mr. Quilici said the purpose of this bill was to take care of a conflict that was occasioned by legislation passed two years ago. At that time, one section of a bill covering this subject was inadvertently not changed. Mr. Porter confirmed that this bill represented merely a clarification of language.

Senator Swobe made a motion to "do pass"; Senator Lamb seconded; motion carried unanimously.

A.B. 538 Introduced by Mr. Capurro.
Permits increase of capital stock of state banks for certain purposes.

Mr. Laiolo, in speaking on this bill, said it represented an effort to give Nevada state banks the right to have authorized but unissued stock, to be used for such purposes as transfer to valued employees, implementation of stock option plans, etc. Mr. Stewart added that the Federal Reserve Board permits national banks to hold authorized but unissued stock.

Under this legislation, any authorization of such stock would have to be approved by the State Superintendent of Banks.

Senator Lamb asked Mr. Quilici for an expression on this legislation. Mr. Quilici said he had no objection to it and added, in reply to Senator Lamb's question, that he had discussed it with the Superintendent of Banks, who also professed no objection to the bill.

Senator Swobe made a motion for "do pass"; Senator Lamb seconded; motion carried.

Meeting adjourned at 1:00 P.M.

Approved:

Marvin L. White