

MEETING OF THE
SENATE AND ASSEMBLY
STANDING COMMITTEES
ON
COMMERCE

Date: March 16, 1971

Members Present:

Senator Close
Senator Drakulich
Senator Hecht

Members Absent:

Senator Lamb
Senator Swobe

Assemblymen Present:

Mr. McKissick
Mr. Ashworth
Mr. Branch
Mr. Capurro
Mr. Hilbrecht
Mr. Lingenfelter
Mr. Poggione

Others Present:

Dr. Tom White, Commerce Department
Preston Tidvall, Banking Commission
Dr. Donald Robertson, Optometrist
Robert Sullivan, Pres. Valley Bank
Charles Siefert, Exec. V.P. Bank of
Nevada
Arthur Smith, Chairman, First Nation
Bank of Nevada
E. H. "Burt" Fitz, retired President
First National Bank of Nevada
Milos Tursich, Attorney

Chairman Close called the meeting to order at 3:02 P.M.

The first discussion regarded AB 403.

AB 403 - Prohibits accident and health insurance
policy from denying insured free choice
of services of licensed optometrist.

Dr. Robertson told the committee that this bill has been designed primarily to avoid any type of discrimination against optometrists by private companies which are administering public funds. Theirs is the only profession licensed by the state to practice their particular art.

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Following the testimony, Senator Hecht moved to "do pass"; seconded by Senator Drakulich; motion carried.

AB 64 - Prohibits exclusion of podiatric and chiropractic treatment from accident and sickness insurance policies.

As a result of AB 403, the committee decided to amend AB 64 to conform with the language in AB 403. A motion to that effect was made by Senator Drakulich; seconded by Senator Hecht; motion unanimously carried.

Senator Close announced that SB 521 would be heard on Tuesday, March 23, following adjournment.

SB 521 - Prohibits lending institutions from changing points or raising interest rates in certain property transfers.

The next bill for consideration was SB 343 for which the Assembly Commerce Committee members joined the Senators.

SB 343 - Revises law governing state banks and banking.

Dr. White gave a brief background of the banking regulations since 1933 and told the committee that the bill is a bit more restrictive. It requires the membership of all ~~banks in the~~ F.D.I.C. and it permits investment in private securities provided the bank does not exceed 25% total lending and security buying. The bill defines "private security" as any type of paper that any firm might want to write and sell for the bank.

He said this bill incorporates the modern trend of banking and went on to explain the major changes and additions which are incorporated. (See Exhibit A)

After answering the many questions asked by the legislators, he asked the committee for their favorable consideration on this measure in order to eliminate the now antiquated regulations in the Statutes.

Mr. Sullivan, also representing the Nevada Banking Association, said that he and the presidents of Nevada state banks had helped draft the legislation and feel it is the most workable plan that ever could have been devised.

Mr. Tidvall further explained that there are additional amendments which should be incorporated in the bill. He advised the committee that he would put his comments in writing for their perusal.

Mr. Siefert said that he had also helped draft this legislation which is a composite of the laws in various states as well as the Controller's Manual. There are 24 states which have this "wild card" statute allowing State banks to perform all acts permitted by National banks with permission of the superintendent.

Mr. Smith said he had worked for a State bank for 22 years and found that it was very difficult for banks to operate with out-dated regulations. Both he and Mr. Fitz recommended passage of this legislation.

A discussion followed with regard to bank charters. Mr. Tursich advised the committee that this bill would permit a six-month period rather than one year for a new branch to become operational once a charter had been granted.

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

SECTION 34 thru 43

Provides better legislation, makes more restrictive - principally requires F. D. I. C. insurance for any bank.

SECTION 81-1

Allows investment in "private security" not to exceed 25%.

SECTION 81-4

Reserve requirements for deposit liability removed on accounts secured by governments.

51-2

Requires all banks to be members of F. D. I. C.

76-1 (f)

Wild card statute - Allows state banks to perform all acts permitted by national banks with permission of superintendent.

93-4

Eliminates Federal Fund purchases from loan limitation.

95-1

Waives reserve requirement on state funds if secured by pledge of eligible securities.

SECTION 101

Requires a Nevada bank to be appointed as at least co-fiduciary.

SECTION 103 - 107

Allows superintendent to close any bank in an emergency.

SECTION 123.1

Provides for 2 exams within 18 months rather than 1 each 6 months.

SECTION 126.1

Confidentiality of bank examinations clarified.

SECTION 127

States who may have access to examinations.