

ASSEMBLY COMMITTEE ON JUDICIARY - 56th SESSION, 1971

MEETING MARCH 30, 1971

The meeting was called to order at 3:20 p.m. Present: Miss Foote, Messrs. Fry, Lowman, Kean, Olsen, May, McKissick, Dreyer and Torvinen. None absent.

AB 667 - Expands definition of "police officer" and "fireman" for purpose of public employees' retirement system.

MR. KEN BUCK, Public Employees Retirement System, said that peace officers should be clearly defined for purposes of this bill. There are now ten bills in the Legislature making various employees "peace officers" and all those so designated would be eligible for early retirement benefits. The same applies to "firemen".

Financial impact on the retirement system fund as a result of this measure was discussed. Mr. Torvinen said the total amount of retirement benefits received over the five year period plus the amount that is not paid into the fund during those years (had the employee not retired early and continued to work) would be significant, and Mr. Buck agreed.

MR. DON ANDERSON, Secretary of the Retirement Board, said the way this bill was worded it would include almost everyone even the secretaries. There was justification for retiring at an earlier age for those actively engaged in full time law enforcement and fire control. He feared that without proper restriction many employees would seek classifications in the peace officer and fireman categories for the sole purpose of qualifying for early retirement benefits.

The committee discussed the intent of the measure and justifications for retirement for various categories. Mr. Lowman said, and the committee concurred, that those persons promoted to supervisory positions should not lose early retirement benefits as a result of the promotion.

Mr. Torvinen moved "Amend and Do Pass" AB 667, seconded by Mr. Dreyer. Carried.

SB 554 - Conforms certain charitable trusts, foundations and corporations to requirements of Federal Tax Reform Act of 1969.

F. R. BREEN, ESQ., Breen, Young, Whitehead and Hoy, said that Senate Bills 553, 554, and 558 were all tax oriented bills. Regarding SB 554, non-profit and charitable organizations have a problem in conforming to the Federal act, and this bill is designed to take care of the problem. In drafting this bill he gathered all

proposed bills submitted in other states, plus the model act proposed by the American Bar Association and American Bankers Association. He incorporated the better parts of all these in SB 554.

The Federal Tax Reform Act of 1969 is very complex and refers to various sections of the Federal Revenue Trust Act. SB 554 will provide measures by which the charitable foundations and non-profit corporations can avoid the penalties of the 1969 Act.

SB 553 - Provides for payment of certain attorneys' fees as administrative costs of estates of deceased persons.

Mr. Breen said this bill would allow attorneys' fees for non resident heirs to be considered "of benefit to the estate" and taken as a tax deduction. These fees are presently not deductible. If the state law says attorneys' fees shall be held as administrative expenses of the estate, then Internal Revenue has to accept them as such.

SB 558 - Provides for payment of certain attorneys' fees as administrative costs of the estates of deceased persons.

This bill is for the accounting section of the code and it refers to a situation where a question has arisen concerning the account if there is a minor or absent heir. In that situation, we are saying this is an administration expense of the estate. Anytime you have an account in question, resolving that is of benefit to the estate.

Mr. McKissick noted that all the bills (SB 553 and 558) did was to allow the heirs to realize more from an estate rather than paying it out in Federal estate taxes.

Mr. McKissick moved "Do Pass" SB 553 and SB 558, and SB 554. Seconded by Mr. Kean. Carried.

AB 760 - Exempts Welfare Division from operation of Administrative Procedure Act; adjusts and clarifies fair hearing procedures.

MR. ERNEST NEWTON, Nevada Taxpayers' Association, discussed this measure section by section with the committee. The bill would allow a dissatisfied welfare recipient to go directly to the district court with his complaint. If unhappy with that decision, he still has the right of appeal. This measure will save about 80 days and \$125,000 in each case that requires a hearing. Mr. Newton was of the opinion that this method would be more effective, less time consuming, and less expensive than the system now being used.

Mr. Torvinen was concerned because the language in this bill was "appeal" rather than "fair hearing", as specified by Judge Foley in his recent decision. Mr. Newton said the bill was worded in this manner to comply with Federal Court wording of "appeal for a fair hearing."

Amendment to change the wording was discussed. It was decided this could be done faster on the floor of the Assembly.

Mr. Lowman moved "Do Pass" AB 760. Seconded by Mr. Kean. Carried.

Mr. May moved "Do Pass" AB 335. Seconded by Mr. Lowman. The motion lost on a vote of 4-3, with two abstaining.

AB 773 - Reduces age of majority from 21 to 18 years of age.

JUDGE JOHN MENDOZA spoke on the inconsistencies in this bill in regard to statute references in the various sections. As a result of additional study of the measure, he later negated his testimony.

Mr. Torvinen moved "Do Pass" AB 90 with the provision that AB 667 first pass both houses.

Mr. Kean suggested this measure be made an amendment to AB 667. Mr. Torvinen said they ran a risk of defeat because of the amendment. The committee decided to hold the bill.

Mr. Lowman moved "Do Pass" AB 743, as amended. Seconded. Carried, with two dissenting votes.

Meeting adjourned.