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SENATE JUDICIARY COMMITTEE

MINUTES

February 16, 1971

Chairman Monroe called the meeting to order at 10:00 a.m.

Committee Members Present: Chairman Monroe
Senator Close
Senator Foley
Senator Dodge
Senator Swobe
Senator Wilson
Senator Young

Guests: Senator Fransway
Mr. P. Dingler - Vice President,
Operations - Nevada National Bank
Mr. F.W. Holmes - Assistant Cashier
for BankAmericard - Nevada National
Bank
Mr. Don McNalley - Nevada Real Estate
Commission
Grant Davis - Legislative Counsel
Bureau
Press

S.B. 162 - Increases minimum sentence when crime
committed while using dangerous weapon
Senators Close, Hug, Manning, Herr and
Gibson

Senator Close explained that this bill provided that a
criminal could not be paroled until the minimum sentence has
expired. Presently they can be paroled in one year. It makes
a two year sentence mandatory when a dangerous weapon was
used to commit a crime.

Senator Dodge felt that this bill was not necessary since
during the last session there was a major overhaul of the
appellate division. He felt that there was no less reason not
to rely on the judges decision in these situations as in any
other. Senator Close said that he felt that it was proper in
those cases for the legislature to proscribe more severe
penalties and set up a minimum penalty as a guideline. Senator
Dodge felt that the judge would take into account the use of
a dangerous weapon, and that the legislature should not isolate
situations where they would not rely on the judges perspective.

Grant Davis said that the way he read it, the most the criminal could get for a second offense is two years. The wording "shall be sentenced to two times the minimum sentence" would make it the minimum and maximum.

Senator Young suggested that the word "crime" on Line 3 should be changed to "felony" so that gross misdemeanors would not be included.

Senator Close and Grant Davis will work on the language.

S.B. 11 - Prohibits illegal use of credit and identification cards.
Senators Fransway, Lamb and Hecht

Senator Fransway introduced Mr. Jim Dingler and Mr. Pat Holmes of the Nevada National Bank, who are in charge of BankAmericard in Nevada.

Mr. Dingler told the committee that their major problem is that there are tremendous number of fraudulent credit cards in Nevada. Not only Nevada cards; approximately 50% of the illegal cards are from California. Merchants, banks and issuers are being taken to the cleaners. He said they have no recourse under present statutes to stop people from using fraudulent credit cards. There is one law that states that if there is \$100 in fraudulent use in a particular county, we could go after them on a misdemeanor. There is no law to arrest and get them out of circulation.

Senator Wilson asked Mr. Dingler what Section 15, paragraphs 1 and 2 attempted to accomplish. Mr. Dingler stated that the words "by another" on Line 22, should read "to another." He said paragraph 1 would cover someone counterfeiting credit cards, and paragraph 2 pertains to wrongfully completing someone else's card. He said this is copied after the law in the State of Washington.

Senator Dodge mentioned there were several bills coming into the legislature and asked which they thought to be the best to consider. Mr. Dingler said that he had been advised by Bank of America Incorporated that this bill from Washington has been approved as being the model bill for all states.

Senator Foley asked what other identification the merchants require besides the credit card. Mr. Dingler replied that it is according to the size of the purchase whether it requires authorization from Bank of America for a specific purchase. If there were any problem, we would then ask for additional identification.

Chairman Monroe asked Mr. Dingler what amount they could charge up to before the merchant has to check with Bank of America? Mr. Dingler replied that generally speaking, it is controlled by the card that any purchase over \$50. must be checked. He said that there are other merchants who have higher limits, like the International Hotel and airlines. This is called a floor limit. For instance, airlines have a \$500. floor limit.

Senator Swobe asked Mr. Dingler how these cards are now solicited. He replied that in 1967 there was an unsolicited issue, but from that time no one is issued a card without signing an application. Every applicant receives a credit check through the appropriate credit bureaus.

Senator Dodge pointed out that there is a provision in the bad check law saying a series of checks totaling \$100 is a felony and asked Mr. Dingler if he wanted to use that language, and if so, did he want a time limit on it. Mr. Dingler said he did want a provision for a series of checks, and that a 90 hour limit within the state would be acceptable.

Senator Dodge pointed out there is no provision in this law for a person who is in possession of more than one card in another persons name being a felony. Mr. Dingler had made a note that it should read "of one or more."

Senator Close asked what the present status on collecting sums from innocent persons whose cards had been stolen but had not notified the issuer. Mr. Dingler answered that under the new federal law, the card holder is responsible only up to a \$50 maximum. The credit card issuers were given until January 26 to inform the customers that they would hold them responsible up to the maximum. If they did not inform the customers by that date, they would not be able to hold them responsible for any amount. Bank of America chose not to collect the \$50 maximum from any customers.

Senator Young reminded Mr. Dingler that he mentioned earlier that they were limited by the law as far as prosecuting. The Senator felt that in 1965 a law was passed that seems to cover the credit card problem. He was surprised that the D.A.'s can't prosecute under Chapter 15, Section 205.500, which states that anyone who knowingly uses or attempts to use a stolen card where the total amount of goods is over \$100, is guilty of a felony. He felt that the language was more restrictive.

Mr. Holmes answered that they get different definitions from the D.A.'s. The ex-D.A. felt he needed in excess of \$100 on one sales draft, while this bill is talking about an accumulation of sales drafts.

Senator Dodge felt that the committee should hold action on the bill since it is such an extensive piece of legislation, and first find out what has been introduced into the Assembly to prevent a duplication of time and effort. He asked Mr. Dingler and Mr. Holmes to explore the other bills introduced and recommend to the committee which bill needs to go.

S.B. 3 - Provides for investigation by real estate advisory commission of out-of-state subdivisions before being offered for sale or lease in this state.
Senator Herr

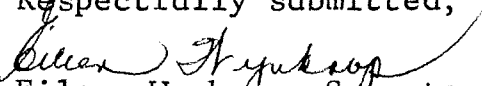
Chairman Monroe introduced Mr. Don McNalley from the Nevada Real Estate Commission. Mr. McNalley stated that when he initially read the bill he wasn't enthused. First, it calls for the Nevada Real Estate Commission to investigate the land, and he didn't see how the commission could do the job since they only have two investigators to take care of in-state and out-of-state.

Senator Dodge told Mr. McNalley that what they really need to find out is whether the real estate industry and commission feel that it is a problem to get at, and if so, do they have any legislative proposals to suggest. Mr. McNalley stated that it is the consensus of the industry and the advisory commission that this is a problem, and has become an even bigger problem since the last session. He felt we need a comprehensive bill to cover a subdivision act both in-state and out-of-state. Mr. McNalley was asked if he submitted any bills to cover that, and he replied no.

Senator Wilson asked Mr. McNalley what the California law was, and if it is workable, would he recommend it. Mr. McNalley stated that he considered the California law very comprehensive. They make an inspection, both in-state and out-of-state, with no exceptions, and then they issue a public report which states all conditions, whether good or not.

Senator Dodge asked why the commission had not taken any initiative in getting some kind of legislation passed that would take care of their problems. Mr. McNalley said that it was his understanding there was a land full disclosure act being drafted, and that there was a bill before the Assembly which was brought back from last session. Senator Close suggested the commission take a look at the bills introduced so far and see which one will meet their needs.

Meeting adjourned at 10:50 a.m.

Respectfully submitted,

Eileen Wynkoop, Secretary