

MINUTES

COMMITTEE: COMMERCE

DATE: Monday, February 12, 1973

MEMBERS PRESENT: Vice-Chairman Wittenberg; Dr. Robinson; Messrs Bickerstaff, Hafen, Dini, Torvinen, Capurro, and Demers

MEMBERS ABSENT: Chairman Prince

GUESTS:

Speaker Keith Ashworth .	Nevada Assembly
Russ Nielsen	Press corps
Joseph Allison	Lawyers Title
Ray Coradetti	First Commercial Title
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Ray O'Brien	" "
C. W. Lingenfelter	Land Title Association
R. E. Hansen	Real Estate Division
Ray Schmidt	U of Nevada intern
Gene Milligan	Nevada Assoc. of Realtors
Charles R. Bell	Horizon Corp.

The meeting was called to order by Vice-Chairman Wittenberg at 4:00 p.m. He called for discussion on AB 82, a bill changing the wording regarding "principal place of business" for real estate offices. Mr. Lingenfelter felt that without this change, real estate companies with two or more offices simply paid for one business license when in fact they did business in several locations. He suggested leaving out line 16: "and doing business". Mr. Dini agreed to draft such an amendment and the Committee recommended a "do pass" directly to the floor of the Assembly. The motion was made by Mr. Dini, seconded by Mr. Capurro and unanimously carried.

Mr. Hafen explained AB 135 by stating the county treasurers now may deposit county funds in banks within the county seat. This bill would enable the treasurer to deposit county funds in any bank within the county. Little effect would be felt by the larger counties. Dr. Robinson moved, Mr. Dini seconded a "do pass" recommendation on the bill. It was unanimously approved.

Mr. Torvinen explained that the purpose of AB 149 was to prohibit injured workmen dispatched from California union halls to Nevada for employment and injured in Nevada from attempting to recover from the state where dispatched after having been compensated by the state where injured. Citing Reynolds Electric vs. Eagan in the California Supreme Court, Mr. Torvinen quoted

the Court as stating that there must be "unmistakable language" in the statute of the state where the injury occurred before it would definitely preclude recovery in another state. This bill would cover this situation. Vice-Chairman Wittenberg suggested holding this bill over until we receive other NIC bills.

Regarding AB 161, Mr. Capurro stated that this bill merely brings the short-term vehicle lessors within the Financial Responsibility Act requiring insurance coverage of \$15,000 and \$30,000 instead of the present \$10,000 and \$20,000 now covering short-term lessors.

Mr. Darryl Capurro, representing the Nevada Auto Franchise Dealers agreed though he was not sure of any effects it would have. He thought that "short-term" vehicle lessors were those that leased for a period of thirty days or less. Speaker Ashworth agreed with him and stated that this bill would effect companies like Hertz and Avis, though these companies presently carry much more insurance than this bill would require. Mr. Wittenberg suggested bringing in people from the Department of Motor Vehicles. Mr. Capurro stated that the lessor is the primary defendant in case of accident whether or not the lessee is responsible. Mr. Dini moved to pass the bill, Mr. Bickerstaff seconded it. The bill was unanimously passed by the Committee.

It was agreed by the Committee that SB 33 was not in the purview of this Committee.

The Committee agreed to postpone discussion on AB 167 until next Wednesday, February 14. However, Mr. Lingenfelter, representing the Land Title Association, felt this proposed bill the "wrong vehicle" to accomplish the purpose. His organization has done much research and will be presenting a "good escrow bill". This one regulates companies already under regulation and he would like to see mortgage companies separately regulated from escrow companies. Mr. Hafen stated that presently there are only local ordinances which control escrow companies. He also feels that they should be licensed.

Mr. Dini agreed that the mortgage company references could be amended, but desired to hear more information on mortgage companies which would hopefully be received by the Committee on February 14.

White waiting for Mr. Getto to appear to discuss AB 202 a brief discussion was held regarding SB 53 and SB 54. This bill would lower the age requirement for real estate and insurance licenses to 18 years from 21. Mr. Demers agreed with this bill as did Mr. Hansen from the Real Estate Division. Mr. Milligan of the Nevada Association of Realtors had no ob-

jections but felt that this bill should be held in abeyance until AB 66 reducing the age of majority came out of another committee in order to avoid conflict.

It was agreed that AB 230 regarding false advertising would be discussed Wednesday, February 21.

A lengthy discussion was held regarding AB 202 sponsored by Mr. Getto. This bill would change the composition of the Nevada Real Estate Advisory Commission to include a consumer; four members who are members of the Nevada Association of Realtors, which Mr. Getto later suggested amending simply to four licensees; and increase the amount of experience and education required before an applicant becomes a broker. There were also suggested changes regarding the time element involved in notifying an applicant of his acceptance either after applying and before taking the examination, as suggested by Mr. Getto's bill, or after taking the examination. Mr. Bickerstaff brought up the problem of required experience immediately prior to taking the examination by applicants in military service. Mr. Hansen stated that there is presently a military exemption to cover this situation.

The majority of the Committee was in agreement that the exam must be given more often. It is now given only twice a year and was generally agreed that it would either be given quarterly or every other month at each end of the State. Mr. Hansen informed the Commission of the great numbers of applicants he must process with his limited staff and stated his need for more funds which he had earlier discussed with Ways and Means. Mr. Hansen also pointed out that if NRS 645.343 is repealed as suggested by this bill, it would be very difficult to coordinate instruction in real estate with both the university and private real estate schools. However, Mr. Getto felt that the rules and regulations of the Real Estate Division could cover this problem. Mr. Getto also suggested that the effective date of this bill be January 1, 1974, not July, 1973. Mr. Torvinen favored quarterly exams; given more often, if needed, with no specified dates in the bill.

Dr. Robinson mentioned discussions he has had with real estate brokers and their strong feelings about up-grading the educational requirements of potential brokers; that not only do many new brokers fail financially, but they also endanger the consumer. Mr. Milligan's organization would also favor more frequent examinations. However, he pointed out that the Advisory Board would also have to meet more frequently, as it is necessary that they puruse all applicants before taking the examination. He stated that Mrs. Herr would have a bill recom-

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mending similar changes to those proposed in AB 202 and would suggest that this Committee await that bill.

Mr. Hafen disagreed with the added experience requirement feeling it places a financial burden on the applicant, but feels the additional educational requirement important. Mr. Getto maintained the need for experience. It was agreed to re-schedule this bill for amendments.

The meeting adjourned at 5:30 p.m.

Respectfully submitted,

PHYLLIS BERKSON, Assembly Attache

ASSEMBLY

AGENDA FOR COMMITTEE ON COMMERCE

Date Mon., Feb. 12 Time 4:00 p.m. Room 222

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Counsel requested*</u>
AB 82	Permits any city in which real estate broker maintains office and does business to require license.	
AB 135	Allows county officers to spread county funds among banks located within county.	
AB 149	Prohibits employee from collecting accident benefits under the laws of another state if he has collected under Nevada Industrial Insurance Act.	
AB 161	Increases amount of insurance coverage required for motor vehicles leased for short term, and requires short-term lessor to carry insurance.	
AB 167	Regulates escrow agents and mortgage companies.	
AB 202	Amends real estate licensing provisions.	
SB 33		

*Please do not ask for counsel unless necessary.

HEARINGS PENDING

Date _____ Time _____ Room _____
Subject _____

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