

MINUTES

COMMITTEE: COMMERCE

DATE: Wednesday, February 7, 1973

MEMBERS PRESENT: Chairman Prince, Messrs. Capurro, Hafen, Wittenberg, Dini, Demers, and Dr. Robinson;

MEMBERS ABSENT: Messrs. Torvinen and Bickerstaff;

GUESTS:	<u>Name</u>	<u>Representing</u>
	Enno W. Hartman	Nat'l Tow & Road Service, Reno;
	Charles E. Jackson	Jackson & Farmer Tow;
	Keith Cornell	Southgate Towing - Reno;
	Dorothy Anderson	Anderson Automotive - C.
	Fred Davis	Nev. State Chamber of Commerce,
	H. J. Ciardella	Nev. Dept. Motor Vehicles;
	E. J. Silva	" " " "
	R. D. Ward	Nev. National Bank
	D. H. Horner	First National Bank;
	Frank Fahrenkopf	Consumer Finance;
	F. R. Breen	Nev. State Bankers Asso;
	Robert Sullivan	Valley Bank of Nevada;
	Bruce Robb	Nevada National Bank;
	Wallee Warren	Nevada Bankers Asso.
	Gary Owen	Assembly bill drafter;
	F. A. Paul	Nevada National Bank;
	James ---	---
	Daryl E. Capurro	Nev. Motor Transport Asso;
		Nev. Franchised Auto Dealers;
	T. A. Dickerson	Virgil Getto
	Edward A. Devere	Milne Tow Service

The meeting was called to order at 4:00 p.m. by Chairman Prince. He called for discussion on AB 53. There being no testimony, he called for discussion on AB 63. No witnesses favoring the bill, the following witnesses testified against the bill: Attorney F. R. Breen; Attorney Frank Fahrenkopf, and Robert Gwinn. Mr. Gwinn represented the Nevada Auto Franchise Dealers. In essence, these three witnesses stated their opposition to the bill for the following reasons: 1) This type of legislation is not needed in Nevada since there are very few unscrupulous dealers; 2) This bill would restrict credit thereby effecting the economy; 3) There is no time or amount limit on the bill; 4) consumers would find it more difficult to obtain credit; 5) interest rates would increase; and 6) the term "promissory note" is ambiguous. Mr. Breen presented two forms of promissory notes commonly used by banks as exhibits. (See attached Exhibit 1.) Mr. Demers, as one of the sponsors of the bill, stated

it was his desire that the consumer have some recourse in case of a defective product. Mr. Wittenberg gave an example of the unscrupulous vacuum cleaner dealer.

The Chairman asked for discussion on AB 54^{*}. There was none. Mr. Demers stated that he knew of at least one other bill to be introduced on this same subject, repairing motor vehicles, and requested that discussion be held at a later date. Chairman Prince stated that there would be no action on this bill at this time.

Regarding AB 88, Mr. E. J. Silva of the Department of Motor Vehicles, stated that he was in favor of the changes authorized in this bill; that most automobiles in storage are not automobiles, but other types of vehicles; that he would like page 2, line 7, changed to "trip ticket" instead of "tow ticket"; that it is imperative that a garageman have verification of title to a vehicle in order to exercise his lien rights. Mr. Capurro suggested a "legal impound sheet" as appropriate, but Mr. Silva stated that all tow jobs do not require impound sheets, and that the PSC has set up a format for all forms. NRS 47.010 covers police agencies' rights to have abandoned cars towed off the streets.

Mr. Silva described the Department of Motor Vehicle's method of obtaining the legal and registered owner's name and address for lien holders, but emphasized that they must have clarification that the lien holder has been authorized to perform the work on the vehicle. This bill requires a list of the work to be performed, the cost of such work, and the signature of the legal owner. (pg. 1, line 9)

Mr. Silva said that this bill is not only for consumer protection, but to provide the DMV with the proper information so that "a legal lien can be conducted".

Mr. Capurro asked if there was any planned legislation to compensate tow operators for the many times he picks up an abandoned vehicle for an agency. Mr. Silva explained that though a program was initiated a few years ago for this purpose with salvage yards, except for Reno and Las Vegas, the program has not been generally effective. He suggested that the salvage value of older cars could be raised from \$100.00 to \$200.00 enabling salvage operators to recover a greater amount when they sell cars for scrap. He reminded the Committee that the definition of "vehicle" as used in the proposed bill can include everything used on public highways except "wheelbarrows and railroads". He recommended that because more bills effecting this subject would be introduced the Committee hold off any action.

* A.B. 65

Mr. Virgil Anderson of the AAA felt that this bill applies to tow car owners recovering their costs, not protecting the consumer. (line 2, page 1) This could effect the lien if no owner shows up or doesn't want to pay towing costs. He suggests this be left out of the bill.

Regarding AB 117 related to "food establishments", the Committee agreed to withhold testimony until Mr. Getto, one of the sponsors of the bill, returns to the Legislature.

Regarding AB 53, general discussion was held with Mr. Gary Owens, one of the bill drafters, as to the Committee's amendment to this bill related to packaged meats. Mr. Capurro recommended that the Committee hear testimony from a meat man from Reno on Monday, February 12 before proceeding further.

Mr. Wittenberg moved, Mr. Dini seconded that AB 63 concerning promissory notes be indefinitely postponed. With the exception of Mr. Demers, the Committee unanimously favored this motion.

Again Mr. Wittenberg moved, and Mr. Dini seconded that AB 108 also be indefinitely postponed. Mr. Demers was absent for the vote. The Committee unanimously favored this motion.

A brief discussion followed regarding AB 167. Mr. Capurro felt stronger laws are needed regulating escrow agents.

The meeting adjourned at 5:15 p.m.

Respectfully submitted,

PHYLLIS BERKSON, Assembly Attache

ASSEMBLY

AGENDA FOR COMMITTEE ON COMMERCE

Date FEBRUARY 7 Time 4:00 Room 222

<u>Bills or Resolutions to be considered</u>	<u>Subject</u>	<u>Counsel requested*</u>
<u>AB 53</u>	<u>Requires prepacked meats to show federal grade.</u>	
<u>AB 63</u>	<u>Eliminates defenses of holder in due course in consumer credit transactions.</u>	
<u>AB 65</u>	<u>Prohibits motor vehicle repairmen from commencing a repair without establishing the cost of the repair and reaching an agreement with the motor vehicle owner.</u>	
<u>AB 88</u>	<u>Requires statement of fees for repairs or storage, authorization prior to towing for storage or repairing of vehicle</u>	
<u>AB 117</u>	<u>Exempts dairy farms, dairy product plants and frozen dessert plants from definition of "food establishment."</u>	
<u>SB 33</u>	<u>Technical amendment deleting reference to state board of health as body to hear appeals from application of factory- built housing regulations.</u>	

*Please do not ask for counsel unless necessary.

HEARINGS PENDING

Date _____ Time _____ Room _____
Subject _____

Date _____ Time _____ Room _____
Subject _____

Ex. 1

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Loan Proceeds \$ _____

INSTALMENT CREDIT PLAN NOTE

Creditor-Debtor Insurance . \$ _____

Other Charges (ITEMIZED) \$ _____

No. _____

Amount Financed \$ _____

FINANCE CHARGE \$ _____

ANNUAL PERCENTAGE RATE _____ %

Total of Payments \$ _____, Nevada _____, 19 _____

For value received I promise to pay in lawful money of the United States of America to the order of

NEVADA NATIONAL BANK at its _____ Branch,
RENO, NEVADA

the principal sum of _____ Dollars,

on demand; if no demand is made then in _____ instalments as follows: _____

_____ Dollars (\$ _____)

or more on the _____ day of _____, 19 _____, and

_____ Dollars (\$ _____) or more on the

_____ day of each and every _____ thereafter until

the _____ day of _____, 19 _____

on which said date the entire balance of principal then unpaid shall become due and payable. Any unpaid balance may be paid, at any time, without penalty and any unearned finance charge will be refunded based on the "Rule of 78's" less any amount needed to bring the Bank's interest to a minimum of \$25.00.

If default be made in the payment when due of any part or instalment of principal or interest, then the whole sum of principal and interest shall become immediately due and payable at the option of the holder of this note, without notice.

In the event that I shall fail to make any payment herein provided for, at the time when the same becomes due under the provisions hereof, and said payment shall become overdue for a period in excess of 10 days, I promise to pay a delinquency charge of five cents (5¢) for each dollar so overdue, for the purpose of defraying the expense of following up and handling the said delinquent payment, but not less than One Dollar (\$1.00) and not to exceed Five Dollars (\$5.00).

In addition thereto I promise to pay reasonable attorney's fees and costs incurred in the collection of this note or any part hereof without suit, or in the event of suit such additional sum as attorney's fees as the court may adjudge reasonable. For the purpose of attachment or levy of execution, this note shall be payable wherever I may be situated, at the option of the holder.

A _____ of even date secures the indebtedness evidenced by this Note.

LIFE OR LIFE AND DISABILITY INSURANCE AGREEMENT

The purchase of insurance is voluntary and not required for credit. I desire _____ insurance coverage at a cost of \$ _____ for the term of credit.

SIGNED: _____ DATE: _____
INSURED

DEBTOR

DEBTOR

ADDRESS

CO-MAKER

CO-MAKER

ADDRESS

Receipt of this disclosure statement and note is hereby acknowledged.

