

MINUTES

COMMITTEE: COMMERCE

MEMBERS PRESENT: Chairman Prince, Dr. Robinson, Messrs Bickerstaff, Demers, Torvinen, Wittenberg, Dini

MEMBERS ABSENT: Mr. Hafen

DATE: Monday, March 12, 1973

The meeting was called to order at 3:30 p.m. by Chairman Prince for the purpose of considering amendments to AB 227, the "no fault" bill.

Mr. Demers moved that AB 65, a bill regulating motor vehicle repairmen, be indefinitely postponed because Mr. Wittenberg's AB 296 accomplished the same thing. Mr. Bickerstaff seconded the motion. It was unanimously approved

Mr. Dick Rottman, the Nevada State Insurance Commissioner, was introduced and suggested the following amendments to AB 227:

- 1) Amend the bill to include commercial vehicles to cover any constitutional problems;
- 2) Amend to provide for an over-all "cap" of \$25,000.00, including medical, wage loss, survivors' benefits and rehabilitation. Internal limits would include:
 - a. 85% of the average monthly income up to \$750.00 per month;
 - b. Include "household replacement services" coverage of \$15.00 per day for 52 weeks;
- 3) Amend to make it mandatory that insurance companies offer additional amounts of both wage loss and medical expense benefits to be designated by regulation;
- 4) Amend to include Mexico in territory in which coverage would be available.

(Mr. Torvinen felt this should be left out as it will give tourists a feeling that they are covered when Mexico in fact requires that their own insurance be purchased for tourists to be covered in that country. "No-fault" coverage in Mexico would only take care of first-party benefits.)

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5) Amend to cover specifically all types of situations and injuries in various order of priority except when an individual is driving his own car and doesn't carry insurance.

(Mr. Capurro mentioned that motorcycle drivers still maintain their tort remedies under Section 29.)

6) Amend to cover the individual who is injured in an accident (hit and run) by an uninsured driver and has no insurance of his own. This individual would go into the "assigned claims plan", but the driver who isn't insured and should be, would not be eligible for the "assigned claims plan". This is to cover the individual who owns no car and has no insurance.

(Mr. Demers stated that Social Security death benefit payment of \$250.00 is still paid with "no fault" death benefit of \$10,000.00.

Mr. Torvinen stated that it is very difficult to enforce compulsory insurance; that it had been tried without success in other areas. Mr. Dini added that in the 1967 session, a bill was introduced for compulsory insurance but the insurance companies didn't want it because they were being asked to insure uninsurable risks. Mr. Torvinen stated that a compulsory insurance system could be operated by the State requiring car owners to purchase it when they register their car. Mr. Rottman agreed that compulsory insurance is a "can of worms".)

7) Amend to include in primary coverage: Workmens' Compensation, Social Security and any other State mandated plan.

(Mr. Torvinen, when asked about the constitutionality of the bill, stated that it is discriminatory in some cases and that if the facts were strongly enough developed as they were in the Illinois case, the bill could be attacked.)

8) Delete the \$5,000 threshold sum for lost income. The only threshold would be the \$2,500 medical expenses.

(Mr. Rottman felt that deleting the lost income threshold would reduce the chances of the bill being found unconstitutional; that lost earnings can vary greatly, but medical expenses are about the same throughout the State and that there is not as much disparity in medical costs in Nevada as there are in Illinois.)

9) Delete property damage provisions.

10) Deductibles should be allowed by regulation and omit the penalty section on gross misdemeanors if insurance is not carried;

11) Rewrite Section 29 to cover motorcycles.

(See Mr. Rottman's final draft of amendments for two further changes.)

Mr. Rottman stated that Mr. Dreyer would be happy to relinquish his authorship of AB 226, leaving AB 227 as the main "no fault" bill.

Mr. Wittenberg moved to pass the bill as amended. (AB 227) Mr. Capurro seconded the motion. After discussion, including remarks by Mr. Torvinen, Mr. Bickerstaff and Dr. Robinson, Mr. Wittenberg withdrew his motion and Mr. Capurro withdrew his second to the motion. It was agreed that the amendments would be discussed Wednesday between 5:00 and 6:30 p.m.

Mr. Torvinen asked the Committee to "keep their minds open to AB 264; that the whole field is so speculative."

* Mr. Demers moved a committee introduction of Mr. Dini's bill increasing interest rates for annuity contracts and life insurance policies. Mr. Wittenberg seconded the motion. The motion was unanimously passed.

The meeting adjourned to the Senate Auditorium for the hearing on AB 282, the cosmology bill.

Respectfully submitted,

PHYLLIS BERKSON, Assembly Attache

*A.B. 625 (BDR 57-1561)

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ALL COMMITTEE MEMBERS PRESENT.

The hearing on AB 282,* the cosmetology bill, was called to order by Chairman Prince at 4:20 p.m. in Room 131 of the Senate Building. Mr. Mike Mellnor, Director of the Commerce Department, stated that he was not testifying for or against the bill, but merely pointing out that this bill would bring the cosmetology industry under the Department of Commerce; that they would have an office with a division head, that they would be subject to State Personnel and the State budget system and the State Purchasing Act and that there would be no Civil Service jobs. He feels this Board is like others Governor O'Callaghan wants to reorganize; that "they belong somewhere for supervisory purposes; that public monies would have "better use through better management". He further stated that there are presently 5,000 licensees; that only two members of the Board sign checks and that people are hired and fired without hearings. This bill would require that they be audited as any other State Department.

Mr. Charles Azcarate, speaking for the bill, stated that he was one member of the committee which set up the bill. He feels that this bill will give cosmetologists recourse for any infractions of the rules which they have not had in the past; that the cosmetologists fight for this bill every session. On Page 2, line 26, he suggests leaving in [and any person]. Mr. Wittenberg noted that page 8, line 49, would also find this change. Mr. Azcarate also felt that the proposed changes of the composition of the Board on page 3 would allow representation from the industry.

Both Mr. Wittenberg and Mr. Prince pointed out that the bill reduces educational requirements for both teachers and students. Mr. Azcarte said that in 1971 the hours for instructors was raised to 1,000, but that it is very difficult to find teachers with this requirement; that if the teacher is good, it is not necessary to increase the educational requirements. Mr. Dini asked if there was any fiscal impact with this bill. Mr. Azcarte stated that the industry is self-supporting, that 8 examinations per year are given to cover all costs; that they would have a surplus of funds when they are budgeted.

Mr. Dini asked why the bill stated, on page 5, line 24, that the Board could not hold additional meetings without the approval of the Director of Commerce. Mr. Azcarte stated that this provision was put in because of trouble they have had in the past with Board members taking unauthorized trips.

* See exhibit A

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Dr. Robinson felt that with the proposed change in composition of the Board, the same people would be instructing students as giving them examinations.

Mr. Torvinen asked the rationale behind having public members on the Board. Mr. Azcarte stated that at least one public member is needed to protect the cosmetology students who are consumers.

Mary Frazzini stated that she had helped draft the bill which tries to bring the cosmetology industry into "the 20th century" and that the public should have more to say about the Cosmetology Board.

Mrs. Higdon stated that she is just a consumer who favors this bill.

Mr. Dini wondered why the bill refers to a treasurer when the State would be paying bills. Mr. Azcarte stated that the Board still collects about \$67,000 per year.

Lorrdale Sibbas, a director of one of the schools in Reno and Secretary-Treasurer of the Nevada State Hairdressers Association, stated that she approved the proposed change in structure of the Board because we "need new blood"; that other states have changed their Boards in this manner to the betterment of the profession. Educational requirements and hours of training instructors have been reduced because of the difficulty in finding instructors. Examinations would also be regulated under this bill and would be more consistent.

Mr. John White, an owner of a school in Reno, stated that this bill is a composite of bills from other states. Linda Bottom, as an interested consumer, stated that she likes the bill and approves of the lowering from the 12th grade to the 10th grade for certification particularly for girls who like this kind of work.

Mr. Carl Lovell, speaking for the State Barber's Association and Southern and Nevada Barbers Association, stated his opposition to the bill. He feels that on page 2, line 27, the addition of "any person" is unclear. Cosmetologists and beauticians are not trained and experienced in cutting hair; that there would be no control if this change is made. NRS 644.473 states that it is unlawful for any cosmetology establishment to cut men's hair. It is all right if they have a registered barber in the shop. He stated that the courts have held that barbering and cosmetology should be held separate; that there are variances in the training of different fields, "a barber cuts hair, a cosmetologist beautifies hair". He

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stated that there is no regulation in Nevada to say who should have the discretion to offer the distinctions between the two fields. The law now defines cosmetologists as cutting girls' and women's hair. Men are not mentioned in the law, but many cosmetologists are opening violating the law. There are presently many men beauticians and more women are becoming barbers. Barbers are constantly being instructed in the cutting of long hair and now under the law, even if he wants to, a man cannot go to a beautician to have his hair cut. He feels that this bill will open the door for too many cosmetologists. There are presently 650 barbers and the cosmetology profession will become diluted; that the two professions should remain separate; that the bill will not achieve any more control than "they have now".

Mr. Frank McCormack, representing a hairdresser's association in Las Vegas, stated that he is against the bill in its entirety because it is not in the best interest of the industry of public and that the bill is very school oriented. He feels that SB 421 would work better for the hairdressers to help curtail unlicensed practices now going on and that he objects to laymen running the Board or the Department of Commerce running the industry.

Mr. Dan Gray, also a member of the Nevada State Association of Barbers for which Mr. Lovell had also spoken, stated that this bill is obviously of great interest to the schools enabling them to have more representation on the Board. Many of these schools, he stated, are national chains; that barbers are losing business because there are too many cosmetologists, or one for every 100 men, women and children. He stated that the schools are a very "lucrative racket". He re-stated his opposition to the bill.

Bernice Reeves stated that some provisions in the bill would be good for Nevada but others would be not; that licensed cosmetologists do not want to lower the educational requirements which would also effect Government loans.

Jimmy Threet representing Barber's Local No. _____ in Las Vegas, stated his opposition to the bill because proper training is very important and that barber's examinations should be administered by the Barber's Board; that if kept separate, barbers and cosmetologists would be better trained; and that barber and beauty shops should be kept separate.

Pete Kelly, representing the Nevada Retailers Association, stated he would oppose the bill if on page 12, lines 29-34 covering requirements for persons allowed to sell wigs, were put back into the bill. Nevada stores could not sell wigs un-

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less a trained cosmetologist were in the stores.

Mr. Thomas Walnisky opposed the bill because he felt there was much conflict of interest. It is possible that none of the five Board members would be cosmetologists.

Mr. Arnold Almond, representing the cosmetologists and also a member of the Board of Cosmetology, stated that 80% of the schools in Nevada refused to keep records of students and continuously violated rules of the Board. He asked if a cosmetologist can keep a person out of his shop because of his sex.

Chairman Prince announced that action would be taken at a later date.

The meeting adjourned at 5:40 p.m.

Respectfully submitted,

PHYLLIS BERKSON, Assembly Attache

ASSEMBLY

AGENDA FOR COMMITTEE ON COMMERCE

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

Bills or Resolutions
to be considered

Subject

Counsel
requested*

THIS AGENDA SUPERCEDES AND CANCELS PREVIOUS AGENDA DATED MARCH 5
AB 282 Revises cosmetology law

*Please do not ask for counsel unless necessary.

CITY BANK
1200 CHURCH ST.
LAS VEGAS, NEVADA

November 21, 1972

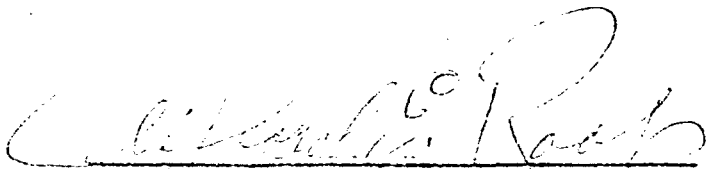
Board of Directors
Nevada State Board of Cosmetology
1111 Las Vegas Blvd. South, #306
Las Vegas, Nevada

Gentlemen:

We have examined the Statement of Financial Condition of Nevada State Board of Cosmetology as of June 30, 1972 and the condensed Statement of Receipts and Disbursements covering the fiscal year July 1, 1971 to June 30, 1972.

Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and it included such tests of the accounting records and such other procedures as we considered necessary.

In our opinion, the accompanying Statement of Financial Condition and related Statement of Receipts and Disbursements, together with Notes #1 and #2, which are to be considered as an integral part of this statement, present fairly the position of the Nevada State Board of Cosmetology as of June 30, 1972, and the results of its operations for the year, in conformity with generally accepted accounting principles applicable on a basis consistent with that of the preceding year.


Clifford H. Rupp, C. P. A.

NEVADA STATE BOARD OF COSMETOLOGY
STATEMENT OF FINANCIAL CONDITION
JUNE 30, 1972

CASH ACCOUNTS

Cash on Hand	\$ 10.00	
Nevada National Bank	8,720.84	
First National Bank	<u>2,877.62</u>	
		\$ 11,608.46

TOTAL CASHOTHER ASSETS

Equipment (Carried on books at \$1.00)		<u>1.00</u>
		\$ 11,609.46

TOTAL ASSETSLIABILITIES AND FUND EQUITYLIABILITIES

Deferred Income - 1972-1973 licenses prepaid		\$ 2,900.00
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Fund Equity July 1, 1971	\$ 1,368.78	
Net Receipts, Fiscal Year Ended June 30, 1972	<u>7,340.68</u>	
Fund Equity June 30, 1972		<u>8,709.46</u>

<u>TOTAL ASSETS AND FUND EQUITY</u>		<u>\$ 11,609.46</u>
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The accompanying Notes #1 and 2 are to be considered as an integral part of this Statement.

NEVADA STATE BOARD OF COSMETOLOGY
CONDENSED STATEMENT OF RECEIPTS AND DISBURSEMENTS
JULY 1, 1971 TO JUNE 30, 1972

RECEIPTS

Examination Fees		\$ 4,562.00
Licenses (Demonstrators, schools, salons)		45,429.00
Other Fees & Licenses		
Duplicate Licenses	\$ 130.00	
Affidavits	174.00	
Green Sheets	189.00	
Student Enrollments	3,000.00	
Delinquency Fees	7,605.60	
Permits	30.00	
Notary	130.00	
Back Fees	5,599.16	
	<u>16,357.00</u>	
<u>TOTAL RECEIPTS (Note #1)</u>		<u>\$ 66,349.00</u>

DISBURSEMENTS

Salaries and Wages	\$ 33,302.09	-
Payroll Taxes	651.94	-
Subsistence & Travel Expense	9,285.74	-
Office Equipment, Supplies & Expense	4,724.87	-
Office & Equipment Rent	2,158.50	-
Advertising	35.50	-
License Forms	593.02	-
Retirement Payments	1,838.20	-
National Interstate Council of State Board	1,027.50	-
Health & Industrial Insurance	1,158.16	-
Professional Fees	2,374.50	162.00
Repairs & Maintenance	62.00	-
Examination Space Rent	141.50	-
Telephone Expense	1,455.98	-
Refunds	164.00	-
Examination Expense	465.00	-
Entertainment Expense	55.70	-
Back Charges	4.38	-
	<u>59,508.00</u>	
<u>TOTAL DISBURSEMENTS (Note #2)</u>		<u>\$ 59,508.00</u>

EXCESS RECEIPTS OVER DISBURSEMENTS

\$ 7,340.00

Note #1

Receipts shown in the total amount of \$ 66,849.26 were verified from bank deposit records and accounting records. Original copies of licenses issued were not compared with itemized receipt records.

Note #2

Disbursements were substantiated from an examination of bank statements, cancelled checks and accounting records. It is noted that tangible assets purchased by the Board have consistently been charged into expenses rather than being shown at their cost on the Statement of Financial Condition.