

MINUTES

COMMITTEE: Commerce

DATE: Tuesday, April 17, 1973

MEMBERS PRESENT: Chairman Prince, Messrs Robinson, Dini, Wittenberg, Bickerstaff, Torvinen, Hafen and Capurro

MEMBERS ABSENT: Mr. Demers

GUESTS: See Attached List

The meeting was called to order at 1:10 by Chairman Prince for the purpose of taking testimony and action on various bills.

Chairman Prince began the meeting by calling upon Senator Gibson to give some testimony on SB 103, provides that insurer declining to issue policy must give applicant timely written notice of reasons for rejection. Senator Gibson stated that the bill had come about as a result of his being turned down for life insurance and not being able to obtain from anyone the reason for his rejection. He stated that he would have forgotten about the whole thing except that when talking with other people he found that he was not an isolated case that this was happening to many people. He went on to say that he was always told by the insurance company that this was confidential information but when he went to another company for insurance they asked if he had ever been refused insurance by another company. Upon saying yes to this question the second company could find out from the first company what the reason was and thus another rejection.

Senator Gibson said that he felt there was justification for this bill and there was no intent to establish any liability.

Mr. Capurro stated that this was now provided by federal regulation to which Senator Gibson replied what does the little person know about federal regulation in that this bill does not rely on the little person applying for insurance to apply for this information.

Mr. Capurro stated that there was the problem of person not being considered a good risk because of morals or credit being in question. This is very difficult to explain to a person and leaves the insurer wide open for liable action unless you can prove all this is true which is very difficult.

Mr. Torvinen also stated that insurance companies also object because they do not feel that it is their place to tell a person or his family of something wrong medically.

Mr. Milos Tervich representing American Life Insurance Association, stated that originally the bill had included all insurance but they had it amended to include only life insurance. He also stated that the federal regulation was not in effect when Senator Gibson had had his problem.

If this bill is passed it should exclude medical information Mr. Tervich went on to say, as this burden should be on the doctor to give such medical information out to the person. Mr. Tervich also stated that the federal regulation had not been in existence long enough to really give it a chance to see if will work and that this bill would really just clutter up the statutes at this time. For these reason Mr. Tervich asked them to withhold action on this bill until at least the next Session.

SB 259* regulates land sales developers and reorganizes the real education, research, and recovery fund. The amendments to this bill proposed by the committee had been reviewed at the previous meeting. The only real point of dissention in the amendment was cover letter to go with the survey.

Mr. Hafen said that he felt that the developer should have the right of approval on such a letter. He also was concerned with the manner in which Commerce Department established their rules and regulations. Mr. Melner of the Department of Commerce explained briefly how the Department did establish their rules and regulations and would be in this same manner that they would establish a form for the cover letter.

Mr. Melner stated that they could except the developer having the right to see and approve the cover letter before it was sent out but not the right of final approval.

There was further amendment that was not included in the attached list of amendments and it was to line 24, page 13. The idea of the amendment was agreed upon but not the wording. The idea was that a developer could not include individual lots scattered over or interspersed throughout a development. This would create a great bookkeeping problem. Mr. Torvinen stated that this would be hard to draft. Chairman Prince appointed Mr. Robinson and Mr. Hafen to get this amendment worked out.

SB 626, makes certain changes in the licensing and regulation of real estate brokers and salesmen. This is a companion bill to SB 259. Mr. Hansen of the Department of Commerce stated that basically this bill provides for examination and funds for the examination. At the present time it is impossible to get the results of the test out to the people in a very short time. At the present time they are also trying to process 3000 renewals and grade 600 exams.

* See "Attachment I"

Mr. Hansen also said that this bill would allow them to keep funds to pay for examination and then turn the balance over to the general funds. They are on a fixed amount at the present time which is not adequate.

Mr. Melner stated that it was in slight conflict with AB 202 which was passed by the Assembly but only to the extent of the scheduling of examination. This could be resolved with little effort.

Mr. Gene Milligan of Nevada Association of Realtors stated that they were in support of this bill.

SB 607, requires a permit and bond of entertainment industry promoters. Mark Tulle representing the Musicians Union of Las Vegas, stated that this bill is entirely a new bill and it would protect the working people in the entertainment industry from self styled itinerant producers. These people move from place to place, get free lodging, meals, etc. and then move on without paying the entertainers who have worked to put on a show that does not ever go on. It is not the intent nor is it aimed at the hotel or entertainment business as there has been no problem with them. It would generate an increased revenue for the state and protect the industry.

SB 444, progressively increases education requirements to obtain real estate broker's license. Mary Frazzini stated that at the present time there is no educational requirement and this bill proposes to jump everything to college education. Would like to see the profession upgraded but would like to see only the first part of the bill adopted and then see how it works. There would be many courses required by the college that would not be needed in the real estate business.

Anne Manson stated she ~~was~~ felt that if this bill were to pass almost anyone would be hard pressed to be able to comply as they would have to have a double major.

Gene Milligan stated that he felt that this was needed to enhance the field of real estate. It does not take complete effect until 12 years and it would help to establish a Chair of Real Estate at the University. It would also allow the examination more frequently and that is ample time to get brokers' licenses. He said that there was also a provision for exceptions where no educational resources are available. Experience can also be substituted for college credit.

SB 626, Mr. Wittenberg moved "Do Pass as Amended" and Mr. Bickerstaff moved to indefinitely postpone. Both motions died for lack of a second.

SB 607, Mr. Robinson moved "Do Pass" and Mr. Wittenberg seconded motion.

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SB 607, Mr. Robinson moved "Do Pass" and Mr. Wittenberg seconded the motion. Messrs Robinson, Wittenberg, Prince, Hafen, Dini, and Capurro voted Yes. Mr. Torvinen voted no and Mr. Bickerstaff was not voting.

SB 411, Mr. Capurro moved to indefinitely postpone this bill and Mr. Wittenberg seconded the motion. There were no dissenting votes.

SB 444, Mr. Bickerstaff moved to indefinitely postpone but the motion died for lack of a second.

Mr. Wittenberg moved "Do Pass As Amended" to SB 259; Mr. Bickerstaff seconded the motion. The motion was unanimously passed.

Mr. Wittenberg moved to adjourn the meeting and Mr. Bickerstaff seconded the motion. Chairman Prince adjourned the meeting at 2:40 p.m.

Respectfully submitted,

Sandee Gagnier,
Assembly Attache

Page 1, line 16 - Delete the period and add: "in offering or selling subdivided lands pursuant to this chapter"

Page 1, line 19 - change "developer" to "dealer"

Page 2, line 5 - change italicized 30 to 35

Page 2, line 15 - delete all of subsection 2, lines 15 through and including line 23.

Page 2, line 25 - shall read as follows: 119.120 1. The exemption provided by NRS 278.320 shall not apply to this Chapter, and unless the method of disposition ...

Page 2, line 34 - delete italicized "Notwithstanding the provisions of Chapter 278 of NRS"

Page 4, line 8 - change "5 percent" to "10 percent"

Page 5 - delete line 1, 2 and 3. Line 4, change 14 to 13. Line 7, change 15 to 14.

Page 6, line 21 - shall read as follows: of record, or any amendment thereto, is on its face substantially incomplete...

Page 6, line 45 - shall read as follows: (5) The division shall promulgate rules and regulations for the approval of promotional materials...

Page 7, between lines 1 and 2, (7) shall read as follows: The written plan, or the methods proposed, may be filed as a part of the application under 119.140 and shall constitute and be treated as a part thereof.

Page 7, line 34 - shall read as follows: this Chapter, however, notwithstanding the provisions of this subsection, a broker of record may conduct his own separate brokerage business in compliance with Chapter 645 of NRS.

Page 8, line 22 - shall read as follows: shall be subject to such inspection and audit as may be prescribed by rule and regulation.

Pages 8 and 9 - Remove all of Section 17 by amendment and insert it all as a part of Section 10, Page 6 with the addition of the following to the Subsection 4, Page 10, Line 7, "but in any event a decision on any advertising item shall be rendered within thirty days."

Page 10 - Line 20 - Section 20 is hereby completely rewritten to read as follows: "All fees and charges received by the real estate division shall be deposited in the general fund in the state treasury. Funds for the support of the real estate division shall be provided by direct legislative appropriation, and shall be paid out on claims as other claims against the state are paid."

Page 10 - Line 33 - Delete "or is about to violate".

Page 11 - Line 1 - Delete "or is about to violate".

Page 11 - Line 39 - Shall read "4. Issue subpoenas for cause for attendance of ..."

Page 11 - Line 34 - Section 24 shall read as follows: "1. The administrator may :

a. Take testimony and other evidence concerning all matters within the jurisdiction of the division under this chapter.

b. Administer oaths.

c. certify to all official acts.

d. Issue subpoenas^{for cause} for attendance of witnesses and the production of books and papers.

2. The administrator shall classify as confidential certain records and information obtained by the division when such matters are trade secrets, including but not limited to lists of prospective purchasers and lists of purchasers with whom a sale has been consummated. This power is subject to the limitations and protective measures in NRS 49.325.

Page 13 - Line 3 - Delete Section 28 in its entirety.

Section 29 becomes section 28. Note changes for other sections.

Page 13 - Line 13 - Change "500" to "250".

Page 13 - Line 14 - Substitute "34" for "29".

Page 13 - Line 14 - Change "500" to "250".

Page 13 - Line 20 - Change "100" to "50".

Page 16 - Starting on line 17, add an additional subsection "4." to read as follows: "Any renewal of a developer's permit required by this subsection shall not apply to lots, parcels, interests or units previously sold under an expired permit. Lots, parcels, units or interests remaining unsold upon the expiration of the permit as provided hereinabove and new subdivision applications which are substantially complete and on file prior to February 16, 1973, shall be charged on the basis of \$1.25 per lot, parcel, unit or interest. This reduced fee shall only apply to developers whose permit is on active status with the division on February 16, 1973.