

MINUTES

COMMITTEE: COMMERCE

DATE: Wednesday, April 18, 1973

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

MEMBERS ABSENT: Mr. Dini

The meeting was called to order at 5:30 p.m. by Chairman Prince. Mr. Hafen read an article quoting Myron Leavitt, Clark County Commissioner, as saying that no more land sales licenses would be issued by them. AB 957 would give the State this authority. Skip Hansen stated that sub-section 3 on line 11 conflicts with 259* and could be deleted. The counties could still tax land sales companies and the intent of this bill is not to take this authority away. Mr. Capurro moved to pass the bill deleting Section 1. Mr. Wittenberg seconded the motion. The motion was passed with Mr. Demers voting "nay".

Regarding SB 268, the Committee agreed to amend as follows: on page 1, line 4, delete "gross and directly"; on page 1, line 15, change "3" times to "10" times. Mr. Demers moved to pass the bill as amended; Mr. Capurro seconded the motion. The motion was unanimously passed.

A lengthy discussion was held on SB 551, an act relating to health maintenance organizations. Mrs. Edwards of the Insurance Commissioner's office asked that the bill be passed from the Committee with no amendments and stated that it was endorsed by Blue Shield and Blue Cross, doctors and insurance companies; that the bill will protect the public from fraudulent operators. Mr. Robinson stated that this bill does not take into consideration the fact that there are comprehensive planning advisory councils and feels that the Insurance Commissioner should be required to consult with them before issuing a license or approving a plan; that he has received letters opposing the 2% premium tax in the bill and that of the several states awaiting final signature on similar bills, no premium tax is required. In Section 5, sub-section 2, he suggests adding the word after "operate a"- "comprehensive" health care plan. Discussion was held as to whether the 2% tax should or should not be left in the bill. Dr. Rottman felt the 2% tax was necessary in order to pay the costs of investigation and enforcement of the bill. Milos Tervich stated that most of the states which do not have this tax have a state income tax; that the premium tax is one of the sources of funds for the general fund; that this equalizes HMOs so that there is no unfair competition; that Blue Shield pays the tax in Nevada; that most of this tax will be paid by out-of-state HMOs. Dr. Rottman stated that all funds collected by his office are turned over to the general fund and the 2% tax would not be held by his office. Mr. Demers asked Dr. Rottman how many more people would be needed to handle this bill if passed. Dr. Rottman stated "none

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that his office would be able to absorb the extra work. Mr. Tervich stated that the 2% tax would assist the State financially and hopefully lower or avoid additional taxes. He also felt it unadvisable to make many changes in the bill because it would stand to be lost if they were made. He felt that on page 2, lines 11 to 15, the definitions were subject to interpretation and that comprehensive health care services here could mean "one or more" services. Mr. Capurro moved that the bill be passed. Mr. Wittenberg seconded the motion. Mr. Torvinen moved to amend the motion to delete lines 40 and 42 on page 2. Mr. Bickerstaff seconded his motion. Dr. Robinson suggested that the Committee state the following remarks: That it is the intention of the Commerce Committee that the establishment or certification of health maintenance organizations does not reclude limited health care services now established. Voting "aye" for the amended motion were: Messrs Torvinen, Bickerstaff, Robinson and Demers. Lacking a majority, the motion failed. The original motion made by Mr. Capurro to pass the bill was passed with Mr. Torvinen voting "nay".

After testimony from Mr. Fran Breen representing the Nevada State Bankers Association on SB 467* in which he explained that lenders were being sued for defects in structures not properly inspected and large institutional lenders were hesitating from loaning in Nevada, Mr. Hafen moved to pass the bill, Mr. Bickerstaff seconded the motion. Voting "aye" were Messrs Torvinen, Hafen, Wittenberg, Bickerstaff and Prince. The motion was unanimously passed.

Regarding SB 639, a bill authorizing the Consumers' Affairs to inspect meat for fat and other responsibilities, Mr. Torvinen moved to "indefinitely postpone" the bill, Mr. Wittenberg seconded the motion. The motion was unanimously passed.

The meeting was adjourned at 7:00 p.m.

Respectfully submitted,

Phyllis Berkson, Assembly Attache

* see attached exhibit "A"

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

S. B. 467

SENATE BILL NO. 467—SENATOR DRAKULICH

MARCH 14, 1973

Referred to Committee on Commerce and Labor

SUMMARY—Limits liability of certain lenders financing property development.
Fiscal Note: No. (BDR 3-1454)



EXPLANATION—Matter in *italics* is new; matter in brackets [] is material to be omitted.

AN ACT relating to liability of lenders; limiting liability of lenders financing the design, manufacture, construction, repair, modification or improvement of real or personal property; and providing other matters properly relating thereto.

The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:

- 1 SECTION 1. Chapter 41 of NRS is hereby amended by adding thereto
- 2 a new section which shall read as follows:
- 3 *A lender who makes a loan of money, the proceeds of which are used*
- 4 *or may be used by the borrower to finance the design, manufacture, con-*
- 5 *struction, repair, modification or improvement of real or personal prop-*
- 6 *erty, shall not be held liable to the borrower or to third persons for any*
- 7 *loss or damage occasioned by any defect in the real or personal property*
- 8 *so designed, manufactured, constructed, repaired, modified or improved*
- 9 *or for any loss or damage resulting from the failure of the borrower to use*
- 10 *due care in the design, manufacture, construction, repair, modification or*
- 11 *improvement of such real or personal property, unless the loss or damage*
- 12 *is the result of some other action or activity of the lender than the loan*
- 13 *transaction.*
- 14 SEC. 2. Section 1 of this act does not apply to any cause of action
- 15 which may have arisen prior to July 1, 1973.