

## MINUTES

## Assembly

WAYS AND MEANS COMMITTEE - NEVADA STATE LEGISLATURE - 57th SESSION

February 12, 1973

Meeting called to order by Chairman Mello at 8:05 AM in the Ways and Means Committee Room.

Present: Mello, Schofield, Dreyer, Robinson, Howard, Smith, Hafen and Capurro. Mr. Prince had an excused absence.

Also Present: John Dolan, Randy Webb, Ron Sparks, and Bob Gurnsey.

Present from Department of Commerce:

Mike Melner, Director  
 Preston Tidvall, Superintendent of Banks  
 Wendle Tarkington, Commissioner, Savings & Loan Division  
 R.E. (Skip) Hansen, Division of Real Estate  
 Dick Rottman, Commissioner, Division of Insurance  
 Dan Quinan, Fire Marshal

Mike Melner presented the budget for the Commerce Department Director (pages 397 and 398) and the Consumer Affairs Division (pages 399 and 400). General explanation of the function of the Department as outlined. Explanation of new positions request:

Hearings Officer: Increased caseload of hearings. Prepares evidence and in many ways acts as a counselor (supplemental attorney for department). Would function for all divisions of the department.

Legal Steno: Would act for present Department attorney, and also assist Hearings Officer.

Consumer Affairs Division:

Operating under Executive order, with no funding or personnel. Presently using funds and personnel from other divisions within the department, to get the division on the road. Request is made for 11.5 new positions. Approximately 7.5 of these positions will be in the Las Vegas area. Of 5,000 contacts made with the Division, have been able to close about 4,000. Problems requiring further action have been turned over to the local District Attorney or to the Attorney General.

Dick Rottman presented the budget for the Division of Insurance (pages 401, 402 and 403.) General explanation of the function of the Insurance Division. Basically the Insurance Division is divided into two areas: regulatory and tax collection. The regulatory division is further broken down into four areas: Licensing and examination; financial statement analysis; consumer relations, and; grading and rate review.

Present consumer complaint backlog of some 550 cases, hence the request for an Insurance Officer.

Break taken for 10 minutes at 9:45.

Continuation of Insurance Division: Revenue production broken down into three areas: premium taxes, licenses and fees, and fines. It is felt by the Division that the increase in budget requests for additional personnel will be repaid by increased surveillance in the revenue producing areas.

Explanation of requested new personnel:

Chief Insurance Examiner: He would, in addition to being a surveillance chief for the financial stability of the companies, be in charge of developing additional revenue.

Chief Insurance Assistant and Insurance Officer: Both positions would be working in almost the same area, consumer relations. The Chief Insurance Assistant would be in charge of the complete consumer complaint area, all field investigations, and consumer education. The Insurance Officer would work mainly in the consumer complaint area.

License & Test Officer: Would handle the entire licensing, examination and testing of agents and brokers. Agency is trying to increase the examination requirements.

Communications expense includes postage, freight, telephone and telegraph. Major portion of the expense is made up in postage due to large mailing which must go to all brokers and agents (approximately 9,000 agents/brokers). The other major area is telephone useage and installation of a new telephone system at \$3,400.

EDP: Present system is antiquated and a new system should be implemented.

R.E. (Skip) Hansen presented the budget for the Real Estate Administrative office (page 404-406), the Real Estate Subdivision Fund (page 407-410), Real Estate Recovery (page 411), Real Estate, Education, Research & Recovery (page 412-413).

The Division has been acting on a 1971 mandate by the Governor and the Legislature to clean up land sales and to stop being an arm of the real estate industry. To accomplish this with no funding it has been necessary to have personnel perform several functions and to work in increasing hours.

Legislation is presently pending to charge developed on a per lot basis instead of a per unit basis. The charge would be \$5.00 per lot.

At this time Chairman Mello named the following Subcommittee on Commerce:

Chairman: Mr. Dreyer

Members: Mr. Howard and Mr. Smith.

It was requested by Mr. Hansen that the position requested and recommended by the Governor be deleted and that the salary for the Chief Assistant be increased to \$12,900.

Travel requests deemed necessary by the Division because of the increased regulations and surveillance of land sales, misappropriation of funds by brokers/agents, and auditing.

Legal & Court Expenses covers a full time Deputy Attorney General.

Advertising Chief would check each piece of advertisement to make sure that the companies produce what they have guaranteed. Requirements for the position would probably be Real Estate Economics background and probably Truth-In-Advertising.

Preston Tidvall and Wendle Tarkington presented the budget for the Banking/Savings & Loan Division. Explanation as outlined in the budget, pages 414 and 415.

Dan Quinan presented the budget for the State Fire Marshall. Explanation as outlined on pages 393, 394 and 395. The budget also includes funding for the proposed regulations for mobile home standards.

Mr. Schofield announced that there would be a meeting of the Subcommittee on Education in this room at 7:00 tonight. Speaker will be Supt. Kenny Guinn from Las Vegas.

Meeting adjourned at 10:30.