

Assembly

MINUTES

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COMMERCE COMMITTEE - NEVADA STATE LEGISLATURE - 58TH SESSION

April 11, 1975

The meeting was called to order by Chairman Robinson at 2:40 P.M.

MEMBERS PRESENT: Mr. Benkovich
Mr. Demers
Mr. Getto
Mr. Harmon
Mr. Hickey
Mr. Moody
Mr. Schofield
Mr. Wittenberg
Mr. Chairman

MEMBERS ABSENT: None

SPEAKING GUESTS: Assemblyman Dreyer
Dan Quinan, State Fire Marshal
Ray Hellmann, Nevada State Board of Architecture
Ernie Newton (submitted written testimony as
he was unable to attend meeting), Nevada
Taxpayers Association
Jack Hiatt, Employment Security Department
Bob Guinn
Jim Hanna, Employment Security Department
Larry McCracken, Employment Security Department
Lou Paley
Wm. R. Gibbens, The Gibbens Company
Robert Long, Employment Security Department
June Burns, IBUW, Local 2247
Delio Granata, unemployed carpenter
Gale Bishop, Operating Engineers #3
John Pruitt
William Young, carpenter
Primo Bertoldi

The purpose of this meeting was to hear testimony on the following bills:

<u>SB 84</u>	<u>AB 537</u>
<u>SB 89</u>	<u>AB 549</u>
<u>SB 213</u>	<u>AB 555</u>

Bills also discussed were:

<u>AB 308</u>	<u>AB 478</u>
<u>AB 375</u>	<u>AB 27</u>
<u>AB 475</u>	<u>AB 473</u>

Discussion began with AB 308. Mr. Dreyer submitted amendments to the committee. They provided that a change be made in the time to evict providing 30 days for a single wide (under 16 feet) and 45 days for a double wide (16 feet or over). Also Mr. Dreyer

pointed out that sections 9-15 were omitted. These sections were regarding warranties and are already covered by Federal law. He added that Section 9 should be taken out.

Mr. Demers moved that the amendments be adopted with the elimination of Section 9. Mr. Schofield seconded the motion. This carried the committee unanimously. Mr. Demers then moved a "do pass" as amended of AB 308. This was seconded by Mr. Wittenberg and carried the committee unanimously.

With regard to AB 375 Mr. Wittenberg moved a "do pass as amended". This was seconded by Mr. Demers and carried the committee unanimously. Dr. Robinson will submit a few technical amendments to this bill on the Floor.

Mr. Hickey then discussed AB 475 and amendments he had for the bill. He said he and Mr. McCracken agreed that the number of meetings to be held during the year was unimportant. The rate of pay would be changed for \$25 to \$40 so that this board would be put in the same line with other boards. He felt the language concerning consultants should be left in since it was determined that they were not talking about fees of \$2,000 to \$3,000 but rather \$200 to \$300. Mr. Wittenberg moved for the adoption of these amendments to AB 475. This was seconded by Mr. Moody and carried the committee unanimously. Mr. Wittenberg then moved a "do pass as amended" of AB 475. This was seconded by Mr. Moody and carried the committee unanimously.

Discussion then turned to AB 478. There were two sets of amendments to this bill. Amendment No. 7656 and Amendment No. 7685. Amendment No. 7685 was favored by the committee because it goes along with the Administrative Procedures Act. Mr. Schofield moved that Amendment No. 7685 be adopted to AB 478. This was seconded by Mr. Demers and carried the committee unanimously. Mr. Schofield then moved a "do pass as amended" to AB 478. This was seconded by Mr. Wittenberg and carried the committee unanimously.

Discussion then turned to AB 27. Mr. Dan Quinan, Nevada State Fire Marshal, spoke on this bill. He repeated primarily the testimony he gave to this committee on its hearing of AB 27 on March 10. He said they have heard from industry, the people who sell mobile homes and from the consumer that this jurisdiction should be under one state agency. He said whether it is the DMV or the State Fire Marshal is not material. However, it was the request of the DMV to have this put under the State Fire Marshal's jurisdiction. He put forth some considerations:

1. His office is the regulatory agency and mobile homes are no exception from other products.
2. The State Fire Marshal's Department knows the construction standards, the building costs and the safety regulations so it seems the natural place for this type of jurisdiction to fall.

He said whether his Department licensed them or not was not material.

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COMMERCE COMMITTEE

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He went on to say that the monetary impact of this would not be enough to pay for the work that must be done and that he hopes to raise the license fee to at least pay for these services.

He said the original AB 27 is not a good bill because it does not coordinate with the problems the DMV has in its laws and what the State Fire Marshal's Department has in its laws. He felt it should be amended to correct this and submitted proposed amendments to the committee. A copy is attached hereto. He said they were really of a clean-up nature.

Dr. Robinson said the committee would take up these amendments next week.

Hearing then began on SB 84 which:

Clarifies unlawful acts and increases penalties relating to architecture.

Ray Hellmann spoke saying he felt this bill would be of benefit to the consumer more than the field of architecture. He said the reason they wanted the penalties increased is because they took one case to court and won but the fine set was only \$10.00. He felt having a \$100 minimum penalty would be more effective and help the State Board of Architecture to police the industry a little better. He said this bill would only be amending NRS 623 and that it has no bearing on the conflict between designers and architects.

SB 89 was then taken up. It:

Requires firms, partnerships, corporations and associations practicing as architects to have registered architect in residence responsible for work.

Mr. Hellmann said the reason for this type of bill is that many out of state architectural firms come into the state and set up an office and sometimes they are run by persons other than a licensed architect and the Board of Architecture feels these should be run by responsible architects in charge and responsible for the projects.

SB 213 was then taken up. It:

Increases penalty for furnishing a dangerous drug without a prescription and requires pharmacist to sign his name or initials on record for each refill of dangerous drug prescription.

Mr. George Bennett spoke on this bill. See attached letter from him to the committee expressing his feelings and views on this piece of legislation. He said the State Board of Pharmacy asked that this bill be introduced at the request of their legal counsel.

Under Section 1, Subsection 1, the penalty is a misdemeanor and he felt this should be changed so that the penalty for furnishing would be at least equal to the penalty for possession.

He did not feel rubber stamps should be utilized as it would be so easy for anyone to use such a stamp. He said he urged passage of this bill as he felt it was a logical change in the statutes. He added that this would apply to any drug requiring a perscription and applies to anyone including a pharmacist who dispenses drugs without a perscription.

Discussion then returned to AB 473 which has been discussed at the two previous meetings.

Mr. Ernie Newton was unable to attend the meeting so submitted a written statement, "Topics for Taxpayers", regarding the Unemployment Security Fund and AB 537, AB 549 and AB 555. A copy of this statement is attached hereto.

Chairman Robinson then asked the representatives from the Employment Security Department to answer some questions that have come up with regard to AB 473. The first question was that there had been testimony that the eligibility test of base period earnings of 1 1/2 times the high quarter wages would adversely affect a number of individuals and Dr. Robinson wanted to know just how the test for eligibility would differ under AB 473 than what it is now.

Mr. Hiatt proceeded to give some background into eligibility tests. He said all states measure an individuals attachment to the labor market prior to filing a claim and during the time he is filing a claim for unemployment. All states try to measure that in a time factor. Under present Nevada law, an individual's benefit amount is determined to be 1/25 of his high quarter earnings. He then gave an example of an individual that has high quarter earnings of \$2,000. 1/25 of that is \$85 and this would be his weekly benefit amount. The present law provides that in order to be eligible, he must earn 33 times that \$85 during his base period. This would mean he would have to earn \$2,640 in order to be eligible for any benefits at all. AB 473 would provide that he earn 1 1/2 times his high quarter earnings. This same individual would then need \$3,000 in total earnings in his base period in order to be eligible. He said the person who would be most adversely affected by this would be that person who had \$2640 in his base period but less than \$3,000 in this base period.

Mr. Hiatt went on to say that different states have different tests to establish the same thing. He said there are about nine states that use a "weeks of work" test which requires a certain number of weeks of work to qualify regardless of earnings. Most of these nine states have a 20 weeks test, i.e. an individuals earnings in a 20 week base period. Those with less than 20 weeks of work use a monetary test that is used in conjunction with this weeks of work test. He said the 33 times weekly benefit amount with a 1/25 of high quarter earnings method to estimate weekly benefits requires about 16 1/2 weeks of work in a 52 week period.

Under AB 473, the provision for 1 1/2 times the high quarter earnings would require the equivalent of about 19 1/2 weeks of work to qualify. One reason for going to this method is that it is more equitable in applying the test to all levels in the work force regardless of what earnings are. The feeling of the Council was that this method applies the same test to all workers regardless of their earnings level so that a person who worked only two months in his high quarter would still only have to have 1/2, as much earnings in some other quarter as he had in those two months. He said the persons most adversely affected by this method would be the extremely high paid worker because presently, as soon as he has earned \$2805 in a three month period, he needs no further earnings to qualify. Under AB 473 he would have to have earnings in one quarter or combination of earnings in one or more quarters that equal at least 1/2 of his high quarter earnings. In other words, it would require an individual to have earnings in a 39 week period equal to at least 1/2 of his high quarter 13 week period, i.e. a person who had \$4,000 in earnings for the quarter ended December 31 would have to have \$2,000 in earnings in the period January 1 to October 1 if he earned \$4,000 from October 1 to December 31.

He said nine states use the 1 1/2 times with a multiple of the weekly amount which ranges for 33 times to 40 times the weekly benefit. Nine states use the weeks of work method. He said the weakness of the method of multiple of weekly benefit amount is unless it is tied to an additional condition for earnings in more than one quarter, a person could possibly get wages high enough to qualify in one quarter of work and the higher the multiple, the more difficult it is going to be for the low wage earner to qualify for benefits. He commented that California has a flat amount. \$750 is all that is required in that state to be eligible for benefits. The employer pays all these benefits. The employee only pays for disability insurance. He said there are three states that have employee contributions into the UI fund. Those states are Alabama, New Jersey and Alaska. The employer pays from 2.7% to 3.0% as in Nevada and employees pay 1/2% of their taxable wages.

Discussion then went to the matter of appeals by claimants. Mr. Hiatt said about 30% of all the appeals are heard within 30 days. Approximately 5% of the total appeals are withdrawn. Less than 1/2 of 1% of claimants are represented by counsel when they appeal. As stated in previous minutes, in a one month period, there were 1200 decisions on misconduct made by the Department out of which only about 25% were determined to be misconduct. The remainder was ruled in favor of the employee. In the case of appeals, in a twelve month period ended November 31, 1974, there were 684 cases appealed that were reversed on appeal. The claimant won in 328 cases and the employer won in 356 cases. Therefore, the reversal of the Department's determinations is about half and half.

Mr. Demers wondered why Nevada could not leave its rate at the level it is now and charge the 1/2 of 1% to employees as is done in some states. Mr. Long said this had been gone into in detail but had been turned down because of the opposition to it from management. Management was opposed to this because if employees

contribute to any fund they feel that since they put into it, they have more say of what comes out of it. Mr. Long said feelings on the part of labor were mixed with this regard but there was very strong opposition from management.

With regard to Mr. Guinn's comments at the previous meeting about what would happen if nothing was done. Mr. Hanna said if nothing was done and the tax went up 3/10 of 1%, the fund would go deeper and deeper in debt. AB 473 would increase the tax 45%.

Dr. Robinson asked Mr. Hanna to prepare some comparison figures on doing nothing and the proposals in AB 473.

With regard to the "triggering" referred to in the minutes of the previous meeting, Mr. McCracken said they came very close to that triggering yesterday. Mr. Long said there is \$1,300,000 coming from the Federal Government due the State for reimbursement of benefits but they had no idea when to expect it. He added that if AB 473 is not approved, some time this year the benefits will have to be reduced to the \$20 maximum. Mr. McCracken said they have come within 3 days of enforcing this \$20.00 maximum.

Dr. Robinson asked why the Employment Security Department recommends the floating tax base rather than the fixed tax base. Mr. Long responded that their counsel felt the record speaks for itself in that no matter how amenable the Legislature is to adjusting this every two years, the problem we have now has been caused to a large degree because it has not been kept at a realistic level in the past and the fact is that over the last 40 years it has only been adjusted three times.

Mr. Robinson asked about charging 3.5% to all new employers. Mr. McCracken said this had been considered but it was decided that charging 3% for three years and then reducing it would be better so as not to discourage new businesses from coming into the State.

When asked if the Department supported and was pushing for the passage of AB 537, AB 549 and AB 555, Mr. McCracken said at no time has he made such a statement. His Department is not the author of these bills nor do they support them.

Mr. McCracken submitted to the committee a fact sheet of comparisons of data among states which have flat rate and other comparison data regarding different methods by the various states. A copy of this is attached hereto. Mr. Long added that Nevada is only one of nine states that do not require earnings outside the high quarter. Nevada has a liberal payment record as compared to other states.

Military retirees are eligible for benefits under Nevada law or in whatever state they file a claim in. However, the state just acts as an agent for the Federal Government in paying these benefits because they are reimbursed by the Federal Government.

Mr. McCracken said that employers will go along with AB 473 with the 50% - 60% increase because of the approximately 15% elimination due to voluntary quits and misconduct.

Lou Paley then spoke saying he was going to get together with the Employment Security Department to come up with some alternatives that would make the bill more palatable to labor and he thought he would have these alternatives for the committee by next week.

This concluded testimony on AB 473.

Testimony then began on AB 537 which:

Requires waiting period before unemployed individual may receive benefits.

Mr. Gibbens spoke saying he was in favor of this bill and commented that it appears Nevada has been very liberal in its benefit program for a long period of time and that it can no longer afford this luxury. Among the 52 states and jurisdictions, all except eight require a waiting period of one week (this is the 50 states and District of Columbia and Puerto Rico). Those eight states are Alabama, Connecticut, Delaware, Kentucky, Maryland, Michigan, Nevada and New Hampshire. Mr. Long said the savings the Fund would experience with this waiting period would be approximately 6% (he added that the Department takes no position on the bill). Mr. Gibbens went on to say that as an employer representative, he is opposed to employee contributions into the fund for one reason and that is when a worker is contributing into the Fund as he does into Social Security, he feels he has a right to it regardless of any other facts. If he becomes unemployed because of misconduct, he would have a pretty sound argument that he is entitled to these monies. Mr. Demers commented that he would suggest a 1/2% contribution by employers for a two year period and call it a surcharge.

Mr. Guinn spoke saying he was in support of Mr. Newton's remarks to AB 537, AB 549 and AB 555 in the Topics to Taxpayers which he submitted to the committee (a copy of which is attached).

Mr. Paley then spoke in opposition to AB 537 saying this same bill comes before the Legislature every session and is always defeated. It was his opinion that if this passed it would be taking \$1,000,000 out of the economy because it would be that much less money going to the consumer. He did not believe the little guy in the State could afford to experience this waiting period and therefore labor is opposed to this bill. Mr. Wittenberg did question his statement about the \$1,000,000 because he felt it would still be in the economy simply because the employer would not have to put it into the fund.

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Dr. Robinson wondered if there were any statistics that show that in states where there is a waiting period that people go back to work sooner. Mr. McCracken said he did not think so and that they have many figures on it as this waiting period was entertained by all states at one time or other and was imposed for administrative purposes to get checks out on time. The purpose of it was not to save money.

Mr. Hickey asked Mr. McCracken to explain how unemployment benefits came about. Mr. McCracken said it began about 1935 around the time of the depression because people could not exist if there was no such benefit as there was in many cases no other means of support. It was a Federal requirement and the states developed their own laws in accordance. The premise was that during good times, taxes are paid into a fund that can be used during periods of bad times to pay those who are unemployed through no fault of their own. There have been changes made. In 1935 it was 100% of average annual wage and through various changes, it is now at 50% of the average annual wage. At one time Nevada and North Carolina were the only states without a waiting period; however, many states have recently discontinued this one week waiting period in order to get money to employees sooner.

June Burns then spoke saying she represented 500 employees whose average wage is \$65 to \$85 per week. She said to wait one week more is extremely difficult for these people. She was opposed to AB 537. She said at least 30% of these 500 employees are women and 10% of them are single with dependents

Mr. John Pruitt was concerned that he could find nothing in the bill that says only one waiting period would be served per year. He thought that in California this waiting period had to be served every time a person puts in an unemployment claim.

Bill Young and another carpenter both expressed their opposition to this bill because of the nature of their work they often only work one or two days each week and that one or two days is enough to make them ineligible because of this waiting period.

Mr. Long felt that perhaps this bill was poorly drawn and should be redrawn with more clarification. Mr. Hiatt said the way this bill is written, it could effectively cancel any benefits to those working spasmodically.

At that time Mr. Wittenberg moved that the do pass action on AB 375 be rescinded. This was seconded by Mr. Getto and carried the committee unanimously. Mr. Wittenberg moved that Amendment No. 7748 be adopted to AB 375. This was seconded by Mr. Harmon and carried the committee unanimously. Mr. Wittenberg then moved "do pass as amended" of AB 375. This was seconded by Mr. Demers and carried the committee unanimously.

Testimony then began on AB 549 which:

Provides criteria for determining whether claimant may be disqualified for unemployment benefits because of failure to apply for or accept suitable work.

Mr. Long spoke saying that Page 2, Line 8 of the bill as drafted deleting Subsection B, all three of these sections are Federal requirements and to delete them would raise the issue of conformity. He said he has talked to the people who had this bill drafted and they agree this subsection should be left in. Mr. Long also felt the language on Page 1, lines 21-22 was not advisable because it would require someone who lived in Las Vegas and moved to Reno to go back to Las Vegas to accept a job. This part of the bill should be amended if this bill is considered for passage.

Dr. Robinson then said that further testimony on this bill could be terminated since in its present form it is not a legitimate bill.

Discussion then turned to AB 555 which:

Restricts eligibility for unemployment compensation benefits.

Lou Paley spoke in opposition to this bill (there were no proponents present to speak on behalf of the bill). He said people are entitled to benefits. He thought the bill was very unfair and was opposed to it on those grounds.

Dr. Robinson commented that we must consider the affect of this bill on the worker in the State of Nevada on a pension or social security who comes out and re-enters the work force and is laid off and loses any unemployment benefits.

Mr. John Pruitt commented that he felt this bill was in conflict with Federal law. However, Mr. Long commented that his department was not aware of any conflicts.

Mrs. Burns said that if a person should have severance pay it could be deducted from unemployment and she felt this was totally unfair.

Primo Bertoldi, representing the carpenters in Reno, then spoke. He said he wished to go on record in opposition to AB 555. He felt although a retired carpenter at age 65 can no longer work in the construction industry, he can enter another field of work and if he is laid off, he should be eligible for benefits.

Mr. Long said his Department believes this bill is too broadly drawn and that it should be limited to offset the benefits received as a result of base period employment. If a person retires from one company, those wage credits should not be available to him for the purpose of unemployment insurance.

In answer to some questions from the audience as to the efficiency of the administration of the Employment Security Department, Dr. Robinson commented that the budget for this appears to be efficient.

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COMMERCE COMMITTEE

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As to the cost of administration - which is all federal money - over a long period of time, it averages 6% to 7% of the benefits paid, i.e. six cents on the dollar.

This concluded the hearing and the meeting was adjourned at 5:30 P.M.

Respectfully submitted,

Joan Anderson, Secretary

ASSEMBLY

AGENDA FOR COMMITTEE ON COMMERCE

Date APRIL 11, 1975 Time 3:00 P.M. Room 316

0621

Bills or Resolutions to be considered

Subject

Counsel requested*

DO PASS

SB 84

Clarifies unlawful acts and increases penalties relating to architecture.

DO PASS

SB 89

Requires firms, partnerships, corporations and associations practicing as architects to have registered architect in residence responsible for work.

DO PASS

SB 213

Increases penalty for furnishing a dangerous drug without a perscription and requires pharmacist to sign his name or initials on record for each refill of dangerous drug perscription.

*Please do not ask for counsel unless necessary.

COMMERCE COMMITTEE
LEGISLATION ACTION

DATE April 11, 1975

SUBJECT AB 308 - Regulates mobile home parks and provides for
mobile home warranty.

MOTION: 1. Adoption of amendments X 2. Do pass as amended X

Do Pass _____ Amend _____ Indefinitely Postpone _____ Reconsider _____

Moved By 1. Demers 2. Demers Seconded By 1. Schofield 2. Wittenberg

AMENDMENT:

Moved By _____ Seconded By _____

AMENDMENT:

Moved BY _____ Seconded By _____

VOTE:	<u>MOTION</u>		<u>AMEND</u>		<u>AMEND</u>	
	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>	<u>Yes</u>	<u>No</u>
Robinson	<u>X</u>	_____	_____	_____	_____	_____
Harmon	<u>X</u>	_____	_____	_____	_____	_____
Demers	<u>X</u>	_____	_____	_____	_____	_____
Hickey	<u>X</u>	_____	_____	_____	_____	_____
Moody	<u>X</u>	_____	_____	_____	_____	_____
Schofield	<u>X</u>	_____	_____	_____	_____	_____
Wittenberg	<u>X</u>	_____	_____	_____	_____	_____
Benkovich	<u>X</u>	_____	_____	_____	_____	_____
Getto	<u>X</u>	_____	_____	_____	_____	_____

ORIGINAL MOTION: Passed X Defeated _____ Withdrawn _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

Attached to Minutes April 11, 1975

COMMERCE COMMITTEE
LEGISLATION ACTION

~~0261~~

0637

DATE April 11, 1975

SUBJECT AB 478 Expedites unemployment compensation board's review procedure and increases board members' salary.

MOTION: 1. Adopt Amendments X 2. Do pass as amended X

Do Pass _____ Amend _____ Indefinitely Postpone _____ Reconsider _____

Moved By 1. Schofield 2. Schofield Seconded By 1. Demers 2. Wittenberg

AMENDMENT:

Moved By _____ Seconded By _____

AMENDMENT:

Moved BY _____ Seconded By _____

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
Robinson	<u>X</u>	_____	_____	_____	_____	_____
Harmon	<u>X</u>	_____	_____	_____	_____	_____
Demers	<u>X</u>	_____	_____	_____	_____	_____
Hickey	<u>X</u>	_____	_____	_____	_____	_____
Moody	<u>X</u>	_____	_____	_____	_____	_____
Schofield	<u>X</u>	_____	_____	_____	_____	_____
Wittenberg	<u>X</u>	_____	_____	_____	_____	_____
Benkovich	<u>X</u>	_____	_____	_____	_____	_____
Getto	<u>X</u>	_____	_____	_____	_____	_____

ORIGINAL MOTION: Passed X Defeated _____ Withdrawn _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

Attached to Minutes April 11, 1975

58TH NEVADA LEGISLATURE

COMMERCE COMMITTEE
LEGISLATION ACTION

~~0762~~

0638

DATE April 11, 1975

SUBJECT AB 375 - Redefines subdivision and provides for record of
survey maps.

MOTION: 1. Adopt amendments X 2. Do pass as amended X

Do Pass _____ Amend _____ Indefinitely Postpone _____ Reconsider _____

Moved By 1. Wittenberg 2. Wittenberg Seconded By 1. Harmon 2. Demers

AMENDMENT:

Moved By _____ Seconded By _____

AMENDMENT:

Moved BY _____ Seconded By _____

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
Robinson	<u>X</u>	_____	_____	_____	_____	_____
Harmon	<u>X</u>	_____	_____	_____	_____	_____
Demers	<u>X</u>	_____	_____	_____	_____	_____
Hickey	<u>X</u>	_____	_____	_____	_____	_____
Moody	<u>X</u>	_____	_____	_____	_____	_____
Schofield	<u>X</u>	_____	_____	_____	_____	_____
Wittenberg	<u>X</u>	_____	_____	_____	_____	_____
Benkovich	<u>X</u>	_____	_____	_____	_____	_____
Getto	<u>X</u>	_____	_____	_____	_____	_____

ORIGINAL MOTION: Passed X Defeated _____ Withdrawn _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

Attached to Minutes April 11, 1975

Commerce Committee

4/11

NAME	REPRESENTING
Assemblyman Carroll H. Weyen	
Rand Gunnar State Fire Marshal	
Robert Dep. " " "	
Wm R. Heblens	
RAYMOND HELLMANN	NEVADA STATE Bd ARCH.
JAMES OLIVER	ESD
GENE FOSTER	ESD
Jim Hanna	
Dino Maligan New. Assoc. of Realtors	
J. Holbrook Hawes - AFH-CIO - Carson City	
Robert Howb	Emp. Security Dept.
Jack D. Keatt	
WALTER DREW	
Glenora Davis	I. B. E. W. Local 2247
Jeanita Jensen	I B E W Local 2247
June Burns	I B E W Local 2247 Perm
George Lovick	EMPLOYMENT SECURITY DEPT.
Laurence O. Neffchen	

Adopted
 Lost
 Date:
 Initial:
 Concurred in
 Not concurred in
 Date:
 Initial:

Amendments to Assembly / Senate
 Bill / Joint Resolution No. 472 (BDR 13-1453)
 Proposed by Committee on Commerce **0640**

Amendment No. 7685

Replaces Amendment No. 7686.

Amend section 1, page 1, line 11, by deleting "550" and insert: "557".

Amend sec. 2, page 2, insert between lines 13 and 14 the following:

"B. If the records of an appeal have been destroyed pursuant to subsection 5, a person aggrieved by the decision in such appeal may petition a district court for a trial de novo. If the district court finds that good cause exists for the party's failure to pursue the administrative remedies provided in WRS 612.510, it may grant the petitioner's request."

ASSEMBLY ACTION

SENATE ACTION

ASSEMBLY / SENATE AMENDMENT BLANK

Adopted
 Lost
 Date:
 Initial:
 Concurred in
 Not concurred in
 Date:
 Initial:

Adopted
 Lost
 Date:
 Initial:
 Concurred in
 Not concurred in
 Date:
 Initial:

Amendments to Assembly / Senate
 Bill / Joint Resolution No. 473 (BDR 13-1453)
 Proposed by Committee on Commerce

Amendment No. 7656

Replaces Amendment No. 7656.

Amend section 1, page 1, line 11, delete "550" and insert: "540".

Amend sec. 2, page 2, insert between lines 13 and 14 the following:

"B. If the records of an appeal have been destroyed pursuant to subsection 5, a person aggrieved by the decision in such appeal may petition a district court for a trial de novo. If the district court finds that good cause exists, it shall grant the petitioner's request."

ASSEMBLY BILL NO. 27--ASSEMBLYMEN DREYER,
LOWMAN, HAYES, CRADDOCK AND DEMERS

~~0765~~
0641

January 22, 1975

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Referred to Committee on Commerce

SUMMARY--Transfers licensing of dealers, manufacturers, rebuilders and salesmen of mobile homes (and travel trailers) from department of motor vehicles to state fire marshal division of department of commerce. Fiscal Note: Yes. BDR 43-121

Explanation--Matter in *italics* is new; matter in brackets () is material to be omitted.

AN ACT transferring the licensing of dealers, manufacturers, rebuilders and salesmen of mobile homes (and travel trailers) from the department of motor vehicles to the state fire marshal division of the department of commerce; providing penalties; and providing other matters properly relating thereto.

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

SECTION 1. Chapter 489 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 18, inclusive, of this act.

SECTION 2. ("Dealer" means every person engaged in the business of buying, offering for sale, selling or exchanging mobile homes or travel trailers in this state.) *"Dealer" means any person who for compensation, money or other things of value, sells, exchanges, buys or offers for sale, negotiates or attempts to negotiate a sale or exchange of an interest in a mobile home subject to the requirements under this chapter or induces or attempts to induce any person to buy or exchange an interest in a mobile home or who receives or expects to receive a commission, money, brokerage fees, profit, or any other thing of value from either the seller or purchaser of said mobile home or is engaged wholly or in part in the business of selling mobile homes or buying or taking in trade mobile homes for the purpose of resale selling, or offering for sale or consignment to be sold or otherwise dealing in mobile homes whether or not such mobile homes are owned by such persons.*

SECTION 3. 1. "Established place of business" means (a permanent) enclosed building or structure owned either in fee or leased with sufficient space to *conduct* (display one or more mobile homes or travel trailers which the dealer is licensed to sell, and which is devoted principally to the use of a dealer in the conduct of) the business of the dealer (.) *and*

(2. In the case of a used mobile home or travel trailer dealer, an established place of business need not be a permanent building or structure but may be a vacant lot sufficiently bounded or otherwise marked definitely to indicate the boundaries thereof, but the term shall not mean or include a residence, tent, temporary stand or temporary quarters or permanent quarters occupied pursuant to a temporary arrangement. There shall be located or erected on any such lot a permanent closed building or structure) large enough to accommodate the office or office of the dealer and to provide a safe place to keep the books and other records of the business of such dealer, at which site or location the principal portion of such dealer's business shall be conducted.

(3.) 2. The books and records of a dealer shall be kept and maintained at the dealer's established place of business and shall be open to inspection during usual business hours by any authorized agent of the division or the State of Nevada.

SECTION (4.) 3. "Manufacturer" means every person engaged in the business manufacturing mobile homes or (travel trailers.) recreational vehicles.

SECTION (5.) 4. "New mobile home or (travel trailer)" recreational vehicle" means a mobile home or (travel trailer) recreational vehicle that has never been used or occupied either after or prior to sale for the purpose intended by the manufacturer (registered with the department of motor vehicles) and has never been registered with the appropriate agency of authority of any other state, the District of Columbia, any territory or possession of the United States or foreign state, province or country.

SECTION (6.) 5. ("New mobile home or travel trailer dealer" means any person who has a franchise from a manufacturer of mobile homes or travel trailers to sell new mobile homes or travel trailers, and who is engaged in the business of selling or exchanging new or new and used mobile homes or travel trailers.) "New mobile home dealer" means any mobile home dealer licensed under the provisions of this chapter who has a franchise from a manufacturer of mobile homes to sell new mobile homes and who is engaged in the business of selling or exchanging new or new and used mobile homes.

SECTION (7.) 6. 1. "Rebuilder" means a person engaged in the business of reconstructing mobile homes or (travel trailers) recreational vehicle by the alteration, addition or substitution of substantial or essential parts.

2. Nothing in this section shall be construed to require any licensed new or used mobile home or (travel trailer) recreational vehicle dealer to secure a license as a rebuilder in conjunction with rebuilding in his own facilities.

SECTION (8.) 7. "Salesman" means any person employed by a mobile home (or travel trailer) dealer or mobile home rebuilder, under any form of contract or arrangement to sell, exchange, buy, or offer for sale, or exchange an interest in a mobile home (or travel trailer) to any person, and who receives or expects to receive a commission, fee or any other consideration from either the seller or purchaser of such mobile home (or travel trailer).

SECTION (9.) 8. "Used mobile home" (or travel trailer) means a mobile home (or travel trailer) that has been (registered with the department of motor vehicles) sold, rented, leased, and occupied either after or prior to the selling, rental or lease agreement or has been registered with the appropriate agency of authority of any other state, the District of Columbia, or any territory or possession of the United States or foreign state, province or country.

SECTION (10.) 9. "Used mobile home (or travel trailer) dealer" means any (person) mobile home dealer engaged in the business of purchasing or exchanging used mobile homes (or travel trailers) for the purpose of resale, or (who purchases, sells or exchanges two or more used mobile homes or travel trailers in any 1 calendar year, or who offers or displays used mobile homes or travel trailers for sale.) is licensed as a used mobile home dealer under the provisions of this chapter as a used mobile home dealer.

SECTION (11.) 10. 1. No person may engage in the business of a new or used mobile home (or travel trailer) dealer, manufacturer or rebuilder in this state, or be entitled to any other license or permit required by this chapter or chapter 482 of NRS until he has applied for and has been issued a dealer's, manufacturer's or rebuilder's license certificate by the division.

2. The division shall investigate any applicant for a dealer's, manufacturer's or rebuilder's license and complete an investigation report on a form provided by the division.

SECTION (12.) 11. 1. Applications for a manufacturer's, dealer's or rebuilder's license shall be filed upon forms supplied by the division, and the applicant shall furnish:

(a) Such proof as the division may deem necessary that the applicant is a manufacturer, dealer or rebuilder.

(b) Such proof as the division may require that the applicant has an established place of business for the sale and display of mobile homes (or travel trailers) in the state.

(c) In the case of a dealer of new mobile homes (or travel trailers), an instrument in the form prescribed by the division executed by or on behalf of the manufacturer certifying that the applicant is an authorized franchise dealer for the make or makes concerned.

(d) A good and sufficient bond in the amount of \$10,000 with a corporate surety thereon, duly licensed to do business within the State of Nevada, approved as to form by the attorney general, and conditioned that the applicant shall conduct his business as a dealer or rebuilder without fraud or fraudulent representation, and without violations of the provisions of this chapter and chapter 482 of NRS. (The division may, by agreement with any dealer or rebuilder who has been in business for 5 years or more, allow a reduction in the amount of the bond of such dealer, if the business of such dealer or rebuilder has been conducted satisfactorily for the preceding 5 years, but no bond shall be in an amount less than \$1,000.)

(1) The bond shall be continuous in form and the total aggregate liability on the bond shall be limited to the payment of the total amount of the bond, but in no case shall the amount of any judgment in an action on such a bond exceed the retail value of any mobile home or travel trailer in connection with which the action was brought.)

(2) (1) The undertaking on the bond shall be deemed to include and shall include any fraud or fraudulent representation or violation of any of the provisions of this chapter or chapter 482 of NRS by the salesman of any licensed dealer or rebuilder acting for the dealer or rebuilder on his behalf and within the scope of the employment of such salesman.

(3) (2) The bond shall provide that any person injured by the action of the dealer, rebuilder or salesman in violation of any provisions of this chapter or chapter 482 of NRS may bring an action on the bond. (If the applicant has furnished a good and sufficient bond in the amount of \$10,000 with a corporate surety pursuant to the provisions of subsection 1 of NRS 482.345, this paragraph shall not apply.)

(e) A reasonable nonrefundable fee fixed by the state fire marshal pursuant to the provisions of the Nevada Administrative Procedure Act.

(f) Such additional requirements as the division may from time to time prescribe by regulation.

2. Upon receipt of such application and when satisfied that the applicant is entitled thereto, the division shall issue to the applicant a dealer's, manufacturer's or rebuilder's license certificate containing the applicant's name and the address of his fixed place of business. Such license expires on December 31 of each year.

SECTION (13.) 12. 1. No mobile home (or travel trailer) dealer or rebuilder may intentionally publish, display or circulate any advertising which is misleading or inaccurate in any material particular or which misrepresents any of the products sold, manufactured, handled or furnished to the public.

2. The division, after hearing, may adopt such rules and regulations as may be necessary for making the administration of this section effective.

SECTION (14.) 13. 1. The division may deny the issuance of or revoke a manufacturer's, dealer's or rebuilder's license upon any of the following grounds:

(a) Failure of the applicant to have an established place of business in this state.

(b) That the applicant or licensee has been convicted of a felony in the State of Nevada or any other state, territory or nation.

(c) Material misstatement in the application.

(d) Evidence of unfitness of the applicant or licensee.

(e) Failure or refusal to furnish and keep in force any bond.

(f) Failure on the part of such licensee to maintain a fixed place of business in this state.

(g) Failure or refusal by a licensee to pay or otherwise discharge any final judgment against such licensee rendered and entered against him, arising out of the misrepresentation of any mobile home (or travel trailer,) or out of any fraud committed in connection with the sale of any mobile home. (or travel trailer.)

(h) Failure of the licensee to maintain any other license or bond required by any political subdivision of this state.

2. The division shall not be limited to the above grounds but may deny the issuance of a license to an applicant or revoke a license already issued if the division is satisfied that the applicant or licensee is not entitled thereto.

SECTION (15.) 14. 1. The applicant or licensee may, within 30 days after receipt of the notice of denial or revocation, petition the division in writing for a hearing.

2. Upon filing the petition, a date for hearing shall be fixed, and the applicant or licensee shall have the right to be present at the hearing and testify in his own behalf and to have such other persons as he desires present and testify at the hearing.

3. Within 10 days after the hearing, the division shall make written findings of fact and conclusions and shall either grant or finally deny the application or revoke the license.

4. Notwithstanding the provisions of subsections 1 to 3, inclusive, the division may, if it finds that the action is necessary in the public interest, upon notice to the licensee, temporarily suspend or refuse to renew the license certificate. In any such case a hearing shall be held, and a final decision rendered within 30 days after notice of the temporary suspension.

SECTION (16.) 15. 1. If the application or license is denied or revoked, the applicant, or licensee may, within 30 days from the date of denial or revocation, appeal to the district court of Carson City or of the county of his principal place of business.

2. The action shall be tried as other civil actions, and shall be conducted as a trial de novo.

SECTION (17.) 16. 1. No person shall engage in the activity of a mobile home (or travel trailer) salesman in the State of Nevada without first having received a license from the division. Before issuing a license to engage in the activity of a salesman, the division shall require:

(a) An application, signed and verified by the applicant, stating that the applicant is to engage in the activity of a salesman, his residence address, and the name and address of his employer.

(b) Proof of the employment of such applicant by a licensed and bonded mobile home (or travel trailer) dealer or rebuilder at the time such application is filed.

(c) A statement as to whether any previous application of the applicant has been denied or license revoked.

(d) Payment of a (license fee of \$5 per year.) *reasonable non-refundable license fee established pursuant to the Administrative Procedure Act, Chapter 233B of NRS.* Such licenses shall expire on December 31 of each year.

(e) Such other information as the division may deem necessary.

2. A salesman's license may be denied or revoked upon the following grounds:

(a) Failure of the applicant to establish by proof satisfactory to the division that he is employed by a licensed and bonded mobile home (or travel trailer) dealer or rebuilder.

(b) Conviction of a felony.

(c) Conviction of a misdemeanor for violation of any of the provisions of this chapter or chapter 482 of NRS.

(d) Falsification of the application.

(e) Any reason determined by the division to be in the best interests of the public.

3. A mobile home (or travel trailer) salesman may not engage in sales activity other than for the account of or for and in behalf of a single employer, who shall be a licensed *mobile home* dealer or rebuilder.

4. A salesman's license issued hereunder may be transferred to another *mobile home* dealer or rebuilder upon application and the payment of a transfer fee of \$2. However, when a salesman holding a current salesman's license leaves the employment of one *mobile home* dealer or rebuilder for that of another, the new employer may immediately employ the salesman pending the transfer of the salesman's license to his dealership or rebuilding business but the transfer must be completed within 10 days.

5. A salesman's license must be posted in a conspicuous place on the premises of the *mobile home* dealer or rebuilder for whom he is licensed to sell mobile homes (or travel trailers).

6. In the event that a salesman ceases to be employed by a licensed and bonded *mobile home* dealer or rebuilder, his license to act as a salesman shall be automatically suspended and his right to act as a salesman shall thereupon immediately cease, and he shall not engage in the activity of a salesman until reemployed by a licensed and bonded *mobile home* dealer or rebuilder. Every licensed salesman shall report in writing to the division every change in his residence address, place of employment, or termination of employment within 5 days of the date of making such change.

SECTION (18) 17. (Any person violating the provisions of sections 11 to 13, inclusive, or section 17 of this act, is guilty of a misdemeanor.) *Unless otherwise provided by Nevada Statutes any person violating any of the provisions of this chapter is guilty of a misdemeanor.*

SECTION (19.) 18. NRS 477.030 is hereby amended to read as follows:

477.030 1. The state fire marshal shall enforce all laws and ordinances, and make rules and regulations relating to:

(a) The prevention of fires.

(b) The storage and use of combustibles, flammables, fireworks and explosives.

(c) The construction, maintenance and regulation of fire escapes.

(d) Overseeing the safety of and directing the means and adequacy of exit in case of fire from factories, asylums, institutions, day care facilities, foster homes, nursing homes, hospitals, churches, schools, halls, theaters, amphitheaters, all buildings, except private residences, which are occupied for sleeping purposes, and all other places where large numbers of persons work, live or congregate from time to time for any purpose.

(e) The suppression and punishment of arson and fraudulent claims or practices in connection with fire losses.

2. The state fire marshal may set standards for equipment and appliances pertaining to fire safety or to be used for fire protection purposes within this state, including the threads used on fire hose couplings and hydrant fittings.

3. The state fire marshal shall cooperate with the state forester firewarden in the preparation of rules and regulations relating to standards for fire retardant roofing materials pursuant to paragraph (e) of subsection 1 of NRS 472.040.

4. The state fire marshal shall cooperate with the welfare division of the department of human resources in establishing reasonable minimum standards for overseeing the safety of and directing the means and adequacy of exit in case of fire from family foster homes and group foster homes.

5. The state fire marshal shall be responsible for the administration of the provisions of chapter 489 of NRS.

6. The state fire marshal and his deputies shall have such powers and perform such other duties as are prescribed by law.

SECTION (20.) 19. NRS 482.207 is hereby amended to read as follows:

482.207 Notwithstanding any other provisions of this chapter, any vehicle dealer licensed under the provisions of NRS 482.325 (or mobile home or travel trailer dealer licensed under the provisions of section 12 of this act) may, upon presentation of a manufacturer's certificate of origin or other evidence of ownership satisfactory to the department, register a vehicle being held for sale or resale in the name of his dealership. Upon registration the department shall also issue a certificate of ownership for such vehicle to such dealership. The appropriate fees provided in NRS 482.429 and 482.480 shall be paid to the department by the vehicle dealer.

SECTION (21) 20. NRS 482.321 is hereby amended to read as follows:

482.321 1. Any manufacturer of or dealer in vehicles, (mobile homes or travel trailers) in this state qualified to receive a dealer's license (under the provisions of this chapter or chapter 489 of NRS) shall be entitled to register not more than five new vehicles of the make for which he is a licensed and franchised dealer in his name upon the payment of only the registration and licensing fee as provided in this chapter (and chapter 489 of NRS) without being subject to the payment of privilege taxes, and may transfer such registrations to other new vehicles without payment of such taxes.

2. Vehicles so registered shall be subject to the payment of privilege taxes by the purchaser from such dealer at the time of their transfer to such purchaser.

3. The transferee of the vehicle shall be required to pay the registration fees and privilege taxes before he is entitled to a transfer of the registration and title in his name. Such transferee shall apply for registration as provided in NRS 482.215.

4. Nothing contained in this section shall be construed to apply to work or service vehicles.

SECTION (22) 21. NRS 482.322 is hereby amended to read as follows:

482.322 1. No person may engage in the business of a new or used vehicle dealer, manufacturer or rebuilder in this state, or be entitled to any other license or permit required by this chapter, until he has applied for and has been issued a dealer's, manufacturer's or rebuilder's license certificate by the department.

2. A new or used vehicle dealer's, manufacturer's or rebuilder's license issued pursuant to this chapter shall not permit a person to engage in the business of a new or used mobile home (or travel trailer) dealer, manufacturer or rebuilder.

3. The department shall investigate any applicant for a dealer's, manufacturer's or rebuilder's license and complete an investigation report on a form provided by the department.

SECTION (23.) 22. NRS 482.330 is hereby amended to read as follows:

482.330 1. Upon issuance of (the) a dealer's, manufacturer's or rebuilder's license certificate (,) pursuant to NRS 482.322 or (section 12 of this act,) *the issuance of a new or used mobile home dealer's, manufacturer's or rebuilder's license pursuant to NRS Chapter 489,* the department shall (also) furnish to the manufacturer, dealer or rebuilder one or more registration certificates and special plates for use on vehicles which come within the provisions of NRS 482.320. Every such plate shall have displayed upon it the identification number which is assigned to the dealer, manufacturer or rebuilder, and may at the discretion of the department have a different letter or symbol on each plate or pair of plates. Such manufacturer, dealer or rebuilder license plates may be used interchangeably on such vehicle.

2. The department shall by regulation determine the number of manufacturer, dealer or rebuilder license plates to which each manufacturer, dealer or rebuilder is entitled, which, in the case of a dealer, shall be at least three more than the number of salesmen in his employ.

3. The department may also provide by regulation for the issuance to dealers or rebuilders of special license plates and for the number of such plates for use on vehicles loaned by such dealers or rebuilders to customers in the course of business. Such regulations, if adopted, shall provide what use may be made of such plates.

SECTION (24.) 23. NRS 482.353 is hereby amended to read as follows:

482.353 1. The applicant or licensee may, within 30 days after receipt of the notice of denial or revocation, petition the director in writing for a hearing.

2. Upon filing the petition, a date for hearing shall be fixed, and the applicant or licensee shall have the right to be present at the hearing and testify in his own behalf and to have such other persons as he desires present and testify at the hearing.

3. Within 10 days after the hearing, the director shall make written findings of fact and conclusions and shall either grant or finally deny the application or revoke the license.

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4. Notwithstanding the provisions of subsections 1 to 3, inclusive, the department may, if the director finds that the action is necessary in the public interest, upon notice to the licensee temporarily suspend or refuse to renew the license certificate issued to a manufacturer, dealer or rebuilder pursuant to NRS 482.322, and the special plates issued to a manufacturer or dealer pursuant to NRS 482.330, for a period not to exceed 30 days. In any such case a hearing shall be held, and a final decision rendered within 30 days after notice of the temporary suspension.

SECTION (25.) 24. NRS 482.362 is hereby amended to read as follows:

482.362 1. No person shall engage in the activity of a vehicle, trailer or semitrailer salesman in the State of Nevada without first having received a license from the department. Before issuing a license to engage in the activity of a salesman, the department shall require:

(a) An application, signed and verified by the applicant, stating that the applicant is to engage in the activity of a salesman, his residence address, and the name and address of his employer.

(b) Proof of the employment of such applicant by a licensed and bonded vehicle dealer, trailer or semitrailer dealer or rebuilder at the time such application is filed.

(c) A statement as to whether any previous application of the applicant has been denied or license revoked.

(d) Payment of a license fee of \$5 per year. Such licenses shall expire on December 31 of each calendar year.

(e) Such other information as the department may deem necessary.

2. A vehicle, trailer or semitrailer salesman's license issued pursuant to this chapter shall not permit a person to engage in the business of a mobile home (or travel trailer) salesman.

3. A salesman's license may be denied or revoked upon the following grounds:

(a) Failure of the applicant to establish by proof satisfactory to the department that he is employed by a licensed and bonded vehicle dealer, trailer dealer or semitrailer dealer or rebuilder.

(b) Conviction of a felony.

(c) Conviction of a misdemeanor for violation of any of the provisions of this chapter.

(d) Falsification of the application.

(e) Any reason determined by the director to be in the best interests of the public.

4. A vehicle salesman may not engage in sales activity other than for the account of or for and in behalf of a single employer, who shall be a licensed dealer or rebuilder.

5. A salesman's license issued hereunder may be transferred to another dealer or rebuilder upon application and the payment of a transfer fee of \$2. However, when a salesman holding a current salesman's license leaves the employment of one dealer or rebuilder for that of another, the new employer may immediately employ the salesman pending the transfer of the salesman's license to his dealership or rebuilding business but the transfer must be completed within 10 days.

6. A salesman's license must be posted in a conspicuous place on the premises of the dealer or rebuilder for whom he is licensed to sell vehicles.

7. In the event that a salesman ceases to be employed by a licensed and bonded dealer or rebuilder, his license to act as a salesman shall be automatically suspended and his right to act as a salesman shall thereupon immediately cease, and he shall not engage in the activity of a salesman until reemployed by a licensed and bonded dealer or rebuilder. Every licensed salesman shall report in writing to the department every change in his residence address, place of employment, or termination of employment within 5 days of the date of making such change.

8. Any person who fails to comply with the provisions of this section shall be guilty of a misdemeanor.

SECTION (26.) 25. NRS 482.363 is hereby amended to read as follows:

482.363 1. Any person, other than a new or used vehicle dealer licensed under the provisions of NRS 482.325 or mobile home (or travel trailer) dealer licensed under the provisions of section 12 of this act who engages in the leasing of vehicles in this state as a long-term lessor, shall, before commencing operations in this state, and annually thereafter:

(a) Secure a license from the department to conduct such leasing business;

(b) Post a bond;

(c) Furnish the department with such other information as may be required; and

(d) Comply with the same terms and conditions which apply to vehicle dealers as specified in NRS 482.345.

2. Any person employed by a person licensed under the provisions of subsection 1 who engages in the practice of arranging or selling such services in this state shall, before commencing operations, and annually thereafter:

(a) Secure from the department a license to act as a salesman of such services; and

(b) Comply with the same terms and conditions which apply to salesmen of vehicles as specified in NRS 482.362.

3. The provisions of NRS 482.352, relating to the denial, revocation or suspension of dealers' or rebuilders' licenses, shall apply to licenses issued pursuant to the provisions of subsection 1. The provisions of NRS 482.362, relating to the denial, revocation and transfer of vehicle salesmen's licenses, shall apply to licenses issued pursuant to the provisions of subsection 2.

SECTION (27.) 26. NRS 489.031 is hereby amended to read as follows:

489.031 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 489.041 to 489.150, inclusive, and sections 2 to 10, inclusive, of this act, have the meanings ascribed to them in such sections.

SECTION (28.) 27. NRS 489.120 is hereby amended to read as follows:

489.120 "Mobile home" means a vehicular structure which is:

1. Built on a chassis or frame;

2. Designed to be used with or without a permanent foundation;

3. Capable of being drawn by a motor vehicle; and

4. Used as a dwelling when connected to utilities.

5. Used permanently or temporarily for the advertising, sales, display or promotion of merchandise or services.

SECTION (29.) 28. NRS 489.170 is hereby amended to read as follows:

489.170 1. The initial members of the commission shall hold office, one for 1 year, one for 2 years, one for 3 years and two for 4 years. Thereafter, each member shall serve for a term of 4 years.

2. Three of the five members shall be persons licensed pursuant to this chapter as (travel trailer or) mobile home dealers or manufacturers. One member shall be from the general public, and one member shall be from a fire service unit of any county or municipal government in the State of Nevada.

3. A member shall not serve for more than 8 consecutive years, after which time such person is ineligible for membership for 3 years after any period of previous service. When a successor is appointed to fill the balance of any unexpired term of a member, the time served by the successor is not computed in the 8 years' consecutive service unless the balance of the unexpired term exceeds 18 months.

SECTION (30.) 29. All licenses of mobile home or travel trailer dealers, manufacturers, rebuilders or salesmen in force on July 1, 1975, shall remain in force until their expiration date subject to the provisions of sections 2 to 29, inclusive, of this act.

SECTION (31.) 30. The department of motor vehicles shall offer the facilities and experience of its office in aid of an effective and orderly transfer of certain administrative responsibilities under chapter 482 of NRS, to the office of the state fire marshal division as provided by this act.

SECTION (32.) 31. 1. Section (31) 30 of this act and this section shall become effective upon passage and approval.

2. Sections 1 to (30) 29, inclusive, of this act shall become effective on July 1, 1975.

April 11, 1975

Dr. Robert Robinson
Chairman
Assembly Commerce Committee
Nevada Legislature
Carson City, Nevada 89701

Dear Dr. Robinson:

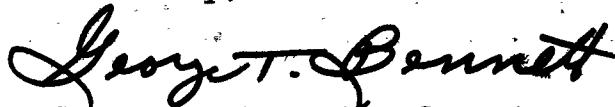
The Nevada State Board of Pharmacy supports S.B. 213 and urges its passage.

Subsection 1 increases the penalty for furnishing a dangerous drug from the present misdemeanor (as per NRS 454.356) to a gross misdemeanor. Present law imposes a greater penalty for possession (gross misdemeanor) as per NRS 454.316 than for a "pusher" or furnisher of dangerous drugs. We feel that the penalty for furnishing should be increased to a "gross misdemeanor."

Section 2 requires that a pharmacist must personally sign or initial a prescription upon refilling. Some pharmacists use a rubber stamp. Our legal counsel feels that the terminology should be specific as anyone could utilize a rubber stamp in the absence of the owner of same.

The Board requests your consideration in the passage of S.B. 213.

Sincerely,



George T. Bennett, Secretary
Nevada State Board of Pharmacy

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Topics for Taxpayers

Release
April 16, 1975
or thereafter---

0652



Unemployment Fund Faces Near Disaster

By ERNEST L. NEWTON

It may be graceless to say so, but two years ago the knowledgeable employers of Nevada told state administrators of the Unemployment Compensation Fund that *the Fund* was headed for certain disaster if the expanded benefit package was approved by the legislature without some adjustment of tax rates, or a reduction of benefits. This week it happened.

The state law provides a "trigger" which says that when the fund drops below \$8.5 million, then all benefit checks shall be reduced to a maximum of \$20 per week. Frantic efforts are being made in the legislature to repeal the section, *lest* ~~to let~~ the fund get down to zero; as well it may by June 30, 1975.

The tax take for the Unemployment Compensation fund in the 12 months ending March 31, 1975 was \$27,336,489, to which was added an estimated income from interest of \$1,566,254 for a total income to the Fund of \$28,902,743. But during the same 12 months the state paid out from state funds a total of \$42,411,004 for a net loss of \$13,508,261. That means that the Fund was paying out an average of more than \$1.1 Million a month more than it was taking in. The full force of the unemployment problem hit Nevada last April, and has continued for a full year.

Increased taxes proposed to the Legislature, to take effect next July 1, would add an additional burden of about \$22 million a year on Nevada employers. That will eventually (hopefully) balance income with outgo. But it won't help much in 1975 because the new tax rates don't go into effect until July 1, 1975, and the first collections under the new and increased rates won't hit the Fund's treasury until the last quarter of 1975.

Meanwhile, unless there is a drastic turn-around in the economy (and fast) the Fund will continue to suffer deficits of about \$4.5 million a month; which would mean that the Fund would be down to Zero in less than three months.

Some of that deficit could be erased if the Legislature will adopt three bills which would tighten up eligibility for benefits. The most inequitable situation is that which allows a worker, over 65 years of age, who retires on a substantial pension to draw unemployment benefits for 26 or more weeks when, as a matter of fact, he is really no longer "attached" to the labor force. That is AB-555 and would save the fund about \$500,000 a year. If the legislature would adopt AB-537, it would save the fund about \$4 million a year by requiring a one-week waiting period between the time a claim is filed and the issuance of the first check. For a worker who draws the whole 26 weeks it wouldn't make a bit of difference, because he would just have his total income delayed by one week. For the other workers it would give the department a week to verify eligibility and a week in which the worker could really be pressed to hunt for a replacement job. Another bill, AB-549 would redefine "suitable work" and would insist that an unemployed worker take whatever work that was available "within his prior training and experience or capability." There would be no saving to the fund, according to the estimate, but it would remove one big inequity as between claimants who really want to work and claimants that are real pleased to enjoy what some call "rocking chair money."

Members, Nevada State Assembly

TO Committee on Commerce

DATE April 15, 1975

0653

FROM Lawrence O. McCracken, Executive Director SUBJECT AB 473

During hearings by the Commerce Committee on AB 473 on Friday of last week, the Chairman and several members of the Committee requested additional data on certain points raised. The information which was requested is furnished below.

1. Information regarding the success of claimants appealing determinations that they were discharged for misconduct connected with their work.

Employment Security Department staff testified that over time only one-third of all claimants who are alleged to have been discharged for misconduct connected with their work are, in fact, disqualified. When there is an appeal of this determination to the next administrative level, i.e., the Appeals Referee, no separate breakdown is made of the results by type of issue. However, in discussing this matter with the Chief Appeals Referee today, he stated that he believed the figures, if they were available, would show that a claimant has much better results in appealing a disqualification for misconduct than is the case with appeals generally. Claimant appeals at the referee level are successful overall in about 20 percent of the cases. Therefore, the Chief Appeals Referee agreed with me that it would be fair to say that appeals on the issue of discharge for misconduct are successful in the case of one-fourth to one-third of all such appeals.

The question was also raised with respect to appeals as to how many claimants in cases where they are the appellant are accompanied to the hearing by legal counsel.

The Chief Appeals Referee is obviously better qualified than other department staff to make an estimate on this point. His estimate is that legal counsel participates in less than 5 percent of all claimant appeals and in most of these cases, the attorneys are provided by the Legal Aid Society.

2. Comparison of data among states which have flat rate minimums for qualifying wage requirements.

	Employer Tax Rates		Weekly Benefit Amount		Qualifying Amount
	Min.	Max.	Min.	Max.	
Alaska	1.3	3.8	\$18	\$120	\$ 750
California	1.0	4.1	25	90	750
Illinois	0.1	4.0	10	105	800
Iowa	-0-	4.0	10	80	300
Maine	1.9	4.5	12	68	600
Massachusetts	2.3	5.1	14	143	1,200
Nebraska	0.1	2.7	12	74	600
New Hampshire	0.075	4.0	14	80	600
West Virginia	-0-	3.3	14	107	700

It should be noted that even though these states require a flat total amount of earnings in order to qualify for any benefits, the majority of them, nevertheless, require earnings in more than one quarter. It should also be noted that only one of these states, Alaska at \$10,000, has a taxable wage base of more than \$4,200.

3. Comparison of benefit cost ratios among all states, 1940 - 1972.

Department staff testified last week that Nevada ranked fourth among all the states in comparing benefits paid, plus benefit reserves as a percent of cumulative total covered payroll. That statement is just slightly in error; Nevada actually ranks fifth in this regard. A copy of the chart from which this information was obtained is attached.

4. Information on states where the law provides for employee contributions to the trust fund.

Only Alabama, Alaska and New Jersey collect employee contributions and of the nine states^{1/} that formerly collected such contributions, only Alabama and New Jersey do so now. In Alabama, the tax is on the first \$4,200 received from one or more employers in a calendar year, in New Jersey on the first \$4,800 and in Alaska on the first \$10,000. Employee contributions are deducted by the employer from the workers' pay and sent with the employer's own contribution to the state agency. In Alabama and New Jersey, employees pay contributions of 0.5 percent. However, in Alabama employees pay contributions only when the fund is below the minimum normal amount; otherwise, they are not liable for contributions. In Alaska employee contribution rates vary from 0.3 percent to 0.8 percent, depending on the rate schedule in effect.

5. Where does Nevada fit in the range among all the states for maximum weekly benefit amount?

The current weekly maximum benefit amount in Nevada of \$85 is expected to increase to \$88 or \$89 effective July 1, 1975. This amount is adjusted by law once each year so that it is equal to 50 percent of the average weekly wage earned in employment covered by Nevada's Unemployment Compensation Law. This amount compares to the lowest weekly maximum in the Nation which is \$60 in Mississippi and the highest weekly maximum in the Nation which is \$156 in Connecticut. By another measure, there are twenty-three states which pay a maximum weekly benefit amount which is less than Nevada is currently paying; two states pay the same; and twenty-four states have a higher maximum than in Nevada.

^{1/} Ala., Calif., Ind., Ky., La., Mass., N.H., N.J., and R.I.

AVERAGE BENEFIT COST RATE UNDER STATE UNEMPLOYMENT COMPENSATION LAWS CUMULATIVE, 1940 THROUGH 1972^a

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Rank and State	Total Payroll (in thousands)	COST RATE (PERCENT OF TOTAL PAYROLL)				
		0	.5	1.0	1.5	2.0
ALL STATES ^b	\$6,018,242,541				1.312	3.004
1. ALASKA	8,213,808					
2. RHODE ISLAND	31,026,784					1.986
3. IDAHO	14,371,185				1.849	
4. CALIFORNIA	624,965,176				1.726	
5. NEVADA	14,798,705					1.682
6. WASHINGTON	97,468,162					
7. KENTUCKY	62,007,184					1.631
8. OREGON	57,811,091					1.598
9. NEW JERSEY	254,650,113					1.590
10. NORTH DAKOTA	7,872,932					1.580
11. NEW YORK	774,063,625					1.566
12. NORTH CAROLINA	107,626,295					1.541
13. MASSACHUSETTS	210,437,904					1.537
14. MONTANA	14,067,658					1.523
15. TENNESSEE	85,309,973				1.482	
16. PENNSYLVANIA	431,681,489					1.467
17. MAINE	23,498,235					1.440
18. MISSISSIPPI	29,876,563					1.432
19. NEW HAMPSHIRE	18,655,990					1.432
20. VERMONT	9,887,147					1.425
21. SOUTH CAROLINA	49,811,336					1.414
22. WYOMING	7,968,682					1.405
23. ARIZONA	34,927,606					1.402
24. UTAH	23,020,529				1.373	
25. WEST VIRGINIA	49,888,744					1.369
26. GEORGIA	96,105,512					1.361
27. HAWAII	18,476,331					1.354
28. LOUISIANA	75,762,384				1.293	
29. MICHIGAN	328,786,623					1.276
30. CONNECTICUT	120,176,590					1.271
31. ARKANSAS	30,831,341					1.270
32. WISCONSIN	128,958,128					1.250
33. NEW MEXICO	18,509,208					1.244
34. MARYLAND	98,504,576					1.238
35. ALABAMA	66,173,066				1.210	
36. KANSAS	46,702,331					1.108
37. SOUTH DAKOTA	8,539,136					1.097
38. OHIO	389,195,254				1.057	
39. MISSOURI	137,650,459					1.044
40. INDIANA	170,743,576					.977
41. MINNESOTA	100,083,435					.961
42. DELAWARE	20,383,754					.960
43. NEBRASKA	29,033,647					.955
44. FLORIDA	121,963,657					.941
45. COLORADO	48,451,691					.928
46. IOWA	60,080,171					.904
47. OKLAHOMA	51,043,640					.889
48. DIST. OF COLUMBIA	36,114,282					.877
49. VIRGINIA	90,737,353					.867
50. ILLINOIS	433,665,618					.861
51. TEXAS	247,663,862				.640	

^aCumulative total of benefits paid plus benefit reserves as percent of cumulative total covered payroll. Data from U.S. Department of Labor, based on tabulations by state agencies. May not add due to rounding. ^bExcludes data for Puerto Rico.

310.03 *Weeks of employment.*--More than one-fourth of the States require that an individual must have worked a specified number of weeks with at least a specified weekly wage. Florida, Michigan, Minnesota, New Jersey, New York, Ohio, Rhode Island, and Vermont count only weeks in which the claimant earned the required amount of wages (Table 301, footnote 7). Hawaii requires 14 weeks of employment in addition to wages of 30 times the individual's weekly benefit amount. Washington requires 16 weeks of employment with wages in each week equal to 15 percent of the statewide average weekly wage and total base-period earnings of at least 15 percent of the average annual wage or, alternatively, 600 hours of employment with total earnings of at least 15 percent of the average annual wage. Wisconsin requires 17 weeks of employment but specifies that a claimant need earn the required average weekly wage for the minimum benefit in only one of those weeks.

New Jersey and Rhode Island also have alternative base-period qualifying requirements (Table 301, footnote 9). Three States, Oregon, Utah, and Wyoming, have slightly different provisions in that they require not only a specified number of weeks in each of which the claimant earned a specified amount, but also additional wages in the base period in order to meet the qualifying requirements of the law (Table 301).

310.04 *Requalifying requirements.*--All States that have a lag between the base period and benefit year place limitations on the use of lag-period wages for the purpose of qualifying for benefits in the second benefit year (sec. 305.03). The purpose of these special provisions is to prevent benefit entitlement in 2 successive benefit years following a single separation from work; the provisions generally require wages more recent than the lag period, either in addition to or as part of the usual base-period wages requisite to establishing a benefit year (Table 302). In many States the amount an individual must earn in order to qualify for benefits in a second benefit year is expressed as an amount (from 3 to 10) times the weekly benefit amount. A few States require an individual to earn wages subsequent to the beginning of the individual's preceding benefit year sufficient to meet the minimum qualifying requirement. In addition, some States specify that the wages needed to requalify must be earned in insured work.

315 WAITING PERIOD

The waiting period is a noncompensable period of unemployment in which the worker must have been otherwise eligible for benefits. All except eight^{1/} States require a waiting period of 1 week of total unemployment before benefits are payable. The waiting period may be waived in Georgia if the unemployment is not the fault of the claimant and may become compensable in several other States under specific conditions (Table 303, footnote 3). The waiting-period requirement may be suspended in New York, Pennsylvania and Rhode Island when unemployment results directly from a disaster and the Governor declares the existence of a state of emergency.

In most States the waiting-period requirement in terms of weeks of partial unemployment is the same as in weeks of total unemployment. In Alabama, 1 week of partial unemployment is required before benefits are payable. In Iowa and New York 2 weeks of partial unemployment are counted as 1 week of total unemployment. However, in Iowa a week of partial unemployment meets the waiting-period requirement if it is followed by a week of total unemployment. Kansas permits any individual employed less than 4 days in a week, or one whose wages payable are less than his weekly benefit amount, to establish waiting-week credit. In New York the

^{1/}Ala., Conn., Del., Ky., Md., Mich., Nev., and N.H.

MEMORANDUM

STATE OF NEVADA
EMPLOYMENT SECURITY DEPARTMENT

0657

TO Dr. Robert E. Robinson, Chairman DATE April 15, 1975
Assembly Commerce Committee
FROM Lawrence O. McCracken, Executive Director SUBJECT Fund Estimates

Under the assumption that normal economic growth patterns and unemployment conditions will resume in CY 1976 and continue for the next ten years, fund balances, etc., were estimated under the following two options.

- (1) This option assumes the present tax structure is unchanged (\$4,200 tax base and 2.7% tax rate). Under this system, Nevada would be required to borrow annually (beginning in 1975) from the Federal government with repayment beginning in 1978. The repayment would be via the FUTA tax which would be increased 0.3 percent annually until a maximum (additional) tax of 3.0 percent was achieved or the money borrowed was repaid. This tax would reach a maximum of \$31 million in 1983 and the Federal Trust Fund would be fully repaid in 1984. However, at that time Nevada would have a Fund balance of zero and would be required to borrow an additional \$26 million to pay benefits at which time the Federal tax would again be applied. If carried out further in time, this option would generate a zero Fund balance with a progressively increasing debt to the Federal Trust Fund.
- (2) This option assumes a taxing structure identical to that contained in AB 473. With these provisions, the Fund would meet the legislative solvency level (approximately \$60 million) in 1981 at which time employers could begin enjoying an average tax rate below the assumed 3.25% (2.75% regular plus 0.5% solvency tax).

JH:lr