

Assembly
MINUTES

0890

COMMERCE COMMITTEE - NEVADA STATE LEGISLATURE - 58TH SESSION

April 18, 1975

The meeting was called to order by Chairman Robinson at 2:00 for a brief discussion period on bills previously discussed. All members were present with the exception of Mr. Moody who was excused.

After discussion of AB 279, Mr. Hickey said he would work on amendments to this bill and report back to the committee.

With regard to AB 473, Mr. Hawes was present and commented that Mr. Paley was working on alternatives and that there will be another meeting on Monday morning (4/21). He has already talked to the Governor and to Mr. McCracken.

This discussion period concluded at 2:30 P.M.

The regularly scheduled meeting of this committee was called to order by Dr. Robinson at 3:10 P.M.

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

MEMBERS ABSENT: Mr. Moody - excused

SPEAKING GUESTS: Mr. George Bennett, Secretary of the Nevada State Board of Pharmacy
Mike Melnor, Director of State Department of Commerce
Mr. Dick Williams representing Nevada Shorthand Reporters Association
Mr. Dennis Steiner, Nevada Shorthand Reporters Association
Robert Bowers, Nevada Association of Realtors
Bob Edmondson, Attorney General's Office
Jeanne Hannefin, Dep. Admin. NRED
Bob O'Brien, independent appraiser
William Kimmel, Real Estate Appraiser
Gary Kent, Real Estate Appraiser
Don Crosby, State Highway Department
Richard Hewitt, Real Estate Appraiser

The first bill to be discussed was AB 513 which:

Alters composition of state board of pharmacy.

Mr. George Bennett spoke in opposition to this measure. At the present time, the Board is made up of five members with no more than two from each county. This has been a good geographical mixture. With the way this bill is worded, all the members could be from Clark County and he did not think this was in the best interest of the Board.

Mr. Bennett commented that five states have three-member boards, one state has a four-member board, 35 states have five-member boards, and twelve states have more than five-member boards. He submitted a list of how many members on the boards of each state. (Exhibit 1). He said the states with more than five members are heavily populated states and derive their funds from the General Revenue Fund of the State Treasury. He said in Nevada, the present expenses for a Board member run approximately \$5,000 per year. This is increasing as the number of meetings increase and the length of them and the hearings of the State Board of Pharmacy. He said he has filed a fiscal note. For the year 75-76, it will cost the Board \$10,000, 76-77 it will cost \$11,000 and \$12,000 continuing.

He said he felt the present Board of five members was a good mixture. There is a member that is a single store owner from a small area, one that has two stores, one independent that has a large store in Reno, a hospital pharmacist and a member of the chain drug stores. He did not think adding any more members would do anything but increase the expenses. He said they would rather spend this money on inspections and investigations rather than adding members. He said other states have found that five members is apparently ideal. He said there are seven states that allow laymen on their boards. They are California, New Jersey, Minnesota, Massachusetts, South Dakota, Wyoming and Washington. All, with the exception of Wyoming, are heavily populated states and the expenses of the Board members are borne by the State Treasury. Nevada's Board members' expenses are paid entirely by fees levied upon the profession and adding more members to the Board would add only expense, not more efficiency. He said he felt it was proper to have two members from Clark County and three representing the remainder of the State.

With regard to having laymen on the Board, Mr. Bennett commented that he felt a layman is of limited value and of considerable expense. He said it requires some background in the profession to be of any real value to the Board. When a technical problem came up, a laymen would be of no help at all.

Mr. Melnor then spoke commenting that this Board really does have the consumers' interest at heart. He said he would support the Board in its present structure. He would oppose restructuring this Board. It is a good working Board and a good consumer Board for the purposes of his Department. He said in some cases a lay member is of help to a board but so often all they do is get educated. One must have expertise in the area as well as have consumer interest at heart.

This concluded testimony on this bill and discussion turned to AB 515 which:

Increases district court reporter fees.

Mr. Dick Williams spoke commenting that the only way these fees can be increased is through legislation. The last rate increase was six years ago with much inflation since that time. This bill asks for an increase from 60¢ to 85¢ per folio. A folio is approximately 100 words and there are approximately three folios per typed page.

Mr. Demers asked what the fiscal impact to the County would be if this bill passed. Mr. Williams said it would vary because the County's part would be borne in criminal cases only so it would depend on how many criminal cases there would be. In civil cases, the cost is borne by the litigant. Justice Court Reporters would be included under this bill also. This bill does not provide for any increase in per diem and there has been no increase in this area for six years. The present per diem rate is \$50.00. In any one day, cases may involve several different courts so it would be difficult to approximate exactly how much of this \$50.00 daily rate would be an expense of the County. Usually only cases that are appealed are transcribed so not every case in Court is transcribed. When asked what kind of an increase this would mean for court reporters, Mr. Williams said it would depend on how many cases were appealed.

Mr. Williams said one day in court takes three days to transcribe as a general rule of thumb.

There was considerable discussion as to how much this increase would amount to however, nothing concrete was established and Mr. Williams said he would try to get some figures on this.

With regard to depositions, Mr. Williams said even with the passage of this proposed increase for transcripts, the cost would not come close to what is charged for depositions. He felt the work of a court reporter was more or less split 50-50 on transcribing and on depositions. He said this would be a pretty close estimate for Washoe County. Mr. Williams said he would gather and supply to the committee comparison prices from areas such as San Francisco, Los Angeles, Phoenix, Salt Lake City. Mr. Wittenberg said he would also like Mr. Williams to supply the committee with rough figures as to the fiscal impact on the counties if this increase is passed. Mr. Getto commented that this bill will require a fiscal note and Mr. Hickey said it would directly affect the cost to the counties.

Mr. Williams concluded his testimony by stating that the Governor is in accordance with granting a 15% increase for State employees this year alone and he said this bill was asking for a 41% increase of the past six years and he did not believe this to be unreasonable.

Dennis Steiner then spoke saying he has to pay his typist the same amount of money to type a transcript as to type a deposition; however, he is not paid as much for a transcript as for a deposition. He added that the typist must be paid even if the attorney does not pay him for a deposition. He went on to say that this increase is not just for the reporter but for everyone in the profession. He went on to say that not every case is transcribed and there are days when he doesn't even get his per diem. This all depends on what is on the court calendar. With regard to not being paid by attorneys he does depositions for, he said his loss ratio is about 5%. The fact that more is charged for doing a deposition than for a transcript is how court reporters have attempted to keep up with inflation. He said he does not receive per diem unless a case is heard and he does not get a transcription fee unless the case is appealed. Mr. Steiner said secretaries are paid per page and their rate of pay has gone up but not his while the cost of supplies, too, have gone up drastically.

This concluded testimony on this bill and discussion was then held on AB 539 which:

Permits registered representatives to offer subdivision land for sale.

There were no proponents of this bill present to testify. Mr. Robert Bowers representing the Nevada Association of Realtors spoke in opposition. His complete testimony is attached hereto (Exhibit 2).

Mr. Demers, who is the sponsor of this bill, stated that the bill in its present form does not do what it was intended to do. Because of this, he said he has already had amendments drawn up for this bill. A copy of these proposed amendments are attached hereto (Exhibit 3).

Mr. Demers asked if Mr. Bowers would have any objection to a management representative type of thing. Mr. Bowers said he certainly would. He said the fact that an FHA or GI loan in on the property does not mean that the property was sold properly. It only means that the security is agreed to by the appraiser. He went on to say that there are many things that the salesperson should know and be able to counsel the buyer on. He said he feels all the ramifications should be known by the person selling a home because it is probably the largest investment the buyer will make in his lifetime in many cases. He added that it only takes 75 classroom hours to become a real estate salesman and he thinks this is little enough to ask for people who are making this type of investment. He said this will protect the buyer and he feels this is an important aspect.

Mr. Bob Edmondson from the Attorney General's Office said there are two Nevada Attorney General's opinions on this matter and in the past, prior to a couple of years ago, there was no enforcement so this built up a tradition. However, since there was a law passed during the last Legislature, this is now being enforced more.

Jeanne Hannefin spoke stating that she was opposed to the bill as introduced and it appears, she said, that she would also be opposed to the amendments.

Chairman Robinson then said the hearing on AB 539 would be recessed at this time and taken up again at a future date.

Discussion was then turned to AB 595 which:

Provides for regulation of property appraisers and makes an appropriation.

Mr. Bob O'Brien spoke in favor of this measure. He said the American Society of Appraisers is the multiple discipline society or organizations. He said his branch of this society asked that this bill be introduced to protect the appraisal buying public. He said he feels people are performing appraisals who are not really knowledgeable or have never been trained in this field. He said the society feels that a bill such as this

should be introduced and be backed by at least a portion of the people involved with the work rather than a consumer-type organization.

Mr. O'Brien said there is a need to correct abuses and sloppy and careless work and even at times there is incompetence. He felt this bill would be a starting point and a means of correcting the worst type of violations. He felt this would help to raise the standards within the profession and hopefully attract more young people into the profession because of improved reputation. When asked about having a layperson on this Board, he said a layperson would probably add balance to the Board. He went on to say that this bill also covers other areas of appraisal such as fine arts, coins, etc. He said they felt the Board should cover the entire spectrum.

Mr. Getto was concerned about the small areas that don't have appraisers and felt that this bill would incur added expense in such areas. Mr. O'Brien replied that certainly there must be persons in these small areas that would fall into the area of being a qualified person in this regard. He would have to be licensed. He concluded his remarks by stating that they are interested in a professional set of standards for all appraisers who are actually offering their services to the public.

Mr. Bill Kimmel spoke in opposition to AB 595. He said his objections were the question of necessity for a measure of this type. He said he is not convinced that there is a need for a bill of this type because he believes the majority of appraisers in Nevada belong to at least one of the appraisal organizations (Mr. Kimmel belongs to three of them) most of which have quite complete codes of ethics and procedures of expulsion for unethical behavior. He feels these organizations control most in the profession. However, he said if this is not thought to be enough, they would then take the position that the basic idea of the bill is not that bad but he would like to offer suggestions to revise it. If there is going to be a bill like this, it should have some "teeth" in it. He felt real property appraisal should be separate from the appraisal of personal property. They should be licensed separately.

Mr. Gary Kent then spoke in opposition to this bill. He said he is not really opposed to a licensing bill but he is not really in favor of it because he feels the appraisal organizations adequately police their members. If there is going to be such a bill, however, he would like to see it better protect the public and have a bill that is meaningful and workable for the appraisal profession. He would like the bill to include real estate appraisers only rather than a wide variety of appraisers. The reason for this is that he did not believe a four or five member board of appraisers could adequately establish ethics and police a variety of appraisal fields. He said he would recommend a five member board four members of which to be real estate appraisers who have actively been engaged in the real estate appraisal profession for at least ten years preceding the date of their appointment and that each appraiser have a minimum of three course taught by a recognized appraisal institution or equivalent university courses.

He continued by recommending that on Page 3, Lines 41-43, Item 5 that the academic and appraisal experience requirements be set out in the bill so that it does not become a political thing once the Board is appointed. He would like to see applicants have passed examinations and/or courses -- two courses of a recognized appraisal institution or university level equivalency courses in addition to having five years of appraisal experience.

On Page 4, Section 14, he would like to include more qualifications within the bill for the appraisers to be licensed. He said this section should read: Until December 31, 1975, any applicant for an appraisers license who pays the required fee and submits to the Board under oath satisfactory evidence that he has five years of acceptable appraisal experience and has completed two courses offered by recognized appraisal institutions or university level equivalence.

On Page 5, Line 13, Mr. Kent felt Item "b" should be eliminated entirely from the bill.

On Page 5, Line 20, Item "a", he recommended that this should read: "Shall expire one year after the date of issuance and may be renewed annually at the discretion of the Board". He felt the present bill was far too restrictive in this regard and commented if an out of state appraiser is qualified, they welcome his services in the State of Nevada.

On Page 6, Line 6-8, he felt this should be omitted because he is proposing only one classification of appraisal be included in the bill rather than a variety of appraisers. Page 7, Section 26 should be omitted for the same reason.

On Page 7, Line 10, 30 days notice would be more appropriate than 25 days. He added, however, that this was a minor point.

Page 7, Line 37 -- he said he felt 10 days notification of change of address to be extremely unreasonable. He felt a 30 day time limit would be more appropriate.

On Page 8, Line 45, subsection 5 should read: "This act shall not apply to real estate appraisers who are salaries employees of:
1. The Federal Government, or the State or any political subdivision or agency thereof. 2. Any bank or other financial institution licensed by the State or supervised or regulated by or through Federal enactment covering financial institutions. However, any person so employed who also practices as an independent real estate appraiser for others shall be subject to this act and be duly licensed prior to engaging in such outside appraisal.

On Page 9, Section 34, he did not feel that this bill deals strongly enough with violations of the codes of ethics of most of the professional organizations and does not protect the public from false appraisals. He said he would like a substantially lengthened section setting forth violations which could be punishable under the act incorporated into the bill.

With regard to taking away memberships for violation of the code of ethics, Mr. Kent said this has not happened in his chapter of the organization but on a national level, it happens quite often. He said he did not feel his chapter was of sufficient size to review violation cases against its members. Any serious violations would receive financial aid from the national organization to pursue the case. However, to the present date he know of no serious violations in his chapter. He said most appraisers carry mal-practice insurance.

Mr. Kent said because of the extensive changes they are recommending, he asked that the bill be tabled until the next session of the Legislature to allow more time to redraft the bill and to get input from the national chapters of the American Institute of Real Estate Appraiser and the National Association for the Society of Real Estate Appraisers.

Don Crosby then spoke saying he had two areas of concern. He is from the State Highway Department and he was afraid that the passage of this bill would affect the internal operations of his department and their dealings with the Federal Government on Federal aid programs. He said they have some very restrictive review processes that must be conducted internally - not by an outside appraiser. Also, there are people in his department that are up for membership in the Appraisal Institute and with the passage of this bill they could not qualify unless they had been or went into private practice. He said he was also concerned with their appearances in court because they often must obtain out of state appraisers for expertise and the time element provided in this bill would create problems in this area. He felt the bill as presently written would be devastating to their entire right of way operations at the present time. He said they have no objection to the licensing of appraisers. He added that he would like to have some input into the preparation of the bill. He also said that with regard to the provisions on Page 5, Section 17, Subsection 3, their legal counsel called their regional office of the Federal Highway Department in San Francisco and learned that they know of no State in this area that has this type of provision so there would be no reciprocity. He said they don't engage a large number of out of state appraisers, but they do have occasion to engage them for expertise in court cases.

Dick Hewitt then spoke concurring with Mr. Kimmel and Mr. Kent in general. Mr. Hewitt is a real estate appraiser in Reno and is the President of the Reno-Carson-Tahoe chapter of the Society of Real Estate Appraisers and is an employee of Union Federal Savings and Loan Association. He said his organization was not contacted on any matters regarding the presentation of this bill. He said his society takes the position of not endorsing the idea of the licensing and regulation of appraisers. If, however, it is deemed that a bill of this nature is necessary, he asked that the committee consider the input from the various appraisal organizations. He said they would have a model bill to submit as well as recommendations to the committee.

This concluded testimony on AB 595. Chairman Robinson commented that ACR 42 was scheduled to be heard today but the hearing will be deferred until a future date due to technical problems in the bill that are being corrected prior to consideration by the committee.

Assembly

COMMERCE COMMITTEE
APRIL 18, 1975
PAGE EIGHT

0897

Mr. Harmon moved that AB 513 be "Indefinitely Postponed". This was seconded by Mr. Wittenberg and carried the committee.

Chairman Robinson said AB 515 was being held for further discussion.

With no further business, the meeting was adjourned at 4:50 P.M.

Respectfully submitted,

Joan Anderson, Secretary

COMMERCE COMMITTEE
LEGISLATION ACTION

DATE April 18, 1975

SUBJECT AB 513 - Alters composition of state board of pharmacy.

MOTION:

Do Pass _____ Amend _____ Indefinitely Postpone X Reconsider _____

Moved By Mr. Harmon Seconded By Mr. 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>Not present during voting</u>		_____	_____	_____	_____
Hickey	<u>X</u>	_____	_____	_____	_____	_____
Moody	<u>Excused</u>		_____	_____	_____	_____
Schofield	<u>Not present during voting</u>		_____	_____	_____	_____
Wittenberg	<u>X</u>	_____	_____	_____	_____	_____
Benkovich	<u>X</u>	_____	_____	_____	_____	_____
Getto	<u>Not present during voting</u>		_____	_____	_____	_____

ORIGINAL MOTION: Passed X Defeated _____ Withdrawn _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

Attached to Minutes April 18, 1975

GUEST REGISTER

0899

COMMERCE COMMITTEE

DATE: 4/18

PLEASE CHECK IF YOU WISH TO SPEAK

ADDRESS & NAME	REPRESENTING	PLEASE CHECK IF YOU WISH TO SPEAK
William G. Kimmel 832 Marsh Ave. Reno	Real Estate Appraiser	Yes -
STEPHEN R. JOHNSON 320 WONDER ST.	REAL ESTATE APPRAISER	No
Robert Alves 320 Wonder St	REAL ESTATE APPRAISER	No
Richard W. Hewitt P.O. Box 2817, Reno	REAL ESTATE APPRAISER	YES
Charles A. Perkins 1395 Wesley Dr. Reno	Real Estate Appraiser	No
Alan Fisher	REAL ESTATE APPR.	No
Jack Bell	L L L	No
Tom Hunt	Real Estate Appraiser	Yes
Calven S. Derrick	Real Estate Appraiser	No
Edward C. Fisher	REAL ESTATE APPRAISER WASHOZ CO. ASSESSOR	
Richard A. Williams	Nevada Shorthand Reporters Assn.	Yes
Dennis J. Stein	NEVADA SHORTHAND REPORTERS ASSN	Yes
Richard Tuttle 195 So. Sierra St. Reno 89502	Nevada Shorthand Reporters Assn	—
Robert Bourne	NEVADA REALTOR	Yes
Tom M. Adams	REAL ESTATE APPRAISER	No
John W. Carter	Real Estate Appraiser	No

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CARSON CITY, NEVADA 89701



LEGISLATIVE COMMISSION
LAWRENCE E. JACOBSEN, Assemblyman, Chairman

INTERIM FINANCE COMMITTEE
FLOYD R. LAMB, Senator, Chairman 0801

ARTHUR J. PALMER, Director

PERRY P. BURNETT, Legislative Counsel
EARL T. OLIVER, Legislative Auditor
ARTHUR J. PALMER, Research Director

April 17, 1975

M E M O R A N D U M

TO: Assemblyman John M. Vergiels
FROM: Mary Lou Love, Deputy Researcher, Office of Research *MLL*
RE: Consumer Representation on State Pharmacy Boards

There are currently six states with lay or public members on state boards of pharmacy. I have no dates as to when public representation was included. The states and their board makeup are as follows:

	Public Members	Licensed Pharmacists Members
California	1	7
New Jersey	2*	5
Minnesota	2	5
Massachusetts	1	5
South Dakota	1	3
Washington	1	5

*In New Jersey, one of the two public members must come from state government. In practice, it is usually a chemist or someone in a related field.

Source: This information was provided by the Research Division of the Council of State Governments, who obtained it from the National Association of Boards of Pharmacy.

Incidental to another research request, I learned that as of July 1, 1975, Iowa will require that all licensing boards have two unlicensed members.

I trust this information will be useful.

MLL/jd

II. ADMINISTRATIVE AGENCIES

	Designation (See Footnotes)	Board Members	Examining Committee of Pharmacists	Boards or Committee Appointed by	Rules and Regulations Made by	Licenses Issued by	Licenses Revoked by
Alabama	B	5		K	A	A	A
Alaska	B	5	5	K	A	A	A
Arizona	B	5		K	A	A	A
Arkansas	B	5		K	A	A	A
California	BQ	8*	7	K	B	B	B
Colorado	BU	5		K	B	B	B
Connecticut	CS	5		K	B	B	B
Delaware	B	5		K	B	B	B
Dist. of Columbia	AT	5		L	A	A	A
Florida	A	5	5	K	B	B	B
Georgia	BR	5		K	A	A	A
Hawaii	BU	5		K	B	B	B
Idaho	B	3		K	B	B	B
Illinois	BD	7	7	M	BD	BD	BD
Indiana	A	5	5	K	A	A	A
Iowa	V	3	3	K	E	E	P
Kansas	B	5		K	A	A	A
Kentucky	B	5		K	A	A	A
Louisiana	F	19		K	F	F	F
Maine	F	5		K	F	F	F
Maryland	A	5		K	A	A	A
Massachusetts	GW	5*		K	GN	G	G
Michigan	AX	5	5	K	A	A	A
Minnesota	B	7**		K	B	B	B
Mississippi	B	5		K	B	B	B
Missouri	AI	5		K	A	A	A
Montana	B	3	4	K	B	T	B
Nebraska	HN	3	3	N	HN	N	N
Nevada	B	5		K	A	A	A
New Hampshire	C	5		K	A	A	A
New Jersey	AY	7**		K	A	A	A
New Mexico	A	5		K	A	A	A
New York	IA	15	15	O	I	I	I
North Carolina	A	5		K	A	A	A
North Dakota	B	5		K	B	B	B
Ohio	B	5		K	B	B	B
Oklahoma	B	5		K	B	B	B
Oregon	B	5		K	B	B	B
Pennsylvania	BZ	5	5	K	B	B	B
Puerto Rico	B	5		K	B	B	B
Rhode Island	AN	5		M	A	A	A
South Carolina	A	7		K	A	A	A
South Dakota	B	4*		K	B	B	B
Tennessee	AN	6		K	B	B	B
Texas	B	6		K	B	B	B
Utah	AD	5	5	K	B	D	D
Vermont	A	5		K	A	D-1	D
Virginia	B	5		K	A	A	A
Washington	B	5*		K	B	B	B
West Virginia	A	5	5	K	A	A	A
Wisconsin	VX	5		K	A	V	V
Wyoming	B	3		K	B	B	B

FOOTNOTES:

All examinations given by Board or Examining Committee of Pharmacists.

- A—Board of Pharmacy
- B—State Board of Pharmacy
- C—Commission of Pharmacy
- D—Dept of Registration
- D-1—Department of Human Resources and approval of Board
- E—State Pharmacy Examiners
- F—Board of Commissioners of Pharmacy
- G—Board of Registration in Pharmacy
- H—Board of Examiners in Pharmacy
- I—Dept of Education
- J—Dept of Insurance and Banking
- K—Governor of State
- L—District Commissioners
- M—Director of Dep't
- N—Dep't of Health
- O—Board of Regents
- P—Court Proceedings only
- Q—Dept of Professional and Vocational Standards (Calif.—Dept. of Consumer Affairs)
- R—Sec'y of State
- S—Dept of Consumer Protection
- T—Bureau of Occupations and Professions (Mt.—Dept of Professional and Occupational Licensing)
- U—Dept of Regulatory Agencies
- V—Board of Pharmacy Examiners
- W—Dept of Civil Service and Registration
- X—Dept of Licensing and Regulation
- Y—Dept of Law and Public Safety
- Z—Dept of State
- *—1 Member a layman
- **—2 Laymen Members

ASSEMBLY BILL 539

0903

THE ENACTMENT OF THIS BILL IS REALLY A SCARY THING TO THOSE OF US WHO ARE FAMILIAR WITH THE LAND PROMOTERS' OPERATIONS IN THE STATE OF NEVADA PRIOR TO THE LEGISLATURE'S MEETING TWO YEARS AGO.

ON PAGE 2, PARAGRAPH 2, LINE 29, IS DESCRIBED THE FUNCTION OF THE REGISTERED REPRESENTATIVE OF A DEVELOPER AND APPEARS TO LIMIT HIS ACTIVITIES AS LINE 38, "HIS SOLE FUNCTION IS INDUCING AND SOLICITING PERSONS TO ATTEND AN OFFER OR SALE OF SUBDIVISION PROPERTY AND HANDING OUT INFORMATION APPROVED BY THE DIVISION". THIS WAS WHERE ONE OF THE MAJOR PROBLEMS AROSE WITH THE LAND PROMOTERS. THEY HAD, AS YOU RECALL, REGISTERED REPRESENTATIVES IN THE MAJOR TOURIST CENTERS OFFERING FREE DRINKS, FREE MEALS, FREE DINNER SHOWS, ETC., MERELY TO ATTEND ONE OF THE BOILER ROOM PRESENTATIONS IN WHICH THEY WERE BADGERED INTO SIGNING CONTRACTS AND MAKING DOWN PAYMENTS ON LAND THAT THEY HAD NEVER SEEN AND PROBABLY WOULD NEVER SEE. WE DO NOT FEEL THAT ANY OFFERING OF A LEGITIMATE SUBDIVISION OR ANY REAL ESTATE WHICH IS SOLD AT MARKET VALUE NEEDS TO HAVE \$100 WORTH OF GIVEAWAYS TO GET INVESTORS TO LOOK AT PRESENTATIONS AND LISTEN TO THE HIGH PRESSURE SALES PITCHES THAT THEY WERE COMPELLED TO SUBMIT TO BEFORE.

I AM SURE YOU WILL ALL AGREE THAT THE DECLINE OF THE LAND PROMOTERS IN OUR MAJOR TOURIST CENTERS IN THE STATE OF NEVADA COULD BE DESCRIBED AS ONE OF THE BEST IMPROVEMENTS IN THE GAMING IMAGE. PREVIOUSLY, MANY TOURISTS WERE TELLING NEIGHBORS BACK HOME THAT

THEY WERE SWINDLED ON A LAND SALE IN NEVADA, NOT CARING THAT THE REGISTERED REPRESENTATIVE HAD JUST ARRIVED FROM OUT OF STATE AND SOLD THEM LAND IN FLORIDA PROMOTED BY A NEW YORK CORPORATION.

THIS BILL RETURNS US TO THE POSITION PRIOR TO THE MEETING OF THE LAST LEGISLATURE, ALLOWING REGISTERED REPRESENTATIVES INTO THE STATE, AND WE MUST REMEMBER THAT MOST OF THE REGISTERED REPRESENTATIVES WE HAD THREE YEARS AGO COULD BE DESCRIBED AS THE "SUEDE SHOE BOYS" WHO STOPPED OVER IN NEVADA TO PICK UP A FEW BUCKS BY FLEECING SOME OF OUR TOURISTS ON THEIR PHONY LAND SALES PROMOTIONS.

WE WOULD LIKE YOU TO KEEP IN MIND THAT A REGISTERED REPRESENTATIVE IS WORKING FOR ONE BOSS WHO HAS BUT ONE PRODUCT TO SELL, AND THE SALES OF THOSE PARCELS ARE THEIR ONLY MEANS OF ACQUIRING INCOME.

ON LINE 37, PAGE 2, IT SAYS, "A REGISTERED REPRESENTATIVE SHALL NOT MAKE STATEMENTS OF ANY KIND CONCERNING PRICES, INTERESTS OR VALUES OF THE SUBDIVISION PROPERTY", AND THEN ON PAGE 3, PARAGRAPH 4, LINE 5, "THE INFORMATION REQUIRED TO BE PROVIDED BY NRS 119.140 SHALL BE GIVEN TO AND REVIEWED WITH EACH PURCHASER BY THE BROKER, REGISTERED REPRESENTATIVE OR SALESMAN PRIOR TO THE EXECUTION OF ANY CONTRACT FOR THE SALE OF ANY SUCH PROPERTY. NOW, THIS SEEMS TO BE SLIGHTLY CONTRARY IN THAT FIRST, THE REGISTERED REPRESENTATIVE CAN ONLY HAND OUT INFORMATION, AND SECONDLY, THEY ARE GOING TO PROVIDE THE BUYER WITH A SIGNED RECEIPT AND COPY OF

INFORMATION WHICH NATURALLY MUST NECESSITATE THE REGISTERED REPRESENTATIVE COUNSELING WITH THE CLIENT: AND , NO PERSON WHO IS ORIENTED TO SALES AND COMMISSION INCOME, CAN AVOID TALKING TO THE CLIENT AT SOME TIME ABOUT THE PRICES AND THE VALUES OF THE PROPERTIES THAT THEY ARE BUYING OR OTHERS BOUGHT AND SOLD IN THE NEIGHBORHOOD. IT IS JUST HUMAN NATURE TO CARRY THE SALE TO A CONCLUSION.

THIS BILL SEEMS TO BE WRITTEN FOR LAND SALES AND NOT FOR IMPROVED SUBDIVISIONS WITH PRIMARY HOMES OR SECOND HOMES WHICH CERTAINLY WOULD NOT HAVE THE SAME PROBLEMS AS BUYING A PIECE OF VACANT LAND THAT THE BUYER HAS NEVER SEEN. WE FEEL THAT THIS BILL, AS WRITTEN, ALLOWING ALL OF THE GIVEAWAYS AND INDUCEMENTS, THE BOILER ROOM PRESENTATIONS AND THE USE OF REGISTERED REPRESENTATIVES WOULD BE VERY DETRIMENTAL TO THE CONSUMERS IN THE STATE OF NEVADA AND THE TOURISTS WHO ARE TRAPPED INTO THIS TYPE OF PRESENTATION WHEN VISITING OUR STATE.

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. 539 (BDR 10-1474)
 Proposed by Committee on Commerce

EXHIBIT 3

Amendment N^o 7874



Amend the bill as a whole by deleting sections 1 and 2 and inserting:

"Section 1. Chapter 645 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 4, inclusive, of this act.

Sec. 2. As used in this chapter ~~the~~ "management representative" means any person who is employed by a person, partnership, association or corporation to sell real estate owned by such person, partnership, association or corporation if:



- 1. Each sale includes a dwelling unit and an interest in land; and
- 2. The Federal Housing Administration and the Veterans' Administration, or either of them, has agreed to insure mortgages for the purchase of such dwelling units and interests in land.

Sec. 3. No person shall engage in the activities of a management representative unless the division has issued such person a management representative's permit.

Sec. 4. 1. Management representatives' permits shall be granted only to persons who:

- (a) Bear a good reputation for honesty, truthfulness and fair dealing;
- (b) Are of good moral character;
- (c) Are competent to transact the business of a management representative in such a manner as to safeguard the interests of the public; and
- (d) Meet such other reasonable requirements as may be established by the division.

2. The division shall establish regulations for the issuance, suspension and revocation of permits for management representatives. Such regulations shall require management representatives to comply with standards of business ethics similar to those prescribed by the division for real estate brokers, broker-salesmen and salesmen.

3. Sales activities, including advertising, of management representatives and their employers are subject to regulation by the division.

Sec. 5. NRS 645.240 is hereby amended to read as follows:

645.240

1. The provisions of this chapter shall not apply to, and the terms "real estate broker" and "real estate salesman" as defined in NRS 645.030 and 645.040 shall not include, any person, copartnership, association or corporation who, as owner or lessor, shall perform any of the acts mentioned in NRS 645.030, 645.040, 645.230 and 645.260, with reference to property owned or leased by them, or to the regular employees thereof with respect to the property so owned or leased, where such acts are performed in the regular course of or as an incident to the management of such property and the investment therein. For purposes of this subsection "management" means activities which tend to preserve or increase the income from the property by preserving the physical desirability of the property or maintaining high standards of service to tenants.

"Management" [does not include sales activities.] also includes sales activities but only if engaged in by management representatives.

2. The provisions of this chapter shall not apply to:

(a) Persons acting as attorney in fact under a duly executed power of attorney from the owner authorizing the final consummation by performance of any contract for the sale, leasing or exchange of real estate.

(b) Any bank, trust company, building and loan association, or any land mortgage or farm loan association organized under the laws of this state or of the United States, when engaged in the transaction of business within the scope of its corporate powers as provided by law.

3. This chapter shall not be construed to include:

(a) In any way, the services rendered by an attorney at law in the performance of his duties as such attorney at law.

(b) While acting as such, a receiver, trustee in bankruptcy, administrator or executor, or any person doing any of the acts specified in NRS 645.030 under jurisdiction of any court.

(c) A trustee acting under a trust agreement, deed of trust or will, or the regular salaried employees thereof.

(d) The purchase, sale or locating of mining claims or options thereon or interests therein.

Sec. 6. NRS 645.830 is hereby amended to read as follows:

645.830 The following fees shall be charged by and paid to the real estate division:

For each real estate broker's examination.....	\$40
For each original real estate broker's, broker-salesman's or corporate officer's license.....	40
For each renewal real estate broker's, broker-salesman's or corporate officer's license, for 1 year or fraction thereof....	40
For each licensed real estate broker's or salesman's original license or renewal, in addition to the renewal fee, for the real estate education, research and recovery fund.....	10
For each real estate salesman's examination.....	40
For each original real estate salesman's license.....	25
For each renewal real estate salesman's license, for 1 year or fraction thereof.....	25
For each branch office broker's license, for 1 year or fraction thereof.....	25
For each change of name or address.....	10
For each transfer of real estate salesman's license on change of employer.....	10
For each duplicate license or pocket card where the original license or pocket card is lost or destroyed, and affidavit made thereof.....	10
For each reinstatement of a real estate broker's or salesman's license.....	10
For each reinstatement of a real estate broker's or salesman's license when a licensee fails to give written notice to the commission within 30 days of a change of name, address or broker-employer.....	20
For each change of status from broker to broker-salesman, or the reverse.....	10
For each certificate issued to an out-of-state broker licensee for 1 year or fraction thereof.....	40

For each annual management representative's permit..... 25".

Amend the title to read as follows:

"AN ACT relating to real estate; permitting management representatives to sell certain real estate without a real estate broker's or salesmen's license; providing for the regulation of management representatives; and providing other matters properly relating thereto."

COMPARISON - ON AG 515 - AG 515
REGARDING COURT REPORTER FEE ADJUSTMENTS

STATE	SALARIES OR PER DIEM	FOLIO NOTES RATES	SUPPLIES EQUIPMENT FURNISHED	FRINGE BENEFITS	DAILY COPY RATES 0910
NEVADA	\$50 per diem	.50 orig. .10 1st copy .15 2nd copy	Nothing Furnished	None	Not allowed unless by court order
CALIF.	\$20,628 annual salary	.45 orig. .10 1st copy .20 2nd copy	Steno-grapher transcript varies from area to area	30 days sick leave 30 days pd. vacation & retirement in some areas	50% of total cost
UTAH	\$16,044 annual salary	.50 orig. .25 1st copy .25 2nd copy	Varies	sick leave paid vacation insurance benefits	Negotiable

4/24/75

Jim Schufeldt