

Senate

COMMERCE AND LABOR

May 14, 1975

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The meeting was called to order at 5:30 p.m. in Room 213, with Senator Echols in the Chair.

COMMITTEE MEMBERS PRESENT:

Chairman Gene Echols  
Senator Richard Blakemore  
Senator Richard Bryan  
Senator Warren Monroe  
Senator Gary Sheerin  
Senator William Raggio

OTHERS PRESENT:

See Exhibit A

A.B. 265 - Requires good-faith performance of franchises between service station operators and petroleum distributors and provides sanctions for any breach.

In order to bring the committee members up to date on the status of this bill, Senator Echols advised that Mr. Daykin will be called in to explain various portions of the bill.

A.B. 539 - Permits registered representative to offer subdivision land for sale.

Senator Raggio advised that, as the bill stands now, we are at an impasse in trying to assist the developer-builder to allow him to have someone being able to sell a structure. Senator Raggio's concern is with invading the basic principles of the real estate law.

Senator Echols advised that the Assembly has proposed amendments to Mr. Kozinski which would: 1) limit to groups of new houses; 2) line 9 would be amended to read "upon approval of the real estate division"; and 3) sanction for the division against the owner for violations.

Senator Bryan advised that, prior to 1973, the real estate tract sales-people were not licensed by the State. When you require a licensed real estate salesman or broker to conduct that transaction, you are adding to the cost of the home. Also, if you deal with a licensed salesman, that firm may not be willing to devote his time exclusively to your tract.

Mr. Barry Becker, So. Nevada Home Builders, advised that when you start negotiating with a broker to handle the tract, you are talking about paying two or more people because you are paying the broker and the salesman. Therefore the commission must be somewhat higher to get a good quality person out there selling for you. The normal commission for a salesman is 1%. Mr. Becker commented that they have 3 to 4 different tracts now with just the last few homes left - the ones someone did not qualify for and Home Builders got them back. Mr. Becker feels it would be totally unattractive for a broker to take on these last few fragments; he would not be able to assign one person from his tract division to be out there selling these last few tracts.

Mr. Becker stated that this puts them in a very bad situation, and they may have to bargain with several different brokers during the selling out of a tract. Mr. Becker advised that until 1973, they were not required to have brokers selling the homes; however, the Attorney General's opinion was that they would not have a commissioned salesman unless he was a licensed broker, but any salaried employee could sell. Most tracts are being sold this way now because the Department of Commerce indicated that they would not push this until this matter was heard again in this session.

Senators Raggio and Sheerin are to meet with Mr. Milligan and Mr. McCloud to try and come to an agreement on this bill.

A.B. 375 - Redefines subdivision and provides for record of survey maps.

Senator Bryan advised that the subcommittee developed and accepted to the 40 acre minimum lot requirement in Clark County; now it can be 10 acres in Clark. The concern is if you don't have to comply with the Minor Subdivision Act, you have no control on the situation at all. Senator Bryan referred to amendment provided by Bob Broadbent (Exhibit B) and stated that this would require a parcel map alone. The amendment is also an attempt in Elko County to put a handle on it by requiring a parcel map to be filed by the developer who so subdivides.

Senator Raggio asked what the subcommittee was trying to accomplish with the 4 lot or less. Senator Bryan advised that that is presently the law. They were trying to provide relief for survey requirement, and also relief for the realtor-developer from unreasonable requirements imposed by the county for off-site improvements. The amendments now say that the county has the power to dispense with the parcel map in its entirety. The amendment that the subcommittee came up with did not address itself to the problem in Elko County, which is that the minor subdivision act does not apply when you subdivide and wind up with lots that are 40 acres or more. Mr. Broadbent's amendment would add a new element to the law and would give the county additional authority by requiring a parcel map.

Mr. Bob Broadbent advised that the mandatory requirements of recording a parcel map are that it has to be approved by the right agency. That agency, as a condition of approving it, would be able to get access of rights of way. Their primary interest is getting 10 acres in Clark County and 40 acres in the other counties.

Senator Bryan, in directing his question to Mr. Boardbent, asked that by saying you have to file a parcel map, does that give the counties the right to reject that parcel map because of the failure to provide certain things. Senator Sheerin offered that if you are splitting land into 4 or less, the county always has the right to require the street grading and off-sites.

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Senator Bryan agreed with Senator Sheerin and added that it is his understanding that the county possesses that authority with 4 lots or less only if what you are dividing conforms with the definition which is, in every other county but Clark, 4 lots or less, each of which is less than 10 acres.

Mr. Broadbent commented that they would like to put into the minor subdivision law that if there are 40 acres subdivided into parcels, they must file a parcel map. Senator Bryan advised that the problem is that minor subdivision is defined as 4 or fewer lots. This amendment does not redefine minor subdivision, but we may be able to approach it from this area. Mr. Broadbent stated that this is what they felt they were doing; however, they may be able to make a separate section to cover the 40 acres and say that when 40-acre parcels are being subdivided, they must come under the parcel map law.

Senator Bryan referred to S.B. 340 which is presently in the Assembly and commented that he was hoping that this bill would solve the 40-acre problem. Mr. Broadbent advised that the Assembly is hearing this bill tomorrow and at that time, he will go before the Assembly and discuss this with them.

A.B. 656 - Provides financial protection to certain persons involved in construction work.

Senator Sheerin advised that the only section they want is Section 5, with changes to delete the wording "acts of God"; and on line 38 the language should be "5 working days". Senator Sheerin advised that if they stop getting paid they can give him notice that in 5 days they can shut the job down and get paid for what they have done so far.

Senator Raggio referred to subsection 2, page 2, and questioned what this would do if the owner has paid the contractor and the contractor does not pay the subcontractor. Senator Raggio asked what the owner would do in a situation like this. What does the owner do when he pays the contractor but the contractor does not pay the subcontractor, and then the subcontractor services notice that he is going to terminate the job -- are we taking away the owner's right to the third party. Senator Sheerin advised that he is not liable to the subcontractor personally, but his land is liable to lien.

Senator Sheerin referred to page 3, line 3, and advised that "contract" should be changed to "subcontract". Also, on line 42 of page 2, the wording "owner or" should be deleted, and line 43 should be "subcontract". Senator Raggio advised that he could go along with that change.

Senator Raggio asked if the concern by the government agencies has been cleared up; Senator Bryan feels that by deleting the wording "owner or" on line 42, the problem has been taken care of. Senator Raggio advised that he would go along with this if the bill is so amended.

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Senator Monroe moved "Do Pass" and amend; seconded by Senator Bryan; Senators Foote and Neal absent; motion carried by those present.

Being no further business at this time, the meeting was adjourned at 7:00 p.m.

Respectfully submitted,

  
Sharon W. Maher, Secretary

APPROVED:

  
Senator Gene Echols, Chairman

SENATE Commerce & Labor COMMITTEE

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ROOM # 213

Wednesday DATE 5-14-75

NAME	ORGANIZATION	ADDRESS
<u>Carl D. Henderson</u>	<u>Ford Union</u>	<u>1457 South Columbia St</u>
<u>Benny W. Becker</u>	<u>So. New Home Builders</u>	<u>L. U.</u>

A person who proposes to divide any land into four or fewer lots; or, in a county whose population is 200,000 or more, as determined by the last preceding national census of the Bureau of the Census of the United States Department of Commerce, into lots whose nominal area is 10 acres or more, including roads and roadway easements; or, in counties having a population of 200,000 or less as determined by such census, into lots whose nominal area is 40 acres or more, including roads and roadway easements, shall file a parcel map in the office of the county recorder, unless this requirement is waived. No survey may be required if the requirement of a parcel map is waived.