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COMMERCE AND LABOR COMMITTEE

May 8, 1975

The meeting was called to order in Room #213 on Thursday, May 8, 1975, at 1:00 p.m., with Senator Gene Echols in the chair.

PRESENT: Senator Gene Echols
Senator Richard Blakemore
Senator William Raggio
Senator Gary Sheerin
Senator Margie Foote
Senator Richard Bryan
Senator Warren Monroe

OTHERS PRESENT: See EXHIBIT A.

A.B. 279: Provides certain controls over Employment Security Fund and transfers revenue source to Unemployment Compensation Fund.

Earl T. Oliver, Legislative Auditor, testified. He read a letter, which is attached, and will be labeled EXHIBIT B. Mr. Oliver explained that the legislative oversight is the post audit or the review function after the budget process. He explained that a brief history of what happened is in the 1973 Session, there was a bill introduced to eliminate this fund and to transfer the money in the fund into the unemployment benefits account. He explained the financial sheet he had prepared (See attached letter: EXHIBIT B.), which shows assets and money in the fund and the receipts and disbursements in the last fiscal year. He stated there was \$500,000 available to the Director in cash and other assets which he may use as a revolving fund to prepare certain expenditures and then be reimbursed by the federal government. He may also use it to make other expenditures as he sees fit.

Mr. Oliver said the language in the old Section 3, where it says "all monies or deposits paid into this fund are hereby appropriated and made available to the executive director." He said the bill last Session, A.B. 267, proposed to take all of this away from the executive director and deposit it in the benefit fund. That bill was heard in the Senate Finance Committee and was indefinitely postponed. The executive director promised at that time that by administrative action, he would limit the size of the fund and include a summary in the executive budget so that the legislature could determine how he was using the money and how much he had available. The Audit Division was directed at that time to perform an audit and come up with a financial statement to show how much money was there and how they were using it. Mr. Oliver said they did that for the Legislative Commission. At the same time, they came to the conclusion, along with their attorney, that they could not change this fund by administrative action. It would take legislative action to put a limit on it and to change the direction of it. As a consequence of all of that, the bill was requested and introduced into the Assembly. They have amended A.B. 279 and modified it somewhat. The Assembly chose to leave the fund basically as it is, but just require that every two years the fund would be reviewed by the Legislature and whatever was asked for would be appropriated for a two year period. **The Director could ask for an amount of money to be available to use and it would be whatever he planned to use during the next two years.**

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Senator Monroe asked how many times it was likely to have to go to the Interim Finance Committee. Mr. Oliver said he didn't know. He said if some emergency came up and they wanted to use more than they had asked for for the two year period, they would have to go the Interim Finance Committee. Senator Monroe asked if this bill met the approval of the Employment Security Department. Mr. Oliver said no. Senator Raggio said they were told by Bob Archie that the \$500,000 in the revolving fund was needed to take care of the audit exceptions. Mr. Oliver said they had a \$6,900 audit exception the last two years.

Larry McCracken, Director Employment Security Division, testified. He stated this fund has \$84,000 in it. The \$500,000 is the accumulation of all assets and all monies that have been spent out of the fund in the last 40 years. Mr. McCracken said there is only \$84,000 available to him at this point. He stated he opposed this bill as generated by the Legislative Counsel Bureau and he had no part in its creation. The bill requires the Employment Security Department to notify the State Board of Examiners and the Interim Finance Committee when expenditures are made from the fund. Mr. McCracken said the Department now reports the usage annually to the Department of Administration and the Legislative Counsel Bureau. Also, the Department supplies information for the Executive Budget for this fund, both for that which is planned and that which is expended. This additional procedure that is called for in this act will provide data to these committees to which they already have access to. Mr. McCracken said the Employment Security Fund is not an uncontrolled fund. The law requires that federal turndown and approval of the project for which the money will be used, but for which money is not available.

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Senator Raggio said he questioned the \$300,000 in the revolving fund. He asked Mr. McCracken if they needed that kind of money to handle audit exceptions. Mr. McCracken said this fund was needed for audit exceptions, emergencies, improvement of facilities, purchase of equipment that is not funded by the Department of Labor, program extensions, leasing of facilities. He stated he works on a nine month budget, while all other agencies work on a two year budget. He said this fund was set up to allow his federally funded agency to survive. Mr. McCracken said there were restrictions to the fund and reviews were made of it.

Senator Bryan said other than the fact that they don't want to notify the State Board of Finance and the Interim Finance Committee when an expenditure is made, what other objections do you have. Mr. McCracken said it was just that this information is already available to them. Senator Bryan asked what burden it put on them, other than notifying the above agencies. Mr. McCracken said he believed what would happen, down the road, is that the Interim Finance Committee is not accustomed to being told what has been expended because they are in a position to approve that which is expended. He said he believed that to properly administer this fund would require them to become engrained very deeply with what is happening in the department in relationship to the federal government - regional and national. He said he believed the next step would be to put a requirement that every dollar spent be approved before-hand and that would make the fund almost useless to the Department. Senator Monroe said he believed this would put a burden on the Interim Finance Committee because he felt they would spend more taking care of this than is in the fund. Senator Bryan said all that was required was for the Department to notify, not prior approval. Mr. Oliver said he supposed they could just write a letter to the Interim Finance Committee and tell them they were going to use some of the money.

Mr. Oliver said that with \$309,000 that they had available on July 1, the director programmed some \$70,000 for IBM conversion; \$120,000 for a casual labor office in Las Vegas; \$100,000 in remodeling and capital improvements in the Reno and Carson facilities. The \$80,000 is the amount of the fund that has not been programmed. Mr. Oliver said all that is required is if they plan to use some of that \$80,000 that they notify the Board of Examiners and the Interim Finance Committee.

Senator Monroe asked what the purpose was of the notification. Mr. Oliver said that was the direction they have in limiting and providing controls over the fund. Senator Echols asked what he saw happening if nothing is done with this bill. Mr. Oliver said he thought they would continue to do pretty much what the bill would legally require them to.

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Mr. Oliver said there was a second part of the bill that hadn't been discussed. The law requires now that there be a separate bank account and the money be held separately and not be mingled with other money in the Treasury. The Treasury has to reconcile that account every month and the few checks that come through it are not any great burden. However, there are about 14 bank accounts of this type in the office. The proposal in the bill is that that legal restriction be removed and the money could be kept in the main bank account and any investments of any inactive money could be invested as any other state money is invested and an allocation made from that pool to the account of the Employment Security Fund. Senator Blakemore asked how much more money they could make that way. Mr. Oliver said they would make as much, if not more. Further discussion of this fund followed.

At this time the meeting was recessed at 2:00 p.m. for the Senate Session. The meeting began again at 4:00 p.m.

S.B. 372: Exempts banks and certain loan associations from usury law.

Senator Raggio told the committee that he had discussed this bill with Dr. Tom Cargill at UNR again. Dr. Cargill indicated that he personally, and felt that most people in this field, would advocate the free flow of money without any ceiling. Dr. Cargill did recognize that the State of Nevada didn't have the full competition that exists in many states. Dr. Cargill's comment was that they should be addressing the problem, in so far as consumer protection or consumer interests are involved in many different areas. This could be in some new look or branch banking. Dr. Cargill made a suggestion for committee to follow, which follows up with testimony that has been heard. He said that generally, in theory, he would oppose any interest rate ceiling, but in view of the higher concentration of the fund market in this state, that the committee would be wise to follow some differentiation, as the proponents have suggested between consumer loans on one hand and business loans on the other. That does follow what has been suggested as alternatives. In many states the basic rate is retained for the so-called consumer loans and the usury ceiling has been completely lifted in the area of the so-called business loans. Dr. Cargill supports the objections of the so-called discount rate, which is in the federal law. He said this is really an administered rate. Senator Raggio said this is what the banking people had told them. Dr. Cargill states that the so-called prime rate is, to a great extent, an administered rate because it is administered and manipulated by the banking institutions themselves. For that reason, Dr. Cargill came up with a suggestion for the committee to consider - taking off the limit altogether on the so-

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called business loans and retaining the basic rate for the consumer loans. Senator Raggio said he thought the easiest way is to take a figure amount. He said whatever they take is arbitrary, but you could do it be reference to what has been done in other states. He said they vary considerably and stated the rates that were in other states.

Senator Raggio said he would suggest they are spinning their wheels trying to tie this to some index. He said they should consider a lifting of the usury ceiling on the business loan and retaining it on the consumer loans. Senator Monroe asked if Dr. Cargill had any comment on what affect that might have on the availability of money on the consumer type loans. Senator Raggio said the bankers had assured the committee that, in their opinion, it wouldn't have any, affect. Dr. Cargill indicated to Senator Raggio that it probably would have some affect, but didn't see an alternative to that. Dr. Cargill, recognizing that Nevada's status is fourth in this picture, recommended that in the future that problem be addressed in some other way. Senator Raggio said he didn't think there was a solution that was going to fully satisfy everything.

Senator Bryan said he had done some research too in the last few days. He stated that 17 states follow the approach that Senator Raggio has outlined. He said the exemptions range from \$100,000 in Alabama; \$5,000 in Connecticut; \$100,000 in Georgia with no limit on corporate loans over \$2,500; \$750,000 in Hawaii; Kentucky \$15,000; Oregon, \$50,000; South Carolina, \$500,000. Senator Bryan said they ranged all over the ball park and is an alternative 17 states have adopted.

Senator Raggio explained that the reason he explored it to this extent is that he wanted to satisfy all the suggestions that had been given to the committee by Senator Gojack and others. He stated he wanted the people to know that the committee has, as fully as possible, explored the alternatives. Senator Raggio said he thought they should consider setting an amount which will serve the purposes and problems of the money crunch situation. He said he certainly was not looking at this bill as special interest to banks or other lending institutions. He said it was necessary for the economy of the state. Senator Raggio said that looking at the list, they could consider an exemption of \$100,000.

Senator Sheerin said the proposal of the banks is \$25,000, leaving the general rate at 12 and corporate borrowers over \$25,000 are exempt. Senator Raggio said Dr. Cargill thought that might be low. Senator Bryan said why not use \$50,000. Senator Sheerin said the lower the limit the more money that is available at a higher interest rate. Senator Raggio said he suggested \$100,000 because that seemed to be the usual rate in other states. Senator Echols said that anyone who is talking about a loan of \$25,000 or above is aware of the cost of money.

Senator Monroe moved that Senator Raggio prepare an amendment along the lines that had been discussed with \$25,000 as the limit.
Senator Blakemore seconded the motion.

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Senator Foote stated that the committee had no jurisdiction over this bill and she felt the motion was out of order. She said that anyone has the right as a person to go down with amendments but said the committee did not have that right. Senator Bryan said he didn't want his name to appear on the amendment. Senator Raggio also said he would not get the amendment in his name only. Discussion of this followed.

The vote on the motion was: Senators Echols, Raggio, Blakemore, Sheerin, and Monroe aye. Senator Bryan voted no. Senator Foote did not vote. The motion carried.

S.B. 571: Includes policemen within category of persons who may obtain occupational disease compensation for diseases of lungs.

Senator Bryan had two amendments which he explained to the committee. The second amendment would be sheriff, deputy sheriff, city policemen, officer of the Nevada Highway Patrol, member of the University of Nevada System Police Department, and uniformed employee of the Nevada State Prison. After a brief discussion, the following action was taken:

Senator Sheerin moved to amend and do pass.

Senator Monroe seconded the motion.

The vote was unanimous with all members present and voting.

S.B. 31: Adjusts industrial insurance benefits to counteract rise in inflation.

Senator Bryan moved to indefinitely postpone.

Senator Raggio seconded the motion.

The vote was unanimous with all members present and voting.

S.B. 20: Permits partners or sole proprietors to elect workmen's compensation coverage.

Senator Bryan moved to indefinitely postpone.

Senator Raggio seconded the motion.

The vote was unanimous with all members present and voting.

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S.B. 161: Restricts public utility to one application at a time before Public Service Commission.

Senator Foote moved to indefinitely postpone.
Senator Raggio seconded the motion.
The vote was unanimous with all members present and voting.

Senator Bryan said he would like the record to reflect this action was taken on the basis that S.B. 267 was processed.

S.B. 539: Provides for disposition of subsequent application of public utility for relief while former application is pending.

Senator Blakemore moved to indefinitely postpone.
Senator Raggio seconded the motion.
The vote was unanimous with all members present and voting.

Senator Bryan said he would like the record to reflect this action was taken on the basis that S.B. 267 was processed.

S.B. 314: Establishes compensation standards for vehicle dealers performing factory warranty agreements.

Senator Foote moved to indefinitely postpone.
Senator Blakemore seconded the motion.
The vote was unanimous with all members present and voting.

S.B. 437: Removes limitation on interest rates on debts exceeding \$100,000 and certain other debts.

S.B. 438: Eliminates limitation of interest rate on debts over \$100,000.

S.B. 439: Revises provision limiting agreed interest rates.

Senator Raggio said to look at S.B. 437 and look at the language. He said he just wanted some direction on this language for the amendment to S.B. 372. He said the language in S.B. 437 might be more desirable because it talks about the artificial person. Senator Blakemore said it was fine with him if this language was used in the amendment.

Senator Sheerin asked what an artificial person was. Senator Raggio said it means any form of business organization except a partnership. Senator Sheerin also asked what is a joint venture and a partnership. Senator Echols said if you are going to use that he would suggest eliminating "except a partnership."

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Senator Sheerin asked what the origin was of S.B. 437. Senator Echols said these were submitted by the banking fraternity. They were submitted in case they were needed in lieu of S.B. 372.

Senator Raggio said since they were going to process S.B. 372, he would move to indefinitely postpone S.B. 437, 438 and 439.

Senator Bryan seconded the motion.

The vote was unanimous with all members present and voting.

A.B. 730: Permits mortgage companies to submit audits by registered public accountants with license renewal applications.

Assemblyman Keith Ashworth testified in favor of the bill. Mr. Ashworth said that in 1960 the State of Nevada passed the grandfathering bill in Chapter 628 that set up two classes of accountants in the State of Nevada. Those were public accountants that began practice as of April 30, 1960, and it set up the public accountants on the board. Since that time whenever there is an audit required, the language has always been a certified public accountant or a registered accountant registered in the State of Nevada. Often when legislation is passed and they ask for a certified audit they fail to put in language of a registered public accountant doing business in the State of Nevada. Unless you have this language, it would exclude that class of accountants that were grandfathered into the act in 1960. This law is merely an act to clear up that language and include that class of accountants eligible to do that type of work.

Senator Monroe moved do pass.

Senator Blakenore seconded the motion.

The vote was unanimous with Senators Bryan and Sheerin absent doing subcommittee work.

A.B. 592: Clarifies fact that National Electrical Code has general application.

Assemblyman Bob Price testified in favor of the bill. Mr. Price said that 1973 the Legislature passed the National Electrical Code as **the minimum standard for the State.**

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This is a clarification that it is applicable to all buildings whether private, public corporation, etc. The second section was put in at the request of the Public Service Commission and it is in a complete different section of NRS. Right now the utilities are required to go by the Bureau of Standards, or at least on paper, which is somewhat obsolete. Mr. Price stated there was no opposition in the Assembly on this bill.

Senator Monroe moved do pass.

Senator Blakemore seconded the motion.

The vote was unanimous with Senators Sheerin and Bryan absent doing subcommittee work.

Kelly Jackson of the Public Service Commission stood from the audience and stated they had no opposition to the bill.

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

Al Sitton, President of Southern Nevada Painting and Decorating Contractors, testified in favor of the bill. This is an act to provide financial protection to certain persons involved in construction work. This requires contractual costs to be paid prior to the issuance of occupancy or use license. It requires partial payments twice a month to contractors performing under a public works contract, restricting the amounts due by contracting bodies in certain cases to permit the contractors and subcontractors to stop work or terminate a contract in certain cases where they haven't been paid. It requires contractors to furnish payment bonds in certain cases for the protection of persons supplying labor and materials. A.B. 656 passed the Assembly with a vote of 38 to 0 and there was no opposition in the Assembly Commerce Committee. Mr. Sitton said that A.B. 656 provides much needed protection to the construction industry in the State of Nevada. He said the bill should prevent more of the business failures that have been prevalent in the past few years.

The bill is endorsed by the Building Trades Council, Federated Employers, Associated General Contractors and the Home Builders Association. He stated it was not a perfect bill but thought it was fair in every phase. He said it would guarantee the owner a better job and insure a healthier climate for the contracting field.

Senator Monroe asked how many bonds would be required on a project in this bill. Mr. Sitton and Senator Monroe discussed the bonds briefly.

Senator Raggio said he had no problem with the idea that people should be paid for the work they do, but he had some reservations about this procedure. He asked if this was patterned after other states. Mr. Sitton said no. Senator Raggio asked how it worked when they get an occupancy permit. Mr. Sitton said they have lien laws. Senator Echols asked how you determine when all the liens are satisfied. Mr. Sitton said the general contractor has to get those releases in and carry them in. Senator Raggio said suppose the owner paid the contractor and the contractor doesn't want to certify. Senator Raggio asked what they were going to give to the licensing authority to get the occupancy permit. Mr. Sitton said they sue if they don't get the releases. Senator Raggio asked how the bill solved the problem. Mr. Sitton said he thought they were discussing a pretty isolated case. Discussion followed.

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Senator Raggio said the bill says that the owner has recourse to take this money and hold in the a trust account until the resolution of a dispute. Mr. Sitton said he thought that two people could sit down and work those kinds of things out. He said, too, that they could get a disinterested party from the Contractors Board to come in and make a decision. Senator Raggio said they already have a provision for bonds and there is already a provision for liens. Mr. Sitton said the liens are useless because you can't do anything with them. Mr. Sitton gave examples of some liens he had pending.

Jerry McCowan spoke from the audience. He stated that when you get the final payment, you give your materials and labor releases and all of your fringe benefits have also been paid to the union people, they can go that far. Mr. McCowan said the gentleman goes in and show all of this to the building department to get his occupancy permit. The person from the county doesn't have to come around. Discussion followed.

Lawrence Gove, Gove Painting and Decorating Company, testified next. He was representing Painting and Decorating Contractors and the Subcontractors Association. Mr. Gove said the owner usually obtains an architect. In turn the architect usually has full power over finishes and completions and specifications that are put into a building. It is his job to see that these specifications are lived up to to the letter. If there is a dispute, there is an arbitration process in most contracts. This comes into the arbitration clause. It is an uninterested party that decides who is at fault; most are worked out between the owner and the general contractor. Once the general contractor has completed a building and the subcontractors have given to him all the permits and the payment bills, etc. there is no reason why the owner cannot occupy the building.

Senator Raggio said the philosophy of this bothered him. He said the issuance of an occupancy permit is interpreted generally as assuring the licensing authority that the code provisions, etc. have been met. He said this bill puts an entirely different pur-

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pose on the issuance of an occupancy permit. Senator Raggio and Mr. Gove discussed proof of payment briefly. Senator Echols asked how the building inspector will know who all the subcontractors were and if they had been paid. Mr. Gove said this was a normal procedure and the general contractor has to list all the subcontractors and suppliers, etc. Mr. McCowan said these would all be listed in the Construction Notebook which is distributed all over the state. Discussion followed about the listing of the subs.

Senator Echols had received a letter from George Vargas, which Mr. Gove wished to respond to. He stated this came from a company in New York. They had seen in the bill where if there is a law such as this passed this might tend to cut down the issuance of some payment of performance bonds. Mr. Vargas said he was not going to testify on this because he didn't feel it was an important issue. He simply passed the letter on.

Charles P. Brechler, Managing Engineer, Regional Street and Highway Commission of Clark County, testified. Mr. Brechler said he would like to testify as to how this would affect building departments and the various public works departments throughout Southern Nevada and Nevada as a whole.

Section 1, subsection 1 and 2, relating to the occupancy permit was originally intended under the building code to be a certification that the building was completed in accordance with the code. Mr. Brechler stated he had spoken to the building departments that issue this occupancy license and to the Southern Nevada Building Departments on it. What they will require is a certificate from the person that takes out the permit certifying that all bills are paid. This puts the burden back on to the contractor or the person who took out the permit. Mr. Brechler stated there wasn't enough staff in the local building departments to do it in any other method. Senator Raggio asked who usually gets the permit. Mr. Brechler said on a big job its the contractor; a small job or the owner-builder the owner often takes out the permit. Senator Raggio said that wouldn't solve the problem because the owner may not have paid all the bills and they wouldn't have any way of knowing. Mr. Brechler said he would have submitted a false certificate. Further discussion of certification followed.

Senator Echols asked if there was some way to clean up the language. Mr. Brechler said he thought they could do it with local ordinance. Senator Raggio asked how this bill helps the subcontractor. Mr. Brechler said only that if the general contractor was an honest man and would swear to the fact that he paid the subcontractor. Senator Raggio said he questioned if this was the advice that should be used to get at the problems the subcontractors are having. Mr. Brechler said they were not opposing the bill because they recognize the subs are having problems. He said there would have to be changes so they could live with it also.

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Mr. Brechler said Section 2 requires that payment be made twice a month. He said this becomes a problem in that some of the smaller boards do not meet twice a month and therefore, cannot authorize bills more than once a month. Senator Blakemore said they could exempt out those smaller entities.

Section 3, Page 2, subsection 1. The State Purchasing Act requires that you retain funds until after the expiration of the 35 days notice of completion. The bonding covenants for the Regional Street and Highway Commission require that they retain until the work is complete. Mr. Brechler said the wording could be changed on Line 21 after the word "chapter" add "than up to 95 percent of any amounts due contractor under the contract shall be retained by the contracting body. Senator Raggio asked if subsection 2 was then compatible. Mr. Brechler said yes. Under Section 5 and 6, under the State Purchasing Act, under the governmental act, they have to have the money available before they can write a contract. They are on a modified accrual system where they cannot accrue money before it comes in, but they can accrue it before it goes out. Therefore, they have to have the money in hand before they contract for the project. Therefore, wherever the word "owner" appears they would like to add "except governmental body."

Mr. Gove spoke from the audience and asked Mr. Brechler if he didn't think that would discriminate against the private contractor. Mr. Brechler said he didn't think so because the money has to be there.

Assemblyman Robert Robinson testified. He said that some of the things that came up in discussion in the Assembly Commerce Committee were being discussed in the Senate Committee. One is the philosophy of the thing. The workers are guaranteed that they will be paid every week on the contractors and subcontractors level. Senator Raggio had brought up the point that there was nothing in the bill to guarantee payment to the subcontractors. Mr. Robinson said the buildings would never get to the point of completion and occupancy if the subcontractors had not been paid. If at the end of the week they had not been paid by the contractor, they would be a pretty stupid subcontractor that would put more money into it. The subject of the warranty and trust money and provisions in there for controversy and monies that are held aside are provided for. Mr. Robinson said in their committee they had had ample notice of the meeting. He said they had not had any witnesses at all from any of the licensing agencies who came forward to say there was a problem.

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Bob Wells, Executive Director of the Home Builders Association, testified. He said there was one thing that should be added on the questions of occupancy. He said with federal funds being delayed, they move people in on a rental basis and allow them to live there until they get their federal funds processed. He said they had people there from mortgage companies who could testify that it does take quite a period of time for their funds to come through from the federal government. Senator Blakemore asked if they wanted to hold the subcontractor up until that federal money came in. Mr. Wells said no. Mr. Wells said they were just saying that on the occupancy question that was brought up, they go down to the building department and tell them that the building is finished and they would like to move the people in on a rental basis. They let them move the people in on that basis and its acceptable with the mortgage company to charge them rent until the funds come through from the federal government. Mr. Wells said they would like to be able to continue under the occupancy they are now doing and let the people move in while the funds are being processed through FHA, VA, etc. Discussion of this point followed.

After further discussion it was decided to appoint a subcommittee to work with these parties to get the necessary amendments and resolve any conflicts. Senator Echols appointed himself and two others on the committee to that subcommittee.

A.B. 27: 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.

C.D. Williams, member of City of Las Vegas Fire Department and member of State Fire Marshal Advisory Board, testified. Mr. Williams said they had a meeting of the board the past Thursday morning concerning A.B. 27 and it is the consensus of that board that they do not like the bill. It appears to them that it takes away the power of the board in making selections for the State Fire Marshal's Office, which is a part of 477. They feel that the people who fill the Fire Marshal's office are professional people and they should be retained as professional people. At the board meeting the board took action and voted unanimously to attempt to indefinitely postpone this legislation.

Senator Echols asked what they did if an unclassified person ended up in one of those positions. Mr. Williams said they could not wind up in one of those positions as a classified individual because all the members of the board **must, by law, be active in the fire service of the State of Nevada.**

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Senator Raggio asked if the board was opposed to the entire bill. Mr. Williams said yes. Senator Raggio asked why the suggestion was made to put the state fire marshal in the unclassified service. Mr. Williams stated he didn't have any idea where that came from. He said it certainly wasn't anything from the Fire Marshal's Advisory Board. Mr. Williams said this amendment was interjected probably the middle of last week. Senator Blakemore asked if they liked the bill up to the time the amendment was placed in it. Mr. Williams said it was not their desire to go into the licensing business because their primary job is the protection of life and property. He said he thought there were other agencies who could probably fill the licensing. Mr. Williams said through the years there have been continuous added responsibilities assigned to the Fire Marshal's office; many times there are not sufficient funds or manpower to fulfill these assigned duties. Senator Monroe asked what other agency he would suggest this go to. Mr. Williams said he had heard suggestions of the Real Estate Agency, but he didn't know if they would want it. The Department of Motor Vehicles now licenses mobile home dealers. The funds come out of the regular budget for the DMV which comes out of the Highway Fund. Senator Monroe said it is an illegal expenditure of money out of the highway funds.

Mike Melner, Director of Department of Commerce, said that they had a meeting over a year ago to discuss where the licensing might go. They felt since the Fire Marshal had life and safety of the unit, he could pick up dealer supervision as well. He said it could just as logically go to the Real Estate Division. Mr. Melner said either way would be fine. Mr. Melner said there were two different boards involved in this - the Fire Marshal's Advisory Board, which assists in the selection of the fire marshal and advises him on life, safety and code matters. The Mobile Home and Travel Trailer Commission, which is a separate board, advises the fire marshal on the mobile home licensing section.

Don Richard, Fire Chief of Henderson, Vice-Chairman of the State Fire Marshal's Advisory Board, testified. He stated he would like to back up Mr. Williams story that the board met and agreed to try to get this bill held up. Senator Blakemore asked where he thought this function should go. Mr. Richard said he thought the Department of Motor Vehicles had a better shot at it than they do.

Senator Echols asked how they cope with someone in the unclassified service that after they are hired get into a unprofessional conduct situation. Mr. Richard said they have the bi-member board who has the power to remove them. Senator Echols asked if they could remove a classified employee. Mr. Richard said they can recommend that he be terminated. Mike Melner said if his method of appointment is by the board, once he is appointed, he is within the classified service, which means you refer to the State

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Personnel Act for removal. Mr. Melner said direct order of the Governor would initiate removal. Senator Echols asked when you move a person from the classified to the unclassified, what happens in case of misconduct. Mr. Melner said he serves then at the pleasure of the appointing authority. Mr. Melner said there are no rights for a person with a "pleasure" appointment.

Assemblyman Robinson interjected that they were just looking at one little aspect of the bill and said they should take further testimony for the benefit of the committee.

Steve Coulter, Coulter Mobile Homes and President of Better Business Bureau of Southern Nevada, testified. Mr. Coulter said this was probably one of the most important issues to come before the legislature this year. Mr. Coulter said the Fire Marshal and the Mobile Home Advisory Board put this legislation together.

Mr. Coulter said what this bill does is take the licensing out of the Department of Motor Vehicles and puts the licensing of dealers and salesmen into the hands of the State Fire Marshal, where he can be advised also by his board. Mr. Coulter said this was of extreme importance because there are time when the Department of Motor Vehicles is not aware of major problems in the licensing of mobile homes. Mr. Coulter said they have had problems because anyone can become a mobile home dealer. Once they are a dealer they seem to get away with many things. He stated they have had many problems in Southern Nevada. By having the licensing under the Fire Marshal's office, they will have the ability to better control the industry.

Mr. Coulter said the bill was so important at this time that they should give it a try the way it is for two years. He said for the Legislature to sit and not act at all would be a gross injustice to the consumer as well as the legitimate businessman in the mobile home industry.

Senator Echols asked how they felt about the classified or unclassified position of the Fire Marshal. Mr. Coulter said he hadn't been aware until that day of the classified or unclassified situation. Mr. Coulter said there were probably some legal ramifications and he could understand the wording in the amendment. He thought that this was possible the good and legal way that this should be done.

Senator Echols asked for Mr. Coulter's opinions on the mobile home being attached to a piece of real estate - S.B. 492 and A.B. 615. Mr. Coulter said the mobile home dealers are not opposed to real estate brokers selling used mobile homes when it is afixed to real property. They are not opposed because the only person that is getting in the middle of this is the consumer. They are opposed to the fact that there will be no licensing requirements. He said they had a solution to that. He thought they could be very easily tagged on to A.B. 615 or the existing NRS 482. That would simply be that a real estate broker may engage in the sale of used mobile homes when afixed to private property and not have to set up a display lot or meet the display requirements. Mr. Coulter said this way they will still have to meet the licensing requirements, etc. Mr. Coulter discussed this briefly.

Tom Terry, Sun City Mobile Home Sales, testified. He is also the president of the Nevada Mobile Home and Travel Trailer Advisory Commission. Mr. Terry testified in favor of the bill. Mr. Terry said A.B. 27 represents about two years of work by the State Fire Marshal's office and the Commission. Mr. Terry said he thought they were in accord that A.B. 27 represented everything that they in the industry, the consumer, the State Fire Marshal's office and the State Fire Marshal thought was necessary. He said he didn't know they had any conflicts until that day.

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Mr. Terry said it was immaterial to him as an individual and as a mobile home dealer about the classification of the office. Mr. Terry said that was the only change that had been made in the bill and everything else was in accord with the wishes of the Commission. Mr. Terry stated again that it was immaterial whether the job was classified or not. He stated they needed the bill to police their industry.

Senator Raggio said that Mr. Terry had stated he thought everyone was in favor of this bill. Mr. Terry said he had never heard of the State Fire Marshal's Advisory Board and they had never met with them in the two years they had been working on the bill. Mr. Terry said he attended all of the meetings and there was never anyone present from the State Fire Marshal's Board. Senator Echols asked if the subject of classification every came up in those meetings. Mr. Terry said no.

Senator Raggio asked Mr. Terry to explain how the licensing is being handled now and what is wrong with it. Mr. Terry said it is being handled now through the Department of Motor Vehicles. Mr. Terry said they are geared to the automobile industry, in his opinion. He stated they were talking about a man's home, not his automobile. Mr. Terry said they feel that putting the licensing into the hands of the State Fire Marshal it would help to coagulate the whole program. The State Fire Marshal, under NRS 489, is responsible for all of the building codes and requirements and construction standards. Senator Raggio said this was a ministerial thing and none of the requirements for licensing would be

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changed. Senator Raggio asked what was going to be changed. Mr. Terry said heretofore there was not sufficient funds for the Department of Motor Vehicles to hire the proper people to make the necessary inspections of the manufacturers and investigate those dealers who have made application. Mr. Terry said that if this was approved that it will be self-sufficient and they will be able to hire the necessary people. Senator Raggio said the fiscal note just shows two clerk-typists being hired. Mr. Terry said they already have the inspectors hired, and they are on the payroll now. Senator Raggio said he didn't see that this bill does anything to alter the situation or better the licensing of dealers or salesmen. Discussion followed.

Assemblyman Robert Robinson testified in favor of the bill. Assemblyman Robinson said the bill came in on January 22, 1975. They had a hearing in the Assembly, which Mr. Quinan attended. Mr. Quinan told them this was not the bill they wanted. Mr. Quinan got the amendments, which were practically a substitute bill. The second bill didn't come out until April. Mr. Robinson said that after studying the bill and talking to Mr. Melner it was their opinion that the licensing should be in the Real Estate Division because these people were more used to licensing and examining that the Fire Marshal would be. Mr. Robinson said he was told verbally by Mr. Melner that it would be better in the Fire Marshal's office because of the related work of inspecting etc. They went on that assumption.

Mr. Robinson said that a number of people came to him about the bill. In studying the new amendments which were submitted by the Fire Marshal, they found that a tremendous amount of power was being transferred to the Fire Marshal. This was the reason for changing his status to unclassified. Another reason was that the Fire Marshal would have the power to issue, revoke or deny licenses and if they wanted to appeal it, the Fire Marshal is the person they appeal to. One of the amendments, Section 15, was to change that appeal procedure so the person wouldn't have to appeal to the same person who just denied him. They would now appeal to the Commission - Mobile Home and Travel Trailer Advisory Commission, which is appointed by the Governor.

Mr. Robinson said they first reprint of the bill is the bill submitted by the Fire Marshal with the exception of making his job unclassified and taking away his review privileges. Mr. Robinson said he thought the fire chiefs misrepresented things somewhat. They do nominate to the Governor someone to appoint as a fire marshal. If the Fire Marshal is removed, the board would still nominate someone else. That is not being changed.

Mr. Robinson said the job was a responsiveness to the public need. He said if a person isn't in the classified position and he is issuing and revoking licenses and someone has trouble with him, he isn't as responsive to serve the public as to be a master of the public. This is another of the reasons this was changed to unclassified. Mr. Robinson said the prime consideration of the bill was not whether the job was classified or not. The prime consideration is what this will do to protect the public in the way of mobile home purchases, etc. Mr. Robinson said **the Fire Marshal was all for this bill until the amendment was put in to make the job unclassified.**

Over

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Senator Sheerin asked what the new bill did as far as the powers of the board. Mr. Robinson said it didn't change their position other than they will be a court of appeal. Senator Sheerin asked if the bill did away with the State Fire Marshal Advisory Board. Mr. Robinson said no, it doesn't affect that board at all.

Senator Monroe asked Mr. Robinson if they had received any indication at all that anyone wanted to get rid of the Fire Marshal. Mr. Robinson said no and explained the reasons that he stated above. He said there was nothing against the Fire Marshal at all. Senator Raggio said he thought the argument would work stronger the other way. He said if you are in the classified, he would be less apt to be under political influence. Discussion of this followed.

Senator Bryan asked who had the power to remove the Fire Marshal. Mr. Robinson said no one right now, unless he in malfeasance of office through the Personnel rules was removed. Mr. Melner, the head of his division, could request and the Governor, through the Personnel Division, would request his removal. Senator Bryan said assuming the bill is passed in its present form, who would have the power to removed him. Mr. Robinson said the Governor. Senator Bryan asked if there had been any talk about the Fire Marshal or his predecessor in the actions they had taken towards promulgation of rules and regulations. Mr. Robinson said no. He stated again that this was not aimed at the present Fire Marshal because they understood he was doing a good job. He stated the next Fire Marshal might not be the same as Mr. Quinan.

Mike Melner, State Commerce Director, testified next. Mr. Melner talked about he primary duties of the Fire Marshal. He said the Fire Marshal has been doing for a number is enforcing life and safety codes in the State of Nevada. He said that when that duty is subject to political pressure, it is really a tough duty. He said he supposed that is why the Fire Marshal was classified in the first place. He said when you go into some of

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the areas of Nevada and try to enforce the codes, you are subject to much pressure.

Mr. Melner said he would prefer that the Fire Marshal remain in the classified service because his primary function is life and safety. That his why his board came up to testify for him and that's why there is a fire marshal. Mr. Melner said other than that it is a good bill.

Mr. Melner said he would agree with the mobile home industry that they need policing and that the Department of Motor Vehicles has many other things to do. Mr. Melner said he did feel the responsibility belonged with the Fire Marshal to consolidate with his other responsibilities concerning mobile homes.

Senator Raggio said he had trouble with the bill because there are no requirements for education or testing. Mr. Melner said it was his understanding from the meetings held that they would hold hearings and draft requirements to accomplish certain minimum qualification standards. Senator Bryan asked if the Fire Marshal would have that authority. Mr. Melner said yes, in the drafts that he saw of the bill. A discussion of the promulgation of rules followed.

Dan Quinan, State Fire Marshal, testified. Mr. Melner said the whole problem with this bill is that he has been trying to do things for other people that they don't want to do themselves. He stated they have a Mobile Home Commission and that Commission voiced its desire in meetings to put more and more authority in the Fire Marshal's office regarding mobile homes. At the same time, the Department of Motor Vehicles wanted to get less and less to do with mobile homes. By virtue of that they attempted to draft a piece of legislation that would satisfy the Mobile Home Commission and the Department of Motor Vehicles. Mr. Quinan said the first bill that was introduced was the wrong bill. It was a draft that Mr. Quinan took to the Mobile Home Commission and the amendments did not get into the second reprint until a few weeks ago.

Mr. Quinan said he was trying to satisfy two boards - the Fire Advisory Board and the industry that sells mobile homes. Mr. Quinan said he would attempt to explain why he was opposed to the concept. Mr. Quinan said he had to protect the primary purpose of his job and that is the State Fire Marshal. He stated he could care less whether he licensed mobile home dealers or not. He stated it made no difference to him. He said it was not a tough job and that any agency could handle it because all you have to do is read the statutes. Mr. Quinan said if that kind of business is going to get him in trouble with the Legislature this session and every other session, he is opposed to it.

OVER

Mr. Quinan said that A.B. 27 had turned into a vehicle because the intent of the bill was certainly not to declassify his position. Mr. Quinan said this came from another direction and he knew where the problem was. Mr. Quinan said it was a good bill, one they had worked hard on.

Mr. Quinan said there was not enough money to pay someone to go out and make these inspections. He stated he might be able, through regulation, to up these fees to make the job pay for itself. But he stated he didn't want to get in that position because that is not his business. Mr. Quinan also spoke about the other business that are included in the Fire Marshal's office. Mr. Quinan also discussed the primary duties of a fire marshal. He said you have to be involved; you have to accept full responsibility for your actions; you have to be involved in arson investigation; you have to make building inspection; and make determinations on how to make corrections on conditions that are hazardous to life safety. He stated he also had to be considered expert when consulted by architects and engineers. Mr. Quinan stated the State was not paying him to license mobile home dealers and they never did. Mr. Quinan said the existing mobile home program that he has deals with mobile home construction and safety. He stated that in the two years they have had this their standards have been copied by other states.

Page Six Line 17, classified is removed and unclassified is put in. "Except for the method of appointment" is bracketed out. "Except for the method of appointment" is in NRS 477, which gives the State Fire Advisory Board the power to select name to present to the Governor for the appointment of the position. Mr. Quinan said he disagreed with the testimony that this doesn't bother the Fire Advisory Board. He stated it bothers them and that's why they are opposed. Mr. Quinan said that any fire marshal that can be controlled by industry has to put industry first and safety last. He stated in the beginning they agreed to assist the Mobile Home Commission and Department of Motor Vehicle in the licensing. Mr. Quinan said the Mobile Home Commission President was here a few weeks ago and as soon as he left the amendment appeared in the bill to declassify the position. Mr. Quinan said he could only assume that the President agreed with that amendment. Mr. Quinan said he was never consulted and neither was anyone in his office about whether or not this would cause any problems.

Senator Blakemore asked if there were any unclassified people working for him. Mr. Quinan said no.

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E.J.Silva, Department of Motor Vehicles, testified. Mr. Silva said that there are approximately 800 licensees and that takes in all dealers. There are around 1,800 licensed vehicle salesmen statewide. He said there would be possible 25, 30 or even 40 mobile home dealers that would be dealing in mobile homes only.

Mr. Silva said on Page 3, subsection F, the Division could require additional requirements. Mr. Silva said in the Department of Motor Vehicles none of the Divisions has the power to revoke, cancel a license. It is the Department that has that power. Mr. Silva said the mobile home, by definition, is still a vehicle; however, the registration laws refer to vehicles as those vehicles that are intended to be used on highways. The mobile home is not intended to be used on highways.

There was no intent of this legislation to change the status of the Commission. Mr. Silva said they would still have the same powers.

There being no further business, the meeting was adjourned at 7:05 p.m.

Respectfully submitted:

Kristine Zohner

Kristine Zohner, Committee Secretary

APPROVED BY:

Gene Echols

Senator Gene Echols, Committee Chairman

SENATE Commerce & Labor COMMITTEE

ROOM # 213
DAY Thursday

DATE May 8, 1975

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NAME	ORGANIZATION	ADDRESS	PHONE NUMBER
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*NOTE: PLEASE PRINT ALL THE INFORMATION CLEARLY.

Earl T Oliver	Legislative Audit	AB 279	5620
Larry Mcracken	Employment Security	ESA Bills	4635
Jim Oliver	" "	" "	4630
Jim Hamm	"	"	4550
Del Landring	SNB		
Walt Larson	NAD. SWB		
COINQ DEL CARLO	FNB	RENO NV	322-6996
Bob Sullivan	Valley Bank	RENO NV	825 8/32
Mary Tojack	Senator		
Walt Gunnan	State Fire Marshal	Carson City	885 429
Gene Foster	ESD		4583

JOHN REISER	NIC	AB 440	5284
ROWLAND OAKES	Assoc. GEN. CONTR	RENO NEV	329 6116
C.P. BRECHLER	RSHC of CC	L.V.	386-4011
Don Crosby	State Hwy	C.C.	885 5440
Walt Larson	DEPT. OF COMMERCE	CC	4250

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*



ARTHUR J. PALMER, *Director*

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

May 8, 1975

The Honorable Gene Echols
Senator
Chairman, Senate Committee on
Commerce and Labor
Legislative Building

Dear Senator Echols:

AB 279, as amended in the first reprint, which is presently before your committee is legislation resulting from the audit of the Employment Security Fund.

The purpose of AB 279 is to strengthen the Legislature's control and review over this financial resource available to the Executive Director of the Department. Contrary to the summary the bill would not transfer revenue source to unemployment compensation fund. That was a feature of the original bill which was deleted in the Assembly.

I believe that Section 1 of this bill will properly modify and correct N.R.S. to complement the actual management practices of the Executive Director and to insure continuity of Legislative oversight of necessary expenditures from this important fund. A second important change in section 1 is accomplished in subsection 7 which provides for the elimination of separate cash and investment management handling by the State Treasurer's Office of the fund.

Section 2 of the bill provides a ratifiable allocation to the fund from the state's investment pool to compensate for the change.

I urge your committee's favorable consideration for the bill.

Respectfully,

A handwritten signature in cursive script that reads "Earl T. Oliver".

Earl T. Oliver, C.P.A.
Legislative Auditor

ETO:ja

MEMORANDUM

STATE OF NEVADA
EMPLOYMENT SECURITY DEPARTMENT

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TO Earl Oliver, Legislative Auditor DATE October 23, 1974
FROM T. V. Chamberlain, Chief of Financial Management SUBJECT Addendum to ESD State Biennial Budget '75-77

T. V. Chamberlain

As per our recent conversation please find attached financial statements of the Employment Security Fund, as follows:

1. Comparative Statement of Financial Condition as of 6/30/74;
2. Summary of Receipts and Disbursements at 6/30/74;
3. Comparative Statement of Income and Expense for Fiscal Years Ending June 30, 1974;
4. Listing of anticipated expenditures from the fund for the period 7/1/74 to 6/30/75;

We will contact you soon in connection with our recommendations for legislation regarding the Employment Security Fund.

ma

Attachments

cc: AS

NRS 612.615 created a special fund in the State Treasury called the Employment Security Fund. All interest and forfeits collected under NRS are paid into this fund.

All monies which are deposited or paid into this fund are appropriated and made available to the Executive Director for payment of administrative expenditures deemed necessary and proper under the law. There is positive control of the fund by virtue of the Executive Director not being able to use the fund unless Federal funds are not available and the Director is in possession of Federal approval to spend monies from the fund.

The law provides that the fund may be used as a revolving fund to cover expenditures for which Federal funds have been requested but not yet received, subject to repayment to the fund when received.

All monies in this fund are deposited, administered and disbursed in the same manner and under the same conditions and requirements as are provided by law for other special funds in the State Treasury.

The monies in this fund are used by the Executive Director for the payment of costs of administration which are found not to have been properly and validly chargeable against Federal grants received for or in the Unemployment Compensation Administration Fund.

Historically, monies in the fund have accumulated since about 1935 with the various Executive Directors taking an extremely conservative attitude toward

the fund. The latter occurred because there is Federal control on the fund and because the fund is the only resource available to the Executive Director for recovering from "audit exceptions" handed the department which may come about because of Federal or State audits.

STATE OF NEVADA
EMPLOYMENT SECURITY FUND
COMPARATIVE STATEMENT OF FINANCIAL CONDITION
AT June 30, 1974

	<u>1974</u>	<u>1973</u>	<u>1972</u>
<u>ASSETS</u>			
<u>Current</u>			
Money in State Treasury	\$ 54,189.71	\$104,478.81	\$ 54,022.02
Petty Cash Fund	125.00	125.00	125.00
Money in Bank-Time Deposit	<u>255,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>
Money Sub-total	\$309,314.71	\$254,603.81	\$204,147.02
Accrued Interest Receivable	3,371.14	1,176.07	6,260.69
Advances Short Term Loans	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
	<u>\$312,685.85</u>	<u>\$255,779.88</u>	<u>\$210,407.71</u>
<u>Fixed</u>			
Land - Carson City	\$ 39,492.14	\$ 39,492.14	\$ 24,519.75
Leasehold Improvements	2,866.00	3,822.00	4,778.00
Furniture & Equipment	<u>56,171.45</u>	<u>56,617.45</u>	<u>56,953.74</u>
	<u>\$ 98,529.59</u>	<u>\$ 99,931.59</u>	<u>\$ 86,251.49</u>
<u>Other</u>			
Deposits, Long Term Loans	<u>\$104,255.33</u>	<u>\$101,771.79</u>	<u>\$101,771.79</u>
TOTAL	<u><u>\$515,470.77</u></u>	<u><u>\$457,483.26</u></u>	<u><u>\$398,430.99</u></u>

STATE OF NEVADA
 EMPLOYMENT SECURITY FUND
 SUMMARY OF RECEIPTS & DISBURSEMENTS
 AT June 30, 1974

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FY'74

RECEIPTS

Penalties & Interest Collected	\$ 50,221.07
Interest on Certificate of Deposit	13,844.78
Disposal of Equipment	140.00
	<u>\$ 64,205.85</u>

DISBURSEMENTS

1/2 Charge for IAPES Service Pins	\$ 50.00
Film Dev. & Proof Sheets (IAPES)	4.50
Purchase Time Certificates	105,000.00
U. S. Dept. of Labor (Audit)	6,929.00
Repair Sump Pump	27.91
Nick Pino, Consultant (Reimbursable)	2,483.54
	<u>\$114,494.95</u>
Balance Forward from 1973	\$ 104,478.81
Receipts	64,205.85
Disbursements	<u>(114,494.95)</u>
Balance June 30, 1974	<u>\$ 54,189.71</u>

STATE OF NEVADA
 EMPLOYMENT SECURITY FUND
 COMPARATIVE STATEMENT OF INCOME & EXPENSE
 For Fiscal Years Ending June 30, 1974

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	1974	1973	1972
<u>INCOME</u>			
Penalty Contributions, Interest and Forfeits	\$ 50,221.07	\$ 57,373.32	\$ 24,239.45
Interest Earned on Investments	<u>16,039.85</u>	<u>6,221.15</u>	<u>8,122.21</u>
Total Income	<u>\$ 66,260.92</u>	<u>\$ 63,594.47</u>	<u>\$ 32,361.66</u>
<u>EXPENSE</u>			
Amortization of Leasehold Improvement	\$ 956.00	\$ 956.00	\$ 956.00
Depreciation of Equipment	306.00	307.79	441.83
Repairs & Replacements	27.91	38.41	864.61
Rental-Office Space	-0-	3,240.00	810.00
Supplies	-0-	-0-	333.75
Miscellaneous Expense			
Federal Audits	\$6,929.00		
IAPES Pins	50.00		
IAPES Film Dev.	4.50		
	<u>6,983.50</u>		
Total Expense	<u>\$ 8,273.41</u>	<u>\$ 4,542.20</u>	<u>\$ 3,406.19</u>
Net Income	<u>\$ 57,987.51</u>	<u>\$ 59,052.27</u>	<u>\$ 28,955.47</u>

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 571

SENATE BILL NO. 571—SENATORS HERR, BLAKEMORE,
SCHOFIELD, HILBRECHT, WILSON, LAMB, SHEERIN,
WALKER, ECHOLS, RAGGIO, BRYAN AND GOJACK

APRIL 24, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Includes policemen within category of persons who may obtain occupational disease compensation for diseases of lungs. Fiscal Note: No. (BDR 53-1959)

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

AN ACT relating to occupational diseases; including certain law enforcement officers within the category of persons who may obtain occupational disease compensation for diseases of the lungs; and providing other matters properly relating thereto.

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

- 1 SECTION 1. NRS 617.455 is hereby amended to read as follows:
2 617.455 1. Notwithstanding any other provision of this chapter, dis-
3 eases of the lungs, resulting in either temporary or permanent total disa-
4 bility or death, [shall be considered] *are* occupational diseases and
5 compensable as such under the provisions of this chapter if caused by
6 exposure to heat, smoke, fumes [or gases,] *tear gas or any other noxious*
7 *gases*, arising out of and in the course of the employment of a person who,
8 for 2 years or more, has been:
9 (a) Employed in a full-time salaried occupation of firefighting for the
10 benefit or safety of the public; [or]
11 (b) Acting as a volunteer fireman entitled to the benefits of chapter 616
12 of NRS pursuant to the provisions of NRS 616.070 [.] ; or
13 (c) *Employed in a full-time salaried occupation as a sheriff, deputy sher-*
14 *iff, city policeman, officer of the Nevada highway patrol, member of the*
15 *University of Nevada System police department or a uniformed employee*
16 *of the Nevada state prison whose position requires regular and frequent*
17 *contact with the convict population and subjects the employee to recall in*
18 *emergency situations.*
19 2. It shall be presumed that a disease of the lungs has arisen out of

S. B. 31**SENATE BILL NO. 31—SENATOR LAMB**

JANUARY 27, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Adjusts industrial insurance benefits to counteract rise in inflation.
Fiscal Note: Yes. (BDR 53-388)

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

AN ACT relating to workmen's compensation; increasing certain benefits under industrial insurance and for occupational diseases; and providing other matters properly relating thereto.

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

- 1 SECTION 1. Chapter 616 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 5, inclusive, of this act.
- 3 SEC. 2. *Any claimant or his dependents residing in this state who*
4 *receive compensation for permanent total disability on account of an*
5 *industrial injury, or disablement due to occupational disease, occurring*
6 *after April 9, 1971, and prior to July 1, 1975, are entitled to a 20-per-*
7 *cent increase in such compensation without regard to any wage limitation*
8 *imposed by this chapter on the amount of such compensation. The*
9 *increase shall be paid from the state general fund.*
- 10 SEC. 3. *Any claimant or his dependents residing in this state who*
11 *receive compensation for a temporary total disability on account of an*
12 *industrial injury, or disablement due to an occupational disease, occurring*
13 *after April 9, 1971, and prior to July 1, 1975, are entitled to a 20-per-*
14 *cent increase in such compensation without regard to any wage limita-*
15 *tion imposed by this chapter on the amount of such compensation. The*
16 *increase shall be paid from the state general fund.*
- 17 SEC. 4. *Any claimant who receives compensation for permanent*
18 *partial disability on account of an industrial injury, or disablement due to*
19 *occupational disease, occurring prior to April 9, 1971, is entitled to a*
20 *35-percent increase in such compensation without regard to any wage*
21 *limitation imposed by this chapter on the amount of such compensation.*
22 *The increase shall be paid from the state general fund.*
- 23 SEC. 5. *Any claimant who receives compensation for permanent*
24 *partial disability on account of an industrial injury, or disablement due to*

SENATE BILL NO. 20—SENATORS GIBSON AND HERR

JANUARY 23, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Permits partners or sole proprietors to elect workmen's compensation coverage. Fiscal Note: Yes. (BDR 53-507)

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

AN ACT relating to workmen's compensation; permitting a partner or a sole proprietor to elect to be covered under the Nevada Industrial Insurance Act and the Nevada Occupational Diseases Act; and providing other matters properly relating thereto.

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

- 1 SECTION 1. Chapter 616 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:
3 1. *If the employer is a partnership or sole proprietorship, such*
4 *employer may elect to include as an employee within the provisions of*
5 *this chapter:*
6 (a) *Any member of such partnership; or*
7 (b) *The owner of the sole proprietorship,*
8 *who devotes full time to the partnership or proprietorship business.*
9 2. *An employer who makes the election provided in subsection 1*
10 *must serve upon the commission written notice naming the persons to be*
11 *covered and no person may be deemed an employee within this chapter*
12 *until such notice has been given.*
13 3. *An employer who has filed notice of election pursuant to subsec-*
14 *tion 2 is subject to the provisions of this chapter until he files written*
15 *notice with the commission that he withdraws his election.*
16 4. *The premium rate shall be based on a presumed wage established*
17 *by commission regulation.*
18 SEC. 2. NRS 616.055 is hereby amended to read as follows:
19 616.055 "Employee" and "workman" are used interchangeably in
20 this chapter and shall be construed to mean every person in the service of
21 an employer under any appointment or contract of hire or apprenticeship,
22 express or implied, oral or written, whether lawfully or unlawfully
23 employed, and include, but not exclusively:
24 1. Aliens and minors.
25 2. All elected and appointed paid public officers.

S. B. 161

SENATE BILL NO. 161—SENATOR BRYAN

FEBRUARY 6, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Restricts public utility to one application at a time before public service commission of Nevada on particular subject matter. Fiscal Note: No. (BDR 58-398)

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

AN ACT relating to public utility regulation; restricting a public utility to one application before the public service commission of Nevada on a particular subject matter until the commission has made a decision on the application; and providing other matters properly relating thereto.

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

- 1 SECTION 1. NRS 704.110 is hereby amended to read as follows:
 2 704.110 1. Whenever there, **[shall be]** *is* filed with the commission
 3 any schedule stating a new or revised individual or joint rate, fare or
 4 charge, or any new or revised individual or joint regulation or practice
 5 affecting any rate, fare or charge, or any schedule resulting in a discon-
 6 tinuance, modification or restriction of service, the commission **[shall]**
 7 have, and it is hereby given, authority, **] may**, either upon complaint or
 8 upon its own motion without complaint, at once, and if it so orders,
 9 without answer or formal pleading by the interested utility or utilities,
 10 **[to]** enter upon an investigation or, upon reasonable notice, **[to]** enter
 11 upon a hearing concerning the propriety of such rate, fare, charge, classi-
 12 fication, regulation, discontinuance, modification, restriction or practice.
 13 2. Pending such investigation or hearing and the decision thereon,
 14 the commission, upon delivering to the utility or utilities affected thereby
 15 a statement in writing of its reasons for such suspension, may suspend
 16 the operation of such schedule and defer the use of such rate, fare,
 17 charge, classification, regulation, discontinuance, modification, restriction
 18 or practice, but not for a longer period than 150 days beyond the time
 19 when such rate, fare, charge, classification, regulation, discontinuance,
 20 modification, restriction or practice would otherwise go into effect.
 21 3. After full investigation or hearing, whether completed before or
 22 after the date upon which the rate, fare, charge, classification, regulation,
 23 discontinuance, modification, restriction or practice is to go into effect, the

S. B. 539**SENATE BILL NO. 539—SENATOR WILSON**

APRIL 14, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Provides for disposition of subsequent application of public utility for relief while former application is pending. Fiscal Note: No. (BDR 58-1728)

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

AN ACT relating to public utility regulation; providing for the disposition of applications which pertain to the same subject matter as pending applications; and providing other matters properly relating thereto.

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

- 1 SECTION 1. NRS 704.110 is hereby amended to read as follows:
 2 704.110 1. Whenever there [shall be] is filed with the commission
 3 any schedule stating a new or revised individual or joint rate, fare or
 4 charge, or any new or revised individual or joint regulation or practice
 5 affecting any rate, fare or charge, or any schedule resulting in a discon-
 6 tinuance, modification or restriction of service, the commission [shall
 7 have, and it is hereby given, authority,] may, either upon complaint or
 8 upon its own motion without complaint, at once, and if it so orders,
 9 without answer or formal pleading by the interested utility or utilities,
 10 [to] enter upon an investigation or, upon reasonable notice, [to] enter
 11 upon a hearing concerning the propriety of such rate, fare, charge, classi-
 12 fication, regulation, discontinuance, modification, restriction or practice.
 13 2. Pending such investigation or hearing and the decision thereon,
 14 the commission, upon delivering to the utility or utilities affected thereby
 15 a statement in writing of its reasons for such suspension, may suspend
 16 the operation of such schedule and defer the use of such rate, fare,
 17 charge, classification, regulation, discontinuance, modification, restriction
 18 or practice, but not for a longer period than 150 days beyond the time
 19 when such rate, fare, charge, classification, regulation, discontinuance,
 20 modification, restriction or practice would otherwise go into effect.
 21 3. After full investigation or hearing, whether completed before or
 22 after the date upon which the rate, fare, charge, classification, regulation,
 23 discontinuance, modification, restriction or practice is to go into effect,
 24 the commission may make such order in reference to such rate, fare,

S. B. 314

SENATE BILL NO. 314—COMMITTEE ON
COMMERCE AND LABOR

MARCH 7, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Establishes compensation standards for vehicle dealers performing factory warranty agreements. Fiscal Note: No. (BDR 52-231)

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

AN ACT relating to motor vehicle dealers; establishing compensation standards for work performed by the dealer under a factory warranty agreement; and providing other matters properly relating thereto.

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

- 1 SECTION 1. Chapter 482 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:
3 1. *No motor vehicle manufacturer, wholesaler, distributor, factory*
4 *branch or representative thereof shall pay its dealer:*
5 (a) *Less than an adequate and fair compensation for parts and inci-*
6 *idental expenses incurred by the dealer performing factory warranty*
7 *agreements.*
8 (b) *A labor rate per hour for factory warranty work less than the labor*
9 *rate per hour charged by the dealer to retail customers.*
10 2. *No dealer shall charge the motor vehicle manufacturer, wholesaler,*
11 *distributor, factory branch or representative thereof a labor rate per hour*
12 *for factory warranty work in excess of the labor rate per hour charged*
13 *retail customers.*
14 SEC. 2. NRS 482.3637 is hereby amended to read as follows:
15 482.3637 Any person who is injured in his business or property by a
16 violation of any provision in NRS 482.3631 to 482.3641, inclusive,
17 or section 1 of this act, or any person so injured because he refuses to
18 accede to a proposal for an arrangement which, if consummated, would
19 be in violation of NRS 482.3631 to 482.3641, inclusive, or section 1 of
20 this act, may bring a civil action in the district court in which the dealer's
21 place of business is located to enjoin further violations and to recover the
22 actual damages sustained by him together with the costs of the suit,
23 including a reasonable attorney's fee.

S. B. 437

 SENATE BILL NO. 437—COMMITTEE ON
 COMMERCE AND LABOR

APRIL 2, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Removes limitation on interest rates on debts exceeding \$100,000 and certain other debts. Fiscal Note: No. (BDR 8-1402)

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

AN ACT relating to interest on money; removing the limitation of rates on debts exceeding \$100,000 and of certain other debts; and providing other matters properly relating thereto.

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

- 1 SECTION 1. NRS 99.050 is hereby amended to read as follows:
 2 99.050 1. Parties may agree [.] for the payment of [any rate of]
 3 interest on money due, or to become due, on any contract: [not exceed-
 4 ing, however, the rate of 12 percent per annum.]
 5 (a) *If the debtor is a natural person and the principal does not exceed*
 6 *\$100,000, at the rate of 12 percent or less.*
 7 (b) *If the debtor is an artificial person or if the principal exceeds \$100,-*
 8 *000, at any rate.*
 9 Any judgment rendered on any such contract shall conform thereto, and
 10 shall bear the interest agreed upon by the parties, [and] which shall be
 11 specified in the judgment; but only the amount of the original claim or
 12 demand shall draw interest after judgment.
 13 2. Any agreement for a greater rate of interest than [herein speci-
 14 fied shall be null and void and of no effect] *permitted in this section is*
 15 *ineffective* as to such excessive rate of interest.
 16 3. *As used in this section, "artificial person" means any form of*
 17 *business organization except a partnership.*

S. B. 438

SENATE BILL NO. 438—COMMITTEE ON COMMERCE AND LABOR

APRIL 2, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Eliminates limitation of interest rate on debts over \$100,000. Fiscal Note: No. (BDR 8-1401)



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

AN ACT to amend NRS 99.050, relative to usury, by removing the limitation of interest where the principal exceeds \$100,000.

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

- 1 SECTION 1. NRS 99.050 is hereby amended to read as follows:
- 2 99.050 1. Parties may agree [.] for the payment of any rate of
- 3 interest *not exceeding 12 percent per annum* on money due, or to become
- 4 due, on any contract [., not exceeding, however, the rate of 12 percent per
- 5 annum.] *if the principal due or to become due on the contract does not*
- 6 *exceed \$100,000. Parties may agree for the payment of any rate of inter-*
- 7 *est if the principal due or to become due exceeds \$100,000.* Any judg-
- 8 ment rendered on any such contract shall conform thereto, and shall bear
- 9 the interest agreed upon by the parties, [and] which shall be specified in
- 10 the judgment; but only the amount of the original claim or demand shall
- 11 draw interest after judgment.
- 12 2. Any agreement for a greater rate of interest [than herein speci-
- 13 fied shall be null and void and of no effect] *permitted in this section is*
- 14 *ineffective* as to such excessive rate of interest.

S. B. 439SENATE BILL NO. 439—COMMITTEE ON
COMMERCE AND LABOR

APRIL 2, 1975

Referred to Committee on Commerce and Labor

SUMMARY—Revises provision limiting agreed interest rates.
Fiscal Note: No. (BDR 8-435)EXPLANATION—Matter in *italics* is new; matter in brackets [] is
material to be omitted.AN ACT relating to interest; revising the provision which limits agreed interest
rates by permitting a higher limit under certain circumstances.*The People of the State of Nevada, represented in Senate and Assembly,
do enact as follows:*

- 1 SECTION 1. NRS 99.050 is hereby amended to read as follows:
 2 99.050 1. Parties may agree [, for] to the payment of any rate of
 3 interest on money due [,] or to become due [,] on any contract, not
 4 exceeding, however, the [rate of 12 percent per annum.] *greater of:*
 5 (a) *Twelve percent per annum, or*
 6 (b) *Four percent per annum above the Federal Reserve prime interest*
 7 *rate for member banks on the date the agreement is made in the Federal*
 8 *Reserve District in which the agreement is made.*
 9 Any judgment rendered on any such contract shall conform thereto, and
 10 shall bear the interest agreed upon by the parties, and which shall be
 11 specified in the judgment; but only the amount of the original claim or
 12 demand shall draw interest after judgment.
 13 2. Any agreement for a greater rate of interest than herein specified
 14 shall be null and void and of no effect as to such excessive rate of interest.

A. B. 730

ASSEMBLY BILL NO. 730—COMMITTEE ON COMMERCE

APRIL 24, 1975

Referred to Committee on Commerce

SUMMARY—Permits mortgage companies to submit audits by registered public accountants with license renewal applications. Fiscal Note: No. (BDR 54-1835)

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

AN ACT relating to mortgage companies; permitting a mortgage company to submit an audit by a registered public accountant with the company's license renewal application; and providing other matters properly relating thereto.

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

- 1 SECTION 1. NRS 645B.050 is hereby amended to read as follows:
 2 645B.050 1. The mortgage company's license [shall expire] *expires*
 3 June 30 next after the date of issuance if it is not renewed. A license may
 4 be renewed by filing a renewal application, submitting a satisfactory inde-
 5 pendent audit by a certified public accountant *or by a public accountant*
 6 *who is registered pursuant to NRS 628.350*, and paying the annual license
 7 fee for the succeeding year.
 8 2. The filing fees shall be:
 9 (a) For filing an original or renewal application, \$100 for the principal
 10 office and \$35 for each branch office.
 11 (b) For filing an application for a duplicate copy of any license, upon
 12 satisfactory showing of its loss, \$10.
 13 3. All fees received under NRS 645B.010 to 645B.230, inclusive,
 14 shall be deposited in the state treasury to the credit of the general fund.

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 592

ASSEMBLY BILL NO. 592—ASSEMBLYMEN PRICE, DEMERS,
VERGIELS, BENKOVICH, BENNETT, BREMNER, CHANEY,
HICKEY, HOWARD, JEFFREY, MURPHY, SENA AND
CHRISTENSEN

APRIL 9, 1975

Referred to Committee on Commerce

SUMMARY—Clarifies fact that National Electrical Code has
general application. Fiscal Note: No. (BDR 22-1499)



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

AN ACT relating to construction requirements; making the National Electrical Code
generally applicable; and providing other matters properly relating thereto.

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

1 SECTION 1. NRS 278.583 is hereby amended to read as follows:

2 278.583 1. After January 1, 1974, any construction, alteration or
3 change in the use of a building or other structure in this state *by any per-*
4 *son, firm, association or corporation, whether public or private,* is to be in
5 compliance with *the technical provisions of* the latest edition of the
6 National Electrical Code as adopted by the National Fire Protection
7 Association.

8 2. Any city or county within the state may adopt such modifications
9 of the code as are deemed reasonably necessary, if such modifications do
10 not reduce the standards established in the code.

11 SEC. 2. NRS 704.593 is hereby amended to read as follows:

12 704.593 1. Any person who fails to comply with the provisions of
13 the safety rules for the installation and maintenance of electric supply
14 and communication lines of the National [Bureau of Standards] *Electri-*
15 *cal Code as adopted by the National Fire Protection Association,* as such
16 rules are adopted or amended by the commission, is liable to a penalty of
17 not less than \$300 nor more than \$500. Each day's refusal or failure to
18 comply with such rules shall be deemed a separate offense.

19 2. The penalty provided in subsection 1 shall be recovered upon the
20 complaint of the commission in a civil action in any court of competent
21 jurisdiction.