

Senate

*Senate*

## COMMERCE AND LABOR COMMITTEE

May 9, 1975

The meeting was called to order in Room #213 on Friday, May 9, 1975, at 1:05 p.m., with Senator Gene Echols in the chair.

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

ABSENT: Senator Richard Blakemore

Senator Sheerin stated that he had the amendments to A.B. 615 and they concurred with the suggestions of Mr. Hoy.

S.B. 224: Amendments which are technical in nature have been made in the Assembly. It was decided to concur with those amendments.

A.B. 659: Makes various changes in small loan law.

Frank J. Fahrenkopf, Jr., testified concerning this bill. His written testimony is attached and will be labeled EXHIBIT A. Mr. Fahrenkopf answered questions from the committee.

Senator Monroe moved to do pass.  
 Senator Bryan seconded the motion.  
 The vote was unanimous with Senator Blakemore absent.

S.B. 508, 509, and 512:

Senator Bryan moved to indefinitely postpone all of the above bills.  
 Senator Foote seconded the motion.  
 The vote was unanimous with Senator Blakemore absent.

The record will reflect that this action was taken because the committee chairman indicated he had spoken to the real estate people who have indicated they can get along without these bills.

Over

S.B. 201: Senator Echols stated he was **secure the amendments and bring them** to the committee to study and action would be **taken at that time.**

A.B. 156: Senator Monroe moved to indefinitely postpone.  
Senator Foote seconded the motion.  
The vote was unanimous with Senator Blakemore absent.

A.B. 279: Senator Monroe moved to indefinitely postpone.  
Senator Raggio seconded the motion.  
The vote was unanimous with Senator Blakemore absent.

Senator Raggio cautioned Mr. McCracken, Director of Employment Security Division, that he should work very closely with Mr. Oliver of the Audit Division so that suspicions of this type would not arise again. All of the committee members concurred in this thinking.

A.B. 455: Senator Bryan moved to do pass.  
Senator Raggio seconded the motion.  
The vote was unanimous with Senator Blakemore absent.

A.B. 473: Senator Raggio said he felt that there was a great deal of misunderstanding about this bill. Discussion of the bill followed from the committee members.

Senator Foote made a motion to do pass.  
Senator Bryan seconded the motion.

Discussion of the motion brought out that the committee didn't actually feel ready to vote on the measure. Senator Foote withdrew her motion.

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Commerce and Labor Committee

Senator Sheerin asked Mr. McCracken was this piece of legislation did in relationship, if any, to the potential of the \$20 or \$15 per week limit. Mr. McCracken said that passage of this legislation will not preclude the fund from hitting 8.5 million dollars within the next 5 or 6 months. When the fund hits 8.5 million, Mr. McCracken is required by law to reduce all benefits to a maximum of \$20 per week, which 25,000 Nevadans are now drawing. Mr. McCracken said there is a bill on the Assembly side, A.B. 493, which has not been heard, that will alter this provision of the law. Mr. McCracken said until some legislation is passed, he is led to believe, those people holding A.B. 493, don't even want to consider it.

Senator Bryan said as he understood the bill, it does two things - it provides a funding mechanism that on a prospective basis will keep the fund solvent. Mr. McCracken said on a long term basis, that is correct. Secondly, the bill does increase penalty provisions in the willful misconduct area. Mr. McCracken said the bill requires a tighter attachment to the labor market. He said it was a long range provision that will allow them to get back to solvency over a period of time.

Senator Sheerin asked if they felt their hearing procedures were set up so a person could have a quick hearing and start drawing benefits under voluntary quit. Mr. McCracken said he would like Mr. Long to respond to that. Mr. Long said the answer is yes. Senator Bryan said they had heard informally that it takes two to three months for these people to have hearings. Senator Bryan said he would like to have some kind of assurance on the record that if A.B. 473 is passed the Department is going to do the very best, with the budget they have, to expedite that hearing. Mr. Long said they will do that and that they make that determination in a matter of days. Mr. Long said the director has no control over the referees. They answer to the Board of Review, which is appointed by the Governor. The referees are completely independent of the Department. The referees are regular state employees in the classified service and there are four of them - two in Las Vegas and two in Reno. They are very cooperative, but there is no direction or control.

Senator Bryan asked if it was feasible to build in some kind of time limit to which this hearing must be held. Mr. McCracken said they have that. The federal requirement is that they have 50 percent of these hearings within 30 days; 75 percent within 45 days; and 90 percent within 60 days. Mr. McCracken said they are meeting that time period in Nevada and in fact, are doing a little better.

Further discussion of the benefits ensued between Senator Echols and Mr. McCracken. Senator Raggio asked if there was any way to borrow money. Mr. McCracken said he could not borrow until they only have one month's supply of money left. Mr. McCracken said 8.5 million dollars is about a two month supply of money. He said he doubted they would ever go below 5 million. Further discussion followed. Mr. McCracken said he would supply the letter of intent.

over

S.B. 372: Senator Echols said there appeared to be a misunderstanding about the amendments. He said he had understood they were exempting businesses and putting a 25,000 ceiling. Further discussion followed about testimony that had been given to the committee.

A.B. 473: Further discussion of the bill followed. Senator Echols thought that A.B. 493 should be amended into A.B. 473. Senator Bryan felt that each bill should stand on its own merits.

Senator Foote moved to do pass A.B. 473.  
Senator Monroe seconded the motion.  
The vote was unanimous with all members present and voting.

A.B. 476: Senator Raggio moved do pass.  
Senator Monroe seconded the motion.  
The vote was unanimous with all members present and voting.

A.B. 477: Senator Monroe moved to do pass.  
Senator Blakemore seconded the motion.  
Senators Echols, Blakemore, Monroe, Foote and Sheerin voted aye. Senators Bryan and Raggio voted no. The motion carried.

A.B. 478: After a short discussion, Senator Sheerin moved do pass.  
Senator Monroe seconded the motion.  
The vote was unanimous with all members present and voting.

A.B. 615: Senator Sheerin said this was the situation where the real estate brokers want to straighten out their problems with being able to sell used mobile homes when they are attached to real estate. Senator Sheerin said the present bill doesn't get the job done because 482.426 is really the occasional sale situation. He said if you allow them to get involved in these sales and then apply 426, there is no sales tax being taken care of and the recording with the county accessor isn't being taken care of.

Commerce and Labor Committee

Senator Sheerin said he explained this to the real estate people and he<sup>915</sup> explained Mr. Hoy's suggestion to them. They agreed that Mr. Hoy's suggestion is basically the way to go. Mr. Hoy's suggestion takes out the requirement that the real estate broker has to have room for the mobile home at his place of business. What it means is that the real estate broker will have to go to Department of Motor Vehicles and obtain a dealer's license and be able to sell the used mobile home. He will be able to become a regular dealer and will obtain a report of sale. Senator Sheerin said that takes care of all the problems. He said that he had asked for the amendments to be prepared.

Senator Raggio wanted to know if this would take care of the person that wanted someone else to sell his mobile home. Senator Sheerin said that person would have to be a licensed mobile home dealer but would be exempt from the display requirements. They would still have to post the \$10,000 bond. Discussion followed.

Senator Bryan moved to process the amendment in the committee name and bring the amendment back to committee.

Senator Monroe seconded the motion.

The vote was Senators Echols, Raggio, Bryan, Sheerin, Monroe, and Foote aye. Senator Blakemore voted no. The motion carried.

A.B. 440: John Reiser, Nevada Industrial Commission, spoke briefly about the bill. See EXHIBIT D. After a brief discussion, the following action was taken.

Senator Bryan moved to do pass.

Senator Raggio seconded the motion.

The vote was unanimous with all members present and voting.

A.B. 50: Senator Raggio moved to indefinitely postpone.

Senator Monroe seconded the motion.

The vote was unanimous with all members present and voting.

A.B. 4: Senator Bryan moved do pass.

Senator Foote seconded the motion.

The vote was unanimous with all members present and voting.

There was a brief discussion of S.B. 514, which has already been passed and is now in the Assembly, between committee members and Mr. Reiser.

Assemblyman Getto was also present and discussed A.B. 265. He said he would get the amendments.

Senator Echols stated he would get the amendments for A.B. 656.

There being no further business, the meeting was adjourned at 4:20 p.m.

Respectfully submitted:

*Kristine Zohner*

Kristine Zohner, Committee Secretary

APPROVED BY:

*Gene Echols*

Senator Gene Echols, Committee Chairman

TESTIMONY OF FRANK J. FAHRENKOPF, JR., REGARDING AB 659

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## A. INTRODUCTION

At the end of 1973 (the most recent Nevada Department of Commerce Banking Division Report), there were 74 offices serving nine Nevada cities licensed and operating by authority of the Nevada Installment Loan and Finance Act. During 1973, these offices made more than 53,000 loans to the people of the State of Nevada. The licensed companies paid \$185,270.00 in Nevada taxes and license fees that year.

In any discussion of the Nevada Installment Loan and Finance Act, it is important to bear in mind the declaration of legislative intent relative thereto that is set forth in NRS 675.030, a copy of which I have appended to this presentation as Exhibit A. You will note from an examination of Exhibit A that the Nevada State Legislature found a number of specific conditions to exist which mandated the passage of the Installment Loan and Finance Act:

1. A widespread demand for loans repayable in installments, which loans may or may not be made on substantial security;
2. The danger for the unscrupulous to prey upon potential borrowers;
3. That the expenses of making and collecting installment loans are necessarily high in relation to the amounts lent;
4. That legitimate lenders are inadequately compensated under the general interest statute of the State when making such loans; and
5. That it is the purpose of the Act to provide for loans that are just and reasonable to the borrower and lender and which permit a fair return to those engaged in such business.

1 In line with the above comments as found by the 1959  
2 Nevada State Legislature, it is also important to identify the  
3 people who the consumer finance industry serves in this ~~957~~ State.  
4 As the population of our State has grown, and as inflation has  
5 taken its toll, the demand for money has increased substantially.  
6 Those people obtaining loans or attempting to obtain loans under  
7 the Act are generally people with marginal credit and limited  
8 collateral. These people are generally unable to qualify for  
9 bank or other loans and are, therefore, high risk prospects. Due  
10 to their usually urgent need for funds, they are particularly  
11 susceptible to high-raters and loan sharks who have been known to  
12 charge up to 50 percent interest per week and higher. The fore-  
13 going statements were confirmed in the report of the National  
14 Commission on Consumer Finance entitled "CONSUMER CREDIT IN THE  
15 UNITED STATES."

16 ". . . Borrowers at finance companies are  
17 likely to be in a higher risk category  
18 than borrowers at the other institutions  
19 and will pay a correspondingly higher rate  
20 for the credit service. . . . Finance  
21 companies can generally serve some borrowers  
22 who cannot be served under the rate ceilings  
23 governing other institutional sources of  
24 credit. Potential borrowers who cannot be  
25 served by finance companies, must either  
26 forego credit or seek a source which pro-  
27 vides credit at even higher prices - pawn  
28 shops and illegal lenders, for example."  
29 (Consumer Credit in the United States,  
30 page 128)

24 It is in light of the above consideration that finance  
25 companies throughout the United States have traditionally not  
26 been subject to state usury rates and have had their own special  
27 rate schedules.

29 . . .  
30 . . .

1 B. Rates

2 1. Need for Proposed Increase 918

3 An analysis of the consumer finance industry in the  
4 State of Nevada from the standpoint of rate structure, as compared  
5 to that of other states in the United States, clearly indicates  
6 that Nevada lags far behind. In the report "Consumer Credit in  
7 the United States," it was reported that the average price of  
8 small loan credit in the United States is 25.88 percent. An  
9 analysis in the 1973 report of the Nevada Banking Division  
10 indicates that the average price in the State of Nevada is 19.44  
11 percent; almost 6-1/2 percent less than the national average.

12 Another significant factor is that there has not  
13 been a rate increase under the Installment Loan and Finance Act  
14 since 1959. In 1959, when the present rates were established,  
15 the loan prime rate was 4.5 to 4.75 percent. As most of you are  
16 aware, the prime lending rate during 1974 rose to 12 percent but  
17 has subsequently dropped to somewhere in the neighborhood of  
18 8 or 9 percent. The point I am attempting to make is that when  
19 the present rate structure was set forth with the intent as  
20 indicated in NRS 675.030 to "permit a fair return to those engaged  
21 in such business," the prime rate was one-half of what it is  
22 today and almost one-third of what it was during 1974. In other  
23 words, there has not been an increase in rate in 16 years while  
24 it is clear the cost of money and operation to the finance com-  
25 panies has gone up substantially. In this regard, to indicate  
26 how the cost of doing business has risen, the reports of the  
27 Nevada Banking Division indicate that the average cost of handl-  
28 ing an account per month has risen from \$8.45 in 1968 to \$11.69  
29 in 1973. Exhibit B which I have appended to this presentation,  
30 is an analysis of the years 1970, 1971, 1972 and 1973 with regard



1 to an analysis of gross income less operating expenses which  
2 reflect a net income to the companies operating in Nevada under  
3 the Nevada Installment Loan and Finance Act. You will note from  
4 an examination of the Exhibit that the total net income has  
5 decreased from 1970 wherein net income averaged 1.31 percent of  
6 the total loans outstanding of \$31,567,915.00 to 1973 where the  
7 companies in question had a .31 percent loss against loans out-  
8 standing of \$52,652,692.00. You will also note from the chart  
9 that the licensed companies in Nevada also lost money in the  
10 year 1972. Preliminary figures compiled by the Commerce Depart-  
11 ment indicate that losses to the small loan industry in Nevada  
12 for calendar year 1974 will be somewhere between \$1,500,000 and  
13 \$2 million. In summary, the official reports of the Nevada  
14 State Division of Banking indicate that expenses for licensees  
15 operating under the Nevada Act have risen 64 percent from  
16 \$4,417,987.00 in 1968 to \$7,248,449.00 in 1973. Once again,  
17 preliminary figures that are available through the Commerce Depart-  
18 ment indicate that expenses for the calendar year 1974 have risen  
19 another million dollars over the 1973 figures or, in other words,  
20 in excess of \$8 million. During the same period, the U.S. Depart-  
21 ment of Labor reports that the Consumer Price Index has only risen  
22 33 percent from 104.2 in 1968 to 138.5 in 1973.

23 Another reason other than the higher cost of money  
24 to the finance companies that might explain the net income deficit  
25 in Nevada, relates to the number of bankruptcy cases filed in this  
26 State. Exhibit C appended hereto is an analysis of the bankruptcy  
27 actions commenced and terminated in the State of Nevada from 1968  
28 through 1974, and a comparison of the Nevada figures to the national  
29 average. Exhibit C clearly reveals that the number of bankruptcies  
30 in Nevada per 100,000 population is almost three times the national

1 average. The effect of the reduced net income on companies operat-  
2 ing in Nevada has been so disastrous over the last two years that  
3 over 10 offices have been forced to close; six in the Las Vegas <sup>320</sup>  
4 area and four in the Reno area. It is respectfully submitted that  
5 in view of the above indicated facts and figures and the realization  
6 that no increase in rates under the Nevada Installment Loan and  
7 Finance Act has been made in the last 16 years, the requested rate  
8 increase in AB 659 is justified.

9  
10 2. Analysis of Proposed Increase

11 On Exhibit D appended to this presentation is a  
12 chart comparing the rate presently in existence in the Nevada  
13 Installment Loan and Finance Act (NRS 675.290) as compared with  
14 the rates which would be in effect upon passage of AB 659. The  
15 chart reflects that the proposed rate increase affects only medium  
16 size and larger installment loans. On smaller loans, up to \$200.00,  
17 the proposed rates result in a reduction in cost. For an example,  
18 the monthly payment on a \$1,000.00 loan for a period of 12 months  
19 would be increased from \$93.83 a month to \$96.53 a month or in  
20 other words, an increase of \$2.70. A \$1,500.00 loan for 12 months  
21 would result in an increase from \$97.17 a month to \$100.98 a  
22 month, an increase of \$3.81. A loan of \$100.00 for 12 months would  
23 result in a reduction in the monthly payment from \$10.98 a month to  
24 \$10.04 a month. An important point to be brought out by examining  
25 Exhibit D is that if an individual has borrowed \$100.00 and would  
26 be charged an annual percentage rate of 36 percent, that borrower  
27 does not, in fact, pay \$36.00 for the loan. The actual cost of  
28 the loan to him is only \$20.48 because of the decreasing loan  
29 balance.

30 It is interesting to compare the existing rate

1 structure with that allowed under the Nevada Retail Installment  
2 Act (Chapter 97 of the Nevada Revised Statutes). Under that Act,  
3 retailers can charge on their revolving charge accounts up to  
4 1.8 percent per month interest which computes out to an APR of  
5 21.86 percent per annum. There is no loan ceiling for retailers,  
6 and they are, of course, unregulated lenders in the State of  
7 Nevada. Also by comparison, pawn brokers in the State of Nevada  
8 are allowed to charge and receive interest at the rate of 4 percent  
9 per month for money loaned for a total of 48 percent per annum  
10 (NRS 646.050).

11           There are presently 34 states in the United States that  
12 have a higher rate of interest charge under their installment  
13 loan and finance acts than the State of Nevada, and these states  
14 include all the states that surround Nevada in the Western United  
15 States, namely Arizona, California, Colorado, Idaho, Oregon, Utah,  
16 and Wyoming. The requested rates in AB 659 are identical to the  
17 rates of charge presently being made in Idaho, Utah, Wyoming,  
18 Colorado, and Kansas. In view of the above, it is respectfully  
19 submitted that the proposed rates are reasonable and should be  
20 approved.

21  
22           C.    Consumer Price Index

23           AB 659 also proposes to build into the Nevada Installment  
24 Loan and Finance Act a Consumer Price Index automatic increase.  
25 The application of the Consumer Price Index would be limited to  
26 the \$300.00 and \$1,000.00 loan amounts set forth in subsection 2  
27 of section 6 of AB 659 commencing on line 22 on page 2. The purpose  
28 of tying these amounts to the Consumer Price Index as has been done  
29 in Idaho, Utah, Colorado, Wyoming and other states, is to allow  
30 for economic factors in the industry without having to come back

1 to the Legislature each two years, requesting rate increases or  
2 modifications. 922

3           In conclusion, it is respectfully submitted that AB 659  
4 is a reasonable and fair bill, and is in the best interest of the  
5 Nevada consumer, and should be given favorable consideration by  
6 this Committee.

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SA. D. SANFORD, FAHRENKOFF DUSEL  
ATTORNEYS AT LAW  
43 NORTH SIERRA STREET  
RENO, NEVADA 89504

675.030 Declaration of legislative intent. The legislature finds as facts and determines that:

1. There exists in this state a widespread demand for loans repayable in installments, which loans may or may not be made on substantial security. This demand has been steadily increased by many social and economic factors. The scope and intensity of this demand permits the unscrupulous to prey upon such potential borrowers.

2. The expenses of making and collecting installment loans are necessarily high in relation to the amounts lent and legitimate lenders are therefor inadequately compensated under the general interest statutes of this state when making such loans.

3. The need of legislation is especially apparent in the area of loans of \$10,000 or less.

4. It is the purpose of this chapter to bring under public supervision those engaged in the business of making loans of \$10,000 or less; to attract adequate commercial capital to the business, so that the demand for such loans may be satisfied; to establish a system of regulation for the purpose of insuring that charges for such loans be established which are fair, just and reasonable to the borrower and lender and which permit a fair return to those engaged in such business; and that there will be established in this state an adequate, efficient and competitive installment loan and finance service.

EXHIBIT A

ANALYSIS OF INCOME AND EXPENSES

of

NEVADA'S CONSUMER FINANCE INDUSTRY

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
LOANS OUTSTANDING:	\$31,567,915	\$37,814,962	\$44,659,477	\$52,652,692
TOTAL GROSS INCOME AS A PERCENTAGE OF LOANS OUTSTANDING:	23.03%	22.48%	20.40%	19.81%
TOTAL OPERATING AND INTEREST EXPENSE:	21.72	15.81	20.46	20.12
NET INCOME:	1.31	.67	(.06)	(.31)

BANKRUPTCY CASES COMMENCED AND TERMINATED<sup>(1)</sup>NEVADA

	<u>Pending</u>	<u>Commenced</u>	<u>Terminated</u>	<u>Pending</u>	<u>Number per 100,00 Population Nevada (2)</u>	<u>Number per 100,000 Population U. S. (2)</u>
1968	1106	1305	1292	1119	N/A	N/A
1969	1119	1344	1300	1163	282	85
1970	1163	1264	1263	1164	260	88
1971	1164	1448	1242	1370	272	89
1972	1370	1341	1410	1301	241	80
1973	1301	1183	1227	1257	198	74
1974	1257	1384	1500	1141	244	81

(Exhibit C)

(1) Tables of Bankruptcy Statistics - Administrative Offices  
of the United States Courts - Washington, D. C.

(2) National Consumer Finance Association -  
Division of Research Services - Washington, D. C.

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NEVADA YIELDS

Amount Financed	12 Months		36 Months		60 Months	
	Present	Proposed	Present	Proposed	Present	Proposed
\$ 100	36.72	36.00				
200	36.72	36.00				
300	33.40	36.00				
500	28.70	33.00				
1,000	22.50	28.00	22.20	27.50		
2,000	18.50	23.10	18.40	22.70		
3,000	17.70	20.80	17.70	20.40		
4,000			17.70	19.20	17.30	18.90
5,000			17.70	18.40	17.40	18.20
7,500			17.70	18.00	17.50	18.00
10,000			17.70	18.00	17.60	18.00

(Exhibit D)



EMPLOYMENT SECURITY DEPARTMENT



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May 9, 1975

Reply to 500 East Third Street  
Carson City  
Nevada 89701

Mr. Gene V. Echols, Chairman  
Committee on Commerce and Labor  
Nevada State Senate  
Carson City, Nevada 89701

Dear Mr. Echols:

Assembly Bill 493 now in the Assembly Committee on Commerce would delete NRS 612.370. This section of Nevada law would require the Employment Security Department to reduce the maximum weekly benefit amount payable to unemployment insurance claimants to not more than \$20 per week when Nevada's unemployment insurance trust fund is reduced to not more than \$8½ million. This fund level is expected to be reached in the July-September quarter of this year. This same section of the law mandates a further decrease to \$15 in the maximum weekly benefit amount when the fund level is reduced to \$3½ million.

NRS 612.370 is a redundant, archaic carry-over from the original model law, this part of which was originally adopted by all states in the 1930's. At that time there was no alternative source for funds from which to pay unemployment insurance benefits. In the 1950's the national government established a federal loan fund, and since that time all the other states have abolished provisions such as those in NRS 612.370. There is no good reason why this was not done in Nevada many years ago. I can only presume that no one foresaw that the fund level in this state would ever fall so low as to activate this provision.

Nevada is currently paying unemployment benefits under seven different programs. One of these is wholly funded from state monies. A second is 50 percent funded from state monies. The other five are wholly funded by the federal government. NRS 612.370, if invoked, would affect the benefit amounts paid under all of these programs in the same way, i.e., no weekly benefit amount could exceed \$20. At the current rate of pay out, this would directly affect 25,000 individual claimants. It would reduce the total amount of benefits by approximately \$4 million per month. These are "high velocity" dollars which turn over and over rapidly in Nevada's economy among shopkeepers, landlords and the total business community, large and small.

Ex. B

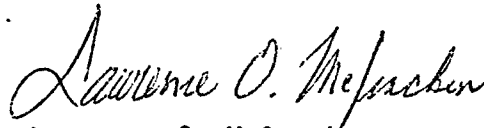
Mr. Gene V. Echols  
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Another result of the application of NRS 612.370 would be to reduce the amount of federal money coming into Nevada to pay unemployment benefits by more than \$400,000 per week. A final important consideration in assessing the total unacceptability of NRS 612.370 would be the chaos, confusion and, I dare say, violence that would result from any move forced upon staff in this department to face the public across a claims counter and tell them that their weekly benefit checks were being reduced in such drastic fashion.

In summary, I don't believe that this session of the State Legislature has addressed a more urgent necessity than the deletion of NRS 612.370 as proposed in AB 493.

Sincerely,

  
Lawrence O. McCracken  
Executive Director

bam

EMPLOYMENT SECURITY DEPARTMENT



May 9, 1975

Reply to 500 East Third Street  
Carson City  
Nevada 89701

The Honorable Gene V. Echols, Chairman  
Committee on Commerce and Labor  
Nevada State Senate  
Nevada State Legislative Building  
Carson City, Nevada 89701

Dear Senator Echols:

The following considerations favor a flexible tax base:

1. A flexible tax base tends to allow a greater degree of experience rating because it eliminates uncertainty regarding future tax bases. It allows the Employment Security Council to be more prudent in setting the tax rate (that is, the lower the average tax rate, the larger the number of employers enjoying experience rating).
2. A flexible tax base will not generate an excessive Trust Fund balance because tax rates are subject to annual review and adjustment by the Employment Security Council and the Executive Director.
3. The idea of a flexible tax base is not a radical concept. It is currently being advocated at the national level and is either in effect or under consideration at levels varying between 70% and 100% in nearly all western states.
4. Failure to adopt the flexible tax base will seriously distort the balance in Assembly Bill 473 between labor and management.

Sincerely,

A handwritten signature in cursive script that reads "Lawrence O. McCracken".

Lawrence O. McCracken  
Executive Director

Synopsis AB 440

930

1. Permits sole proprietors to elect coverage under NRS 616 and 617.
2. Extends compulsory coverage to employers with one employee.

Sole Proprietor

AB 440 establishes controls over the coverage of sole proprietors as recommended by the Labor-Management Advisory Board to protect the integrity of the State Insurance Fund.

Control 1. 6 months residency in Nevada limits the coverage to Nevada employers. Out of state claims are extremely difficult to control.

Control 2. Physical examination - To insure that high risk cases pay premium commensurate with the risk they present - a basic insurance principle.

Control 3. \$300 deemed wage - The coverage is to be self supporting. Rates would be prohibitive if the wage were deemed at a higher level. The sole owner will receive full medical coverage and compensation based on a \$300 per month wage.

If experience over the first two years is favorable, the wage limitation might be relaxed at the next session.

Compulsory Coverage of Single Employee

The single employee has as great a need and right for workmen's compensation coverage as the employee of a giant corporation.

Ex. D

1 of 4

PROPOSED AMENDMENT TO  
A.B. 656

PAGE 2 SECTION 1 SUBSECTION 1

LINE 7 TO READ  
FOR WORK DONE AND MATERIAL  
FURNISHED, OR UNLESS THE  
CONSTRUCTION LENDER CERTIFIES  
THAT THERE ARE ADEQUATE FUNDS  
REMAINING IN THE CONSTRUCTION  
LOAN ACCOUNT TO COMPLETE  
THE BUILDING OR FACILITY AND  
TO PAY ALL KNOWN SUPPLIERS  
AND CONTRACTORS.

DELETE SECTION 2.

DELETE SECTION 3.

PAGE 2 SECTION 4 LINE 29

RENUMBER SECTION 2.

-EX. E-

PAGE 2 SECTION 5 LINE 31

RENUMBER SECTION 3.

PAGE 2 LINE 37 CHANGE TO  
READ.

THROUGH HIS OWN ACT OR  
NEGLECT, EXCLUDING ACTS OF GOD  
FLOODS FIRES OR STRIKES,  
CAUSES THE WORK TO BE  
STOPPED FOR A PERIOD.

LINE 38 CHANGE TO READ  
OF 5 WORKING DAYS OR MORE,  
THAN. THE CONTRACTOR MAY,  
AFTER 5 WORKING DAYS' WRITTEN  
NOTICE.

LINE 47 CHANGE TO READ:  
IF THE OWNER OR CONTRACTOR  
THROUGH HIS OR THEIR OWN  
ACTS OR NEGLECT, EXCLUDING ACTS  
OF GOD FLOODS FIRES OR STRIKES  
CAUSES

PAGE 3 LINE 1 CHANGE  
TO READ

THE WORK TO BE STOPPED  
FOR A PERIOD OF 5 WORKING  
DAYS OR MORE, THAN THE

LINE 2 CHANGE TO READ

CONTRACTOR MAY, AFTER 5 WORKING  
DAYS' WRITTEN NOTICE TO THE  
OWNER AND THE CONTRACTOR

SECTION B CHANGE TO  
SECTION 4

PAGE 3 LINE 5 CHANGE TO READ

WHENEVER AN OWNER, EXCEPT A  
GOVERNMENTAL BODY, AS A  
CONDITION OR ENTERING INTO A

LINE 8 CHANGE TO READ.

PROTECTION OF THE OWNER,  
THAN THE OWNER, EXCEPT A  
GOVERNMENTAL BODY, MUST  
PURNISH A PAYMENT BOND.

SECTION 7 CHANGE TO SECTION 5  
SECTION 8 CHANGE TO SECTION 6  
LINE 21 CHANGE TO READ,

624,3018, INCLUSIVE AND  
SECTION 4 OF THIS ACT, WHICH  
CONSTITUTE CAUSE FOR.

LINE 38 CHANGE TO READ

AND SECTION 4 OF THIS ACT.

(30)



(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 659

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 ASSEMBLY BILL NO. 659—ASSEMBLYMEN BARENGO,  
 BREMNER AND WITTENBERG

APRIL 16, 1975

Referred to Committee on Commerce

SUMMARY—Makes various changes in small loan law.  
 Fiscal Note: No. (BDR 56-1740)

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

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AN ACT relating to small loans; providing for consumer price index adjustments; changing the authorized charges for loans; 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 675 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. *As used in sections 2 to 5, inclusive, of this act, unless the*  
 4 *context otherwise requires:*
- 5 1. *"Index" means the Consumer Price Index for Urban Wage Earners*  
 6 *and Clerical Workers: U.S. City Average, All Items, 1974 = 100, com-*  
 7 *puted by the Bureau of Labor Statistics of the United States Department of*  
 8 *Labor.*
- 9 2. *"Reference base index" means the index for December 1974.*
- 10 SEC. 3. 1. *On or before April 30 of each year in which the desig-*  
 11 *nated dollar amounts are to change, the superintendent shall by order*  
 12 *establish any changes in the designated dollar amounts.*
- 13 2. *The superintendent shall notify every licensee of changes in the*  
 14 *index required by subsection 2 of section 4 of this act. The order shall*  
 15 *include the numerical equivalent of the reference base index under a*  
 16 *revised reference base index and the designation or title of any index*  
 17 *superseding the index.*
- 18 SEC. 4. 1. *The designated dollar amounts shall change on July 1 of*  
 19 *each even-numbered year if the percentage of change, calculated to the*  
 20 *nearest whole percentage point, between the index at the end of the pre-*  
 21 *ceding year and the reference base index is 10 percent or more, except,*  
 22 *that:*

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 508

ASSEMBLY BILL NO. 508—COMMITTEE ON ELECTIONS

APRIL 1, 1975

Referred to Committee on Elections

SUMMARY—Makes various changes in state election laws. Fiscal Note: No. (BDR 24-1424)



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

AN ACT relating to elections; defining terms; requiring the secretary of state to provide copies of any attorney general opinions or any state or federal decisions which affect election laws to county clerks or voter registrars; establishing the principal factor to be considered by an election board when making a determination of whether a ballot cast should be rejected; requiring a candidate who demands a recount to pay the estimated costs of such recount in advance; clarifying the procedures to be followed when conducting a recount; 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 293 of NRS is hereby amended by adding
- 2 thereto the provisions set forth as sections 2 to 7, inclusive, of this act.
- 3 SEC. 2. *“Abstract of votes” means a compilation of votes cast for a*
- 4 *particular candidate by office and precinct.*
- 5 SEC. 3. *“Canvass” means a review of the election results by the board*
- 6 *of county commissioners or justices of the supreme court, by which any*
- 7 *errors within the election results are officially noted and the official elec-*
- 8 *tion results are declared.*
- 9 SEC. 4. *“Certificate of election” means a certificate prepared by the*
- 10 *county clerk or governor, as the case may be, for the person having the*
- 11 *highest number of votes for any district, county, township, state or state-*
- 12 *wide office as official recognition of such person’s election to office.*
- 13 SEC. 5. *“Contest” means an adversary proceeding between a candi-*
- 14 *date for a public office who has received the greatest number of votes and*
- 15 *any other candidate for that office or, in certain cases, any registered*
- 16 *voter of the appropriate political subdivision, for the purpose of determin-*
- 17 *ing the validity of an election.*
- 18 SEC. 6. *“Punchcard ballot” means a card-type ballot designed for*
- 19 *use in election systems in which each ballot is counted by an electronic*
- 20 *computer or tabulator.*

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 509

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ASSEMBLY BILL NO. 509—COMMITTEE ON ELECTIONS

APRIL 1, 1975

Referred to Committee on Government Affairs

SUMMARY—Revises Local Government Purchasing Act; repeals law relating to qualifications, preferences for certain bidders. Fiscal Note: No. (BDR 27-1423)



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

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AN ACT relating to public purchasing; revising and reenacting the local government purchasing act; providing penalties; and providing other matters properly relating thereto.

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

- 1 SECTION 1. Chapter 332 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 27, inclusive, of this act.  
3 SEC. 2. *This chapter may be cited as the Local Government Purchas-*  
4 *ing Act.*  
5 SEC. 3. *For the purpose of this chapter "local government" means:*  
6 1. *Every political subdivision or other entity which has the right to*  
7 *levy or receive moneys from ad valorem taxes or other taxes or from*  
8 *any mandatory assessments, including counties, cities, towns, school dis-*  
9 *tricts and other districts organized pursuant to chapters 244, 309, 318,*  
10 *379, 450, 473, 474, 539, 540, 541, 542, 543 and 555 of NRS.*  
11 2. *The Las Vegas Valley Water District created pursuant to the pro-*  
12 *visions of chapter 167, Statutes of Nevada 1947, as amended.*  
13 3. *County fair and recreation boards and convention authorities cre-*  
14 *ated pursuant to the provisions of NRS 244.640 to 244.78016, inclusive.*  
15 4. *District boards of health created pursuant to the provisions of*  
16 *NRS 439.370 to 439.410, inclusive.*  
17 SEC. 4. *As used in this chapter, unless the context otherwise requires:*  
18 1. *"Authorized representative" means the individual responsible for*  
19 *the proper administration of all purchases and contracts, or either of them,*  
20 *under this chapter.*  
21 2. *"Chief administrative officer" means the person directly respon-*  
22 *sible to the governing body for the administration of that particular entity.*

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 512

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ASSEMBLY BILL NO. 512—ASSEMBLYMAN VERGIELS  
(by request)

APRIL 1, 1975

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Referred to Committee on Judiciary

SUMMARY—Restricts range of penalty for killing, maiming or disfiguring any animal belonging to another. Fiscal Note: No. (BDR 16-1490)



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

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AN ACT relating to malicious mischief; changing the penalty that may be imposed on a person convicted of willfully and maliciously killing, maiming or disfiguring any animal belonging to another.

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

- 1 SECTION 1. NRS 206.150 is hereby amended to read as follows:  
 2 206.150 [Every person who shall willfully and maliciously kill,  
 3 maim or disfigure] *Any person who willfully and maliciously kills, maims*  
 4 *or disfigures* any animal belonging to another, or [expose] *exposes* any  
 5 poison or noxious substance with intent that it should be taken by such  
 6 animal, shall be guilty of a public offense proportionate to the value of  
 7 [the] *any* loss resulting therefrom but in no event less than a [gross]  
 8 misdemeanor. *Any such public offense shall at least be punished by a fine*  
 9 *of \$100.*

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 156

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ASSEMBLY BILL NO. 156—COMMITTEE ON COMMERCE

JANUARY 30, 1975

Referred to Committee on Commerce

SUMMARY—Requires refund of buyer's deposit in certain cases.  
Fiscal Note: No. (BDR 52-232)

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

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AN ACT relating to trade regulations and practices; requiring the refunding of the buyer's deposit in certain cases; 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 598 of NRS is hereby amended by adding  
2 thereto a new section which shall read as follows:

3 1. *As used in this section:*

4 (a) "Consumer goods" means goods used or bought for use primarily  
5 for personal, family or household purposes.

6 (b) "Deposit" means money or any other thing of value used as a  
7 downpayment, partial payment, earnest money or security.

8 (c) "Retail installment contract" has the meaning ascribed to it in NRS  
9 97.105.

10 2. Except as provided in subsection 3, in all consumer goods transac-  
11 tions where a buyer makes a deposit prior to the performance of a retail  
12 installment contract, the seller shall return the deposit if the retail install-  
13 ment contract is not performed.

14 3. If the seller specially orders consumer goods, the seller may retain  
15 that portion of the deposit made prior to the performance of the retail  
16 installment contract which compensates the seller for any loss sustained  
17 in selling the specially ordered goods, if:

18 (a) The seller has not breached any of the provisions of the contract;  
19 and

20 (b) The contract is not performed.

21 4. Any deposit made by a buyer shall be refunded if the performance  
22 of a contract for the purchase of consumer goods is contingent upon the  
23 buyer's obtaining:

24 (a) Credit;

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 279

ASSEMBLY BILL NO. 279—ASSEMBLYMEN  
ROBINSON AND BANNER

FEBRUARY 14, 1975

Referred to Committee on Commerce

SUMMARY—Provides certain controls over employment security fund and transfers revenue source to unemployment compensation fund. Fiscal Note: No. (BDR 53-891)



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

AN ACT relating to the employment security fund; providing certain controls over such fund; providing that moneys in such fund shall be commingled with other moneys in the state general fund, but that such fund shall receive an allocation of interest earned by the general fund; 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 612.615 is hereby amended to read as follows:
- 2 612.615 1. There is hereby created in the state treasury a special
- 3 revenue fund to be known as the employment security fund.
- 4 2. All interest and forfeits collected under NRS 612.620 to 612.675,
- 5 inclusive, and 612.740 shall be paid into this fund.
- 6 3. [All moneys which are deposited or paid into this fund are hereby
- 7 appropriated and made available to the executive director. Such moneys
- 8 shall not be expended or made available for expenditure in any manner
- 9 which would permit their substitution for, or a corresponding reduction
- 10 in, federal funds which would, in the absence of such moneys, be avail-
- 11 able to finance expenditures for the administration of the employment
- 12 security laws of the State of Nevada.
- 13 4.] Nothing in this section shall prevent such moneys from being used
- 14 as a revolving fund to cover expenditures, necessary and proper under
- 15 the law, for which federal funds have been duly requested but not yet
- 16 received, subject to the repayment to the fund of such expenditures when
- 17 received.
- 18 [5.] 4. The moneys in this fund shall be used [by the executive
- 19 director] for the payment of *special or emergency* costs of administration
- 20 which are found not to [have been] *be* properly and validly chargeable

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 455

ASSEMBLY BILL NO. 455—ASSEMBLYMAN ROBINSON

MARCH 21, 1975

Referred to Committee on Commerce

SUMMARY—Revises law governing private employment agencies.  
Fiscal Note: No. (BDR 53-1020)EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is  
material to be omitted.

AN ACT revising the laws governing private employment agencies; providing qualifications for license; expanding conditions of bond required; regulating fees; prohibiting certain acts; specifying powers of the labor commissioner; providing penalties; and providing other matters properly relating thereto.

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

- 1 SECTION 1. Chapter 611 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 7, inclusive, of this act.
- 3 SEC. 2. *The labor commissioner shall administer the provisions of*  
4 *NRS 611.020 to 611.320, inclusive, and sections 2 to 7, inclusive, of*  
5 *this act and may adopt reasonable regulations to carry out the purposes*  
6 *of these sections.*
- 7 SEC. 3. 1. *The labor commissioner may issue a license to an appli-*  
8 *cant for the conduct of an employment agency:*
- 9 (a) *After making an investigation of the applicant and finding that he*  
10 *is of good moral character and has not been convicted of a felony or any*  
11 *offense involving moral turpitude;*
- 12 (b) *After making an investigation of the premises where the proposed*  
13 *employment agency will be conducted and finding that the premises are*  
14 *suitable for the purpose;*
- 15 (c) *Upon determining that the applicant is a resident of this state; and*  
16 (d) *Upon the applicant's payment of the licensing fee prescribed in NRS*  
17 *611.060.*
- 18 2. *The labor commissioner shall complete his investigation of the*  
19 *applicant within 60 days after such applicant has submitted his appli-*  
20 *cation.*
- 21 3. *A license to conduct an employment agency is valid only as to the*  
22 *person and place named in the license and is effective from the date speci-*  
23 *fied therein to and including the next following December 31, unless*  
24 *sooner suspended or revoked.*

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 473

ASSEMBLY BILL NO. 473—COMMITTEE ON COMMERCE

MARCH 25, 1975

Referred to Committee on Commerce

SUMMARY—Provides comprehensive changes in Unemployment Compensation Law. Fiscal Note: No. (BDR 53-877)

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

AN ACT relating to the Unemployment Compensation Law; providing for changes based on recommendations made by the employment security council; repealing NRS 612.370, relating to protection of the unemployment compensation fund and reduction of benefit amounts; providing penalties; and providing other matters properly relating thereto.

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

- 1 SECTION 1. NRS 612.375 is hereby amended to read as follows:  
 2 612.375 An unemployed individual is eligible to receive benefits with  
 3 respect to any week only if the executive director finds that:  
 4 1. He has registered for work at, and thereafter has continued to  
 5 report at, an office of the employment security department in such man-  
 6 ner as the executive director may prescribe, except that the executive  
 7 director may by regulation waive or alter either or both of the require-  
 8 ments of this subsection as to individuals attached to regular jobs and  
 9 as to such other types of cases or situations with respect to which he  
 10 finds that compliance with such requirements would be oppressive or  
 11 inconsistent with the purposes of this chapter.  
 12 2. He has made a claim for benefits in accordance with the provi-  
 13 sions of NRS 612.450 and 612.455.  
 14 3. He is able to work, and is available for work; but no claimant  
 15 shall be considered ineligible with respect to any week of unemployment  
 16 for failure to comply with the provisions of this subsection if such failure  
 17 is due to an illness or disability which occurs during an uninterrupted  
 18 period of unemployment with respect to which benefits are claimed and  
 19 no work has been offered the claimant which would have been suitable  
 20 prior to the beginning of such illness and disability. No otherwise eligible  
 21 individual shall be denied benefits for any week in which he is engaged  
 22 in training approved by the executive director by reason of any provi-  
 23 sions of this chapter relating to availability for work or failure to apply  
 24 for, or a refusal to accept, suitable work.



## A. B. 476

## ASSEMBLY BILL NO. 476—COMMITTEE ON COMMERCE

MARCH 25, 1975

Referred to Committee on Commerce

SUMMARY—Authorizes employment security department to participate in the Comprehensive Employment and Training Act of 1973. Fiscal Note: No. (BDR 53-1456)

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

AN ACT relating to the Unemployment Compensation Law; authorizing the employment security department to participate in the Comprehensive Employment and Training Act of 1973.

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

- 1 SECTION 1. Chapter 612 of NRS is hereby amended by adding  
2 thereto a new section which shall read as follows:  
3 *In order to continue to participate in programs under the Comprehen-*  
4 *sive Employment and Training Act of 1973 (P.L. 93-203, 87 Stat. 839),*  
5 *the employment security department is authorized:*  
6 1. *To administer training programs and to pay training allowances as*  
7 *provided by the Comprehensive Employment and Training Act of 1973;*  
8 2. *To execute on behalf of this state agreements or contracts with the*  
9 *appropriate federal agencies, other prime sponsors and subcontractors, as*  
10 *described in the Act, containing such provisions as may be necessary or*  
11 *desirable to enable this state to participate in such programs;*  
12 3. *To expend all funds made available for the purpose of such pro-*  
13 *grams by this state or local subdivisions or by the Federal Government;*  
14 4. *To supervise the expenditure of such funds and the conduct of such*  
15 *programs by other public and private agencies in this state, and to make*  
16 *reports and certifications as are called for; and*  
17 5. *Otherwise to cooperate with the Federal Government, its depart-*  
18 *ments and agencies and other prime sponsors in the administration of such*  
19 *programs.*

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 477

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ASSEMBLY BILL NO. 477—COMMITTEE ON COMMERCE

MARCH 25, 1975

Referred to Committee on Commerce

SUMMARY—Temporarily relaxes standards for determining extended benefits under Unemployment Compensation Law. Fiscal Note: No. (BDR 53-1453)

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

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AN ACT relating to the Unemployment Compensation Law; relaxing the standards for determining extended benefits for prescribed period.

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

- 1 SECTION 1. NRS 612.377 is hereby amended to read as follows:  
2 612.377 As used in NRS 612.377 to 612.3786, inclusive, unless the  
3 context clearly requires otherwise:  
4 1. "Extended benefit period" means a period which:  
5 (a) Begins with the third week after whichever of the following weeks  
6 occurs first:  
7 (1) A week for which there is a national "on" indicator; or  
8 (2) A week for which there is a Nevada "on" indicator; and  
9 (b) Ends with either of the following weeks, whichever occurs later:  
10 (1) The third week after the first week for which there is both a  
11 national "off" indicator and a Nevada "off" indicator; or  
12 (2) The 13th consecutive week of such period,  
13 provided no extended benefit period may begin by reason of a Nevada  
14 "on" indicator before the 14th week following the end of a prior extended  
15 benefit period which was in effect with respect to Nevada; and provided,  
16 further, that no extended benefit period may become effective in Nevada  
17 prior to the 61st day following the date of enactment of the Federal-State  
18 Extended Unemployment Compensation Act of 1970 and that, within  
19 the period beginning on such 61st day and ending on December 31,  
20 1971, an extended benefit period may become effective and be terminated  
21 in Nevada solely by reason of a Nevada "on" and a Nevada "off" indi-  
22 cator, respectively.  
23 2. There is a "national 'on' indicator" for a week if the Secretary of  
24 Labor determines that for each of the three most recent completed calen-  
25 dar months ending before such week, the rate of insured unemployment  
26 (seasonally adjusted) for all states equaled or exceeded [4.5 percent.] :

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 478

ASSEMBLY BILL NO. 478—COMMITTEE ON COMMERCE

MARCH 25, 1975

Referred to Committee on Commerce

SUMMARY—Expedites unemployment compensation board's review procedure and increases board members' salary. Fiscal Note: Yes. (BDR 53-1458)



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

AN ACT relating to the Unemployment Compensation Law; allowing the board of review to decline review of certain cases; permitting the board of review to destroy certain records; 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 612.500 is hereby amended to read as follows:
- 2 612.500 1. A reasonable opportunity for a fair hearing on appeals
- 3 shall be promptly afforded all parties.
- 4 2. An appeal tribunal shall inquire into and develop all facts bearing
- 5 on the issues and shall receive and consider evidence without regard to
- 6 statutory and common law rules. In addition to the issues raised by the
- 7 appealed determination, the tribunal may consider all issues affecting the
- 8 claimant's rights to benefits from the beginning of the period covered by
- 9 the determination to the date of the hearing.
- 10 3. The appeal tribunal shall include in the record and consider as
- 11 evidence all records of the executive director that are material to the
- 12 issues.
- 13 4. The board of review shall adopt regulations governing the manner
- 14 of filing appeals and the conduct of hearings and appeals consistent with
- 15 the provisions of this chapter.
- 16 5. A record of all testimony and proceedings on appeal shall be kept
- 17 [of all testimony and proceedings in an appeal,] for 6 months from the
- 18 date on which a decision of an appeal tribunal is mailed but testimony
- 19 need not be transcribed unless further review is initiated. If further
- 20 review is not initiated within such period, the record may be destroyed.
- 21 6. Witnesses subpoenaed shall be allowed fees in the amounts speci-
- 22 fied in NRS 50.225 and 50.235, and the fees of witnesses so subpoenaed
- 23 shall be deemed part of the expense of administering this chapter.

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 440

ASSEMBLY BILL NO. 440—COMMITTEE ON LABOR  
AND MANAGEMENT

MARCH 19, 1975

Referred to Committee on Labor and Management

SUMMARY—Permits sole proprietors to elect coverage under Nevada Industrial Insurance Act and Nevada Occupational Diseases Act and extends compulsory coverage under such acts to employers with only one employee. Fiscal Note: No. (BDR 53-1016)

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

AN ACT relating to workmen's compensation; permitting sole proprietors to elect workmen's compensation coverage; extending compulsory industrial insurance and occupational disease coverage to employers with one employee; eliminating certain occupational exemptions for industrial insurance and occupational disease coverage; 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 and 3 of this act.
- 3 SEC. 2. "*Sole proprietor*" means a self-employed owner of an unin-  
4 corporated business who has been domiciled in the State of Nevada for  
5 at least 6 months immediately prior to filing for coverage and includes  
6 working partners and members of working associations. Coverage remains  
7 in effect only if the sole proprietor remains a domiciliary of Nevada.
- 8 SEC. 3. 1. A sole proprietor may elect to be included within the  
9 terms, conditions and provisions of this chapter for the purpose of per-  
10 sonally securing compensation equivalent to that to which an employee  
11 is entitled for any accidental injury sustained by the sole proprietor which  
12 arises out of and in the course of his self-employment by filing a written  
13 notice of election with the commission.
- 14 2. A sole proprietor who elects to accept the terms, conditions and  
15 provisions of this chapter shall submit to a physical examination prior  
16 to the commencement of coverage and on a yearly basis thereafter. The  
17 commission shall prescribe the scope of the examination and shall con-  
18 sider it for rating purposes. The cost of the physical examination shall be  
19 paid by the sole proprietor.
- 20 3. A sole proprietor who elects to submit to the provisions of this

**A. B. 50**

ASSEMBLY BILL NO. 50—ASSEMBLYMEN JEFFREY, BANNER, POLISH, DEMERS, CRADDOCK, MANN, SENA, MOODY, HARMON, SCHOFIELD, FORD, HEANEY, LOWMAN, VERGIELS, YOUNG, DINI, PRICE, MURPHY, MAY, ROBINSON, BENKOVICH, COULTER, CHRISTENSEN, ASHWORTH, WITTENBERG, GLOVER, MELLO, HOWARD, BENNETT, WEISE, HAYES, HICKEY AND BREMNER

JANUARY 27, 1975

Referred to Committee on Labor and Management

SUMMARY—Permits sole proprietor or partner to elect workmen's compensation coverage. Fiscal Note: Yes. (BDR 53-485)

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

AN ACT relating to workmen's compensation; permitting a sole proprietor or partner 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 written notice upon the commission naming the persons to be*  
11 *covered and no person may be deemed an employee within this chapter*  
12 *until such notice is given.*  
13 3. *An employer who has filed notice of election pursuant to sub-*  
14 *section 2 is subject to the provisions of this chapter until he files written*  
15 *notice that he withdraws his election.*  
16 4. *The premium rate shall be based upon a presumed wage to be*  
17 *established by the commission.*

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 4

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ASSEMBLY BILL NO. 4—ASSEMBLYMAN BANNER

JANUARY 21, 1975

Referred to Committee on Labor and Management

SUMMARY—Enlarges right of employees to be treated by physician of choice under Nevada Industrial Insurance Act. Fiscal Note: No. (BDR 53-443)

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

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AN ACT relating to industrial insurance; enlarging the right of employees to be treated by a physician of their choice; 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 616.415 is hereby amended to read as follows:  
2 616.415 1. Every employer operating under this chapter, alone or  
3 together with other employers, may make arrangements for the purpose  
4 of providing accident benefits as defined in this chapter for injured  
5 employees.  
6 2. Employers electing to make such arrangements for providing acci-  
7 dent benefits shall notify the commission of such election and render a  
8 detailed statement of the arrangements made, which arrangements shall  
9 not become effective until approved by the commission.  
10 3. Every employer who maintains a hospital of any kind for his  
11 employees, or who contracts with a physician for the hospital care of  
12 injured employees, shall, on or before January 30 of each year, make  
13 a written report to the commission for the preceding year, which report  
14 shall contain a statement showing:  
15 (a) Total amount of hospital fees collected, showing separately the  
16 amount contributed by the employees and the amount contributed by the  
17 employers; and  
18 (b) An itemized account of the expenditures, investments or other dis-  
19 position of such fees; and  
20 (c) What balance, if any, remains.  
21 Such reports shall be verified by the employer, if an individual; by a  
22 member, if a partnership; by the secretary, president, general manager or  
23 other executive officer, if a corporation; by the physician, if contracted to  
24 a physician.