

MINUTES

JUDICIARY COMMITTEE

February 18, 1977

9:00 a.m.

Members Present: Chairman Barengo  
Vice Chairman Hayes  
Mr. Price  
Mrs. Wagner  
Mr. Sena  
Mr. Ross  
Mr. Polish  
Mr. Banner

Members Absent: Mr. Coulter

Chairman Barengo brought this meeting to order at 9:00 a.m.

Assembly Bill 206:

Frank Daykin, Legislative Counsel, advised the committee that this abolishes an obsolete reference to the State Bond Trust Fund. He stated that in 1975 that fund was abolished and the money paid into the general fund and numerous references to official bonds amended out of the statutes. This one was missed.

Assembly Bill 212:

Frank Daykin, Legislative Counsel, advised the committee that they had an inconsistent reference to the maximum amount that a Board of County Commissioners could expand without issuing bonds, i.e., the County Commissioners could spend it and recover it by assessment if they had the money. The limit was raised to \$150,000.00, but, in this instance, the parallel reference to \$100,000.00 was missed. Therefore, they have taken out the parallel reference which is mischievous.

Assembly Bill 213:

Frank Daykin, Legislative Counsel, advised the committee that in 1973 the Legislature removed certain special provisions for workman partnerships because it provided for the general coverage for partnerships under the industrial insurance law. Again, he stated, this was a misreference at that time which we are now taking out. Chairman Barengo asked Mr. Dayken a question regarding line 16, page 1 and again on lines 25 and 26 of page 2, deleting some references there and are they found somewhere else. Mr. Dayken stated that they did lower the threshold from two employees to any employees and, again, this reference was obsolete.

Assembly Bill 214:

Frank Daykin, Legislative Counsel, advised the committee that this is merely a change in terminology. He further explained that in 1967, the Legislature enacted a Fiscal and Accounting Procedures Law which undertook to change everything except certain major funds. They repealed the law in 1969, but, these are sections

which survived since the 1969 bill drafts and used the obsolete terminology. He stated on line 38 of page 2 "shall" is changed to "may" and obviously, this is a point of terminology where perhaps either could be used but "may" is, in their judgment, more appropriate for the restriction. The "may" is permissive, but the "only" imposes the necessary restriction. This is just a change in style.

Assembly Bill 210:

Edward Stevenson, Esq. of the law firm of Woodburn, Wedge, Blakey, Folsum & Hug, doing a great deal of corporation work, testified that his firm supports A.B. 210. He stated that he is also appearing specifically on behalf of Kaiser Industries, Inc. Mr. Stevenson said that at the present time our Nevada Corporation law does not provide for certainty as to creditors coming forward to present claims when a corporation is going through dissolution processes. This bill would provide a notice, both published and mailed out, to individual creditors requiring them to come forward and present written claims. If the claim were rejected the individuals would have the opportunity to commence an action within sixty (60) days and if they fail to do that, they would be barred from bringing an action. He said the benefits derived from this would be that it would provide certainty as to the claims that must be paid by a corporation and would give trustees the opportunity to determine when they may safely and without personal liability distribute assets to stockholders. Another concern would be the question of how this would effect creditors and he feels that this would bring our corporation law, with respect to dissolutionment, into line with a number of other creditors rights under our statutes. Considerable questions and discussion followed.

Mr. Russ Mc Donald, appearing as a private attorney, then testified on this bill. He said that it is quite apparent that this bill will answer a problem that has been there since 1925. He advised the committee of his own experiences in his private practice advising the trustees that you had better wait out the minimum of the six (6) years, invest the money and then make your distribution. He endorsed this A.B. 210.

Mrs. Hayes asked Secretary of State, William Swackhamer if he would explain to the committee the process that they go through to file corporations. He explained that they have eight (8) related items that have to be stated, things like name, address, purposes of the corporation, etc. They have no forms; it is very simple and the fees are very modest. After incorporation you must do one thing each year on or before the first of July, you must file an annual list of officers and directors, the fee for that is \$10.00.

Assembly Bill 215:

Secretary of State Swackhamer stated that they did not request to have this bill drafted and he does not know what it is about or what it can accomplish. Considerable discussion followed in an attempt to ascertain who requested this bill if it wasn't Mr. Swackhamer's office. Mr. Fran Breen, Nevada Bankers Association, stated that he had a number of people with him that wished to testify against the bill. Mr. Ross stated that apparently any individual can do business under a fictitious firm name; corporation is a legal person. Mr. Ross moved, at this time,

for INDEFINITE POSTPONEMENT, Mr. Sena seconded it. The motion passed un-  
animously.

Assembly Bill 217:

Secretary of State Swackhamer asked the Chairman if the committee could hold  
this over for future consideration because he has a gentleman who is a very  
prominent man in the financial community in Nevada who would like to testify  
on this bill, but, has been out of the state. The committee agreed.

Attached hereto and marked Exhibit "A" is a letter from Grant Sawyer supporting  
this bill.

Assembly Bill 219:

Mr. Buster Sewell, Deputy Secretary of State, introduced Patty Eismann who  
testified on this bill in favor of it, since they drafted it. She explained  
that this bill will unify their Uniform Commercial Code fee.

COMMITTEE ACTION:

Assembly Bill 219, Mr. Ross moved for a DO PASS, Mr. Sena seconded it. The  
motion passed unanimously.

Assembly Bill 206, Mr. Ross moved for a DO PASS, Mr. Polish seconded it. The  
motion passed unanimously.

Assembly Bill 213, Mr. Ross moved for a DO PASS, Mr. Polish seconded it. The  
motion passed unanimously.

Assembly Bill 214, Mr. Ross moved for a DO PASS, Mr. Polish seconded it. The  
motion passed unanimously.

Assembly Bill 212, Mr. Polish moved for a DO PASS, Mr. Ross seconded it. The  
motion passed unanimously.

Assembly Bill 214, Mr. Ross moved that this be placed on the Consent Calendar,  
Mrs. Wagner seconded it. The motion passed unanimously.

Assembly Bill 212, Mrs. Hayes moved that this be placed on the Consent Calendar,  
Mr. Ross seconded it. The motion passed unanimously.

Assembly Bill 206, Mrs. Wagner moved that this be placed on the Consent Calen-  
dar, Mr. Sena seconded it. The motion passed unanimously.

Assembly Bill 25, Mr. Ross moved that this be placed on the Consent Calendar,  
Mr. Price seconded it. The motion passed unanimously.

There being no further business, this meeting was adjourned at 10:20 a.m.

Respectfully submitted,

*Anne M. Peirce*  
Anne M. Peirce, Secretary



LIONEL SAWYER & COLLINS

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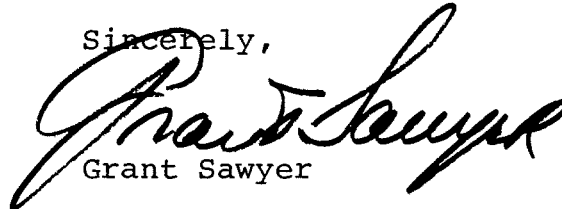
DAVID N. FREDERICK  
LENARD E. SCHWARTZER  
WILLIAM O. VAN DOREN  
ANDREW S. BRIGNONE  
DENNIS L. KENNEDY  
ALBERT G. MARQUIS  
JOHN R. LUSK  
AUDREY A. DAINES  
DAN C. BOWEN  
CHARLES H. MCCREA, JR.  
MARK A. SOLOMON

Assembly Judiciary Committee  
Nevada State Assembly  
Carson City, Nevada

Gentlemen:

I have read the provisions of A.B. 217 and want to take this opportunity to express my unqualified support for the legislation. I believe that the last increases in any filing and list of officers fees was in 1957. In my opinion, an increase is overdue. The modest raises requested in this legislation would not adversely effect any flow of corporate business to the State of Nevada and would, in comparison to other states, still be extremely low. The increased revenues are needed and would provide badly needed additional support to the Office of the Secretary of State.

Sincerely,

  
Grant Sawyer

GS:lmo

cc: Hon. William D. Swackhammer

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EXHIBIT A