

SENATE JUDICIARY COMMITTEE

MINUTES OF MEETING

FEBRUARY 3, 1977

The meeting was called to order at 9:00 a.m. Senator Close was in the chair.

PRESENT: Senator Close
Senator Bryan
Senator Dodge
Senator Sheerin
Senator Foote
Senator Gojack

ABSENT: Senator Ashworth, excused. He was in Washington D.C.

SB 2 Changes certain filing and publication requirements for corporations.

William Swackhamer, Secretary of State stated that his office had no argument of the price of publication, but publishing in a Carson City newspaper, a list of the delinquent corporations. He feels that the main idea is to inform the public and that the newspaper in Carson City does not have the circulation to get the job done. He feels that the requirement to publish this list five times has no cost benefit to the State. He felt there should either be a reduction in the fee or less required publications. His office is also required to file the affidavit which, as he sees it, has no useful purpose, it would just be another piece of paper. He feels the assessor's office should handle this as they are the ones mainly concerned with this matter. He stated that he felt that notification to the delinquent corporation would be sufficient.

Senator Dodge brought out the fact that perhaps it would be better to take out the publication and substitute this language with notification to the last known address. He felt that would be a lot more effective. He felt that if it was published in one county, but the corporation was registered with a different county assessor, there was no valid reason for the publication.

Mr. Swackhamer stated that he would not recommend that the policy of public financial statement be removed entirely as this has been a basis of a position that some people are taking in litigation from time to time, but he felt it should be modified. He stated that his office's list is very up to date and very valuable to businesses in the United States.

Joe Jackson, Secretary-Manager of the Nevada Press Association stated he would like to make a position statement on the bill. He feels that publishing of the list performs two services. The public is provided the right to know that the corporation is in default and the corporation is provided the service of knowing that perhaps they are in default due to an oversight and this can quickly be remedied. He feels that by reducing the times of publication it would be a detriment to the state and its people, from a right to know.

Jack King, General Manager for the Carson City Nevada Appeal, stated he feels that the resident agent (attorney) for most of these corporations, since they are located in the state, could scan the publication of lists and look out for their clients interests. The affidavits for these filings are filed with all 17 counties for a flat fee of \$20 and that is required by law. The cost of publication charged the Secretary of State, in the amount of \$7,550.40, was for something over three full pages for five consecutive days. He stated if this cost was broken down it would be little over \$1,63. which he stated was less than the amount charged for other advertisements. He suggested that perhaps an extra dollar or so tacked on to the filing fee would help defray the cost.

Russell McDonald, Washoe County stated that he feels the filing is only worthwhile for business licenses, and property taxes. He suggested that the county need only be provided with information of filing or revocation. He sees no merit of giving it legal status by requiring it to be filed and kept for any length of time. He thought perhaps the word "file" could be replaced by "notify".

After Some discussion by the Committee Senator Sheerin moved an "indefinite postponement".

The motion died for a lack of a second.

Senator Dodge felt that perhaps there was some merit to the bill and it should be studied further.

SB 74 Amend provisions for disposition of funds in joint tenancy accounts.

Gino Del Carlo, First National Bank of Nevada stated that after being reviewed by bankers, they can live with the bill. Under joint tenancy it would strengthen the banks position to pay funds in accounts to a survivor, whomever was designated. After some dis-

cussion as to who may draw on the account, how the signatures appear, and the designation between the depositor and the survivors, Mr. Del Carlo went to get the forms used by the bank. He explained that although you could have any amount of signatures, you could designate how many signatures were required to withdraw funds. On a persons death only then could the funds be withdrawn by the survivor or survivors.

The Committee after some discussion felt that the form used by the bank was too vague. There was no way of protecting say the husband and wife. If the son or daughter was on the account they could come in and withdraw all the funds. They felt that the language was much too vague. They felt the language "unless the depositor directs otherwise" should be eliminated as this took away the meaning of a joint tenancy account.

Frank Daykin stated that the question was actually if we should limit the depositor to creating a joint tenancy whenever he makes a deposit, to be paid to any of them or the survivors. He felt that the phrase "unless the depositor directs otherwise" was misplaced in this statute. He felt that perhaps another subsection should be added covering the deposit to protect the depositor.

Senator Close stated that the bill should be drafted with new language and then reheard. Also, perhaps Chris Zimmerman should take a look at it for impact on tax implications.

Senator Dodge stated that he felt the card was defective and that should be changed.

Senator Bryan stated that he felt this was a new procedure and should be very carefully worded to spell out the specifics.

After further discussion the Committee will hear the bill again after it is further clarified.

SB 152 Establishes uniform procedure for issuance and enforcement of subpoenas of state executive agencies.

Jeanne Hannafin, Deputy Administrator of the Real Estate Division for the State of Nevada stated that this bill deletes the right of the administrator to issue subpoenas for attendance of witnesses and the production of books and papers. It would limit the power only to contested cases and they need the authority for investigative cases also.

Steve Boland, Attorney General's office stated that it

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was introduced to bring uniformity among all administrative agencies. He said that there are approximately 40 regulatory agencies and some have subpoena power for investigatory purposes and some don't.

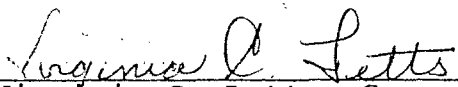
Senator Dodge stated he felt that based on the merits of the past that it shouldn't be uniform for investigatory subpoenas without giving blanket authority.

Senator Close stated that there should be a review of the language by the Attorney General's office and find out what is being changed, and then the Committee can look at it. It needs to be clarified as to which of the agencies should have investigatory power, if any.

After some discussion the Committee agreed that the changes should be made and the bill reheard.

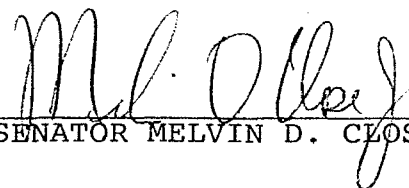
There being no further business the meeting was adjourned at 10:51 a.m.

Respectfully submitted,



Virginia C. Letts, Secretary

APPROVED:



SENATOR MELVIN D. CLOSE, JR., CHAIRMAN