Minutes of the Nevada State Legislature Assembly Committee on JUDICIARY Date: January 31, 1979 Page: 1 Members Present: Chairman Hayes Vice Chairman Stewart Mr. Banner Mr. Brady Mr. Coulter Mr. Fielding Mr. Horn Mr. Malone Mr. Polish Mr. Prengaman Mr. Sena Members Absent: None Guests Present: Barbara Bailey Nevada Trial Lawyers Louis Bergevin Assemblyman Nevada Medical Liability Insurance Robert Byrd Association Frank Daykin Legislative Counsel Bureau Richard R. Garrod Farmers Insurance Group Virgil Getto Assemblyman Nevada Trial Lawyers Robert E. Heaney Insurance Division Don Heath Bill Huss Nevada Trial Lawyers Larry Ketzenberger Las Vegas Metro Police Department Peter Neumann Nevada Trial Lawyers Rick Pugh Nevada State Medical Association Dean A. Rhoads Assemblyman Assemblyman Robert Robinson Nevada Trial Lawyers Kent R. Robison Neil Swissman, M.D. Nevada State Medical Association Jim Wadhams Commerce Department Chairman Hayes called the meeting to order at 8:00 a.m. ASSEMBLY BILL 94

Exempts from prosecution persons who unlawfully serve minors under specified circumstances.

Assemblyman Robinson said that he introduced this legislation in behalf of a constituent who was a bar owner. This individual was threatened by prosecution for serving alcohol to a minor who had presented false identification, yet the minor's case was dismissed. He said his constituent felt that if he was to suffer prosecution, the minor should be so prosecuted for producing the false identification.

(Committee Minutes)

Minutes of the Nevada State Legislature

Assembly Committee on JUDICIARY Date: January 31, 1979 Page: 2

Mr. Horn referred to Page 4, Line 40 of the bill, and he questioned if a physician would be exempt from prosecution for performing an abortion on a minor. Mr. Daykin was present, and he answered that if the physician had relied in good faith upon identification presented by the girl, the law would exempt the physician from prosecution unless the girl also was prosecuted. He said that even if this was not in the law, a defense counsel could argue the fact of reliance in good faith. Mr. Horn stated that it would seem to him that the bill would encourage a girl under 18 years old to obtain false identification to try to fool a physician in getting an abortion.

Mr. Stewart asked what difference it would make if a minor was not prosecuted for presenting false identification. Assemblyman Robinson answered that the prosecution of a business person would be the result of an illegal act by someone else.

Mr. Malone asked how the prosecution of a juvenile could be paralleled with the prosecution of an adult. Mr. Daykin said that the two would not be tried together, but the minor could be subject to prosecution as a delinquent child.

Mr. Malone introduced the supposition that an individual may have been prosecuted 20 times for selling alcohol to juveniles. On the next instance, he suggested that the minor might have the charges against him dismissed because of a first offense. He asked if the adult should be immune from prosecution in a case such as this. Assemblyman Robinson said his feeling was that the adult should not be prosecuted.

Mr. Prengaman said he wondered if the bill would make proprietors less vigilant on checking identification. He said that these individuals could always say that in good faith identification had been examined.

Mr. Ketzenberger asked what would be considered proper identification. He said that a birth certificate should only be accepted for identification with some type of additional identification such as an identification card issued by the Driver's License Division or a driver's license. He said he would be concerned about using the word "prosecution" as it related to minors because many times they would not be prosecuted. He further asked what would happen if a minor purchased alcohol, had an accident, and then could not be prosecuted. He said that under this bill, the bar owner would now be free from prosecution.

### ASSEMBLY BILL 95

Provides certain immunity from civil damages to physician who provides treatment to patient in rural community in emergency. Minutes of the Nevada State Legislature Assembly Committee on JUDICIARY Date: January 31, 1979 Page: 3

Assemblyman Getto said this bill was introduced in behalf of the rural counties especially relating to the medical care therein. He said that rural health problems get more critical each year. Most young doctors cannot afford malpractice insurance, and he said the bill would deal with emergency cases only. He said the bill was not drafted as it was desired, and he said Mr. Daykin would outline a proposed amendment.

Assemblyman Getto said that doctors are offered the protection of the Good Samaritan Act if they provide medical treatment at the scene of an accident along the highway. However, he said that in some cases doctors are not covered. He said that in rural areas in some cases, doctors are so afraid of medical liability that they will not show up to treat an injured person.

Mr. Daykin said that the word "rural" had been used in contrast to the urban communities. He said it had been suggested to him to use the term "medically isolated" which he agreed was a better term. He offered the following definition of "medically isolated": "An area which requires more than 45 minutes to reach an urban community of 10,000 or more population by conventional transportation over existing roads." He said this definition would rule out the use of air ambulance or helicopters.

Chairman Hayes said she would question the constitutionality of the bill since it seemed to be discriminating against urban doctors. Mr. Daykin said there was a rational basis for the discrimination which would be the medical isolation.

Chairman Hayes said that if this bill was passed, doctors in urban areas would say it is just as hard for them to afford malpractice insurance, so why not give them the same consideration. Mr. Daykin said he did not think the cost of malpractice insurance was involved with this bill, but rather the physical situation encountered. He said that a doctor in a populated area could call up another doctor that might specialize in the type of injury encountered and thus avoid any exposure.

Assemblyman Getto said that the thrust of the bill would be to make it a little easier for the rural communities to get doctors.

Chairman Hayes asked if the bill was giving doctors a license to commit malpractice. Assemblyman Getto answered that the bill was not for protecting any particular doctor. He said that doctors would eventually get their own malpractice insurance after their business stabilized, but presently new doctors are not able to afford premiums of \$15,000 per year. He said there had been at least three instances in Fallon where a doctor refused to show up at the hospital for fear of exposure that could lead to a malpractice claim. He said the patients were rushed to Reno, and none of the three died. He said, however, that the situations could have been handled in the local hospital in Fallon.

94

Minutes of the Nevada State Legislature Assembly Committee on JUDICIARY Date: January 31, 1979 Page: 4

Assemblyman Getto said he felt doctors were being forced to break their Hippocratic oath by not showing up to treat injured persons. He said a tremendous hostility is created when a doctor will not show up to treat a patient. He said he did not feel this bill was creating a situation to give blanket approval for doctors to get involved in malpractice. He said that there was a Medical Board set up, and the doctors could be judged by their peers if there was a possibility that malpractice was involved.

Mr. Polish said that if a doctor was living with fears of treating people due to possibilities of malpractice, he or she should go into another profession.

Mr. Malone asked about the possibility of having a doctor provide a waiver for a patient to sign relieving him of a lawsuit that might occur later. Mr. Daykin said there was a good deal of question in law as to the validity of a waiver given under circumstances such as were being discussed.

Assemblyman Rhoads said that he supported this bill as did Assemblymen Marvel and Bergevin, who had to leave the meeting earlier. He said that Dr. Les Moren from Elko had stated to him that he felt this bill would encourage more doctors to locate in the rural areas. He said that Dr. Norm Christensen of Ely is presently involved in three litigations with transients, which could possibly have been covered under this proposed legislation.

Dr. Swissman said that the Nevada State Medical Association, in general, is in support of all measures that will encourage physicians to practice in rural Nevada. He said that rural physicians do not have the privilege of consultation, and he said this is extremely important in medical care.

Mr. Huss suggested that this bill would condone the rendition of negligent emergency medical treatment in medically isolated communities. He said the attempts to attract physicians to rural communites were worthy, but he said he wondered if this was the proper method.

Mr. Huss said that the State of Nevada has a preliminary procedure to be followed before malpractice claims can be filed. He said Medical Legal Screening Panels for consideration of claims are made up of persons from the legal community and from the medical community. He said a physician would be tried in the area of practices, and a trial would take into consideration the factual circumstances that surrounded the emergency treatment. He said he thought the existing system worked well, and he did not see any need to condone emergency medical treatment in the rural areas of the State.

Mr. Neumann said he did not believe that the fact of possible liability for a doctor's neglect or carelessness was truly a deterrent to physicians moving to the rural communities. He

8769 🔫

Minutes of the Nevada State Legislature Assembly Committee on JUDICIARY Date: January 31, 1979

Page: 5

said that rural physicians are not being unfairly discriminated against under the present law. He said he did not think the bill would serve the purpose for which it was intended.

Mr. Heaney said that as was pointed out earlier, the bill would provide a license for a doctor in a rural community to commit medical negligence. He said if this bill was passed, doctors in urban communities would be asking for special treatment. He asked the Committee to consider the public as those who would bear the results of possible injury or negligence from a physician. He said that if the problem was malpractice insurance itself, the State should consider setting up a subsidy for doctors to assist them in paying their premiums. He said he felt that the malpractice insurance issue was not the reason doctors were not moving to the rural areas of the State. He said that income and lifestyle were two important considerations, but he said a good treatment facility in a rural community would be more likely to bring a doctor to that area.

Mr. Robison said that if a physician was immunized against a malpractice suit, who would pay the future medical bills of a person who might be injured by a physician. He said that if the bill was passed, the cost would go to other people, and he felt the Committee should consider that thought.

A memorandum was submitted to the Committee from Dr. Kurt Carlson concerning the bill (Exhibit A).

## ASSEMBLY BILL 96

Provides for periodic payment of certain damages recovered in malpractice claims against providers of health care.

Assemblyman Getto, prime sponsor of the bill, said that this bill is an effort to help reduce the malpractice insurance costs. He said that such costs are passed on to other people, and this was a big concern all over the nation.

Dr. Swissman read from a prepared statement (Exhibit B).

Chairman Hayes discussed the history of malpractice legislation since the 1975 legislative session. She asked where the stopping point would be to begin considering patients and the people of the State. Dr. Swissman answered that he hoped legislators did not leave the 1975 session thinking that all malpractice questions had been resolved. He said he thought it was fair to say that medical, civil, and product liability insurance problems have not been solved.

Mr. Byrd said that one of the key items in this bill was the reversionary provision in Section 4, subsection 4. He said this was an absolute must, and if it was dropped out of the bill, nothing would be accomplished for insurance companies. Minutes of the Nevada State Legislature

Assembly Committee on JUDICIARY

Date: January 31, 1979 Page: 6

Mr. Byrd further stated that he was not opposed to a flat amount of interest or commuted payments for creditors, but giving all of these items to judgment creditors would cause him to not want the bill. He noted that the bill says the court may reopen a lawsuit with respect to proposed changes in the amount of each payment, the number of payments, or the interval between payments. He said it would seem appropriate to say that no change of any of these three items would operate to change the amount of the original settlement. He said that with these changes he would support this bill.

Mr. Garrod said that his company was in support of this concept, but they had some traumatic problems with the language. He was concerned also about the reopening of cases. He said that to have legislation to say an award may be opened for adjustment would kill the insurance industry coming into Nevada.

Mr. Banner said that the Committee was seeing the attorneys, physicians, and insurance people. He said he saw a special thing being done for a special group of people. He asked the Committee to put themselves in a victim's circumstance and see who would watch out for them.

Mr. Neumann said the Trial Lawyers were opposed to the concept of a structured settlement. He said that there should be an end to this type of lawsuit. He said this would perpetrate the endlessness of a case. One of his concerns was that an attorney would have to tell a client that a case such as this would not be finally determined in court because the insurance company would be handing out the periodic installments awarded in the lawsuit. He said this would be a windfall for insurance companies when it is stated that they do not have to pay off immediately.

Mr. Neumann asked where the money would go to if a victim dies. He asked what rate a plaintiff would be awarded interest on money that had not yet been paid. He asked further how a security such as a bond would be determined for the paying of an award.

Mr. Huss said that the bill would impose a great deal of additional work on the district courts of the State and upon the appellate court system. He said that one of the most serious problems of the bill was the establishment of a very elaborate machinery at the expense of the injured person and the court system with the benefits going to the insurance carrier. He said he did not think the allocation of benefits should be so one-sided to the extreme detriment of the person that has been injured.

Attached to the minutes are a Malpractice Insurance Update from Dr. Swissman (<u>Exhibit C</u>) and a letter in opposition to the bill from Mr. Robison (<u>Exhibit D</u>).

(Committee Minutes)

8769 🕳

Minutes of the Nevada State Legislature

Assembly Committee on JUDICIARY

Date: January 31, 1979 Page: 7

#### ASSEMBLY BILL 174

Attached as <u>Exhibit E</u> is a memorandum to Mr. Fielding from the Research Director of the Legislative Counsel Bureau concerning the penalties for damaging cable television systems.

#### ASSEMBLY BILL 19

Attached as Exhibit F is a memorandum to the Committee from Clark County representatives with a proposed amendment to this bill.

Mr. Sena moved to adjourn; Mr. Malone seconded the motion. The meeting was adjourned at 10:40 a.m.

Respectfully submitted,

Carl Richstrom J

Carl R. Ruthstrom, Jr. Secretary

EXHIBIT A

### MEMORANDUM

TO: JUDICIARY COMMITTEE

FROM: Kurt Carlson, M. D. Family Physician Fallon, Nevada

SUBJECT: Amendment to the current "Good Samaritan" Bill, NRS 541.500

According to Mr. Frank Daykin, the present Act offers very little EMERGENCY protection for doctors in medically isolated communities.

The committee should recognize the unique problems for both physicians and patients in these areas.

Currently because of a lack of adequate protection in EMERGENCY situations, two major events are happening far too often.

- 1. Physicians NOT rendering necessary medical care because of liability.
  - --For instance physicians have not presented to render some form of help to women who have suddenly presented in a health care facility with impending delivery.
  - --Other physicians have stated that if called to render help out of their immediate area of competence, they will NOT appear.
- 2. Physicians with many areas of competence will NOT practice in rural communities because of lack of training in other areas.
  - --A female physician who is a cardiologist is concerned to come to an isolated area because of the fear of litigation arising from an emergency outside of her realm of competence.

It is unrealistic to expect all physicians to be all knowing in all situations arising from emergencies. NEVADA STATE MEDICAL ASSOCIATION NEIL SWISSMAN, M.D., President RICHARD C. INSKIP, M.D., President-elect GORDON L. NITZ, M.D., Secretary-Treasurer ROBERT L. BROWN, M.D., Immed. Past President LESLIE A. MOREN, M.D., AMA Delegate LEONARD H: RAIZIN, M.D., AMA Alternate Delegate RICHARD C. PUGH, CAE, Executive Director

3660 Baker Lane • Reno, Nevada 89509 • (702) 825-6788

Chairperson Hayes and distinguished members of the Assembly Judiciary Committee, I am deeply appreciative of this opportunity to address you.

I want to express the gratitude of all Nevadan physicians and their patients for your efforts, past and present, to help alleviate our malpractice insurance problems. The combined efforts of both Houses of the Legislature have enabled Nevadan medicine to be practiced in an environment of temporary and relative liability comfort for the past four years.

However, the problems of cost and availability of professional liability insurance still exist and soon again we may be facing a crisis. There are threats of malpractice insurance markets being withdrawn and requests for premium increases of almost 57% making the maximum annual premiums nearly \$40,000. There is some question of the relative stability of other malpractice insurance markets in Nevada. We have been unable to attract new providers from other established and experienced underwriters even though we have been in constant communication in an attempt to entice them to Nevada's insurance shores. All are waiting to see what happens during this 1979 Legislative Session. We must encourage them so that we no longer have the problem of only a single malpractice insurance market being available to Nevadans. Multiple markets and their competitive thirst for business also will help to stabilize premium levels.

We all know health costs in our State have escalated. Inflationary pressure is certainly responsible for some of that increased cost. However, since the beginning of the malpractice insurance crisis, two legislative sessions ago, premiums have increased 406%. This is the single largest factor in increased health costs in Nevada and indeed in the Nation.

We are told by some concerned parties that the liability insurance providers are "ripping off the people" with inappropriately inflated premiums. If that is true, I am at a loss to understand why so many reputable and experienced insurance companies have withdrawn from this supposedly extremely lucrative market. If this is indeed accurate, I am certain our very excellent insurance division, under the direction of Commissioner Heath, will evaluate and correct this situation. The Nevada State Medical Association feels that legislation protecting only malpractice insurance is inappropriate. We must protect the entire liability market. Whatever final corrective legislation is adopted should apply to all types of liability insurance.

We endorse the actions of the previous Legislatures and strongly support and urge the adoption of all the proposals of the S.C.R. 12 Subcommittee, particularly the proposed A.B. 96 on periodic payments with reversionary trusts. However, I suggest that the Committee reconsider Section 4 which deals with an established trust. In order to offer some relief to the judgment creditor, that amount might best be reached in some form of purchased annuity or performance bond. This would give the creditor his already decided court-established payments to provide for his care and custody and thus allow the debtor to defray some costs and have an annual predictable expense. In addition, the Nevada State Medical Association will urge the adoption of a modified collateral source rule.

The Chairman of the American Bar Association's Commission of Medical Professional Liability, Lyman M. Tondel, Jr., has said these types of torte changes can "achieve as much as a 20% reduction in rates." He urges the adoption of these types of reforms.

Periodic payments does not change awards, abrogate rights, or change the spirit of the torte system or the intent of the Court. It does enable insurance companies to actuarily predict their losses more accurately and establish costs. Premiums then would not be based upon vague formulations or estimates.

Attorney James E. Ludlom, Legal Counsel for the California Hospital Association, said in July of 1978, "The use of screening panels, the changes in the law relating to arbitration, collateral source, periodic payments and the like, which if combined into a package under some form of a continuum, might achieve an equitable solution."

The passage of A.B. 96 will help stabilize premiums and encourage new providers to come to Nevada. I hope in your wisdom that you will favorably consider this Bill.

For the physicians of Nevada, I thank you very much.

Neil Swissman, M.D. President Nevada State Medical Association

NS:els

EXHIBIT C Page 1 of 2

# NEVADA STATE MEDICAL ASSOCIATION

NEIL SWISSMAN, M.D., President RICHARD C. INSKIP, M.D., President-elect GORDON L. NITZ, M.D., Secretary-Treasurer ROBERT L. BROWN, M.D., Immed. Past President LESLIE A. MOREN, M.D., AMA Delegate LEONARD H. RAIZIN, M.D., AMA Atternate Delegate RICHARD G. PUGH, CAE, Executive Director

3660 Baker Lane · Reno, Nevada 89509 · (702) 825-6788

January 29, 1979

TO: Nevada Legislators

FROM: Neil Swissman, M.D., President

SUBJ: Malpractice Insurance Update

Problems of cost and availability of professional liability insurance for Nevada's medical community are still with us as we enter the 1979 legislative session.

At the present time there are four major carriers who write malpractice insurance for physicians, and the following information may be of interest to you.

The Nevada Medical Liability Insurance Association (NMLIA) is a Joint Underwriting Association set up by the 1975 Legislature. NMLIA is the major carrier in the state and insures approximately 325 physicians with occurence type policies. Premiums range from \$2,328 to \$12,124 per year for \$500,000 protection per case and a total of \$1.5 million per year. Physicians may elect to pay an additional 75% of one year's premium in order to become nonassessable in the event of substantial losses by NMLIA. The Association has applied to the Insurance Division to become a physician-owned insurance company, and the proposal is under study at this time.

The Doctors' Company, a California based surplus line (nonadmitted) carrier, is an inter-insurance exchange formed by physicians. The company presently insures approximately 150 Nevada physicians with claims made policies. Premiums for basic policies for \$500,000/1,500,000 coverage range from \$1,444 to \$9,992 per year, one half of which is set aside as a contribution to surplus, refundable at some point in the future if warranted by favorable claims experience in the state. Provisions have been made for the purchase of \$1,000,000/\$3,000,000 coverage at increased premiums.

The Argonaut Insurance Company presently insures approximately 110 Nevada physicians with occurence policies. No policies with limits of \$500,000/\$1,500,000 are offered. Based on \$1,000,000/\$3,000,000 policies, premiums range from \$3,116 to \$25,712 per year. Argonaut has been granted a 15% increase in premiums for the present quarter and has requested an additional 57% increase for the next quarter's operation. The Insurance Division has this request under consideration at the present time and is awaiting additional information regarding the claims experience in Nevada.

The Medical Insurance Exchange of California is currently a surplus lines carrier which will make application to the Insurance Division soon to become an admitted carrier. MIEC insures approximately 25 physicians in the state with claims made policies. First year premiums for limits of \$500,000/\$1,500,000 range from \$1,324 to \$8,380 and increase each year with contributions to surplus, ranging from \$2,144 to \$13,568.

Nevada Legislators January 29, 1979 Page Two

The preceding summary should not be interpreted as a comparison of companies. Each offers many substantially different features, and the data is presented for background information only.

In the 1975 Legislature, a package of malpractice insurance bills was passed which in many respects was a landmark for the nation. Part of this legislative package was a resolution which created the SCR-21 SUBCOMMITTEE ON MALPRACTICE INSURANCE which continued to study the problem during the interim between the 58th and 59th sessions. Many of the enacted laws were models from other states, and passage in Nevada tended to stabilize the insurance market for a brief period thereafter. The most significant legislation enacted was the Medical-Legal Screening Panel law.

The SCR-12 Subcommittee, having met several times since the last session, has made numerous recommendations for bills which will be introduced this year to help ease the problem. Of prime importance and interest to malpractice insurance carriers and to the medical profession is a bill which provides for periodic payments of awards. This bill passed both houses last session, but concurrence in conference committee was not obtained. This most important law would address the matter of structuring awards to plaintiffs, and we have been assured by carriers that this would have a significant effect on stabilizing future premiums. Assemblyman Virgil Getto introduced a similar bill during the first week of this session, and the SCR-12 Committee will introduce its package of bills in the near future. A bill introduced by the SCR-21 Subcommittee during the 59th session modifying the Collateral Sources Rule (passed by the Senate) will again be supported by the medical profession during this 60th Session.

Nevada physicians urge your support of PERIODIC PAYMENTS legislation along with the other measures recommended by the SCR-12 Subcommittee. Collateral Sources is also another important issue this session which needs your favorable consideration. These bills, along with laws already enacted by our legislature, will soon stabilize the market, not only for malpractice insurance but for all liability insurance. We are actively soliciting other major insurance carriers to begin offering insurance programs in Nevada, and we are assured that changes in tort law would be an inducement for the provision of coverage.

Your consideration and support in reaching legislative solutions to this major cost containment issue will benefit all Nevacans. Please call on me or our legislative representive, Richard Pugh, if we can assist you in any way. Best wishes for a successful legislative session.

NS:d



Barbara Bailey, Executive Director 214 Stewart, Reno, Nevada 89501, Phone (702) 786-1858

January 22, 1979

Assembly Judiciary Committee

Dear Assembly Committee Members:

I would like to take this opportunity to express on behalf of the Nevada Trial Lawyers Association our opposition to A.B. 96. As you know, A.B. 96 provides for "structured" settlements in any action filed against a provider of health Structured settlements are now available as a matter of care. choice to the Plaintiff, and indeed are frequently used by Plaintiffs in settlements of personal injury accidents. However, A.B. 96 may be read to require structured settlements or structured payments after a jury's verdict of an award of damages to the Plaintiff. The reasoning in opposition to A.B. 96 is as follows: First, the insurance industry will no doubt claim that the administration expenses incurred over the years for handling the periodic payments can justifiably increase insurance premiums. Moreover, any injury done to the Plaintiff certainly did not occur over a period of time. Generally, it happens instantaneously. The Plaintiff should be allowed his entire settlement or verdict so that he can pay his creditors on time. Those creditors, of course, would be the providers of future health care and providers of material to offset the damage caused by the negligent provider of the health care. Simply stated, the damage has occurred now and the bill is due now. It would be unfortunate to allow the insurance industry to use the Plaintiff's money over a period of years when it was the Plaintiff that was injured, not the insurer.

Moreover, since the Plaintiff was injured by the negligence of the provider of health care, it would certainly compound the frustration and anxiety caused by such an injury to put the injured party at the mercy of the insurance company for years to come. Such a bill would allow the insurance industry to financially cripple the injured Plaintiff by controlling the periodic payments and having the potential to abuse the scheduled disbursements.

Accordingly, if you have any questions of myself or the membership, please do not hesitate to contact me or any member of the Nevada Trial Lawyers Association at your convenience.

ésident

KRR:jf

Affiliate of the Association of Trial Lawyers of America

#### STATE OF NEVADA

#### LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING CAPITOL COMPLEX CARSON CITY, NEVADA 89710

> ARTHUR J. PALMER, Director (702) 885-5627



Page 1 of 5 LEGISLATIVE COMMISSION (702) 885-5627 DONALD R. MELLO, Assemblyman, Chairman Arthur J. Palmer, Director, Secretary

RUNTOTT

INTERIM FINANCE COMMITTEE (702) 885-5640 FLOYD R. LAMB. Senator, Chairman Ronald W. Sparks, Senate Fiscal Analyst William A. Bible, Assembly Fiscal Analyst

FRANK W. DAYKIN, Legislative Counsel (702) 885-5627 JOHN R. CROSSLEY, Legislative Auditor (702) 885-5620 ANDREW P. GROSE, Research Director (702) 885-5637

January 30, 1979

# <u>M E M O R A N D U M</u>

TO: Assemblyman Jack F. Fielding

FROM: Andrew P. Grose, Research Director

SUBJECT: A.B. 174 - Penalties for Damage to cable TV

As the Judiciary Committee heard, NRS 205.470 was passed to cover the situation that is addressed in A.B. 174. In terms of coverage of the offenses in question, it is not clear what A.B. 174 would provide that NRS 205.470 does not.

The major difference between the bill and the existing law seems to be that under NRS 205.470, tapping or diverting a signal in an unauthorized manner is a misdemeanor. It does not fall under the "public offense proportionate to the value of the property" provision of NRS 193.155. The damage or destruction provision of NRS 205.470 does trigger NRS 193.155 but the unauthorized diversion provision does not.

A.B. 174 would make diversion of a signal (or tapping) as serious an offense as damaging or destroying equipment. In addition, and very significantly, A.B. 174 provides for civil penalties for either destrauction and damage on the one hand or diversion and tapping on the other. In either case, in addition to a fine and/or jail, a violator can be sued by the cable company and have to pay triple the damage or loss caused by illegal activities.

A.B. 174 follows the pattern found in NRS 704.800 which provides the same penalties regarding water, gas, electricity or irrigation utilities.

Page 2

A.B. 174 is, then, different from NRS 205.470 which is what now covers cable TV companies and is substantially the same as the existing law for other utilities. A final observation is that if A.B 174 is passed, perhaps NRS 205.470 should be repealed. It is a question that should at least be discussed with the Assembly Bill Draft Adviser.

APG/jld Encl. 2. The commission shall collect a fee not to exceed \$200, which fee shall be used to defray the cost of conducting any investigation under the provisions of subsection 1.

3. The provisions of subsections 1 and 2 shall not apply in any case where:

(a) The person to furnish the water supply or sewer service has already been granted a certificate of public convenience and necessity by the commission to serve the area described in the application.

(b) Any county, municipality or other form of local government, including but not limited to districts formed under the provisions of chapter 318 of NRS, will furnish the water supply or sewer service to the area described in the application.

(Added to NRS by 1971, 1209)

704.681

704.681 Suppliers of water, sewer services to subdivisions, land development projects: Regulation by county exceptions. The board of county commissioners of any county may regulate by ordinance any person or firm furnishing water for compensation to persons within such county except those persons or firms regulated by the commission, the service furnished to its residents by a political subdivision, and services furnished to its members by a nonprofit association in which the rights and interests of all its members are equal.

(Added to NRS by 1971, 1209)

#### **TELEPHONE COMPANIES**

704.691 Telephone companies must assist peace officers in investigating obscene, threatening telephone calls.

1. Every public utility furnishing telephone service in this state shall provide any lawful assistance requested by any sheriff or his deputy, or chief of police or policeman, in tracing any person who uses obscene language, representations or suggestions in addressing any person by telephone, or addresses to such person any threat to inflict injury to the person or property of the person addressed, when such request is made in writing to such public utility.

2. Good faith reliance by the public utility on such request shall constitute a complete defense to any civil or criminal suit against the public utility on account of assistance rendered by such utility in responding to such request.

3. The provisions of subsection 1 shall not be construed to permit wiretapping, which may be engaged in only pursuant to the provisions of NR\$ 179.410 to 179.515, inclusive.

(Added to NRS by 1971, 856; A 1973, 1750)

#### INJURY TO PUBLIC UTILITY PROPERTY

704.800 Unlawful acts against public utilities; what is prima facie evidence; criminal, civil penalties.

1. Every person who willfully, and with intent to injure or defraud:

704.810

(a) Opens, breaks into, taps or connects with any pipe, flume, ditch, conduit, reservoir, wire, meter or other apparatus belonging to or used by any water, gas, irrigation, electric or power company or corporation, or belonging to or used by any other person, persons or association, or by the state, or by any county, city, district or municipality, and takes and removes therefrom or allows to flow or be taken or be removed therefrom any water, gas, electricity or power belonging to another; or

(b) Connects a pipe, tube, flume, conduit, wire or other instrument or appliance with any pipe, conduit, tube, flume, wire, line, pole, lamp, meter or other apparatus belonging to or used by any water, irrigation, gas, electric or power company or corporation, or belonging to or used by any other person, persons or association, in such manner as to take therefrom water, gas, electricity or power for any purpose or use, without passing through the meter or instrument or other means provided for registering the quantity consumed or used; or

(c) Destroys, detaches, disconnects, alters, injures or prevents the action of a headgate, meter or other instrument or means used to measure or register the quantity of water, gas, electricity or power consumed or supplied; or

(d) Injures or destroys, or interferes with the efficiency or use of, or suffers to be injured or destroyed, any pipe, conduit, flume, wire, pole, line, lamp, fixture, hydrant or other attachment or apparatus belonging to or used by any water, irrigation, gas, electric or power company or corporation, or belonging to or used by any other person, persons or association.

is guilty of a public offense, as prescribed in NRS 193.155, proportionate to the value of the property removed, destroyed, altered or damaged and in no event less than a misdemeanor; and such person shall also be liable to the person, persons, association or corporations, or the owner or user whose property is injured, in a sum equal to treble the amount of actual damages sustained thereby,

2. In any prosecution under subsection 1, proof that any of the acts therein forbidden were done on or about the premises occupied by the defendant charged with the commission of such an offense, or that he received the use or benefit of such water, gas, electricity or power by reason of the commission of any such acts, shall be prima facie evidence of the guilt of such defendant.

[1911 C&P § 467; RL § 6732; NCL § 10416] + [1911 C&P § 468; RL § 6733; NCL § 10417]--(NRS A 1967, 656)

# 704.810 Unlawful removal, damage or destruction of public utility

property; penalty. Every person who shall willfully and maliciously remove, damage or destroy:

remove, damage or destroy: 1. A telegraph, telephone or electric transmission line or any part of the thereof, or any appurtenance thereto, or apparatus connected with the operation thereof; or

operation thereof; or 2. A fonce, gate, cattle guard, bridge, water tank, milepost, car, o engine, motor or other useful structure on the line of any railway, m

(1973)

(1973)

J

193.140 Punishment of gross misdemeanors. Every person convicted of a gross misdemeanor shall be punished by imprisonment in the county jail for not more than 1 year, or by a fine of not more than \$1,000, or by both fine and imprisonment, unless the statute in force at the time of commission of such gross misdemeanor prescribed a different penalty.

[1911 C&P § 19; RL § 6284; NCL \$ 9968]—(NRS A 1967, 459)

193.150 Punishment of misdemeanors. Every person convicted of a misdemeanor shall be punished by imprisonment in the county jail for not more than 6 months, or by a fine of not more than \$500, or by both fine and imprisonment, unless the statute in force at the time of commission of such misdemeanor prescribed a different penalty.

[1911 C&P § 20; RL § 6285; NCL § 9969]-(NRS A 1967, 459)

193.155 Penalty for public offense proportionate to value of property affected or loss resulting from offense. Every person who is guilty of a public offense proportionate to the value of the property affected or the loss resulting from such offense shall be punished as follows:

1. Where the value of such loss is \$5,000 or more or where the damage results in impairment of public communication, transportation or police and fire protection, by imprisonment in the state prison for not less than 1 year nor more than 6 years, or by a fine of not more than \$5,000, or by both fine and imprisonment.

2. Where the value of such loss is \$250 or more but less than \$5,000, for a gross misdemeanor.

3. Where the value of such loss is \$25 or more but less than \$250, for a misdemeanor.

4. Where the value of such loss is less than \$25, by a fine of not more than \$500.

(Added to NRS by 1967, 459)

193.160 Penalty for misdemeanor by corporations when not fixed by statute. In all cases where a corporation is convicted of an offense for the commission of which a natural person would be punishable as for a misdemeanor, and there is no other punishment prescribed by law, such corporation is punishable by a fine not exceeding \$500.

[1911 C&P § 21; RL § 6286; NCL § 9970]

193.165 Additional penalty when firearm, deadly weapon used in commission of crime.

1. Any person who uses a firearm or other deadly weapon in the commission of a crime shall be punished by imprisonment in the state prison for a term equal to and in addition to the term of imprisonment prescribed by statute for such crime. The sentence prescribed by this section shall run consecutively with the sentence prescribed by statute for such crime.

2. This section does not create any separate offense but provides an

(1975)

#### CRIMES AGAINST PROPERTY

205.480

Subsection 1 does not:

(a) Preclude the adoption by a city or county of an ordinance prohibiting the possession of any such document.

(b) Prohibit the possession or use of such documents by officers of local police, sheriff and metropolitan police departments and by agents of the investigation and narcotics division of the department of law enforcement assistance while engaged in undercover narcotics or prostitution investigations.

# (Added to NRS by 1975, 1460)

# UNAUTHORIZED TAMPERING WITH TELEVISION, MICROWAVE RADIO SYSTEMS

205.470 Unlawful use of, injury to television or radio signals and equipment. Any person who:

1. Willfully and maliciously breaks, injures or otherwise destroys, damages or interferes with any of the posts, wires, towers or other materials or fixtures employed in the construction or use of any line of a television coaxial cable, a microwave radio system, or a community antenna television system is guilty of a public offense proportionate to the value of the property damaged or destroyed.

2. Without authority leads or attempts to lead from its uses or make use of the electrical signal or any portion thereof from any posts, wires, towers or other materials or fixtures employed in the construction or use of any line of a television coaxial cable, a microwave radio system, or a community antenna television system is guilty of a misdemeanor.

(Added to NRS by 1963, 9; A 1965, 63; 1967, 507)

#### UNLAWFUL USE OF TELEPHONE, TELEGRAPH SERVICE

205.480 Obtaining telephone, telegraph service with attempt to avoid payment; penalties.

1. It is unlawful to obtain or attempt to obtain telephone or telegraph service with intent to avoid payment therefor by:

(a) Charging the service to an existing telephone number without authority of the subscriber, to a nonexistent telephone number or to a number associated with telephone service which is suspended or terminated after notice of suspension or termination has been given to the subscriber; or

(b) Charging the service to a credit card without authority of the lawful holder, to a nonexistent credit card or to a revoked or canceled (as distinguished from expired) credit card after notice of revocation or cancellation has been given to the holder; or

(c) Using a code, prearranged scheme or other similar device to send or receive information; or

(1975)

# MEMORANDUM

EXHIBIT F RICHARD MADUNKER CONNEY MARAGEN

BRUCE W. SPAULDING

OFFICE OF THE COUNTY MANAGER

O: ASSEMBLY JUDICIARY COMMITTEE

FROM: SAMUEL D. MAMET, MANAGEMENT ANALYST

SUBJECT: AB 19

DATE: JANUARY 29, 1979

Pursuant to the direction which your Committee provided us last week, please find below a suggested amendment to lines 9, 10, and 11, page 1, of AB 19.

(d) WITHIN FIFTEEN FEET OF A FIRE HYDRANT[;] where parallel parking is permitted, provided, however, that local authorities may, by ordinance, restrict parking within twenty feet of a fire hydrant where angle parking is permitted.

This suggested amendment will eliminate the effect of our original proposal which would have had statewide application on a mandatory basis. This amendment will allow local authorities to deal with this problem through local ordinance as it should be.

We appreciate the Committee's consideration of this proposed amendment.

SDM/mg