

Date: May 11, 1979.

Page: 1

The meeting was called to order at 1:30 p.m. in Room 213
Senator Richard Blakemore, Vice Chairman, was in the Chair.

PRESENT:

Senator Richard E. Blakemore, Vice Chairman
Senator Don Ashworth (absent from most of meeting)
Senator Clifford E. McCorkle
Senator Melvin D. Close (absent from most of meeting)
Senator C. Clifton Young
Senator William H. Hernstadt

ABSENT: Senator Thomas R.C. Wilson

OTHERS Donald E. Alford, Carpenters Local #971, AFL-CIO

PRESENT: Mark T. Massagli, President, Nevada AFL-CIO,
President, Las Vegas Musician's Union
Shirley Katt, Washoe County District Attorney Consumer
Protection
Tom Kirkpatrick, Nevada State Electronics Association
Don Cralle, Better Business Bureau of Northern Nevada
G. W. "Pete" Horton, Service Manager, Montgomery Wards, Reno
Elmer England, Sears Service Center Manager, Sparks
Fred Sharkey, Sears Service Center, Carson City
Claude Evans, Secretary-Treasurer, Nevada State AFL-CIO
Russ McDonald, attorney and lobbyist
George Bennett, Executive Secretary, State Bd. of Pharmacy
Gene Milligan, Nevada Association of Realtors
William Knabe, representing residential designers
Norman Anthonison, Personnel Services Manager, SUMMA Corp.

AB 564 Clarified compulsory industrial insurance of musicians.

Mark T. Massagli, President, Nevada AFL-CIO, and President, Musicians' Union, Las Vegas, spoke in support of the bill. He discussed all the aspects of mandatory coverage and advised that he had also discussed the bill thoroughly with management and they were now in accord.

In answer to Senator Hernstadt's question as to who would be covered by the bill, Mr. Massagli answered that the exemptions would be those musicians whose work was of a casual nature, one or two or three day engagements and the like. He said this bill is intended for those who are steadily employed.

Senator Hernstadt said he didn't fully understand the representation that the benefits are being paid but there is no financial impact, it just clarifies.

Mr. Massagli replied that the money was being paid, but it was not being turned in to NIC but was going into someone's pocket because there is no mandatory law at present covering musicians. If someone is injured, there can be civil action only.

1717

In answer to Senator Hernstadt's question regarding the hotels' liability, Mr. Massagli said the hotels would be protected under this bill. He cited a recent instance of a piano player whose hands were injured, and the hotel had to come up with the payment. This bill works both ways; it helps the performing musicians and removes the area of doubt from the liability obligation of the hotel.

Senator Young asked how many musicians would be covered by the bill and Mr. Massagli estimated approximately 350 in the Las Vegas area and 350 in the Reno-Lake Tahoe area, for an approximate total of 700 people.

Senator Young asked why they were excluded in the first place. Mr. Massagli answered that their work was considered casual in nature so they were included with domestic help and agricultural labor.

Senator Hernstadt wanted to know how many of the 700 were actually covered now. Mr. Massagli said he didn't know because it was up to the employer if he wished to protect himself from exposure to civil litigation.

Senator Close asked if Mr. Massagli had any idea how many band leaders had pocketed the money (meant for coverage). Mr. Massagli replied that he didn't.

Norman Anthonison, Personnel Services Manager, SUMMA Corporation, spoke regarding the bill. He indicated that originally they did have a question regarding the bill as to whether in fact it did legislate that the musicians were actually employees of the various hotels. There is a case pending before the National Labor Relations Board at present where this is an issue. However, Frank Daykin and others have assured him that this bill does not in fact make the musicians employees of the hotels and on that basis Mr. Anthonison said they have absolutely no objection to the bill.

Senator Blakemore closed the public hearing on AB 564.

AB 489 Provides for increase in certain industrial insurance benefits.

Claude Evans, Secretary-Treasurer, Nevada State AFL-CIO, stated this bill is also incorporated into AB 84. He said it's an increase in the death benefit from \$1,200 to \$2,500; but if AB 84 doesn't pass, the increase would be lost. Therefore, he urged passage of AB 489.

Senator Blakemore closed the public hearing on AB 489.

AB 510 Provides for registration as architects or residential designers of certain persons with prior business experience in drafting or design.

Since there was no one present to testify on this bill, Senator Blakemore closed the hearing on AB 510 for the moment.

AB 516 Regulates repair work on consumer goods.

Senator Blakemore commented there was a note to take additional testimony on this bill on Monday. Therefore, hearing was held on this bill until someone appears.

SB 563 Amends various statutes regulating controlled substances.

SB 564 Amends various statutes relating to dangerous drugs, poisons and hypodermic devices.

SB 565 Proposes various amendments to law relating to pharmacists and pharmacies.

Russ McDonald, attorney and lobbyist, presented amendments to SB 563, 564, and 565 to the Committee. He said he thought the amendments speak fairly to the discussion, according to the information from Mr. Dire and Mr. Bennett.

Senator Blakemore suggested starting from the beginning, with SB 563, referencing the amendments submitted by Fred Hillerby of the Nevada Hospital Association. First was a definition--"Short-order prescriptions for the purposes of in-patient drug administration and dispensing of drugs at the time of discharge from the hospital"" attempts to clarify a chart order. Senator Blakemore added that he thought Mr. McDonald's amendment goes further than that.

Mr. McDonald clarified that the above definition was fine as far as it goes but to track it through the audit trail was why the Board of Pharmacy was concerned, why section 42 was developed as a definition of chart order.

Senator Hernstadt inquired if their amendment provides that a copy of the chart order can go to the pharmacy for their records. Senator Blakemore said that was what he was going to check. He said Mr. McDonald suggests adding H to Section 55-"on chart orders the information in this section must be available in the hospital records". Senator Blakemore said the patient's chart is already there, so that's superfluous.

Senator Hernstadt protested that the records are in different departments; when the investigators come in to track an inventory, the chart orders are in one part of the building, the patient's records in another. He felt a copy of chart orders should be in pharmacy records to save time.

Mr. McDonald commented that a chart order and prescription were two separate and different definitions. Prescriptions are filled in the outpatient section, but not a chart order. In some hospitals, the doctor is required to write out a prescription when discharging a patient. They don't go by chart orders.

George Bennett, Executive Secretary, State Board of Pharmacy, said he understood the position, but also stated that a lot of doctors have busy schedules, many patients to see, more than one hospital

to visit; and to ask the doctor to stop and write a second prescription when it's already on the chart, is an imposition on the physician. His suggestion is sort of a compromise between the two. There will at least be a document in the files in the pharmacy record by making a copy of the chart order, or at least of the part with the discharge prescription on it.

Senator Blakemore asked if that would solve the problem of all the information needed on the prescription. Mr. Bennett said that was correct; but he had never seen a chart order that had the doctor's name and address on it. The doctor doesn't write the prescription, he merely has to sign it. The nurse usually writes the chart order and the prescription and the doctor signs one or the other.

Senator Hernstadt asked why Fred Hillerby was objecting. Mr. Bennett replied he thought it was because from the hospital information that they've tried to do it that way all the time, and it's difficult to get the doctors to stop and sign a prescription.

Senator Blakemore said they're going to have to do this. They (the doctors) are responsible for it and they're going to have to get off a pedestal and do the job they're licensed to do.

Senator Young agreed with Senator Blakemore.

Since SB 564 covered the same items, Senator Blakemore moved on to SB 565.

Mr. Bennett stated that SB 565, in the beginning, suggested revisions the same as the issue being discussed.

Senator Hernstadt asked if it was all concerning chart orders.

Mr. McDonald interposed that when you get down to page 6, lines 14 through 17, that is the proposed new language for the licensing fees for the inpatient and outpatient pharmacy.

Senator Blakemore commented that he didn't think it should be required if there is only one pharmacy; they shouldn't have to pay to divide a room by a white line.

Senator Hernstadt remarked that they're buying extra drawers to keep these drugs in, they're getting an extra set of records, and now they're to be fined an additional \$150.

Mr. McDonald suggested that what bothers Senator Hernstadt--and he didn't think he meant a fine but license fees.

Senator Hernstadt agreed, that he meant having two licenses, one for inpatients, one for outpatients.

There was further discussion about the amendment language, the investigatory issues, and the burden on the hospitals to meet the requirements. The Committee consensus was the the amendments be re-structured to eliminate the dual fee provision and the other

items of non-agreement were to be changed. Mr. McDonald agreed to the changes also.

Senator Young moved to "Amend and Re-refer" the bills to Committee.

Seconded by Senator Hernstadt.

Motion carried.

Senators Wilson, Close, and Ashworth absent.

Public hearing on SB 563, 564, and 565 was closed by Senator Blakemore...

AB 489 Provides for increase in certain industrial insurance benefits.

Senator Young moved to pass AB 489 out of Committee with a "Do Pass" recommendation

Seconded by Senator Hernstadt.

Motion carried.

Senators Wilson, Close, and Ashworth absent.

At this point, since three senators were absent, Vice Chairman Blakemore declared the Committee to be a subcommittee, and went on with the meeting.

AB 516 Regulates repair work on consumer goods.

Shirley Katt, representing the Washoe County District Attorney's Office, Consumer Protection Division, spoke on behalf of AB 516. Ms. Katt said their office has worked with the Northern Nevada Better Business Bureau and the Northern Nevada Electronics Dealers' Association for some time on this legislation. She traced the history of the bill and the main areas it covers: a written estimate of parts and labor, a diagnostic fee, and whether or not the work charged for is really done.

Senator Blakemore asked how they determined that work was done that was not needed. Ms. Katt replied that it was difficult unless they receive a lot of complaints about some particular company. However, she said most people do receive an estimate if they ask for it. Most dealers are willing to do this. She said the bill is more of a disclosure bill; and the pattern is similar to the current auto repair bill giving the customer the right to request a written estimate for parts and labor. It also provides for oral authorization as well, if the original estimate is going higher.

Tom Kirkpatrick, certified electronics technician and general manager of Rumble Sound Supply Company, Reno, also representing the Nevada Electronics Association, also supports the bill. He stated that to prepare an estimate, it is almost necessary to effect the repair; diagnostic work must be done. He said in the legislation there is a 10 percent charge or \$20 leeway, whichever is less. There is an estimate charge if the set is not repaired, to cover the technician's time in preparing the estimate. The bill provides for full disclosure of all charges, and if a customer doesn't want the set repaired, there is an estimate charge.

Senator Blakemore asked if that wasn't allowing a legitimate rip-off by the unscrupulous operator. Mr. Kirkpatrick said no; because they must disclose the estimate charge to the customer before looking into the set for repair. Once the diagnosis is made, it is necessary to break out the parts prices as well, and it is time consuming. They feel that a \$20 charge covers their cost of doing business; they don't make much money on estimates.

Discussion continued on the mechanics of estimates, diagnosing malfunctions, and appropriate charges for them.

Ms. Katt mentioned there were a couple areas where the bill needs some correction: Section 3, page 2, line 1, the word "fully" should have been deleted. On page 3, section 5, line 1, the last sentence should be deleted "if any additional charges exceed 30% of the original estimate". Ms. Katt continued that also on page 3, section 6, lines 22 and 23, should read "A description of all service work done, and an itemization and price of each part supplied."

Senator Blakemore asked for that amendment in writing and Ms. Katt said she would do so. She also indicated that also on page 3, section 6, lines 36 and 37 would be eliminated, because many shops flatrate their labor for a specific job.

Mr. Kirkpatrick elaborated that service work is broken up into categories, major, intermediate, and minor, and the work is flat-rated accordingly. This can be of benefit to the consumer.

Senator Young asked if they still require the total service labor to be a separate item from parts. Mr. Kirkpatrick explained the idea behind that was, if one person can do a specific job in 1-1/2 hours and another technician takes 4 hours, why should the first technician be penalized for this expertise.

Senator Hernstadt asked if the bill was going to require any additional insurance on behalf of the T.V. shops; so if they are charged under section 13 of the bill for a misdemeanor or gross misdemeanor, they have to hire a lawyer to defend themselves.

Mr. Kirkpatrick replied that most businesses are solvent enough to retain counsel if necessary. But the bill is not directed to most of the people in the business, only those who damage the

(AB 516 continued)

credibility of the rest of them. Mr. Kirkpatrick said this happened the past year in Reno.

Senator Hernstadt asked if Mr. Kilpatrick wanted the bill limited to Reno. Mr. Kilpatrick replied no, because this sort of operator floats from town to town, fleecing customers along the way.

Senator Hernstadt commented that every sort of business has that kind of problem. He said the excess of regulation disturbs him greatly. He wanted to know why the misdeeds of the two dealers wasn't covered under normal fraud and the criminal statutes that exist now.

Ms. Katt commented that obtaining money by false pretenses was about all they could use, and the problem was proving intent to cheat and defraud, even if that was what was happening.

Senator Hernstadt remarked that Mr. Kirkpatrick mentioned two people going into Reno and fleecing people. Mr. Kirkpatrick said that the victims probably exceeded 150 people; that if this legislation had been in effect, that number would have been reduced by two-thirds. The miscreants knew they couldn't be touched.

There was some further discussion on the legislation being an unnecessary burden on the small shop owner in the smaller community. Ms. Katt said most of the statute deals with "upon request", so people can exercise their rights to know, to get their TV sets back with having to pay exorbitant rates to do so.

Senator Hernstadt wanted to know how this bill would prevent that from happening.

Mr. Kirkpatrick said the bill provides some ground rules which they don't have now. There's nothing difficult to comply with in it. He said, as a representative of both the southern and northern chapters of the state electronics association, they accept the need for, and helped to create the legislation. By assuring customers of their rights, the businesses will benefit. He said the bill also provides a lien law, to cover unclaimed TV sets, or those for which the owners did not want to pay the repair charges. It gives the technicians a procedure for disposing of the sets, legally, after a stated time.

Ms. Katt mentioned that she wanted to point out the law provides on the work orders that there be a clause "printed near the signature line, advising people of their rights." So there will be an added expense for dealers, in having work orders printed to comply. But the charges should be minimal.

Senator Blakemore wanted to know if other states had similar laws. Ms. Katt advised him that they did, many of them more stringent. Mr. Kirkpatrick added that they are using primarily the California invoice as their model. The customer receipt would contain all the information as to their rights.

(AB 516 continued)

There was general discussion of the cost of changing all work order and forms, of printing signs for the shops, etc. They generally agreed that it should pose no great problem, based on their experience with the auto repair law changes in 1975.

Senator Blakemore observed that it is pretty hard to legislate people's morals; that an unscrupulous man is not going to be made honest by legislation like this.

Ms. Katt disagreed; saying it does give them authority to proceed on a case they otherwise could do nothing about.

Don Cralle, general manager, Northern Nevada Better Business Bureau, said that much of what he wanted to say had already been said. However, he indicated that the Television Service Dealers' organization which he helped organize in 1970, had been working with him to come up with legislation which would be protective without being too restrictive. He thought AB 516 was such legislation; it is something the industry can live with.

In answer to Senator McCorkle's query, Mr. Cralle stated that other bills had been proposed, but the industry wanted something to solve as many problems as possible, that would receive the industry's support. Mr. Cralle agreed with Senator McCorkle's assessment that the industry supports this bill because it is less of an intrusion on them; that it is a fair enough bill to stand by itself.

Elmer England, manager and serviceman, Sears Service Center, said he concurred with the preceding testimony. He gave a little background material, and stated in the last twenty-three years he has worked in the industry he has had varied experiences; he feels appliances should be deleted from the bill which would increase costs and cause inconvenience to the customer.

He stated they haven't had all that much trouble with complaints. He maintains records for one year; and his service department represents a little over twenty thousand calls in Washoe County in a year.

In answer to Senator Hernstadt's question about increasing the average charges, Mr. England replied that he thought it would. He commented on the way it is done in Sears stores in California, where the law has been in effect for about ten years. Mr. England remarked that you can't add another operation to a business without it raising the cost.

Senators Blakemore and Hernstadt asked further questions. Mr. England answered regarding the operation of the lien law in California. He said he didn't think the lien law was going to help anyone.

G.W. "Pete" Horton, Service Manager, Montgomery Wards, Reno, agreed with Mr. England's testimony. He pointed out that transistors are now used rather than tubes. With regard to expense, it would mean a complete re-design for Wards' forms. He stated he had 12,000 to

(AB 516 continued)

13,000 service calls per year.

Senator Blakmore asked how many complaints they had. Mr. Horton said he had not heard anything from Consumer Affairs. With regard to disposal of unclaimed or unpaid for sets, he said they use the same system as Sears, a disposal letter, certified mail, etc. He also indicated that a certified letter, which cost .80¢ eight months ago, now costs \$1.40.

Mr. Kirkpatrick pointed out that the Nevada State Electronic Association member shops probably performed at least as many service calls a year as Sears and Montgomery Wards does, but the members of the association support the bill and feel there is a need for it.

AB 464 Revises circumstances in which a limited used vehicle dealer's license is required for real estate broker in selling used mobile homes.

Gene Milligan, representing the Nevada Realtor's Association, stated that, since Senator Wilson was absent, he had been asked to come and ask the Committee to reconsider AB 464. The reason for the request is that they finally found out what is wrong with the bill.

The bill drafter added two words on page 1, section 1, line 6 "even" after home, and "only" after incidental, which does in fact throw the door open for realtors to sell mobile homes without being connected to a lost. They already have the ability to get a license but they're double bonded. In other words Mr. Milligan has a mobile home dealer's license in his business, but has to pay a couple of hundred dollars a year unnecessarily because he's covered under the recovery fund.

Without a quorum, there was no action taken at this time.

AB 510 Provides for registration as architects or residential designers of certain persons with prior business experience in drafting or design.

William Knabe asked to speak for AB 510. He stated that prior to 1975, they were known as building designers. They accepted the fact of being called residential designers as long as they could associate with an architect or engineer to still be able to do commercial work.

Senator Blakemore said he remembered the bill.

Mr. Knabe said that was what agreed with the architects, but when the bill came out, and was passed, they were made temporary residential designers who had a five-year period to pass an exam designed for five-year architectural graduates. In addition they could not associate with engineers, only architects.

(AB 510 continued)

Senator Blakemore commented that the bill read correct back to the agreement they had at that time.

Mr. Knabe said not totally; but what they are trying to do is get most of the people, who are now in their fifties and sixties, certified as permanent residential designers, as they have been able to pass most of the exam.

Senator Blakemore said the bill means that the man who had his temporary certificate as a residential designer may apply before October 31 of this year to receive, without an exam, a permanent certificate.

Mr. Knabe replied yes, this would allow them to go ahead and keep their businesses, although they are still not allowed to associate with engineers.

Senator Blakemore remarked that he didn't think there was any great opposition to this by architects. Mr. Knabe disagreed, saying that when the bill was in the Assembly the architects mounted a great deal of rhetoric against it, much of it false. Senator Blakemore said he did not recall the bill as having a temporary agreement in it. Mr. Knabe said it went from there, then there was a second meeting on the third floor of the Ormsby House that they never knew about.

Senator Blakemore said now that we have heard the testimony on AB 510 and have the gist of it, would Mr. Knabe prepare a synopsis of the testimony for the Committee, and they will set it up for action.

Mr. Knabe said he had one question, if anything were added to the bill, then would it have to go back to the Assembly?

Senator Blakemore answered yes, for concurrence of amendment.

Mr. Knabe said not to fool with it then. The residential designers have been doing very well in passing the exam, and the Board wrote regulations that they have to have three years under the supervision of an architect, so they will just fight that one themselves.

Senator Blakemore adjourned the meeting at 3:30 p.m.

Minutes of the Nevada State Legislature

Senate Committee on Commerce and Labor

Date: May 11, 1979

Page: 11

RESPECTFULLY SUBMITTED

Betty L. Kalicki
Betty L. Kalicki, Secretary

APPROVED:

Thomas R. C. Wilson, Chairman

1727