

The meeting was called to order at 12:15 p.m. in Room 213. Senator Thomas R. C. Wilson was in the chair.

PRESENT: Senator Thomas R.C. Wilson, Chairman  
Senator Richard E. Blakemore, Vice Chairman  
Senator Don Ashworth  
Senator Clifford E. McCorkle  
Senator Melvin D. Close  
Senator C. Clifton Young  
Senator William H. Hernstadt

ABSENT: Senator Thomas R.C. Wilson, absent second half of meeting

OTHERS Perry M. Di Loreto, Di Loreto Construction Co., Reno

PRESENT: Virgil Anderson, AAA, Calif. State Auto Assoc.  
Richard R. Garrod, Farmers Insurance Group  
Vince Laveaga, Sierra Pacific Power Company  
Jim Jones, Administrator, Div. of Real Estate  
Barbara Bailey, Nevada Trial Lawyers' Association  
Renny Ashleman, Nevada Mortgage Association  
Heber Hardy, Chairman, Public Service Commission  
David Hoy, Di Loreto Construction Co., Reno  
John Middle, Associated General Contractors  
Jim Wadhams, Director, Department of Commerce  
Senator Gene Echols, for SCR 41

AB 753 Revises requirements for license as mortgage company.

For previous testimony and discussion see minutes of May 14, 1979.

The Committee discussed the proposed amendments to the bill.

Senator Close pointed out that requiring two years of administrative experience in a financial institution, meant that a person couldn't qualify for a mortgage company license if he didn't work for a bank or some type of finance company. He felt that there are many experiences a person could have, outside a financial institution, which would qualify him for a license. He also felt that the requirement that a mortgage company must have reported a minimum of \$50,000 in loans made during a 12-month period, in order to be eligible for renewal of the license, was not appropriate. He suggested that the words "in a financial institution" be deleted.

Renny Ashleman, representing the Nevada Mortgage Association, suggested that instead of deleting "in a financial institution", which leaves the requirement being only two years of administrative experience, that the requirements be made to read "two years of lending experience".

Senator Close felt that this language was still too restrictive.

Senator McCorkle made a motion to delete lines 4 through 8, page 2, of the proposed amendment.

Seconded by Senator Don Ashworth.

Motion carried unanimously.

(AB 753 - continued)

Senator Hernstadt moved to delete lines 4 through 8, page 2, of the bill.

Seconded by Senator Young.

Motion carried unanimously.

Senator Blakemore moved to delete lines 9 and 10, page 2, of the bill.

Seconded by Senator Ashworth.

Motion carried unanimously.

The Committee discussed and agreed on the following amendments:  
1) to replace "\$50,000" on line 39, page 2 of the bill, with "\$25,000".  
2) to delete lines 41 through 50, page 2; delete lines 1 through 3, page 3 of the bill.

Senator Close made a motion to delete lines 49 and 50, page 3, and lines 1 through 3, page 4.

Seconded by Senator McCorkle.

Senator Young voted no.

Motion carried.

Senator Blakemore moved to pass AB 753 out of Committee with an "Amend and Do Pass" recommendation.

Seconded by Senator Ashworth.

Motion carried unanimously.

SB 579 Makes assorted revisions to law governing marriage and family counselors.

For previous discussion and testimony, see minutes, May 14, 1979.

The Committee agreed to amend sub-section 4, page 2, to read as follows: "Evaluation of the relationship between spouses and among family members". The Committee also agreed to insert on line 43, page 3, the following: "No person may practice without being licensed under the provisions of this chapter."

The Committee agreed to delete the brackets, lines 4 through 9, page 4; they deleted lines 9 through 23, page 4. They agreed to make fees biannual, instead of annual, lines 13 and 30, page 5; with an increase from \$80 to \$160 to make it a biannual fee. Line 47, page 7, "certified" should be changed to "licensed".

(SB 579 - continued)

Senator Ashworth moved to adopt the amendment to lines 37 through 39, page 2, sub-section 4, as the Committee had agreed; and to "Amend and Do Pass" SB 579.

Seconded by Senator Blakemore.

Motion carried unanimously.

AB 17 Extends jurisdiction of public service commission of Nevada over certain water companies.

Heber Hardy, Chairman, Public Service Commission, testified on the bill. He explained that basically this bill gives the PSC the authority to adopt simplified procedures for rate relief for small water companies. The bill also provides that if a small water company commences service before the effective date of the bill, they would not become jurisdictional until they begin to collect \$11,000 annual revenue and serve 25 customers. If a small water company commences service after the effective date of the bill, they would immediately become jurisdictional, whether they sell water to one or two persons. Mr. Hardy stated that this is a very sensitive problem, as to how to begin to address it.

Senator Ashworth asked what the problem was. Mr. Hardy replied that it is primarily with the developer, who, in order to sell lots in an area where there is no certificated water company or city water available, establishes a water company for the purpose so he can sell lots. After the lots (or houses) are sold, the developers are no longer interested.

Chairman Wilson closed public hearing on AB 17.

SB 568 Authorizes public service commission of Nevada to inspect records and property of affiliates of public utilities.

Mr. Hardy testified that this bill also is primarily associated with developers who've established water companies; but also applicable to other kinds where perhaps a subsidiary corporation has been set up to operate the water company. There are issues as to whether a plant has been contributed, which would not be allowed in the rate base, etc.

Senator Young asked whether this was constitutional, whether PSC lawyers had checked it out. Mr. Hardy answered that they had not had it researched.

Chairman Wilson closed public hearing on SB 568.

AB 717 Prohibits certain public utilities from charging more than one fee for connecting to buildings with multiple dwellings.

(AB 717 - continued)

Heber Hardy, Chairman, PSC, testified on the bill. He discussed some proposed amendments with the Committee. Mr. Hardy proposed that on line 8, page 1, the words "a separate fee or", be deleted; also all of section 2 should be deleted.

In reply to Senator Ashworth's question, Mr. Hardy replied there is the possibility of not being able to charge each dwelling unit that per unit charge which is in the current tariff.

Senator Blakemore asked why the charge to each one, if they're only serving one meter. Mr. Hardy answered there are no meters permitted at this time. That means serving 50, 100, or however many dwelling units you want, for the price of one flat rate.

Senator Blakemore wanted to know why not, there was a commercial rate wasn't there? Mr. Hardy agreed, if it is considered commercial.

In reply to Chairman Wilson, Mr. Hardy answered that the effect of this bill is to allow developers to take meters through a single connection, and not have to pay for the meter facilities to put a meter in each and every dwelling unit.

Senator Blakemore asked the difference in gallonage between commercial and residential meters; also how do they determine what's commercial and residential. Mr. Hardy said if it is used for commercial purposes, it's considered commercial.

David Hoy, representing Di Loreto Construction Company, testified in favor of the bill; stating retrofitting for individual water meters was costly, both in money and energy. The reason for requesting legislation rather than regulation was the time factor.

Perry Di Loreto, of Di Loreto Construction Company, also testified for the bill, citing the counterproductivity of individual meters for energy and water conservation.

John Midole, Associated General Contractors, also testified and offered an amendment to line 4, page 1 that changed from "multiple dwelling units" to "multiple occupancy"; it would also take care of a commercial establishment with exactly the same problem.

The Committee agreed with the proposed amendments.

Senator McCorkle moved to pass AB 717 out of Committee with an "Amend and Do Pass" recommendation.

Seconded by Senator Ashworth.

Motion carried unanimously.

AB 225 Removes prohibition of employment of minors in public dancehalls.

Senator Close commented that under the present law, no minors can work at a school or church dance, whether it be in the capacity of a member of a band, a singer, or what have you.

The Committee agreed that the bill was needed.

Senator Blakemore moved to pass AB 225 out of Committee with a "Do Pass" recommendation.

Seconded by Senator Hernstadt.

Motion carried unanimously.

Chairman Wilson closed public hearing on AB 225.

AB 818 Facilitates deposit of public money in savings and loan association.

Senator Hernstadt proposed the following amendments to the bill: 1) a "year seasoning" instead of a "six-month seasoning"; 2) a limitation of 5 percent of the total assets; 3) the treasurer "may" rather than "shall"; and 4) opening this opportunity to commercial banks and credit unions. Senator Hernstadt expressed some reservations toward this bill, feeling that if the State Treasurer was buying five-year notes, the state's money would be tied up for too long a period.

The Committee agreed they wanted to proceed with the bill, so they discussed the amendments.

Senator Close suggested that page 1, line 1, should read "Promissory notes secured by first mortgages or first deeds of trust..."

Senator Hernstadt suggested that proper language, to allow commercial banks and credits unions to be under the bill, should be included throughout the bill.

Jim Wadhams, Director, Department of Commerce, assured the Committee that credit unions are insured in the same manner and to the same extent that savings and loan associations and banks are.

The Committee agreed that the owners of the homes that are used as collateral should be other than the builder's, unless he lives in the house himself.

The Committee agreed that the loans should meet the requirements of one or more of the following: "Freddy Mack", "Fanny Mae", or "Jenny May" (all acronyms for various federal regulatory agencies in housing mortgages or loans).

Senator Close suggested that line 32, page 2, the word "shall" be replaced with "may".

(AB 818 - continued)

Senator McCorkle suggested that line 35, page 2, the words "which is not federally insured" be deleted.

The Committee agreed that line 42, page 2, the words "90 days" should be replaced with "30 days".

Senator Hernstadt suggested that line 49, page 2, "6 months" should be replaced with "one year".

At 2:00 p.m. Chairman Wilson called for a recess.

The meeting reconvened at 5:00 p.m., with Vice-Chairman Blakemore in the Chair.

(AB 818 - continued)

The Committee agreed on the following amendments to the bill: line 7, page 3, should read "...recourse only if mandated by federal law..."; line 35, page 3, "one-half" should be replaced by "twice"; line 34, page 3 should read "...promissory notes secured by deeds of trust..."; line 26, page 3, "4" should be replaced by "5".

Senator Close expressed concern about not recording the deeds of trust or not recording the assignment.

Jim Wadhams, Director, Department of Commerce, informed the committee that the bill's proponents felt recording the assignment or deeds of trust would be too difficult, as far as keeping up with the paperwork. Senator Hernstadt observed that the trouble with not recording the assignment is that a crook could pledge the same loan twice.

The Committee discussed the question of whether or not to record the assignment. They concluded that the assignment should be recorded; Section 8 of the bill should provide that the assignment shall be recorded.

Senator Close moved to pass AB 818 out of Committee with an "Amend and Do Pass" recommendation.

Seconded by Senator Hernstadt.

Motion carried.

Senators Wilson, McCorkle, and Ashworth were absent.

SCR 41 Encourages small businesses to form export associations and urges these businesses to locate in Nevada

Senator Gene Echols gave the Committee members a copy of the proposed amendments to the resolution (Exhibit B) and the Committee discussed them.

Senator Hernstadt moved to pass SCR 41 out of Committee with an "Amend and Do Pass" recommendation.

(Committee Minutes)

(SCR 41 - bill action continued)

Seconded by Senator Close.

Senator Ashworth voted no.

Motion carried.

Senator Wilson absent.

For previous testimony and discussion on SCR 41, see minutes of May 4, and May 9, 1979.

SB 443 Provides for licensing of certain classes of real estate brokers and salesmen.

For previous testimony and discussion see minutes of April 16, 1979.

Jim Jones, Administrator, Real Estate Division, testified on the bill, proposing two amendments that had not been included in the reprint from an earlier hearing. On page 2, between lines 34 and 35, a new section to be added as follows: "Inducing any party to a real estate contract to break that contract for the purpose of substituting in lieu thereof a new contract with the same or another principal where the substitution is motivated by the personal gain of the licensee."

The Committee felt this was not necessary; it was just a part of good competitive business. The Committee did not feel a licensee should be punished for inducing a home owner to break a contract, if he didn't know the owner was under another contract to begin with.

Bill Cozart, Nevada Association of Realtors, testified that the statute was designed to protect an owner from civil litigation. He said that if it was illegal for a licensee to induce an owner to break his original contract, it would help prevent the owner from being subject to being sued by the first licensee.

Mr. Jones' second amendment was on line 3, page 23, of the First Reprint. He wanted "15" changed to "30".

Senator Hernstad moved to pass SB 443 out of Committee with a "Do Pass" recommendation.

Seconded by Senator Ashworth.

Motion carried.

Senator Wilson absent.

AB 617 Specifies limit of recovery when two or more policies of casualty insurance are in effect.

Jim Wadhams, Director, Department of Commerce testified he felt the bill represented what the Committee had agreed upon in a

(AB 617 - continued)

previous meeting. He said that under the current law, a person is better off being hit in an automobile accident by someone who is totally uninsured than by someone who has the basic policy.

Senator McCorkle moved to pass AB 617 out of Committee with a "Do Pass" recommendation.

Seconded by Senator Ashworth.

Motion carried.

Senator Wilson absent.

There being no further business, Vice Chairman Blakemore adjourned the meeting at 6:40 p.m.



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Senate Committee on.....

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RESPECTFULLY SUBMITTED

*Betty L. Kalicki*  
Betty L. Kalicki, Secretary

APPROVED:

Thomas R. C. Wilson, Chairman

1848

ROBERT LIST  
Governor



JOHN BUCHANAN  
Director

STATE OF NEVADA  
DEPARTMENT OF ECONOMIC DEVELOPMENT

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Exhibit B

May 16, 1979

The Honorable Gene Echols  
Nevada State Senate  
Nevada Legislative Building  
Carson City, Nevada 89710

Subject: Revision - SCR 41

Dear Senator Echols:

Attached is a copy of the requested revision as submitted to the Governor. He has been informed of your desire to see this go to the bill drafter at the earliest convenience.

If you have any questions regarding this revision, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Buchanan".

John Buchanan  
Director  
Department of Economic Development

JB/ssm

Encl.

Suggested Revision - SCR 41

Summary: Encourages small businesses to form export associations and urges these businesses to locate in Nevada.

- o Whereas, over the last twenty years U.S. exports have grown at only half the rate of other industrial nations; and
- o Whereas, World Trade Week has been designated by the President for the period May 20 - 26, in which the main emphasis in terms of United States trade participation is upon increased exports; and
- o Whereas, the United States balance of payments resulting from increasing importation of foreign petroleum and other products has resulted in an expanded trade deficit; and
- o Whereas, the President of the United States has strongly emphasized the need to increase exports as exemplified in agreements recently entered into with Japan and other Western European nations; and
- o Whereas, four million three hundred thousand American jobs are directly dependent upon United States exports; and
- o Whereas, the General Agreement on Tariffs and Trade presently being discussed in Geneva, Switzerland could lead to nontariff agreements that will enhance the United States export position by limiting the use of export subsidies; and
- o Whereas, the U.S. Senate Banking Subcommittee on International Finance recommended that the nation, in an effort to restore its competitive status in world trade should; redirect and expand existing export promotion programs to include small businesses; expand small business export financing to meet foreign competition; and negotiate reductions in foreign barriers to U.S. exports; and
- o Whereas, the State of Nevada is the forty-seventh state in agricultural exports and the forty-ninth state in manufactured exports; and
- o Whereas, the State of Nevada in an effort to further expand and diversify its economy; now therefore, be it

Resolved by the Senate of the State of Nevada, the Assembly concurring, that the Nevada Legislature encourages small businesses to expand export programs and join in export associations for the purposes of selling goods and services abroad and urges those domestic firms engaged in or wishing to participate in export programs to locate in Nevada.