

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

PRESENT: Senator Close  
Senator Hernstadt  
Senator Don Ashworth  
Senator Dodge  
Senator Ford  
Senator Raggio  
Senator Sloan

ABSENT: None

AB 448 Provides for establishment of procedures to govern handling of correspondence of offenders.

Mike Medema, Nevada Department of Prisons, testified that they had no objections to this measure but that this was presently covered under NRS 209.131 and NRS 209.423.

Senator Ashworth moved to indefinitely postpone AB 448.

Seconded by Senator Sloan.

Motion carried unanimously. Senator Ford was absent from the vote.

SB 559 Authorizes transfer of alien prisoners to their native country in certain circumstances.

Mike Medema, Nevada Department of Prisons, testified that this would permit the Director to transfer offenders to jurisdictions outside the United States if there was such a treaty in effect with their county. This would be one more way of allowing the State to send an offender to another jurisdiction and getting them out of Nevada's system.

Sherman Simons, Governor's Office, testified in support. He concurred with Mr. Medema's testimony and further stated that this bill would allow the Director the discretion as to whether or not he wanted to allow the transfer. He informed the committee that there are presently 8 prisoners who could be affected by this legislation.

Senator Raggio moved that SB 559 be reported out of committee with a "do pass" recommendation.

Seconded by Senator Hernstadt.

Motion carried unanimously. Senator Ford was absent from the vote.

SB 26 Increases maximum contractual rate of interest.

For testimony, further discussion, and action on this measure, see the minutes of the meetings for February 8, 13, 21, March 3 and 7.

The committee requested that Frank Daykin, Legislative Counsel, discuss with them the Assembly amendments and the Conference Committee reports, and their effect.

Mr. Daykin stated that on page 3, line 4, subsection 3, the Assembly intended to allow points only to the mortgage brokers. However, the way it was drafted, it would allow points to anyone on a loan made by or through a mortgage broker. A mortgage broker lending money for his own account would get the points free of any counting in the interest; as would a bank which employed a mortgage broker to negotiate its loans, the effect being that the points could be taken as part of the compensation of the mortgage broker.

The Conference amendment is to limit the allowance of points, without counting them, to those which are the compensation of the broker if he is acting for another. If the broker is lending his own money, he doesn't get them. If someone else is lending through the broker, the lender doesn't get them.

Senator Close asked Mr. Daykin to describe for the committee what the bill, in its present form, will do.

Mr. Daykin stated that, as amended in the third reprint, and as proposed to be further amended by the Conference report, with respect to loans generally, it defines interest. It excludes from interest: expenses of inspecting or appraising; title expenses; preparation of documents; charges of premiums for life insurance, with certain restrictions; and charges of premiums for other insurance. These restrictions essentially duplicate federal law and regulations.

Secondly, having defined interest, it increases the generally permitted rate of interest from 12% to 18% per annum and it takes out the special provision for 3 1/2% above the prime rate. The 18% is a flat ceiling.

It also provides that, generally, in computing the rate of interest, any points must be prorated over the period from the extension of the credit until the maturity of the loan.

It makes a special provision for mortgage brokers. They have the general ceiling of 12% or the 3 1/2% above the prime rate, as it exists in present law for lenders generally. The brokers are permitted to charge points without computing them as part of the interest.

Senator Raggio asked what effect this would have on existing obligations where the contract calls for the highest rate of interest allowable by law.

Mr. Daykin responded that, from the date of its enactment, this would become the highest rate allowable and would govern prospectively.

Senator Close asked if it could be provided that this would not apply to any loan or contract entered into prior to its effective date.

Mr. Daykin stated that Section 4 could be amended to read, "This act shall become effective upon passage and approval but does not apply to any contract entered into prior to its effective date, regardless of the terms of that contract."

Senator Dodge questioned whether or not that would be an impairment of contract.

Mr. Daykin responded that he did not believe so. The parties contracted for whatever might happen (the highest rate allowable by law). This merely limits what you are permitting to happen.

The committee requested that Mr. Daykin draft the above amendment and include it in the Conference report.

AB 389 Provides penalty for stopping payment on a check under certain circumstances.

For testimony and further discussion, see the minutes of the meetings for April 26 and May 4, 1979.

Senator Close informed the committee that he had checked with Andy Grose, Legislative Research Division, on what other states had done in the area of making stop payments a criminal action. He stated that Mr. Grose was unable to find any other state which had that provision.

Senator Sloan stated that he had spoken with Russ MacDonald and Carolyn Volardi and both had indicated that they had amendments which they wished to present to the committee.

It was the decision of the committee to withhold action pending receipt of those amendments.

There being no further business, the meeting was adjourned.

Respectfully submitted,

  
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Cheri Kinsley, Secretary

APPROVED:

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Senator Melvin D. Close, Jr., Chairman

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ASSEMBLY BILL NO. 448—ASSEMBLYMEN MANN,  
SENA, POLISH AND CHANEY

FEBRUARY 22, 1979

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Referred to Committee on Judiciary

SUMMARY—Provides for establishment of procedures to govern handling of correspondence of offenders. (BDR 16-78)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.



EXPLANATION—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

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AN ACT relating to prisons; providing for the establishment of procedures to govern the handling of the correspondence of offenders; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

- 1 SECTION 1. Chapter 209 of NRS is hereby amended by adding  
2 thereto a new section which shall read as follows:  
3 *The board shall establish by regulation procedures which ensure that*  
4 *the correspondence of offenders is handled properly and without delay*  
5 *and that both incoming and outgoing mail are delivered within a reason-*  
6 *able period of time.*

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SENATE BILL NO. 559—COMMITTEE ON JUDICIARY

MAY 4, 1979

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Referred to Committee on Judiciary

**SUMMARY**—Authorizes transfer of alien prisoners to their native country in certain circumstances. (BDR 16-2147)

**FISCAL NOTE:** Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.



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**EXPLANATION**—Matter in *italics* is new; matter in brackets [ ] is material to be omitted.

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AN ACT relating to the department of prisons; authorizing the transfer of an alien prisoner to his native country in certain circumstances; and providing other matters properly relating thereto.

*The People of the State of Nevada, represented in Senate and Assembly, do enact as follows:*

- 1 SECTION 1. NRS 209.291 is hereby amended to read as follows:  
2 209.291 1. The director may transfer an offender:  
3 (a) From one institution to another within the department; or  
4 (b) To other governmental agencies.  
5 in accordance with classification evaluations and the requirements of  
6 treatment, training, security and custody of the offender.  
7 2. The prison sentence of an offender continues uninterrupted while  
8 he is at the facility to which he has been transferred.  
9 3. *Whenever a treaty is in force providing for the transfer of offend-*  
10 *ers between the United States and a foreign country, the director may,*  
11 *with the consent of the governor, approve a transfer as provided in the*  
12 *treaty upon the application of the offender to the director.*