

MEMBERS PRESENT: Mr. Bennett
Mr. Brady (Late)
Mr. Chaney
Mr. Dini
Mr. DuBois
Mr. Kovacs
Mr. Prengaman
Mr. Rusk
Mr. Robinson

MEMBERS ABSENT: Mr. Bremner
Mr. Jeffrey

GUESTS PRESENT: See Attached Guest List

Chairman Robinson called the meeting to order at 3:04 p.m. in Room 200 of the Legislative Building. He referred the Committee members to a memo from the Committee Secretary regarding Dr. David Schwartz' testimony before the Government Affairs Committee with respect to the Public Service Commission and informed them that a copy of that testimony would be on file in the Secretary's office.

Dr. Robinson moved A.B. 140 to the top of the agenda and requested Committee introduction on BDR 56-933.

BDR 56-933: Raises limit on individual residential loans
(AB 242) of savings and loan associations.

The motion to introduce the bill draft was made by Mr. Bennett and seconded by Mr. Prengaman. There being no discussion, the motion was put to a vote and passed unanimously of those members present. Chairman Robinson noted that the bill was requested by Mr. Jeffrey of this Committee.

Chairman Robinson remarked that a Committee introduction was needed for a bill drafted by Stan Colton, which was to augment A.B. 818 of the last legislative session. He mentioned that the bill had been assigned a serial number of 1146 and had to do with the deposits of state monies.

The motion to request the bill was made by Mr. Dini and seconded by Mr. Prengaman and passed with a unanimous vote of the members present.

A.B. 140: Provides for chiropractors' assistants.

David Hagen, registered lobbyist for the Chiropractic Association of Nevada, presented A.B. 140 to the Committee. Mr. Hagen handed the Secretary an opinion of the Attorney General, EXHIBIT A. He stated that the net of the opinion recommended that chiropractic assistants be authorized by the legislature in the same way that they are now authorized for licensed medical doctors. Mr. Hagen referred to Section 2 of A.B. 140, which he indicated was almost word for word taken from NRS 630. He noted that Section 3 of A.B. 140, as it applies to chiropractic assistants was more stringent

than the legislation which applies to physicians assistants. He also said that the bill contains a typographical error in that it now reads "18 months of study" instead of "12 months of study" and he requested that the error be corrected to read "12 months of study or the equivalent."

Dr. E.M. Scrivner, President of the Nevada Board of Chiropractic, added some comments to those made by Mr. Hagen. He remarked that chiropractors in Nevada had been using assistants for more than 30 years.

Dr. Robinson asked Dr. Scrivner to expound on what the duties of a chiropractor's assistant would be. Dr. Scrivner indicated that a chiropractor's assistant would assist the chiropractor in the "back room" as far as placing the patient on the table, using ultra sound, physiotherapy, hot packs, cold packs, etc. while the doctor is in other areas of the office. The assistant would be under the direct supervision of the doctor. He added that the assistant would also use the x-ray machine and place the patient for the purpose of taking x-rays and relaxing the patient for the doctor.

Dr. Robinson asked if there were any other licensing requirements for x-ray technicians. Dr. Scrivner responded that there were not in this regard, adding that an x-ray technician in a hospital played a different role in that a chiropractic assistant would not be setting up the actual x-ray machine; he would only place the patient and "push the button" with the doctor doing the physical setting of the machine.

Dr. Robinson emphasized that under no circumstances would the chiropractic adjustment be done by an assistant. Dr. Scrivner responded, "Absolutely not."

Mr. Prengaman questioned why no fee was set in Section 4 of the bill. Dr. Scrivner responded that the board should be able to determine what the fee should be in actuality, but that it was not to exceed \$100. He added that he would have no objections to setting a fixed fee.

Mr. Brady then asked Dr. Scrivner what would happen if the Committee decided not to pass the bill. Dr. Scrivner indicated that it would decrease the amount of patients that a chiropractor could see by one third. He referred to a recent survey that had been made that provided that data. Dr. Scrivner also said that until the opinion had come from the Attorney General, most chiropractors had been using assistants.

Mr. Dini asked if there were any chiropractors that used more than one assistant. Dr. Scrivner indicated that there were some doctors that had been using as many as five or six assistants prior to the published opinion. Mr. Dini then asked if the Board would be satisfied if there were a clause added to the bill that would limit the

number of assistants to one or two. Dr. Scrivner responded, "Two would be just find."

Mr. DuBois asked whether most states now had provisions allowing chiropractors to have assistants. Dr. Scrivner indicated that most states did have such provisions and in those states that did allow such assistants, the doctors were able to handle more patients and do a better job. He added that he did not know exactly how many of the other states actually had provisions allowing chiropractors to have assistants.

Mr. Chaney questioned why, if chiropractors had assistants before the opinion, the Attorney General felt the practice was illegal. Dr. Scrivner responded that a letter had been sent to the Board by a chiropractor requesting clarification on the law. Until the Board had made the request for clarification, it had just been assumed that it was alright to have assistants, but upon digging into the law, the Attorney General decided that it was not.

Dr. Robinson indicated that when the law was passed enabling physicians to have assistants, the role of those assistants had been well defined, and he asked Dr. Scrivner if he could assure the Committee that chiropractor's assistants would have a similarly well defined role and that they would not be allowed to do chiropractic adjustments. Dr. Scrivner indicated that he would have no objections to having such a definition become statutory.

There being no further discussion, Dr. Robinson concluded the hearing on A.B. 140.

Dr. Robinson moved the hearing to S.B. 63.

S.B. 63: Removes upper limit on number of directors for savings and loan associations.

Mr. Howard Furner, Executive Vice-president of Family Savings and Loan, came forward to testify on behalf of S.B. 63. He apologized for being late to the hearing concerning the bill which was held the prior week. Mr. Furner referred to EXHIBIT B, an amended version of S.B. 63. He indicated that the difference between the amended version and the original was that the maximum number of board members had been changed to 25 instead of being "open-ended." Mr. Furner then referred the Committee to EXHIBIT C, explaining that federal associations "now have the opportunity of having 25 directors." He indicated that the goal of S.B. 63 was to give the state associations the same opportunities as the federals have.

Dr. Robinson indicated that BDR 56-361 had already been requested to set the limit at 25 for the number of members that could be allowed on the board of directors.

There were no questions or further discussions concerning S.B. 63, and the hearing on the bill was concluded.

Next, the Committee discussed S.B. 128.

S.B. 128: Makes various changes in law relating to veterinarians.

Dr. Jack Walther, a veterinarian from Reno and a member of the State Board of Veterinary Exam, came forward to testify. He also introduced Emmagene Sansing from the Attorney General's office. Dr. Walther indicated that the changes requested in the bill were intended to bring the Board into conformance with other boards such as the boards for dentists, pharmacists, nurses, etc.

Dr. Walther was questioned by Dr. Robinson if prior to this bill, the Board had been able to issue injunctions. Dr. Walther responded, "No, we have not." Dr. Robinson then stated that primarily what the Board was hoping to achieve with this legislation was to enable it to issue subpoenas. Dr. Walther indicated that that was correct.

Ms. Sansing indicated that the Board had the power to investigate and to hold hearings, but it had no authority to subpoena persons who did not want to testify.

Mr. Prengaman asked if the request for subpoena powers was made so that the Board would simply be in conformance with other similar boards, or if it was being requested because such a power was actually needed. Ms. Sansing responded by saying, "There have been instances where we needed to subpoena records or to investigate an animal hospital, and more or less we just had to ask them if we can come in or ask them if we can look at their records." She added that there had not been a problem where someone had refused to provide records or witnesses and had refused to testify; however, she felt that such cases could be anticipated.

Mr. Brady asked what type of records would be subpoenaed. Dr. Walther responded that the records could be patient care records, drug records, narcotic records and so forth.

Dr. Robinson questioned Dr. Walther why in Section 2 of the bill the director of the division of animal industry was being deleted as a member of the Board. Dr. Walther answered that the work load of the state veterinarian was so great that his office could no longer handle the position, and that the Board was in the process of hiring an executive secretary to handle the functions previously handled by that member. He added that the state veterinarian is now an ex officio, nonvoting member.

Dr. Robinson then asked Dr. Walther to substantiate the large increase in the renewal fee from \$30 to \$100. Dr. Walther indicated that the increase was primarily designed to pay the executive secretary for "what the state veterinarian has done for free all these years."

Mr. DuBois asked if charges would be made prior to a veterinarian's records being subpoenaed. Dr. Walther responded that a very serious charge would first have to be made. He added that heretofore, no

records had been withheld after they had been requested, but in anticipation of a situation where someone would refuse, the Board felt the power to subpoena was necessary. He also said that the Board would always ask first before a subpoena would be issued. Dr. Walther then gave a description of the procedures used by the Board now when a complaint is received.

Dr. Robinson asked if a veterinarian who is placed on probation would be allowed to practice. Dr. Walther indicated that a person on probation would be allowed to continue to practice. Dr. Robinson then asked if there were any amendments to be made to the bill. Dr. Walther indicated that all the changes that the Board wanted had already been made.

Mr. DuBois asked if the probation provision was not "pretty standard." Dr. Walther responded that it was and that the Board had left it out of the bill two years ago not on purpose, but due to an oversight.

There were no further questions pertaining to S.B. 128, so the Chairman moved the hearing to S.B. 131.

S.B. 131: Requires community antenna television companies to pay interest on deposits made by customers.

Mr. Heber Hardy, Chairman of the Public Service Commission, came forward to present S.B. 131. He remarked that the bill was a "house keeping bill" because the antenna television companies had inadvertently been left out of prior legislation that set interest rates to be paid on deposits that are required by utility companies.

There was no further testimony concerning S.B. 131, nor were there any questions, so Dr. Robinson concluded the hearing on that bill.

Dr. Robinson remarked that he was disturbed by the number of bill draft requests that were coming in beyond the established deadline; consequently, he was asking the bill drafter to give such requests a lower priority. Dr. Robinson then indicated that the Committee would take action on some of the bills heard today.

A motion was made by Mr. Dini to DO PASS S.B. 63 with the amendment to set the maximum number of members on the board of directors at 25. The motion was seconded by Mr. Rusk and passed with a unanimous vote of the members present with no further discussion. (SEE ATTACHED LEGISLATION ACTION FORM). Dr. Robinson asked Mr. Rusk to handle the floor work on S.B. 63.

The next bill to be voted on was S.B. 128. Mr. DuBois made the motion to DO PASS. The motion was seconded by Mr. Dini. Mr. Prengaman questioned why there was a need to include the power to subpoena when no such need had been necessary in the past, but seemed appeased when Dr. Robinson explained that most other boards had such powers and that there could evolve some disciplinary problems where the power

to subpoena would be necessary. Mr. Ghaney asked the Chairman to clarify the meaning of "probation." Dr. Robinson answered, "It is kind of like being on good behavior." Mr. Dini added that there was a shortage of veterinarians in Nevada and that perhaps the Board intended to place new veterinarians on probation when they came to practice here. Dr. Robinson stated that in the context of the bill, probation did not refer to a probationary period, but instead referred to disciplinary action.

Mr. DuBois then asked for clarification of "suspended." Dr. Robinson indicated that a person who is suspended is, in fact, out of business for some period of time. Mr. Dini read some definitions of probation and suspension from the Nevada Revised Statutes.

The motion to DO PASS S.B. 128 passed with a unanimous vote of the members present (SEE ATTACHED LEGISLATION FORM). Mr. Prengaman was asked to do the floor work on S.B. 128.

Mr. Kovacs made a motion to DO PASS S.B. 131. The motion was seconded by Mr. Dini. Following some general comments, the Committee voted unanimously to pass S.B. 131. (SEE LEGISLATION ACTION FORM) Mr. Dini asked that it be recorded that he had a conflict because he owned stock in a cable T.V. company. The Chairman requested Mr. Kovacs to handle the floor work on S.B. 131.

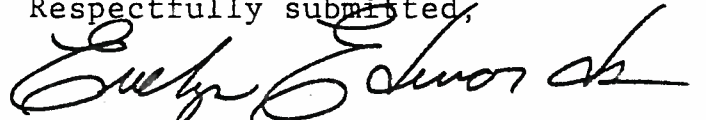
Chairman Robinson informed the Committee that beginning with next week's meetings, the time of the meetings would be changed to 2:00 p.m. or upon p.m. adjournment of the Assembly, and that he would appreciate the Committee members coming to the meeting room within 15 minutes after the p.m. adjournment.

Mr. Dini mentioned that he felt A.B. 140 should be expanded to limit the number of assistants to correlate with the limitations set on physicians assistants. Dr. Robinson added that the reference to 18 months of study also needed to be revised, and that a statutory definition of what the assistants could do was also necessary.

Mr. Dini remarked that the renewal fee in A.B. 140 was "pretty high." Dr. Robinson stated that he felt the upper limit was a hedge against inflation over the next two years. He questioned if the Committee wished to lower the fee. Mr. Bennett responded that it should be left as it is. Mr. DuBois then asked if the assistants would be required to pay the same amount as the chiropractors. Dr. Robinson said that perhaps the language should be changed so that the assistants paid no more than 50% of what the doctors would be required to pay. The Chairman then requested that the bill be "put on the back burner" for about a week and that a tally of proposed amendments be kept.

The meeting was adjourned at 4:02 p.m.

Respectfully submitted,



Evelyn Edwards, Committee Secretary

(Committee Minutes)

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE February 25, 1981

SUBJECT S.B. 63: Removes upper limit on number of directors for savings and loan associations.

MOTION:

Do Pass x Amend x Indefinitely Postpone Reconsider

Moved By Mr. Dini Seconded By Mr. Rusk

AMENDMENT: Change the upper limit to 25 members instead of leaving it "open-ended"

Moved By Mr. Dini Seconded By Mr. Rusk

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes/No), AMEND (Yes/No), AMEND (Yes/No). Rows include names like BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON and a TALLY row showing 9 Yes and 0 No.

ORIGINAL MOTION: Passed x Defeated Withdrawn

AMENDED & PASSED x AMENDED & DEFEATED

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes 2/25/81

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE February 25, 1981

SUBJECT S.B. 128: Makes various changes in law relating to veterinarians

MOTION:

Do Pass Amend _____ Indefinitely Postpone _____ Reconsider _____

Moved By Mr. DuBois Seconded By Mr. Dini

AMENDMENT:

Moved By _____ Seconded By _____

AMENDMENT:

Moved By _____ Seconded By _____

VOTE:	MOTION		AMEND		AMEND	
	Yes	No	Yes	No	Yes	No
BENNETT	X					
BRADY	X					
BREMNER	absent					
CHANEY	X					
DINI	X					
DUBOIS	X					
JEFFREY	absent					
KOVACS	X					
PRENGAMAN	X					
RUSK	X					
ROBINSON	X					
TALLY:	9	0				

ORIGINAL MOTION: Passed Defeated _____ Withdrawn _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

AMENDED & PASSED _____ AMENDED & DEFEATED _____

Attached to Minutes 2/25/81

61st SESSION NEVADA LEGISLATURE

ASSEMBLY COMMERCE COMMITTEE

LEGISLATION ACTION

DATE February 25, 1981

SUBJECT S.B. 131: Requires community antenna television companies to pay interest on deposits made by customers.

MOTION:

Do Pass X Amend Indefinitely Postpone Reconsider

Moved By Mr. Kovacs Seconded By Mr. Dini

AMENDMENT:

Moved By Seconded By

AMENDMENT:

Moved By Seconded By

Table with columns: VOTE, MOTION (Yes/No), AMEND (Yes/No), AMEND (Yes/No). Rows include names like BENNETT, BRADY, BREMNER, CHANEY, DINI, DUBOIS, JEFFREY, KOVACS, PRENGAMAN, RUSK, ROBINSON and a TALLY row showing 9 Yes and 0 No.

ORIGINAL MOTION: Passed x Defeated Withdrawn

AMENDED & PASSED AMENDED & DEFEATED

AMENDED & PASSED AMENDED & DEFEATED

Attached to Minutes 2/25/81

GUEST LIST

DATE: 2/25/81

PLEASE PRINT YOUR NAME	PLEASE PRINT WHO YOU REPRESENT	I WISH TO SPEAK		
		FOR	AGAINST	BILL NO.
Nate Hunst	Family Savings	✓		SB 63
HOWARD FURNER		✓		SB 63
JACK N Armstrong	Nev. Dept. Agric	-	-	SB 128
Emmagine Sansing	Attorney General	✓		SB 128
JACO WACIMAN	NEVADA BOARD OF VETERANS AFFAIRS	✓		SB 128
E M Scribner	State Board of Chiropractors			AB 140
Nancy V James, D.C.	CHIROPRACTIC ASSOC. OF NEVADA			.
DAVID W. HAGEN		✓		AB 140
Ronald H HARTEN	DC Self.	-	no.	
John W. Borda	Nev. Franchised Auto Dealers Ass'n	-	no.	
GEORGE TACKETT	NEVADA BELL	-	-	-
Heppie Harty	P.S.C.	✓		S.B. 131
Stephen C TALBOT	New Board of Vet Med	✓		128



STATE OF NEVADA
OFFICE OF THE ATTORNEY GENERAL
300 SOUTH FOURTH STREET, SUITE 811
LAS VEGAS, NEVADA 89101
(702) 384-2751

RICHARD H. BRYAN
ATTORNEY GENERAL

ROBERT N. PECCOLE
CHIEF DEPUTY ATTORNEY GENERAL

September 3, 1980

Fred L. Stoner, B.A., D.C.
Secretary, Nevada State Board
of Chiropractic Examiners
1204 East Desert Inn Road
Las Vegas, Nevada 89109

Dear Dr. Stoner:

In your letter of June 3, 1980, you requested an opinion of this office on the following:

Question

May doctors of chiropractic use unlicensed persons to do physiotherapy, give advice on nutrition and perform colonic irrigations?

Analysis

Chapter 634.010(2) defines "Chiropractic . . . to be the science, art and practice of palpating and adjusting the articulations of the human body by hand, the use of physiotherapy, hygenic, nutritive and sanitary measures and all methods of diagnosis."

Further, Chapter 634.060 provides in pertinent part that: "It is unlawful for any person to practice chiropractic in this state without a license to do so."

The question you raise necessarily involves a resolution as to whether unlicensed persons employed by licensed chiropractors to perform physiotherapy, give advice on nutrition and perform colonic irrigations act in violation of Chapter 634 of the Nevada Revised Statutes.

It is the duty of the courts to interpret and enforce statutes in accordance with the intention of the Legislature. Worthington v. District Court, 37 Nev. 212, 244, 142 P.230 (1914). What is true of the courts is equally true for an executive agency such as the Attorney General's office. Attorney General's Opinion 216, July 12, 1977. Where the language of a statute is plain and unambiguous, the legislative intent must be ascertained from the language itself and one

Fred L. Stoner, B.A., D.C.
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should not go beyond such language. Seaborn v. First Judicial District Court, 55 Nev. 206, 218, 219, 29 P.500 (1934). Where the intention of the Legislature is thus clear, it is the duty of the courts (and of this office -- AGO 216, supra) to give effect to such intention and not to nullify its manifest purpose. Woofter v. O'Donnell, 91 Nev. 756, 762, 542 P.2d 1396 (1975).

The language of the statute is plain and unambiguous. There is no provision in Chapter 634 of the Nevada Revised Statutes for unlicensed office personnel to engage in the above-cited practices -- practices which fall within the definition of the practice of chiropractic. Accordingly, unlicensed personnel may not perform physiotherapy, give advice on nutrition or perform colonic irrigations.

This conclusion is particularly reasonable in light of legislative enactments with respect to several other healing arts professions. The Legislature has adopted a comprehensive Physician's Assistant certification program in NRS 631.271 - 630.275, a Dental Assistant certification program in NRS 631.313 and 631.317, and an Osteopathic Physician's Assistant certification program in NRS 633.431 - 633.461. Chapter 634 of NRS, which governs the practice of chiropractic, contains no provisions analogous to the assistants' programs created for physicians, dentists and osteopathic physicians.

Accordingly, it is the opinion of this office that the Legislature did not intend to allow chiropractors to create their own assistant program by hiring unlicensed personnel to perform the functions cited above. One cannot read into a statute something beyond the manifest intention of the Legislature as gathered from the statute. Ex Parte Pittman, 31 Nev. 43, 50, 99 P.700 (1909); Seaborn v. First Judicial District Court, supra at 219.

Our office appreciates that progressive medical advances have created opportunities for trained support personnel to operate health care equipment and to prepare patients for treatment by licensed chiropractors. The law does not always keep pace with these advances. Thus, it is the recommendation of this office that, in order to rectify the apparent vacuum, an assistant certification program be proposed to the Nevada Legislature for its consideration. Accordingly, I am enclosing a copy of NRS 630.271 - 630.275 for your review. Hopefully, these statutes may be of some help in preparing for legislative change.

Conclusion

Unlicensed office personnel working for doctors of chiropractic

Fred L. Stoner, B.A., D.C.
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may not perform physiotherapy, give advice on nutrition, and perform colonic irrigations prior to their licensure.

Sincerely yours,

RICHARD H. BRYAN
Attorney General

By: *Jeffrey L. Eskin*
JEFFREY L. ESKIN
Deputy Attorney General

JLE:ge

Enc.

may supervise not more than two physician's assistants at the same time.

(Added to NRS by 1973, 512; A 1975, 991)

630.273 Physician's assistant: Issuance, conditions of certificate. [Effective in 1980 when decennial census reported.]

1. The board may issue a certificate to properly qualified applicants to perform medical services under the supervision of a supervising physician. The application for a certificate as a physician's assistant must be cosigned by the supervising physician, and the certificate is valid only so long as that supervising physician employs and supervises the physician's assistant.

2. A supervising physician shall not cosign for, employ or supervise more than one physician's assistant at the same time, except that a supervising physician practicing in a township whose population is less than 16,000 may supervise not more than two physician's assistants at the same time.

(Added to NRS by 1973, 512; A 1975, 991; 1979, 555, effective in 1980 when decennial census reported)

630.275 Physician's assistant: Board to adopt regulations concerning certification. The board shall adopt regulations regarding the certification of a physician's assistant, including but not limited to:

1. The educational and other qualifications of applicants.
2. The required approved academic program for applicants.
3. The procedures for applications for and the issuance of certificates.
4. The tests or examinations of applicants by the board.
5. The medical services which a physician's assistant may perform, except that nothing in NRS 630.271 to 630.275, inclusive, or regulations adopted pursuant thereto, shall operate to authorize a physician's assistant to perform those specific functions and duties delegated or restricted by law to persons licensed as dentists, chiropractors, podiatrists and optometrists under chapters 631, 634, 635 and 636, respectively, of NRS, or as hearing aid specialists.
6. The duration, renewal and termination of certificates.
7. The grounds and procedures respecting disciplinary actions against physicians' assistants.
8. The supervision of medical services of a physician's assistant by a supervising physician.
9. The fees to be charged for applications for and renewals of certificates.

(Added to NRS by 1973, 512)

630.280 Permits for resident medical officers in Nevada hospitals.

1. The board may in its discretion issue a permit to any properly qualified applicant to serve as resident medical officer in any hospital in Nevada subject to the provisions of this section.
2. The holder of a permit shall:

630.265 Limited license for resident physicians in postgraduate program of clinical training.

1. The board may issue to a qualified applicant a limited license to practice medicine as a resident physician in a postgraduate program of clinical training if:
 - (a) The applicant is a graduate of an accredited medical school in the United States or Canada or is a graduate of a foreign medical school recognized by the Educational Commission for Foreign Medical Graduates and has received the standard certificate of the Educational Commission for Foreign Medical Graduates; and
 - (b) The board approves the program of clinical training, and if the medical school or other institution sponsoring the program provides the board with written confirmation that the applicant has been appointed to a position in the program.
 2. The board may issue such a limited license for not more than 1 year but may renew the license.
 3. An applicant for such a license must pay an application fee of \$25 to the board, and for any renewal of the license he must pay a fee of \$10.
 4. The holder of such a limited license may practice medicine only in connection with his duties as a resident physician and shall not engage in the private practice of medicine.
 5. A limited license granted under the authority of this section may be revoked by the board at any time for reasons deemed sufficient by the board.
 6. The board may adopt regulations to carry out the purpose of this section.
- (Added to NRS by 1979, 676)

630.271 Physician's assistant: Authorized services. A physician's assistant may perform such medical services as he is authorized to perform under the terms of a certificate issued to him by the board, if such services are rendered under the supervision and control of a supervising physician.

(Added to NRS by 1973, 512)

630.273 Physician's assistant: Issuance, conditions of certificate. [Effective until date in 1980 when decennial census reported.]

1. The board may issue a certificate to properly qualified applicants to perform medical services under the supervision of a supervising physician. The application for a certificate as a physician's assistant shall be cosigned by the supervising physician, and the certificate is valid only so long as that supervising physician employs and supervises the physician's assistant.
2. A supervising physician shall not cosign for, employ or supervise more than one physician's assistant at the same time, except that a supervising physician practicing in a township whose population is less than 16,000, as determined by the last preceding national census of the Bureau of the Census of the United States Department of Commerce,

EXHIBIT B

SENATE BILL NO. 63-SENATOR GETTO

January 22, 1981

Referred to Committee on Commerce and Labor

SUMMARY - Removes upper limit on number of directors for savings and loan associations. (BDR 56-361)

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.

AN ACT relating to savings and loan associations; removing the upper limit on the number of directors; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY,
DO ENACT AS FOLLOWS:

SECTION 1. NRS 673.207 is hereby amended to read as follows:

- 1 673.207 1. The business and affairs of every association [shall]
2
3 MUST be managed and controlled by a board of not less than five nor
4 more than [15] 25 directors, of which not more than a minority, but not
5 more than three, may be full-time officers of the association. The persons
6 designated in the articles of incorporation [shall] ARE the first directors.
7 2. Vacancies in the board of directors [shall] MUST be filled by vote
8 of the stockholders at the annual meetings or at a special meeting called
9 for that purpose. The board of directors may fill vacancies occurring on
10 the board, such appointees to serve until the next annual meeting of the
11 stockholders.
12 3. The board of directors of any association may amend the bylaws
13 of the association.

EXHIBIT C

No. 81-18

Date: January 16, 1981

FEDERAL HOME LOAN BANK BOARD
12 CFR PARTS 544, 545, 546, & 571

SENATE BILL
#63

Amendments relating to officers and directors of
Federal associations

AGENCY: Federal Home Loan Bank Board

ACTION: Final regulations

SUMMARY: The Federal Home Loan Bank Board is removing certain regulatory restrictions on the permissible length of employment contracts made between Federal associations and their officers. The Board is also amending its rules on mergers with respect to the number of directors allowed on the board of the resulting association.

EFFECTIVE DATE: February 27, 1981

FOR FURTHER INFORMATION, PLEASE CONTACT: James C. Stewart, Office of General Counsel, Federal Home Loan Bank Board, 1700 G Street, N.W., Washington, D.C. 20552. Telephone number: (202) 377-6457.

SUPPLEMENTARY INFORMATION: The Federal Home Loan Bank Board is adopting several amendments to its regulations in order to remove the current limitation on the length of employment contracts into which Federal associations may enter. The Board is also authorizing an addition to its list of pre-approved charter amendments for Federally-chartered savings and loan associations to allow Federals to increase the maximum number of directors on their boards from 15 to 25, and is amending its rules on mergers to allow for expanded boards of directors. Each of these amendments is discussed below.

A. Employment Contracts

Under § 545.25-1 of the Rules and Regulations for Federal Savings and Loan Associations, Federal stock and Federal mutual associations that have amended their bylaws in conformity with 12 CFR 544.6(k) may enter into employment contracts with officers

for up to three years when the contract is made either in connection with a conversion or merger or between the association and a "new officer" as defined in subparagraph (b)(3) of § 545.25-1. Otherwise, employment contracts are limited to terms not exceeding one year.

The Board believes that the present employment contract limits are too restrictive. For example, in the context of mergers, officers of merging associations, in some instances, are reluctant to acquiesce in mergers unless longer term employment can be assured. Accordingly, the current rule can inhibit mergers between Federal associations. It is the Board's view that the current restrictions generally put Federal associations at a considerable disadvantage to other financial institutions. Because §§ 563.39 and 571.5 of the Insurance Regulations refer to § 545.25-1, the rule for Federal associations also may have an adverse impact on mergers involving state-chartered insured institutions.

To remedy this problem, the Board is amending § 545.25-1 to eliminate the current explicit restrictions on the length of employment contracts that may be offered to the officers of Federal associations. In its view, the terms and conditions of employment contracts should primarily be a matter of business judgment of the board of directors. Potential abuses of employment contracts, such as sales of control in mergers or unwarranted depletion of assets, can be avoided without imposing specific numerical limits on associations. Many of the necessary standards are already contained in the regulations.

Section 545.25-1 (c) requires inclusion in the contract of clauses allowing the association to terminate the agreement at any time or when the officer is suspended or removed or when the association is in default. To provide further protection to the Federal Savings and Loan Insurance Corporation and prevent obstacles to resolution of supervisory mergers, the Board is amending paragraph (c) by adding another required clause authorizing termination of future employment contract obligations by the Corporation when it enters into an assistance agreement with the association and by the Board in the case of a supervisory merger, or when the association is determined to be in an unsafe or unsound condition. Exercise of the power under such a clause will only affect the officers' right to continued employment under the contract. Such exercise will not constitute dismissal of the officer nor will it jeopardize vested rights.

Section 563.39 specifies that an employment contract may be deemed an unsafe or unsound practice when it either may lead to material financial loss or damage or could materially interfere with exercise by directors of their duty or discretion with respect to employment or termination of officers. To deter other possible abuses, the Board is revising its policy statement on mergers, Insurance Regulation § 571.5, to indicate that longer-term employment contracts may raise questions as to sale of control of the disappearing association and will be scrutinized carefully. The Board is also amending the merger approval delegation to the Principal Supervisory Agent in §§ 546.2(h) and 563.22 (e) to require that any merger involving an employment contract with a term greater than five years must be submitted to the Board.

The Board is also taking this opportunity to conform the wording of present paragraph (c) of § 545.25-1 with other recent changes in the Insurance Regulations.

B. Boards of Directors of Resulting Associations

Under the Board's Policy Statement on mergers of insured institutions, a surviving Federal association may temporarily expand its board of directors to as many as 25 members to accommodate directors of the disappearing association. See 12 CFR § 571.5(d)(1). The surviving Federal association is then required to leave subsequent vacancies unfilled until the board is reduced to 15 directors as allowed by current charters. The Board is of the view that the current method of reducing the size of a surviving Federal association's board is unsatisfactory. The prohibition against filling vacancies can arbitrarily cause the association to lose the services of its most valued directors. The Board revises the rule on reducing the number of directors to allow merging associations to determine for themselves how the appropriate number of directors will be achieved. The only requirement will be that the board must be within the limitations of the surviving association's charter and by-laws within three years. Until that time, the number of directors may be no greater than the total number of directors on the boards of both associations on the date of their respective approvals of the plan of merger.

C. Increase in the Maximum Number of Directors

Under current charters, mutual Federal associations may have between five and fifteen directors. ~~It is the Board's view that Federal associations should have the option of increasing the size of their boards. The new twenty-five director limit is generally consistent with state and Federal laws regarding the number of directors allowed to other financial institutions. To implement this position, the Board is authorizing an addition to the list of pre-approved charter amendments to enable Federal associations to increase their number of directors to twenty-five.~~

The Board finds that: (1) notice and public procedure are unnecessary under 5 U.S.C. § 553(b) and 12 C.F.R. 508.11, because immediate implementation serves the public interest by relaxing regulatory restrictions that may impede mergers involving Federal associations. In order to allow Federal associations time to conform agreements and contracts to these rules, the effective date of the regulations will be delayed until February 27, 1981.

Accordingly, the Board hereby amends Parts 544 and 545 of Subchapter C and Part 571 of Subchapter D of Chapter V, Title 12 of the Code of Federal Regulations, as set forth below.

SUBCHAPTER C - FEDERAL SAVINGS AND LOAN SYSTEM

PART 544 - CHARTER AND BY-LAWS

1. Amend § 544.2 by adding a new paragraph (g), to read as follows:

§ 544.2 Amendment of charter.

* * * * *

- (g) Revise the first sentence of Section 5 to read:

The association shall be under the direction of a board of directors of at least 5 but not more than 25, as fixed in the association's by-laws except that the number of directors may be increased to a number greater than 25 with the approval of the Federal Home Loan Bank Board as part of a merger agreement.

PART 545 - OPERATIONS

2. Delete paragraph (b) of § 545.25-1 (Employment contracts.)
3. In subparagraph (c)(3) of § 545.25-1, eliminate the phrase " 566.4 or § 566.5 of this chapter," and replace with "§ 5(d)(4)(c) or § 5(d)(5)(A) of the Home Owners' Loan Act, 12 U.S.C. 1464(d)(4)(C) and (d)(5)(A),".
4. In subparagraph (c)(4) of § 545.25-1, eliminate the phrase "§ 566.3 or § 566.5 of this chapter," and insert in its place "§ 5(d)(4)(D) or § 5(d)(5)(A) of the Home Owners' Loan Act, 12 U.S.C. § 1464(d)(4)(D) and (d)(5)(A),".

- 5. Redesignate paragraph (c) of § 545.25-1 as paragraph (b), and add a new subparagraph (6) to read as follows:

§ 545.25-1 Employment contracts.

* * * * *

(b) Required provisions.

* * * * *

(6) All obligations under the contract may be terminated: (i) by the Federal Savings and Loan Insurance Corporation, at the time the Corporation enters into an agreement to provide assistance to or on behalf of the association under the authority contained in § 406(f) of the National Housing Act; and (ii) by the Federal Home Loan Bank Board at the time the Board approves a supervisory merger to resolve problems related to operation of the association or when the association is determined by the Board to be in an unsafe or unsound condition. Any rights of the parties that have already vested, however, shall not be affected by such action.

* * * * *

PART 546 - MERGER, DISSOLUTION, REORGANIZATION, AND CONVERSION

- 6. Amend § 546.2(h) by deleting the word "and" from subparagraph (11), by redesignating subparagraph (12) as (13), and by adding a new subparagraph (12) to read as follows:

§ 546.2 Procedure; effective date.

* * * * *

(h) * * *

* * * * *

(12) No employment contract offered to an officer of the disappearing association exceeds 5 years in length; and

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SUBCHAPTER D - FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

PART 563 - OPERATIONS

Amend paragraph (e) of § 563.22 by deleting the word "and" from subparagraph (11); by redesignating subparagraph (12) as subparagraph (13); and by adding a new subparagraph (12) to read as follows:

563.22 Mergers, consolidations, or purchase of bulk assets.

* * * * *

(e) * * *

* * * * *

(12) No employment contract offered to an officer of the appearing association exceeds 5 years in length.

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PART 571 - STATEMENTS OF POLICY

Amend § 571.5(d)(1) to read as follows:

§ 571.5 Mergers.

* * * * *

(d) Managerial and financial aspects.

(1) Managerial aspects. The Board's primary requirement that the resulting institution have the managerial and financial resources to operate successfully. The experience and the performance record of the persons to be in control or key managerial positions will be evaluated as to the probability of sound operation of the resulting institution. The merger agreement provides for a temporary increase in the board of directors of a surviving Federal association to a number in excess of that permitted by the association's charter, and the Board will deem such merger-agreement provision to be an