

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON COMMERCE AND LABOR

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
February 9, 1981

The Senate Committee on Commerce and Labor was called to order by Chairman Thomas R. C. Wilson at 1:37 p.m., Monday, February 9, 1981, in Room 213 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Thomas R. C. Wilson, Chairman  
Senator Richard Blakemore, Vice Chairman  
Senator Don Ashworth  
Senator Melvin Close  
Senator William Hernstadt  
Senator Clifford McCorkle  
Senator William Raggio

STAFF MEMBERS PRESENT:

Betty Steele, Committee Secretary  
Frances Kindred, Committee Secretary

SENATE BILL NO. 135

Chairman Wilson presented Senate Bill No. 135, relating to the public service commission and changing the procedure followed by the commission's division of consumer relations in dealing with complaints made against public utilities. Mr. John Clark, as administrative assistant for the public service commission, explained the bill essentially enacts present commission practice. He answered Chairman Wilson's query by stating the bill was requested by the public service commission. Mr. Clark said the present law requires the commission division of consumer relations to investigate all complaints filed with the commission either by telephone, walk-in, or in writing. If the consumer relations division is unable to solve the complaint, then the complaint may be referred to the commission which is required, under the existing statute, to make another investigation. The proposed legislation would eliminate the redundant second investigation and go straight into a commission hearing.

MEETING OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

Mr. Clark pointed out there was no provision regarding mail delivery of notification. He indicated, if the commission acted upon a complaint within five days, the response might come back within fifteen days allowing for an additional six days for mail delivery each way. This would leave the commission only four days to assess results of an investigation and determine whether a case could be resolved. Mr. Clark suggested the best approach might be working days rather than calendar days, which could be handled as a bill drafting problem. Otherwise, Mr. Clark said the commission supported the bill in its intent to resolve complaints quickly.

Mr. David Russell, representing Southwest Gas Company, indicated they also support the bill because of its intent to speed up the resolution of complaints.

Senator Blakemore asked if the public service commission reorganization bill, pending in the Assembly, would change the division of consumer relations insofar as a division of the commission's staff. Mr. Clark answered that Senate Bill No. 135 would fall by the wayside in that case. He said if the governor's proposal was adopted, then the provisions of this bill would be included automatically. In answer to Senator Blakemore's question regarding holding this bill until the reorganization bill is consistent with it, Mr. Clark indicated that was his recommendation.

With no further testimony, Chairman Wilson closed the hearing on Senate Bill No. 135.

SENATE BILL NO. 134

Chairman Wilson presented Senate Bill No. 134, which allows the public service commission to regulate certain pipelines used for transport of natural gas. Mr. Clark, speaking for the public service commission, indicated this bill would include within the commission's jurisdiction, enforcement of safety regulations and jurisdiction over main and service lines extending from master meters, down to the last point of connection prior to entry, in any structures served by the master meters. It would not extend jurisdiction in any other regard over those operations.

Mr. Clark indicated the master meters are subject to the federal Natural Gas Pipeline Safety Act of 1968 and there are only two federal inspectors available for the 14 western states. He said Nevada has approximately 150 master meters, which does present a problem. There were two explosions last year; and for the past

MEETING OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

three years there have been explosions at Christmas time. Mr. Clark noted these explosions resulted in a lack of availability of natural gas for periods of six weeks or longer. Senator Blakemore asked whether adequate inspections might have prevented those explosions. Mr. Clark referred the question to Mr. Walter Hernandez, gas pipe line safety engineer for the public service commission.

Mr. Hernandez indicated the explosions occurred at mobile home parks in Las Vegas. Senator Hernstadt asked Mr. Hernandez if the gas utility detects a leak in the system, was it not correct procedure for them to shut it off immediately. Mr. Hernandez agreed that it was. Senator Hernstadt commented that although inspections might have prevented the problem in the Las Vegas area mobile home parks, and he supported the conclusions of Mr. Clark and Mr. Hernandez, he questioned if this bill went far enough. When the utilities found a leak and shut off the service because it was a threat to public safety, since the public utilities did not control the system, they felt no obligation to repair it. Consequently, the people in those parks had no heat most of the winter period in Las Vegas. Senator Hernstadt wanted to know if the commission had another bill, or if they needed more power in this bill, to enforce that repairs be made by the owners of the mobile home parks, within a reasonable length of time.

Mr. Clark stated that, in a companion bill and also in existing legislation, there are substantial penalties for failure to respond to any commission order or directive or federal law dealing with pipeline safety in mobile home parks. In response to Senator Hernstadt's question, Mr. Clark said he thought Senate Bill No. 137 updated the existing law and allowed the commission to issue a directive to the master meter owner to repair whatever problems exist.

Senator Blakemore inquired if the three explosions in the Las Vegas area had been investigated. Mr. Hernandez explained that certain maintenance procedures were to be done, and records kept each year on a pipeline system as required by the commission as well as federal regulations. These procedures included a leak survey over the entire system, within the mobile home park or master meter operator's property; a pipe-to-soil test to determine active corrosion; and maintenance of critical valve records within the system, indicating which valves may be shut down to isolate the section where a leak occurs, rather than shutting off the master meter for the whole mobile home park.

MEETING OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

Senator Blakemore asked, if the utility did not do this service, was it available from other gas companies. Mr. Hernandez replied there were two or three private contractors providing the service. However, to his knowledge the gas company has never refused to check gas leaks or complaints of gas odors, at a master meter location. Senator Blakemore voiced his concern with regard to the mobile home parks in Ely or some other small area. Mr. Hernandez stated it would be serviced by one of the small companies that do this type of work, nationwide. In response to Senator Blakemore's question, Mr. Hernandez said it would be very time-consuming for him to go into 150 mobile home parks when the operator, under federal regulations, is supposed to have the service performed. He said he does check for compliance with the regulations and, if he spots irregularities within a system or its records, he cites the operators and gives them a stated time to comply before further action is taken.

Senator Blakemore indicated confusion in the bill with regard to the type of gas covered, bottled gas or natural gas. Mr. Hernandez replied it applied only to natural gas, and Senator Blakemore commented it would not then apply to most of the state, which is not serviced by natural gas.

Senator Close and Senator Ashworth asked for clarification with respect to wording in the bill and Mr. Clark explained the regulations with regard to going into a house to enforce regulations. He indicated it may be necessary to enter a dwelling to insure pilot lights are properly relit or determine if the line needs purging.

Senator Wilson asked what provision the bill made if the owner of the structure does not voluntarily allow entry. Mr. Clark answered this bill would not provide authority to enter the premises without permission. Senator Ashworth commented they were giving the commission the authority to declare the unexamined line of the facility unsafe and to cut off service. Senator Wilson further clarified his statement that they were not seeking right of entrance but, if entrance was denied, the commission should have the jurisdiction to declare the line unsafe. Mr. Clark agreed, and stated that only in limited circumstances would an enforcement of a regulation pertaining to the outside piping require entrance to a structure.

In response to Senator Ashworth's comments regarding the wording of the bill, Mr. Clark agreed both lines 12 and 13, of section 1, should be changed to read "premises" instead of "structure".

MEETING OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

Mr. Clark also indicated there was a technical point in Section 1, lines 6 and 7 which should be changed to include any main or service lines as there may be main lines downstream from the master meters as well as master service lines. He stated that Senate Bill No. 134 is also requesting amendment to include the authority to the commission to enter into agreements with the U.S. Secretary of Transportation authorizing the commission to enforce compliance with federal statutes and regulations governing the safety of interstate pipelines and pipeline facilities, used for the transmission and distribution of natural gas. The commission is presently, with the consent of the utilities, in an unofficial capacity enforcing or at least inspecting these, because of the lack of federal inspectors. When the reorganization bills are adopted, the commission would be permitted to obtain federal funding for fifty percent of the cost of those inspections. In response to Senator Wilson's question, Mr. Clark indicated this provision is carried in the fourth paragraph of the bill.

Senator Blakemore inquired whether the fifty percent would be paid to the commission for inspecting mobile home parks, and Mr. Clark explained would be included as a part of certification. He specified the inspection of interstate lines is separate and apart from the inspection of intrastate lines. He indicated that fifty percent of intrastate lines, including the inspection of master meters, or the lines down to master meters, would be paid through federal funding. He stated there is a fiscal impact, which would require one additional man for these inspections and budgeting is furnished by the governor to cover the additional personnel and equipment. Senator Wilson indicated the new bill's language required no fiscal impact and Senator Ashworth added it was included in the existing budget.

Senator Wilson asked that the specific language be given to the committee secretary, to be added to section 1, and to read as follows: "The Commission may enter into an agreement with the Secretary of Transportation which will authorize the Commission to enforce compliance with federal statutes and regulations which govern the safety of interstate pipelines and pipeline facilities which are used for the transmission and distribution of natural gas."

Senator McCorkle indicated he thought the local building department was responsible for inspection and enforcement of the line between the street and main distribution line. Mr. Hernandez asked if he meant beyond the master meter and, when Senator McCorkle indicated he did, Mr. Hernandez explained that a master

MEETING OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

meter operator's pipeline is covered by federal regulation under Title 49 of the Gas Pipeline Act, but Senator McCorkle stated he was not talking about the main lines.

Mr. Clark explained this bill gives the public service commission authority to cover a situation where gas is purchased by a non-utility (the master meter operator) and distributed to apartment dwellers, members of a business complex, university housing and mobile homes. In response to Senator Wilson's question, Mr. Clark replied that local building departments may not be equipped with the experts, personnel, and necessary equipment to conduct the kind of investigation specified under the Natural Gas Pipeline Safety Act.

Senator McCorkle did not understand why the commission should come in and pre-empt the responsibility from a local entity when it sounds like they are in a better position to do it, regardless of what the federal act says. Mr. Hernandez indicated they could do it themselves; there was no question about their having their own codes. However, he continued, there are 150 master meter operators who are not all aware of the federal regulations. Some of them have had explosions which he had no authority to investigate because they were beyond the master meter. Mr. Hernandez said the commission is asking for the authority to go to these 150 master operators and educate them to the federal minimum standards which include an emergency plan and a regular maintenance plan as is done with the utility companies; and they would have to conform the same as the utility companies do.

Mr. Clark responded to Senator McCorkle's question with the information the federal regulation covered all distribution lines of natural gas; but there is no one enforcing the regulations, and regulatory jurisdiction over the meters is needed to obtain federal funding. Senator McCorkle indicated that the bottom line was really how to satisfy the federal requirements. Mr. Clark agreed, saying that a statewide organization of individual local governments could enforce all the federal regulations with the equipment and personnel specified by the federal law, then federal funding could be obtained but in the long run could be expensive.

In reply to Senator Hernstadt's inquiry, Mr. Clark stated the bill as drafted would allow current jurisdiction of the local building authorities in city or county inspections and the bill would not pre-empt their abilities; although giving the commission more authority, it did not detract from local government ability.

MEETING OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

Mr. Hernandez responded to Senator Hernstadt's question on the number of inspectors provided for in the bill, by indicating there would be two for the whole state. Senator Hernstadt remarked that city building departments, depending on the size of the city, may have 10, 20, or 50 people available to supplement the commission's work. Mr. Clark agreed that city and local governments do cooperate with federal and state agencies and also with the utilities.

Senator Wilson inquired if one of the primary missions is to advise the master meter operators of the standards and instruct them how to stay in compliance, and Mr. Clark said it was probably the foremost item. Senator Wilson then wondered why the language of the bill failed to provide for the same mission with regard to city and county building departments; with the commission having the jurisdiction to inspect occasionally but the local governments having the primary responsibility for inspecting the required lines. Senator Wilson said clarification of legislative intent should specify the commission's duty is to advise, not inspect.

There was considerable discussion by the committee members and Mr. Clark and Mr. Hernandez regarding the difficulties for two men to perform their advisory function to the 150 master meter operators in the stated. The committee also wanted clarification of the language so that city and county standards would be in conformity with the federal regulations. The commission representatives agreed with the committee that clarification of the language which would put some of the responsibility on the local building departments would be helpful to the public service commission.

Senator Blakemore was interested in the amount of pressure on the master meter lines and Mr. Hernandez indicated that on liquid pipe lines it is up to 1,200 pounds and natural gas comes into the state at about 750 pounds, in a 16-inch line. He stated the service lines for mobile park homes are 2 and 4 inch and have up to 30 pounds of pressure to the meter, roughly the same as to a house. Senator Blakemore questioned whether the bill would be interpreted as meaning inspection of every commercial building but Mr. Hernandez said they were looking at transporting of the gas, and recognized Senator Blakemore's concern about a master meter handling 30 pounds of pressure through a 3 inch line. He agreed the large natural gas spill in Las Vegas could probably have been prevented through adequate inspection. The gas line was leaking before it ruptured and the electrical cable shorted out which caused the explosion.

MEETING OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

Mr. Hernandez stated that after the accident, a federal investigator came from California to make the investigation, and it took over six weeks to repair the system.

With no further testimony, Chairman Wilson closed the hearing on Senate Bill No. 134.

SENATE BILL NO. 133

Chairman Wilson presented Senate Bill No. 133, relating to regulation of public utilities and eliminating regulation of air carriers by the public service commission. Mr. Clark, administrative assistant for the public service commission, explained this bill was to bring Nevada statutes into compliance with federal deregulation of air carriers and to delete such language from the statutes.

Senator Blakemore asked whether they would return the monies which had been "scooped up" from the little fixed base operators years ago. He said he knew of at least one instance in which \$200 was collected and nothing was ever done. Mr. Clark said he thought the senator was referring to a helicopter service and he did not know how that situation should be handled but perhaps the appropriate remedy was to file a complaint with the appropriate district court or the commission.

Senator Wilson inquired if Senate Bill No. 133 would exclude the aircraft common and contract carriers by definition of a public utility and Mr. Clark agreed that it would. There was general discussion by the committee with regard to the language and the cessation of federal regulations of air carriers and contract carriers and Mr. Clark stated there was specific preemption of state regulations through congressional deregulation. The senators commented on the way the bill was drawn and Mr. Clark indicated it was a general clean-up of the statutes as provided by the Legislative Counsel Bureau.

Senator Ashworth asked for an explanation of icing charges and Senator Blakemore indicated it was to de-ice wings of the planes by spraying them. In response to Senator Ashworth's question as to why icing was regulated if the other functions were not, the reply from Senator Blakemore was that it was in the bill and any one who was flying would come under that regulation. In answer to Senator Wilson's question, Mr. Clark said he did not know if there was a reason to retain the language with icing charges.

With no further testimony, Chairman Wilson closed the hearing on Senate Bill No. 133.



MEETING OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

SENATE BILL NO. 132

Chairman Wilson presented Senate Bill No. 132, relating to regulation of public utilities and providing civil penalties for violations of the provisions of Chapters 703 and 712 of Nevada Revised Statutes.

Mr. Clark stated this is clean-up language to provide penalties for certain provisions of NRS which had previously been left without any sanctions, and such violations had avoided any penalty. Senator Raggio asked if he was correct in assuming that NRS 704.590, dealing with public utility regulations, is exactly the same language added here and would be applicable to Chapters 704, 705, 708, 711, and 712. He asked Mr. Clark if the penalty was the same as in 704.590 and Mr. Clark indicated it was with the exception of Chapter 706, dealing with motor carriers, which has its own penalties. Senator Raggio questioned if they would be repealing 704.590 and indicated the same language applied only to Chapter 704. This would take that language and make it applicable to all the indicated chapters. In response to Senator Wilson's question, Senator Raggio pointed out section 6 of the bill was identical language which was new in this bill and provided the penalty for violations of Chapter 704, 705, 708, 711 and 712. Mr. Clark stated that was correct indicating 712 covered warehouse operators and household people.

Senator Wilson asked, in the case of levying a penalty fine, are the fines determined finally by the court on application by the public service commission. Mr. Clark affirmed that and stated the civil felonies are on complaint in a district court, commensurable with the court's approval. Responding to Senator Wilson's question, Mr. Clark stated the commission did have some provisions to fine a utility which could be appealed. Senator Wilson commented it made more sense for the commission to impose a penalty and let the utility appeal it rather than going to district court for the penalty. Mr. Clark indicated with proper wording it could be done, but it is necessary to avoid the separation of powers problem which results when an agency acts like a court. Senator Wilson asked if regulatory agencies had jurisdiction to impose penalties in this and other states and Mr. Clark indicated he did not know, but he felt it made better sense to permit the commission to impose a penalty in the first instance and allow an appeal.

With no further testimony, Chairman Wilson closed the hearing on Senate Bill No. 132.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

SENATE BILL NO. 131

Chairman Wilson presented Senate Bill No. 131, relating to the community antenna television companies, requiring those companies to pay interest on deposits made by customers.

Mr. John Clark, administrative assistant for the public service commission, stated this bill brings community antenna companies within the same requirements, regarding interest on deposits, as all other utilities in Nevada; codifying the existing practice of the commission. Senator Wilson asked if this bill brought cable TV into compliance with the other utilities in respect to deposits and Mr. Clark indicated it did.

In reply to Senator McCorkle's questions, Mr. Clark said the prime rate was plus one; and he agreed with Senator McCorkle that it was a pretty high rate of return. There was general discussion in the committee on the prime rates and the manner of their derivation. Mr. Clark indicated the policy behind the deposit is to prevent the utilities' free use of the rate payer's money. Responding to Senator Raggio and Senator Hernstadt, Mr. Clark indicated the term community antenna television covers all types of these companies except Showtime and Home Box Office.

Mr. Heber Hardy, chairman of the public service commission, replied to Senator Close's question as to how the average prime rate is determined, as indicated on lines 10 through 11 of the bill. Mr. Hardy explained the average prime rate is furnished to the commission by a financial institution specializing in that type of service. At the end of the year, the commission audit department calculates the average prime rate then, according to statute, adds the one percent, and notifies the utilities of the interest rate on deposits for the coming calendar year. Senator Wilson indicated the statute states the average prime rate plus one percent per annum from the date of deposit, not the date fixed for the calendar year, is the method of choice. Mr. Hardy explained that was correct; however, the rate is calculated on an annual basis as to what interest is to be paid the next year. He said this year it is quite high, a little over 16 percent.

Mr. Ross Culbertson, representing the cable TV industry, stated they have no objection to Senate Bill No. 132. Senator McCorkle wondered why the cable TV industry seemed content to live with the provisions of the bill. Mr. Culbertson replied it would be like the tail wagging the dog as cable TV is probably the very smallest industry to be regulated under this bill.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

With no further testimony, Chairman Wilson closed the hearing on Senate Bill No. 131.

SENATE BILL NO. 128

Chairman Wilson presented Senate Bill No. 128, relating to veterinarians; authorizing the issuance of subpoenas by the board of veterinary medical examiners; authorizing the issuance of injunctions; changing membership of the board; changing the legal office of the board; and increasing the fee for renewal of a license.

Dr. Jack Walther, of the state board of veterinary medicine examiners, introduced Ms. Emma Jean Sansing, deputy attorney general representing the board; and Dr. Stephen C. Talbot, president of the board of veterinary medicine examiners. In response to Senator Wilson's question, Ms. Sansing explained the language of this bill is generally in conformity with and similar to that of other licensing and regulatory boards, including section 3, the injunctive provision.

Dr. Walther explained the change in section 4 was to remove the state veterinary from acting as a member of the board of examiners. He stated they are also asking a raise in the renewal fee to partially fund the hiring of an executive secretary as the number of veterinarians and the workload on the board has increased dramatically and his office cannot continue to handle the workload on a no-pay basis. In response to Senator Wilson's question, Dr. Walther stated all members of the board are appointed by the governor and have to satisfy the requirements listed in lines 23 through 28; the only change being that six veterinarians and one lay member would be appointed to make the total board of seven members. Dr. Walther said another change is the addition of a secretary-treasurer, line 33, page 2, to the officers elected by the appointed board. He indicated, in reply to Senator Wilson's question, the vice-president is provided for in line 33, under section 5; they want to add the secretary-treasurer. Senator Raggio asked how the secretary-treasurer had been selected to date and Dr. Walther said he has automatically been the state veterinarian.

Senator Raggio inquired whether there was presently an executive secretary and Dr. Walther indicated there are a couple of applicants but they could not hire one until the act was changed. Senator Raggio then asked how many laymen are on the board, and Dr. Walther replied just one, since the 1977 legislature.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

Senator Raggio asked how many meetings the board of veterinary medicine examiners held during the year and Dr. Walther answered eight to ten. In response to Senator Raggio's question as to Dr. Walther's opinion on whether a lay member of the board had been helpful. Dr. Walther answered that, although they had an excellent lay member, this person's capabilities to act on the board's problems are limited because of the specifics of the profession with which they deal. Senator Raggio asked if the lay member votes on licensure and Dr. Walther replied the lay member does vote on licensure and also on disciplinary matters. Senator Raggio commented that on other examining boards, the lay member does not vote on licensure and asked if the lay member's duties should be deleted from the bill as far as licensure is concerned. Dr. Walther believed that suggestion had merit. In addition, one other amendment they would like to make, concerned raising the annual renewal fee to \$100 as on line 48. However, to cut down the bookkeeping they would like to do this biannually and change the wording to "not to exceed \$200."

Senator Raggio asked if the board needed specific authority to employ an executive secretary and Dr. Walther indicated it was the board's opinion they did not; however, he felt that it might be a good time to do this. Ms. Sansing added that, under NRS 638.070, the board has the authority to employ attorneys, investigators, other professional consultants, and clerical personnel necessary to the discharge of its duty. In response to Senator Raggio's question whether that included an executive secretary, Ms. Sansing explained that, if the duties of executive secretary included consultation and keeping of the records, it should be all right. However, executive secretary could be added to the other categories if there was any question, under NRS 638.070, subsection 3.

Senator Wilson questioned whether the board's costs had increased enough to warrant raising their fees from \$30 to \$100. Dr. Walther stated they could as they had a huge rash of complaints filed before the board, more than in all past years of the history of the board; and the board's expenses have been going up. Hiring an executive secretary will raise expenses even more. He said it was not the intention of the board to raise the fee to \$100 immediately; they just want some leeway so they will not have to come back in two years and ask for additional monies.

Senator Wilson asked if the board had jurisdiction, under the present statute to impose a fine up to \$1,000, in the event a licensee is found in violation. He wanted to know if that fine

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

is used to recoup costs; and Dr. Walther explained that the fine money all goes into the state treasury.

Senator Blakemore questioned the nature of the complaints received by the board. Dr. Walther explained one was a drug violation and another had to do with improper treatment of an animal and the veterinarian was found guilty of same. In reply to Senator Blakemore's query, Dr. Walther said it was a case of malpractice and they have had numerous complaints in that regard, but these were the only two cases where the board found the people guilty.

Senator Raggio asked whether the information on line 19, page 3, was additional jurisdiction or clarification. Dr. Walther replied it was additional jurisdiction needed to place a veterinarian on probation when necessary. Senator Wilson stated the board has the power to revoke a license but not to place one on probation and consequently they are asking for one or the other.

With no further testimony, Chairman Wilson closed the hearing on Senate Bill No. 128.

SENATE BILL NO. 125

Chairman Wilson presented Senate Bill No. 125, relating to the regulations of foreign public utility companies; requiring authorization by the public service commission of Nevada before a foreign company may issue securities or assume obligations in the State of Nevada.

Mr. John Clark, administrative assistant for the public service commission, explained this bill permits the commission to require prior approval of any issuance of debts or other securities by and for a corporation. Specifically, this refers to Southwest Gas Company, and some other smaller foreign corporations. Mr. Clark responded to Senator Blakemore's question as to whether this would involve the White Pine Power Project by saying this included only those utilities under jurisdiction of the commission and he was not sure about the White Pine Power Project as he was not familiar with that. Mr. Heber Hardy, chairman of the public service commission, commented it would include those companies and told Senator Blakemore this bill originated with the commission at the insistence of commissioner McDonald, but was discussed and agreed upon by the whole group. Senator Wilson asked whether the jurisdiction involved the generator, the whole set of electrical energy power plant authority, or involved the utilities purchased from out of state.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

Mr. Hardy explained only those under their jurisdiction are involved in this bill. In response to Senator Wilson's statement, Mr. Hardy replied their jurisdiction over power plants only involved approval of contracts.

In answer to Senator Blakemore's question, Mr. Hardy explained this bill removes the exclusion of public utilities under their jurisdiction, who happen to be incorporated in states outside Nevada. Under the present statute, Nevada Power Company must get prior approval from the commission to issue debts or securities of any kind; while Southwest Gas and C.P. National do not because they are foreign corporations. For this reason, the public service commission feels it is only reasonable to have the opportunity to look at funding proposals, issuance of debts, and securities of all public utilities, not just a select few.

Mr. Clark and Mr. Hardy answered further questions from the committee regarding the necessity for the commission to look at the financing activities of these foreign corporations as they relate to their activities in Nevada, and to make recommendations and indicate their approval. They feel this is only equitable, as the domestic corporations, operating only in Nevada, are required to submit all their proposals for approval. Senator Blakemore asked if these foreign corporations were getting approval from some other authority, and Mr. Hardy stated they were involved in about five different states. Senator Blakemore inquired about the C.P. National utility, and was told it used to be California Pacific, but they had changed the name to C.P. National, and this is their official name.

Senator Wilson questioned the implications of a bond issue, and what is paid for with the money raised by the bond issue, when it is done by a utility. He wanted to know if that was the reason for this jurisdiction, and the desire to extend it to the foreign utilities. Mr. Hardy replied they wanted the commission staff to look at the proposals, and make a recommendation to the commission as to whether it is the best type of financing, whether the utility has need of it, and the intended purpose of such financing. In response to Senator Wilson's statement, Mr. Hardy indicated that what the utility pays for money is an allowable expense.

Senator Wilson commented that what the utilities paid for the interest paid on a bond issue, is picked up by the rate payer because it is passed on to him as a cost of money or legitimate operation. Mr. Hardy stated this was true, as they may want to come in for five years or so. Senator Wilson stated these bonds may be used by the utility for capital improvements.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

Mr. Hardy replied they may be asking for a five-year, long term bond issue. Senator Wilson commented that obviously if someone issued stock, stockholders buy stock, and that way invest capital in a corporation, then it truly is stockholder capital before you have a bond issue. The capital improvements purchased which are constructed by the proceeds of the sale of bonds would become capital of the company owned by the stockholders, but the finance cost of that money would be paid by the rate payer. Responding to Senator Wilson's question, Mr. Hardy indicated that the cost passed on to the rate payer was indeed the interest of the commission. He continued that the finance cost of debt is not passed on as an operating expense but is included in an authorized rate of return and is recoverable.

Senator McCorkle asked if Southwest Gas is charging a significantly higher rate to its consumers because of their exclusion from this process. Mr. Hardy replied that he did not think so. In answer to Senator McCorkle's question regarding the need for Senate Bill No. 125, Mr. Hardy stated it was necessary to clean up and revise an act which was not equally applicable to all the companies under their jurisdiction, and he felt there was a legitimate purpose for the commission having the opportunity to look into the financial arrangements of the utility companies with regard to securities and bond issues. Mr. Hardy indicated it was a form of protection, especially for the small corporations, so as not to jeopardize their ability to serve their customers.

There was general discussion among the committee members over the various jurisdictional limits of the bill, including its application, if any, to the White Pine Power projects. Mr. Hardy explained the commission had jurisdiction over the participating companies but not the project itself.

Mr. David Russell, representing Southwest Gas Company, responding to Senator Blakemore's questions about the White Pine County project, indicated the out-of-state utilities involved were municipal utilities and consequently this bill would not apply to them.

Mr. John Eck, representating the Southern Pacific Transportation Company, stated he was concerned the bill might possibly include the transportation company as they were included, by definition, in the statutes as a public utility. In answer to Senator Wilson's question, Mr. Hardy replied it was certainly not his intent to include the railroad company.

With no further testimony, Chairman Wilson closed the hearing on Senate Bill No. 125.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

SENATE BILL NO. 136

Chairman Wilson presented Senate Bill No. 136, relating to the licensing of contractors; providing for special classification of contractors who are engaged in certain activities.

Mr. John Clark, administrative assistant for the public service commission, explained this bill is proposed in conjunction with the contractor's licensing board to insure the federal regulations governing pipelines are known and observed. He stated that, essentially there have not been any real problems in this area, as the utilities will not hook up to unsafe pipelines. Senator McCorkle was concerned with the problem being one of design rather than construction and wanted to know if the federal regulations were specified in the engineering. Mr. Walter Hernandez, also representing the public service commission, replied that whoever designed a pipeline system, had to comply with the federal regulations. There was discussion of the responsibility of the commission or the state contractor's board with regard to the regulations to be included in the state contractor's examination, and suggestions that it should cover architects and engineers as well.

Mr. Tom Cook, representing the state contractors' board, stated they opposed the proposed legislation, as they have an existing statute in NRS 624.220, which authorizes the board to adopt the regulations necessary to effect the classification and subclassification of contractors in a manner consistent with established usage. He said there are categories for pipeline and conduit contractors, covered by C38; and that the board is presently working on an examination specifically for the pipeline contractor's trade.

In response to Senator Ashworth's question, Mr. Charles Thomas, executive secretary of the state contractors' board, explained their guideline is the federal rules and regulations as well as some technical booklets provided by the public service commission, the mechanical code uniform plumbing code and excavating handbook, and a general engineering handbook. He stated anything above ground is covered by the uniform mechanical and plumbing code. Hazardous pipelines, liquid gas storage, and natural gas are covered by different state regulations.

Senator Ashworth asked how pipeline construction and contracting was handled presently and Mr. Thomas answered it is either done by the public utility or bid out to private contractors. He said that, under NRS 624.300, public utilities are exempt from being



MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

licensed unless they subcontract the work out to a prime contractor. However, Mr. Thomas commented, most of the utilities do carry a contractor's license. In reply to Senator Ashworth's statement, Mr. Thomas replied it was true that the contractors are not examined in this area specifically; but it is touched on in the uniform plumbing code and the plumbing examination.

Mr. Cook stated the state contractors' board plans to give an examination covering all facets of pipeline construction, no matter what happens with Senate Bill No. 136. He said the examination is in preparation but the difficulty encountered has to do with translating federal rhetoric into examination questions which can be understood by the small contractor as well as the big operator. In response to Senator Ashworth's question, Mr. Thomas said there is a provision, A-24 industrial piping, in the general engineering category; and C-38A covers natural gas piping, with the examination on principles regulating the construction industry such as the lien law, state contractors' act, et cetera. He said experienced contractors are examined on their references, past experience, and performance.

Mr. Cook commented this bill concerns the state contractors' board because it is redundant in the area of regulations to provide for separate classifications for licenses for contractors engaging in construction or alteration of pipelines for hazardous liquids. In response to Senator Wilson's question, Mr. Cook stated those classifications are already in existence and covered by A-24 and C-38A. He agreed it is proper for the public service commission to be concerned, but the board could take care of the situation without any more laws being passed. He also is concerned, as a state agency, with enforcement of these federal regulations. He feels the federal government, through the Interstate Commerce Commission should enforce their own regulations and penalties. Mr. Cook cited a court action, involving the Nevada Industrial Commission, which challenged the constitutionality of the law as violating the separation of powers doctrine, and went to the Nevada Supreme Court for a ruling. He said the law in this area is not entirely clear and if certain contractors are subject to higher fines than others, there may be a violation of the equal protection clause of the Fourteenth Amendment. Mr. Cook also stated, in answer to a question from Senator Wilson that, to his knowledge, there had been no conversation between the state contractors' board and the public service commission in developing Senate Bill No. 136.

Senator Raggio commented, that after reviewing NRS 624, he found no other place where the legislature attempted to dictate the type

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

of examination, in any particular classification or to dictate the specific classification. Senator Raggio indicated the board has the authority to create their own classifications in particular areas within the general classifications. He was concerned that federal regulations are of some importance in this area but felt the main concern should be public safety. Senator Raggio commented that NRS 624.260 requires the applicant to show a degree of experience, financial responsibility, general knowledge of the building, safety, health and lien laws of the State of Nevada, as well as the geometrical principles of contracting. He wondered if the wording of "and federal regulations" should be included, and if it would be sufficient. Mr. Cook said he did not know if the phrase would solve anything or not as anybody getting into the contracting business is going to be subject to federal regulations and have to comply with them anyway. He did not feel that any more state laws are necessary to achieve this.

Mr. Cook stated the contractors' board would like to cooperate with the public service commission, and have them assist the board in writing some of the questions appropriate to cover the federal regulations. He commented they would be glad to incorporate whatever the commission thought significant and important from the standpoint of public health and safety, into the examination. However, he felt it can be done without passing any more laws.

Senator Hernstadt asked Mr. Cook if this new regulation passed, would the civil engineers and architects be responsible for the pipeline. Mr. Cook answered they would be cognizant of federal regulations also. He explained the contractor is responsible for following someone else's plans and specifications and if those are wrong, it is not his responsibility. However, if the contractor puts them together wrong, this is his responsibility. In reply to Senator Hernstadt's question, Mr. Cook reiterated he did not think this bill was needed at all; and the board certainly did not want to levy any fines. He asked where the fine money would go and Senator Ashworth answered it went into the general fund. Mr. Cook said the board operates on the license fees paid by contractors. There is no tax money spent and, if they get involved in law suits, they would have to pay the expense of a lawyer to defend them in some of the problems that have been previously mentioned.

Senator Wilson asked if Mr. Hardy concurred with the contractors' board statement that Senate Bill No. 136 was not needed.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

Mr. Hardy responded to Senator Wilson's question by stating, from talking with the commission's safety engineer, he was aware there is a need for greater cooperation; in fact he got the source of this bill by talking to their people. He felt if the state contractors' board would do it, he had no problem with it. Senator Wilson stated he was trying to get a statement for the record that the public service commission feels the contractors' board is proceeding and the bill is not necessary; then the bill would not be passed out of committee. Mr. Hardy answered he did not know what the board was proceeding on. However, he would take Mr. Cook's word for it. Mr. Hardy was then asked if he withdrew the bill. There was no answer, as Senator Ashworth asked when the contractors' board would have the examination ready and indicated the committee wanted to see a copy. Mr. Thomas said it would be ready by April 1, 1981 and the committee would be sent a copy.

With no further testimony, Chairman Wilson closed the hearing on Senate Bill No. 136.

SENATE BILL NO. 137

Chairman Wilson presented Senate Bill No. 137, relating to enforcement of safety regulations for certain pipelines and providing penalties for violation of certain regulations relating to pipelines.

Mr. Clark, of the public service commission staff, stated this bill updates the penalty provisions of Chapter 704 of Nevada Revised Statutes to bring them into conformity with those required by federal law. Certain powers are added to the public service commission to enter in more or less injunctive orders and injunctive actions in court. Senator Ashworth commented the 1979 session of the legislature had a bill before Judiciary which evaluated all penalties in regard to the criminal aspect of the laws and he found the penalties indicated in this bill very far out of line in comparison. Senator Wilson asked if the bill should be re-referred to the Judiciary Committee and Senator Ashworth agreed it should. In response to Senator Raggio's question, Mr. Clark stated that these same penalties were in the federal act and covered intrastate as well as interstate pipelines. He said a state authority can obtain federal funding for pipeline inspection so long as the state law is in conformity with the minimum federal penalties.

Senator Hernstadt wanted to know if this was the bill controlling utility systems in mobile home parks. He said the bill appears

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

to give the public service commission the right to issue an order to shut down and repair a facility, but it is sort of vague on the repairs; and if they do elect to repair, it must be up to the federal standards. However, Senator Hernstadt pointed out, this does not solve the problem of those people who sat in Las Vegas freezing. He asked whether this bill could provide for an immediate, emergency type order which could enforce immediate repair of these mobile home parks master meter systems. Mr. Clark said he believed it was covered in section 3, subparagraph 2 with regard to the commission determining at a hearing to order the inspection test and repair. Senator Hernstadt said, if there was a hearing, it could be summer before corrective orders could be issued. Mr. Clark explained the sections of the bill covering this and suggested a change in the wording to include repair by a third party if the master meter operator failed to do the repairs in a reasonable length of time.

David Russell, representing Southwest Gas Company, asked to go on record as expressing concern over the jurisdiction indicated in Senate Bill No. 134 and Senate Bill No. 137. He stated some of the problems which the public service commission was attempting to solve in these bills so as to have jurisdiction over the maintenance and enforcement of federal regulations and to have a penalty provision against the master operator if he fails to comply. Senator Hernstadt asked Mr. Russell if he had any suggestions to solve the problem of quicker service to the residents of the mobile home parks. Mr. Russell replied an enforcement procedure against the operators, added to the present bill, could provide the mechanism for it.

Senator Ashworth stated the situation which happened in Las Vegas was atypical and there were unsafe pipe problems which prolonged the problem. He indicated the federal government got into the area with regulations, but are not policing it and that is the problem now. Mr. Russell indicated the jurisdiction gap is in terms of enforcement compliance and that is what the commission is trying to fill with this legislation.

With no further testimony, Chairman Wilson closed the hearing on Senate Bill No. 137.

The committee then went on to consideration of the bill draft requests submitted for introduction.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

BDR 53-567 (SB 203)

Senator Blakemore moved that BDR 53-567, relating to industrial insurance; providing for industrial insurance coverage by private insurers in addition to a state fund and self-insurance; providing for supervision by the state of rates and of rating and other organizations; providing for programs of rehabilitation; providing penalties; and providing other matters properly relating thereto, be introduced.

Senator Hernstadt seconded the motion.

The motion carried unanimously.

BDR 9-140 (SB 212)

Senator Ashworth moved that BDR 9-140, relating to federal liens, changing the proper place for filing to perfect a security interest on certain kinds of collateral; specifying the amount to be charged by the secretary of state and the county recorder for filing and indexing; changing procedures for filing a federal tax lien; and providing other matters properly relating thereto, be introduced.

Senator Blakemore seconded the motion.

The motion carried unanimously.

BDR 54-490 (SB 202)

Senator McCorkle moved that BDR 54-490, relating to contractors; increasing the fine for violating certain laws; and providing other matters properly relating thereto, be introduced.

Senator Hernstadt seconded the motion.

The motion carried unanimously.

Chairman Wilson stated he had a series of BDR requests from Mr. Joseph Sevigny, superintendent of banks, banking division, department of commerce, to have bills drawn by the Legislative Counsel Bureau. For some reason, they were received late.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

BDR REQUESTS - BANKING DIVISION

Senator Ashworth moved the BDR requests from the banking division be presented for drafting.

Senator Blakemore seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 136

Senator Hernstadt indicated he felt this bill was the most needed one on the agenda. He said the problem addressed is the prompt provision of the services which need to be provided, within a reasonable length of time, with a means of enforcement of the provision.

Senator Wilson stated there are two questions: 1) to provide the jurisdiction for the public service commission to order immediate restoration of service, to be paid for by a lien against the property unless paid for by the owner; 2) whether or not to plug in these penalties.

Senator Hernstadt asked whether the purpose is to solve the mobile home park problem or to cover every building with master meters. Senator Blakemore indicated he was concerned with the same issue, that what the commission calls master meters is not the same as the federal definition.

Senator Wilson asked Senator Hernstadt to develop an amendment on this problem, for the next meeting and preliminary to the Monday afternoon meeting. He still was concerned about these penalties. Senator Hernstadt stated they could reduce the penalties to conform to Senate Bill 9 of the prior session or, as Senator Wilson said, they could amend and refer the bill to Judiciary to enforce the penalties. Senator Ashworth wondered if that could be done as they are supposed to conform to the federal minimum penalties.

Senator Hernstadt said he would come up with an amendment; and attempt to get the smaller limits for penalties set. If that is not possible, he will bring it back in to see what can be done.

SENATE BILL NO. 125

Senator Ashworth moved that Senate Bill No. 125 be indefinitely postponed.

There was no action on the motion.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

Senator McCorkle indicated he thought Senate Bill No. 125 ought to be amended to exempt non-foreign companies. Senator Hernstadt thought the railroads were the only ones to be exempt. Senator Wilson explained the laws presently apply only to Nevada companies, which excludes the railroad because it is a foreign corporation, and also excludes other utilities that are foreign corporations. Senator Hernstadt asked why this bill could not be turned around so the corporations go to the federal agency and get the public service commission out of the security business completely. Senator Wilson stated he is opposed to removing jurisdiction where they can determine whether the debt service and interest ought to be included in rate cases.

Senator Ashworth made a new motion to amend the law to provide there is no front end approval of issuance of securities by public utilities.

Senator McCorkle seconded the motion.

The motion carried unanimously.

Senator Wilson stated, to clarify the record, elimination of the front need to have prior approval of the issuance of any securities or the assumption of any obligation, does not eliminate the jurisdiction requiring review during rate proceedings or inclusions basis. In other words, if a company goes ahead and issues a security or incurs an obligation which the commission disapproves, it is disallowed.

SENATE BILL NO 128 (See Exhibit C.)

There was committee discussion on the amendment to line 33, page 2, which adds "secretary-treasurer" after "vice-president". In addition, authority was added for the renewal fee biannually not to exceed \$200. The question was whether there should be the option to either way. Senator Ashworth indicated there are so many transients in this state, people do not stay for two years, and Senator Blakemore suggested the bill should state \$100 annually or or \$200 biannually so people will not be trapped. Senator Ashworth indicated the other issue, the statement on probation, is acceptable and is part of the bill.

Senator Ashworth moved to amend Senate Bill No. 128 and do pass.

Senator McCorkle seconded the motion.

The motion carried unanimously.

MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

SENATE BILL NO. 131 (See Exhibit D.)

Senator Ashworth moved that Senate Bill No. 131 do pass.

Senator Hernstadt seconded the motion.

The motion carried. (Senator McCorkle voted "No",  
Senator Raggio was absent for the vote.)

SENATE BILL NO. 132

Chairman Wilson indicated there was a question of separation of powers on this bill. The language is identical as to the other language presently in the Chapter. Senator Ashworth indicated they should propose the question of separation of powers and put it on the agenda. Senator Hernstadt also indicated a determination should be made whether the penalties to be imposed are from Senate Bill No. 9 of last session or those indicated in Senate Bill No. 132, which are the \$100,000 penalties. Senator Ashworth said this is not federal, this is state, so it should not be the same problem.

Senate Bill No. 132 was postponed until the separation of powers is checked.

SENATE BILL NO. 133 (See Exhibit E.)

Senator Hernstadt moved that Senate Bill No. 133 do pass.

Senator McCorkle seconded the motion.

The motion carried unanimously.

SENATE BILL NO. 134

There was general discussion by the committee members regarding the amendments needed on this bill to clarify what the pipeline facilities include, and to change the wording from structure to premises in the appropriate sections. The committee members also discussed enforcement of federal regulations with regard to master meters.

Senator McCorkle indicated his concern for the master meter subject going beyond its limits. Senator Wilson stated the additional language required the public service commission to advise local building inspection agencies of the federal standards and



MINUTES OF THE SENATE COMMITTEE ON COMMERCE AND LABOR  
FEBRUARY 9, 1981

obviously if the local jurisdiction is not doing it, the public service commission is not excused from the obligations imposed by Senate Bill No. 134. After a bit more discussion from Senator McCorkle and Senator Ashworth, Senator Wilson stated the question was not that jurisdiction be preempted, but that the jurisdiction be concurrent.

Senator Close suggested asking representatives from the county and city building inspectors' offices to testify and indicate whether they needed the help of two more people in inspection. Senator Ashworth wanted information on the Las Vegas explosions and also a statement of what the building department in Clark County does.

Senate Bill No. 134 will be held until further testimony can be heard.

SENATE BILL NO. 135

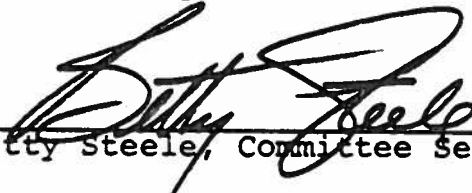
Senator McCorkle moved this bill be held for restructuring.

Senator Blakemore seconded the motion.

The motion carried unanimously.

There being no further business, the meeting adjourned at 4:31 p.m.

Respectfully submitted,

  
Betty Steele, Committee Secretary

APPROVED BY:

  
Senator Thomas R. C. Wilson, Chairman

DATE: \_\_\_\_\_

EXHIBITS - MEETING, FEBRUARY 9, 1981

Exhibit A is the Meeting Agenda.

Exhibit B is the Attendance Roster.

Exhibit C is Senate Bill No. 128.

Exhibit D is Senate Bill No. 131.

Exhibit E is Senate Bill No. 133.

SENATE AGENDA

COMMITTEE MEETINGS

EXHIBIT A

Committee on Commerce and Labor, Room 213.

Day Monday, Date February 9, Time 1:30 p.m.

S. B. No. 135--Changes procedure followed by Public Service Commission in dealing with complaints against public utilities.

S. B. No. 134--Allows Public Service Commission to regulate certain pipelines for natural gas.

S. B. No. 133--Eliminates regulation of air carriers by Public Service Commission.

S. B. No. 132--Provides civil penalties for violation of provisions of chapters 703 and 712 of NRS.

S. B. No. 131--Requires community antenna television companies to pay interest on deposits made by customers.

S. B. No. 128--Makes various changes in law relating to veterinarians.

S. B. No. 125--Requires foreign public Utility companies to obtain authorization from Public Service Commission before issuing securities.

S. B. No. 136--Provides for special classification of contractors working on pipelines for hazardous liquids and natural gas.

S. B. No. 137--Provides penalties for violation of certain regulations relating to pipelines.

ATTENDANCE ROSTER FORM

COMMITTEE MEETINGS

SENATE COMMITTEE ON COMMERCE AND LABOR

DATE: Monday, February 9

EXHIBIT B

PLEASE PRINT NAME	PLEASE PRINT ORGANIZATION & ADDRESS	PLEASE PRINT TELEPHONE
TOM COOKE	STATE CONTRACTORS BOARD	3291766
CHARLES THOMAS	NEW STATE CONTRACTORS BOARD 1800 INDUSTRIAL ROAD L.V.	
WALTER HERNANDEZ	P.S.C.N.	845-5134
Jack Armstrong	NEW. Dept Agric	789-6401
ROSS CULBERTSON	COMM CARLS TV	
Ken Strunk	NEW L.P.G. BOARD POB 338 C	885-4890
Tony Larson	NEW. L.P.G. ASS P.	882-3228
JOHN L. CHARK	PSC	885-4326
DAVID POWELL	S.W. S.	796-2366
John Eck	Southern Pacific	329-2492
Emogene Sansing	NEW Attorney General / Counsel to Veterinary Bd	845-4170
Dr S.C. Talbot	VET Bd member	Cardville
Dr S. Walther	VET Bd member	Peru
Heber HARDY	PSC	Carson

S. B. 128

---



---

 SENATE BILL NO. 128—COMMITTEE ON  
 COMMERCE AND LABOR

JANUARY 29, 1981

---

 Referred to Committee on Commerce and Labor

 SUMMARY—Makes various changes in law relating to  
 veterinarians. (BDR 54-599)

 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 veterinarians; authorizing the issuance of subpoenas by the board of veterinary medical examiners; authorizing the issuance of injunctions; changing membership of the board; changing the legal office of the board; increasing the fee for renewal of a license; 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 638 of NRS is hereby amended by adding  
 2 thereto the provisions set forth as sections 2 and 3 of this act.
- 3 SEC. 2. 1. *The board may issue subpoenas to compel the attendance*  
 4 *of witnesses and the production of books and papers.*
- 5 2. *If any witness refuses to attend or testify or produce any books*  
 6 *and papers as required by the subpoena, the board may report to the*  
 7 *district court in and for the county in which the hearing is pending, by*  
 8 *petition setting forth that:*
- 9 (a) *Due notice has been given of the time and place of attendance of*  
 10 *the witness or the production of the books and papers;*
- 11 (b) *The witness has been subpoenaed by the board pursuant to this*  
 12 *section; and*
- 13 (c) *The witness has failed or refused to attend or produce the books*  
 14 *and papers required by the subpoena, or has refused to answer questions*  
 15 *propounded to him, and asking for an order of the court compelling the*  
 16 *witness to attend and testify or produce the books and papers before*  
 17 *the board.*
- 18 3. *Upon receiving the petition, the court may enter an order direct-*  
 19 *ing the witness to appear before the court at a time and place to be fixed*  
 20 *by the court in its order, the time to be not more than 10 days from the*  
 21 *date of the order, and then and there show cause why he has not attended*

1 or testified or produced the books or papers before the board. A certified  
2 copy of the order must be served upon the witness.

3 4. If it appears to the court that the subpoena was regularly issued  
4 by the board, the court shall enter an order that the witness appear  
5 before the board at the time and place fixed in the order and testify or  
6 produce the required books or papers, and upon failure to obey the  
7 order the witness may be dealt with as for contempt of court.

8 SEC. 3. Whenever any person has violated or is about to violate any  
9 of the provisions of this chapter, the district court of any county, on  
10 application of the board, may issue an injunction or other appropriate  
11 order restraining the act or practice.

12 SEC. 4. NRS 638.020 is hereby amended to read as follows:

13 638.020 1. The Nevada state board of veterinary medical examiners  
14 is hereby created.

15 2. The board consists of seven members [, one of whom is the  
16 director of the division of animal industry of the state department of  
17 agriculture, and six of whom are] appointed by the governor.

18 [3. The director of the division of animal industry shall serve ex  
19 officio as a nonvoting member of the board and act as secretary-treasurer  
20 of the board.

21 4. Five] 3. Six of the members appointed by the governor [shall]  
22 must:

23 (a) Be residents of the State of Nevada.

24 (b) Be graduates of a veterinary college approved by the American  
25 Veterinary Medical Association.

26 (c) Have been lawfully engaged in the private practice of veterinary  
27 medicine in the State of Nevada for at least 5 years next preceding the  
28 date of their appointment.

29 [5.] 4. One member appointed by the governor [shall] must be a  
30 representative of the general public.

31 SEC. 5. NRS 638.050 is hereby amended to read as follows:

32 638.050 1. The board shall elect from its appointed members a  
33 president and a vice president. The officers [shall] serve at the pleasure  
34 of the board.

35 2. The office of the [secretary-treasurer shall be] president is the  
36 legal office of the board, but the board may maintain offices in as many  
37 localities in the state as it finds necessary to carry out the provisions  
38 of this chapter.

39 3. The secretary-treasurer shall maintain a copy of all incoming and  
40 outgoing correspondence.

41 SEC. 6. NRS 638.127 is hereby amended to read as follows:

42 638.127 1. On or before January 1 of each year, the secretary-  
43 treasurer shall mail to each person licensed under the provisions of this  
44 chapter an application form for renewal of license.

45 2. Each applicant for renewal shall complete the form and return  
46 it to the secretary-treasurer, accompanied by the renewal license fee,  
47 before March 1 of such year. The renewal license fee [shall] may be set  
48 by the board in an amount not to exceed [\\$30.] \$100.

49 3. Upon receipt of the application and fee, the board shall issue to  
50 such person a certificate of renewal.

1 4. Any person who fails to renew his license on or before May 1  
2 of such year [shall forfeit] *forfeits* his license.

3 5. When a person has forfeited his license in the manner provided  
4 in subsection 4, the board may reinstate such person and issue a certifi-  
5 cate of renewal upon payment of the renewal license fee and a delin-  
6 quency penalty of \$10 for each month or fraction thereof the license  
7 remained unrenewed after March 1.

8 SEC. 7. NRS 638.147 is hereby amended to read as follows:

9 638.147 1. If the board determines that any applicant for a license  
10 as a veterinarian or a licensed veterinarian has committed any of the  
11 acts [set forth in NRS 638.140,] which constitute cause for disciplinary  
12 action, the board may:

13 (a) Refuse to issue a license.

14 (b) Refuse to renew a license.

15 (c) Revoke a license.

16 (d) Suspend a license for a definite period of time.

17 (e) Impose a civil administrative sanction in an amount not to  
18 exceed \$1,000.

19 (f) *Place a licensee on probation.*

20 2. Any [moneys] *money* collected by the board pursuant to this  
21 section [shall] *must* be deposited with the state treasurer for credit to  
22 the state general fund.

S. B. 131

SENATE BILL NO. 131—COMMITTEE ON  
COMMERCE AND LABOR

JANUARY 29, 1981

Referred to Committee on Commerce and Labor

SUMMARY—Requires community antenna television companies to pay interest on deposits made by customers. (BDR 58-275)

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 community antenna television companies; requiring companies to pay interest on deposits made by customers; 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 704.655 is hereby amended to read as follows:  
2 704.655 1. Every public [service company, corporation or individ-  
3 ual furnishing light and power, telephone, gas or water, or any of them,  
4 to the public] *utility which furnishes the public with light and power,*  
5 *telephone service, gas or water, community antenna television, or any*  
6 *of them,* shall pay to every customer [or consumer] from whom any  
7 deposit has been required interest on the deposit in an amount equal to  
8 the average prime rate plus 1 percent per annum from the date of deposit  
9 until the date of settlement or withdrawal of deposit. "Average prime  
10 rate" is the arithmetic mean of the range of interest rates in effect during  
11 the next preceding calendar year [prior to] *before* the settlement date or  
12 the withdrawal date of the deposit. Where [such] *the* deposit remains for  
13 a period of 1 year or more and the person making the deposit continues to  
14 be a customer. [or consumer.] the interest on the deposit [shall] *must*  
15 be either paid in cash to the depositor or applied on current bills for the  
16 use of the service provided by the public utility, as the depositor may  
17 desire.  
18 2. Any public utility that fails, refuses or neglects to pay the interest  
19 provided in subsection 1 and in the manner required by subsection 1 is  
20 guilty of a misdemeanor.



S. B. 133

---



---

SENATE BILL NO. 133—COMMITTEE ON  
COMMERCE AND LABOR

JANUARY 29, 1981

---

Referred to Committee on Commerce and Labor

SUMMARY—Eliminates regulation of air carriers by public  
service commission. (BDR 58-272)

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 the regulation of public utilities; eliminating the regulation  
of air carriers by the public service commission; 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 704.020 is hereby amended to read as follows:  
2 704.020 1. As used in this chapter, "public utility" [shall mean  
3 and embrace:] *includes:*  
4 (a) Any person, partnership, corporation, company, association, their  
5 lessees, trustees or receivers (appointed by any court whatsoever) that  
6 now, or may hereafter, own, operate, manage, or control any railroad  
7 or part of a railroad as a common carrier in this state, or cars or other  
8 equipment used thereon, or bridges, terminals, or sidetracks, or any  
9 docks or wharves or storage elevators used in connection therewith,  
10 whether owned by such railroads or otherwise.  
11 (b) Express companies, telegraph and telephone companies.  
12 (c) Any plant, property or facility furnishing facilities to the public  
13 for the transmission of intelligence via electricity. The provisions of this  
14 paragraph do not apply to interstate commerce.  
15 (d) Radio or broadcasting instrumentalities providing common or  
16 contract service. [and aircraft common and contract carriers.]  
17 (e) All companies which may own cars of any kind or character,  
18 used and operated as a part of railroad trains, in or through this state.  
19 All duties required of and penalties imposed upon any railroad or  
20 any officer or agent thereof [shall,] *are*, insofar as [the same are]  
21 applicable, [be] required of and imposed upon the owner or operator  
22 of such express companies, telegraph and telephone, radio [,] *and*  
23 broadcasting [, aircraft] companies, and companies which may own  
24 cars of any kind or character, used and operated as a part of railroad

1 trains in or through this state, and their officers and agents, and the  
2 commission shall have the power of supervision and control of all such  
3 companies and [individual] persons to the same extent as of railroads.

4 (f) Community antenna television companies.

5 2. "Public utility" [shall also embrace:] also includes:

6 (a) Any person, partnership, corporation, company, association, their  
7 lessees, trustees or receivers (appointed by any court whatsoever) that  
8 [now or hereafter may] own, operate or control any ditch, flume, tunnel  
9 or tunnel and drainage system, charging rates, fares or tolls, directly or  
10 indirectly.

11 (b) Any plant or equipment, or any part of a plant or equipment,  
12 within the state for the production, delivery or furnishing for or to other  
13 persons, firms, associations, or corporations, private or municipal, heat,  
14 gas, coal slurry, light, power in any form or by any agency, water for  
15 business, manufacturing, agricultural or household use, or sewerage  
16 service, whether within the limits of municipalities, towns or villages,  
17 or elsewhere.

18 The commission is hereby invested with full power of supervision,  
19 regulation and control of all such utilities, subject to the provisions of  
20 this chapter and to the exclusion of the jurisdiction, regulation and con-  
21 trol of such utilities by any municipality, town or village, unless other-  
22 wise provided by law.

23 3. The provisions of this chapter and the term "public utility"  
24 [shall] apply to:

25 (a) The [transportation of passengers and property by aircraft com-  
26 mon and contract carriers, except helicopters used on construction  
27 projects, and the] transmission or receipt of messages, intelligence or  
28 entertainment, between points within the state.

29 (b) [The receiving, switching, delivering, storing and hauling of such  
30 property, and receiving] Receiving and delivering messages.

31 (c) All charges connected [therewith,] with the transportation of  
32 persons or property, including icing charges and mileage charges.

33 (d) All railroads, express companies, car companies, and all associa-  
34 tions of persons, whether incorporated or otherwise, that [shall] do  
35 any business as a common carrier upon or over any line of railroad  
36 within this state.

37 (e) Any common or contract carrier engaged in the transportation  
38 of passengers and property, except common or contract motor carriers  
39 subject to the provisions of chapter 706 of NRS.

40 SEC. 2. NRS 704.280 is hereby amended to read as follows:

41 704.280 The commission [shall have the power:

42 1. To regulate] may:

43 1. Regulate the manner in which [aircraft,] power, telephone and  
44 telegraph lines, pipelines and the tracks of any street, steam or electric  
45 railroad or other common carrier cross or connect with any other such  
46 lines or common carriers.

47 2. [To prescribe] Prescribe such regulations and safety devices,  
48 respectively, as may be necessary for the purpose of securing adequate  
49 service and for the protection of the public.