

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

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
May 25, 1981

The Senate Committee on Commerce and Labor was called to order by Chairman Thomas R.C. Wilson, at 2:10 p.m., Monday, May 25, 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

COMMITTEE MEMBER ABSENT:

Senator William Raggio (Excused)

STAFF MEMBER PRESENT:

Betty Steele, Committee Secretary

ASSEMBLY BILL NO. 580 -- "Requires public utilities to offer seasonal rates for interruptible electricity for irrigation pumps."

Assemblyman John Marvel spoke in support of A.B. No. 580. Assemblyman Dean Rhodes also spoke in support of the bill and presented amendments to A.B. No. 580. Senator Hernstadt read the amendments to be for line 7, page 1, change "May" to "April"; change the effective date for the public service commission to January 1, 1982; and, in Section 3, that the provisions do not apply to non-profit coops.

Assemblyman John Polish said he also supported A.B. No. 580 as amended.

ASSEMBLY BILL NO. 593 -- "Prohibits local government from requiring owner or leesee to hire contractor to do work on property."

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Assemblyman Steve Coulter said A.B. No. 593 would allow a small business man do his own repair work up to a maximum cost of \$2500, as long as no structural plumbing or electrical repairs were involved.

(Note: Chairman Wilson allowed Assemblyman Coulter to testify on A.B. No. 593 in order that the assemblyman could return to his own committee in the Assembly. The chairman now reconvenes the hearing on A.B. No. 580.)

A.B. NO. 580 (Cont.)

Mr. Leroy Horn, owner of a cattle ranch in Nevada, said in 1974 on a well he had drilled on the ranch, Mr. Horn utilized 335,000 kilowatts which cost \$6,209. In 1980, Mr. Horn used 306,912 kilowatts which cost \$17,009. In that same period of time, the rancher sold cattle in 1975 for .30 cents per pound, and in 1980 for .64 cents per pound. Mr. Horn said in 1981 he estimates his power bill will be approximately \$24,000 for this same well. (Mr. Horn has two wells on his ranch.)

Ms. Marian Filipini, owner of a cattle ranch in Nevada, testified that she irrigates hay crops to feed her livestock during the months when not grazing on BLM property. Ms. Filipini said she irrigates approximately 1380 acres with 11 wells. Five of the wells are supplemented by creeks. However, six of the wells are operated solely by electricity. In 1978, one of the wells cost \$963 in the month of August, and in 1979, the well cost \$1163, and in 1980, this well cost \$2,002. The ranch's total irrigation bills in 1978 were \$23,787; in 1979 they were \$37,419; and, in 1980, they were \$61,732. These bills only reflect the costs of running the wells primarily in August and September.

Mr. Pete Kelley, representing the Nevada Electric Rural Association, testified that the association supports A.B. No. 580 as amended. Senator McCorkle asked if the lowest rate to be charged would be the state's lowest rate. Assemblyman Rhodes responded this will be lowest rate the utility charges, not a rate used by a rural cooperative.

Mr. Heber Hardy, chairman of the Nevada public service commission, said to Senator Hernstadt that the control for this type of service would be for the utility to have a device which could interrupt service if utilized during the peak periods.

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Mr. Ralph Cromer, Utility Consulting Associates, appearing for A.C. "Jack" Evans of Winnemucca Farms, read a statement into the record. The statement urged the committee to support A.B. No. 580. Winnemucca Farms is the largest user of irrigation power in northern Nevada. (Exhibit D.)

Chairman Wilson questioned why it was necessary for the legislature to establish this rate. The chairman felt this should be done through the normal hearing process of the state's public service commission. Mr. Hardy concurred, but said the commission has never been presented with an interruptible rate for consideration. Mr. Hardy also said that in meeting with area representatives, the majority had said that they did not support having interruptible rates because of the problem in moisture control.

Mr. Andrew Barbano, representing the Coalition for Affordable Energy, submitted to the committee a "Rate and Tariff Analysis" by Leigh A. Riddick. (Exhibit C.) Mr. Barbano said the Coalition does endorse the adoption of A.B. No. 580.

Mr. Hardy explained that the commission will allow this proposal because the lowest rate will be based on a rate which will cover variable costs. Mr. Hardy warned this may result in a lengthy interruptible period for the users, which "may be difficult to live with."

Mr. Robert Vaughan, attorney-at-law, representing the Mt. Wheeler Power Incorporated Company, submitted to the committee a position paper on the amendment to A.B. No. 580. (Exhibit E.)

ASSEMBLY BILL NO. 644 -- "Prohibits employment agencies not licensed in this state from procuring jobs in entertainment in this state except through local agencies."

Mr. Mark Tully Massagli, president of the Nevada AFL/CIO and president of the Musician's Union of Las Vegas, spoke in support of A.B. No. 644.

Senator Hernstadt asked if the Nevada Resort Association will oppose this bill. Mr. Massagli said he felt the association would oppose this bill.

Mr. Frank Moore, owner of a licensed employment agency in southern Nevada, said that similar provisions have been passed in other states. Senator Hernstadt asked why this is necessary

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if out-of-state agents are booking entertainers with the consent of the club's management.

Mr. Bobby Morris, licensed employment agent, said in response to Senator Hernstadt that he did not feel the out-of-state agents were entitled to any monetary benefits from Nevada when they did not participate in the state's licensing and taxation procedures. The committee and witnesses then discussed the necessity of this proposal and the fact that any out-of-state firm would have to associate with a Nevada licensed firm as residency is also a requirement of licensure.

Mr. Bob Ostrovsky, representing MGM/Reno, said that very often entertainment bookings are made through European agents or New York and Los Angeles agents, and he anticipated that A.B. No. 644 would cause problems with this practice. Mr. Ostrovsky asked the committee not to pass A.B. No. 644.

Mr. Dick Lane, representing the Hilton Hotels Corporation and the Nevada Resort Association, also spoke in opposition to A.B. No. 644. Mr. Lane pointed out that the larger hotels often deal directly with the managers of entertainers and do not even use the services of a booking agency.

SENATE CONCURRENT RESOLUTION NO. 69 -- "Encourages board of psychological examiners to certify psychologists on basis of training in lieu of education."

Chairman Wilson did not hold a hearing on S.C.R. No. 69 as no witnesses were present to testify.

SENATE BILL NO. 704 -- "Makes various changes in provisions regarding credit unions."

Mr. Norm Okada, acting commissioner for the state credit union division, said this is an agency bill. The measure is also supported by the Credit Union Advisory Council as well as the industry. Mr. Okada reviewed each section of the bill with the committee.

Chairman Wilson did not hold a hearing on Assembly Concurrent Resolution No. 44, Assembly Bill No. 599, Assembly Bill No. 464, and Assembly Bill No. 465 as no witnesses were present to testify.

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ASSEMBLY BILL NO. 288 -- "Imposes certain financial requirements for protection of subcontractors and employees on construction projects."

Mr. Joe Midmore, representing the American Subcontractors Association, said A.B. No. 288 is the amended version of a proposal which would require general contractors to pay their subcontractors in a "timely" manner. Mr. Midmore explained that a subcontractor will file an intent to lien at the beginning of a job, but will not lien at the completion of a job unless absolutely necessary. This measure will let the subcontractor know when the general contractor has filed a notice of completion with the local recorder in case a lien is necessary.

Mr. John Madole, representing the Associated General Contractors, questioned if A.B. No. 288 defined exactly when a job is completed. Also, Mr. Madole said it should be clarified which entity has the responsibility of notifying secondary "tier" subcontractors when the job is completed.

ASSEMBLY BILL NO. 579 -- "Makes various administrative changes in law governing real estate brokers and salesmen."

Mr. Jim Wadhams, director of the state department of commerce, said that he was appearing in support of A.B. No. 579. Mr. Wadhams explained each section of the bill to the committee.

Mr. Bill Cozart, realtor, said the industry supports A.B. No. 579.

Senator McCorkle suggested that this bill be amended to include the language: "A broker may, while acting as a broker, or an officer, or a shareholder of a corporation, which is licensed to do business as a broker. He may act as an officer or a shareholder of another corporation which is licensed to do business as a broker." Mr. Wadhams said he would review this proposal with the real estate division and make a response during the next committee meeting.

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ASSEMBLY BILL NO. 208 -- "Removes denial of unemployment compensation for certain school employees under specified circumstances."

Mr. Edward Greer, business manager of the Clark County School District, spoke in opposition of A.B. No. 208. Mr. Greer said because budget decisions are often not made until June, notification to the teacher that his/her position was being cut would not take place until the Fall. Then, other adjustments would have to occur in order to have the funds to pay the retroactive compensation to the teachers whose positions were cut.

ASSEMBLY BILL NO. 581 -- "Clarifies provisions relating to the term of credit life and credit health insurance."

Mr. Jim Wadhams, director of the state commerce department, said A.B. No. 581 is an agency bill. Section 4 of the bill is the important language which requires that the insurance coincide with the obligation that is insuring the payment. Senator Close said the problem with this requirement is that the debt is "rarely" paid off on the date it is due. Senator Wilson suggested that this requirement be connected with the foreclosure procedure.

Ms. Erma Edwards, state insurance division, explained that this is credit insurance, not mortgage insurance, and only extends to ten years or less coverage. Senator Wilson said that mortgage insurance is currently changing toward short-term loans with a "balloon" payment at the end of the short-term period. Ms. Edwards said this bill is primarily addressing consumer/goods credit life contracts.

Chairman Wilson asked what their recommendation was on whether the term of insurance should extend beyond the scheduled final date of payment. The division representatives did not have a recommendation. Chairman Wilson suggested if the term of the note is extended and the term of the policy is extended, the carrier that provided the policy is entitled to a premium adjustment and will have to notify the buyer of this adjustment.

Mr. Wadhams asked that this bill be rescheduled for the next committee meeting so the problem being discussed can be reviewed by the insurance division.

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ASSEMBLY BILL NO. 592 -- "Removes insured's choice of types of policies upon conversion of group health insurance policy to individual policy."

Ms. Erma Edwards, state insurance division, said that this bill will allow the insured, when leaving a group policy for an individual policy, to have major medical coverage as one of the options.

A.B. No. 592 (Exhibit F)

Senator Don Ashworth moved "Do Pass" for Assembly Bill No. 592.

Senator Blakemore seconded the motion.

The motion carried.

A.B. No. 208

Senator Don Ashworth moved to "Indefinitely Postpone" Assembly Bill No. 208.

Senator McCorkle seconded the motion.

The motion carried. (Senator Blakemore voted "No".)

A.B. No. 593 (Exhibit G)

Senator Don Ashworth moved "Do Pass" for Assembly Bill No. 593.

Senator Blakemore seconded the motion.

The motion carried.

A.B. No. 288 (Exhibit H)

Senator Blakemore moved "Amend and Do Pass" for Assembly Bill No. 288 by requiring that the notification occur when the Notice of Completion is filed by the general contractor; and to include language that notification will also be given by a contractor or subcontractor employed as a contractor.

Senator McCorkle seconded the motion.

The motion carried. (Senator Don Ashworth voted "No".)

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A.B. No. 465 (Exhibit I)

Senator Close moved "Do Pass" for Assembly Bill No. 465.

Senator Blakemore seconded the motion.

The motion carried.

A.B. No. 599

Senator Don Ashworth moved to "Indefinitely Postpone" Assembly Bill No. 599.

Senator Close seconded the motion.

The motion carried. (Senator Blakemore voted "No".)

A.C.R. No. 44 (Exhibit J)

Senator Blakemore moved "Do Pass" for Assembly Concurrent Resolution No. 44.

Senator Don Ashworth seconded the motion.

The motion carried.

S.B. No. 704 (Exhibit K)

Senator Don Ashworth moved "Do Pass" for Senate Bill No. 704.

Senator Blakemore seconded the motion.

The motion carried.

S.C.R. No. 69 (Exhibit L)

Senator Don Ashworth moved "Do Pass" for Senate Concurrent Resolution No. 69.

Senator Close seconded the motion.

The motion carried. (Senator Blakemore voted "No".)

Chairman Wilson noted that a letter would be written to the state board of psychology noting passage of this resolution, and the board's expected compliance.

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A.B. No. 644

Senator Don Ashworth moved to "Indefinitely Postpone"
Assembly Bill No. 644.

Senator Close seconded the motion.

The motion carried. (Senator Blakemore voted "No".)

A.B. No. 580 (Exhibit M)

Senator Blakemore moved "Amend and Do Pass" for
Assembly Bill No. 580 by changing "May" to "April"
on line 7, page 1; change the effective date for the
public service commission from September 1 to
January 1, 1982; and, in Section 3, the provisions
do not apply to non-profit cooperatives.

Senator Don Ashworth seconded the motion.

The motion carried.

S.B. No. 533 (Amendment consideration only.)

Senator Close moved for committee concurrence.

Senator Hernstadt seconded the motion.

The motion carried.

S.B. No. 269 (Amendment consideration only.)

Senator McCorkle moved for committee concurrence.

Senator Ashworth seconded the motion.

The motion carried.

S.B. No. 587 (Amendment consideration only.)

Senator Hernstadt moved for committee concurrence.

Senator McCorkle seconded the motion.

The motion carried.

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S.B. No. 470 (Amendment consideration only.)

Senator Hernstadt moved for committee concurrence.

Senator Close seconded the motion.

The motion carried.

S.B. No. 366 (Amendment consideration only.)

Senator Don Ashworth moved for the committee not to concur on the amendment for Senate Bill No. 366. (Chairman Wilson appointed Senators Don Ashworth, Hernstadt, and McCorkle to the conference committee.)

Senator McCorkle seconded the motion.

The motion carried. (Senator Hernstadt voted "No".)

A.B. No. 117 (Exhibit N)

Senator Blakemore moved "Do Pass" Assembly Bill No. 117.

Senator McCorkle seconded the motion.

The motion carried.

A.B. No. 331

Senator McCorkle moved to "Indefinitely Postpone" Assembly Bill No. 331.

Senator Don Ashworth seconded the motion.

The motion carried.

S.B. No. 539 (Exhibit O)

Senator Hernstadt moved "Do Pass" Senate Bill No. 539.

Senator Don Ashworth seconded the motion.

The motion carried.

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A.B. No. 496

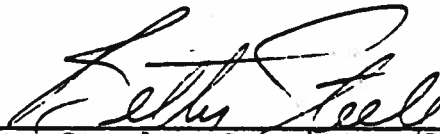
Senator Close moved to "Indefinitely Postpone"
Assembly Bill No. 496.

Senator Don Ashworth seconded the motion.

The motion carried.

There being no further business, the meeting adjourned
at 5:35 p.m.

Respectfully submitted,



Betty Steele, Committee Secretary

APPROVED:



Senator Thomas R. C. Wilson, Chairman

DATE: _____

SENATE AGENDA

COMMITTEE MEETINGS

Committee on Commerce and Labor, Room 213

Day Monday, Date May 25, 1981, Time 1:30 p.m.

A.B. No. 580--Requires public Utilities to offer seasonal rates for interruptible electricity for irrigation pumps.

A.B. No. 644--Prohibits employment agencies not licensed in this state from procuring jobs in entertainment in this state except through local agencies.

S.C.R. No. 69--Encourages board of psychological examiners to certify psychologists on basis of training in lieu of education.

S.B. No. 704--Makes various changes in provisions regarding credit unions.

A.C.R.No. 44--Directs Nevada Industrial commission to study premium rates for certain clerical employees.

A.B. No. 599--Strengthens professional monopoly of professional engineers.

A.B. No. 464--Requires Nevada state board of chiropractic examiners to hear all charges filed against chiropractors.

A.B. No. 465--Broadens prohibition against practicing chiropractic without license.

A.B. No. 288--Imposes certain financial requirements for protection of subcontractors and employees on construction projects.

A.B. No. 593--Prohibits local government from requiring owner or lessee to hire contractor to do work on property.

A.B. No. 579--Makes various administrative changes in law governing real estate brokers and salesmen.

A.B. No. 208--Removes denial of unemployment compensation for certain school employees under specified circumstances.

A.B. No. 581--Clarifies provisions relating to the term of credit life and credit health insurance.

A.B. No. 592--Removes insured's choice of types of policies upon conversion of group health insurance policy to individual policy.

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DATE: Monday, May 25, 1981

EXHIBIT B

PLEASE PRINT PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME ORGANIZATION & ADDRESS TELEPHONE

N.V. Onda	Commerce	885-4259
ANDREW BARRANO	Coalition for Affordable Energy	786-1455
EDWARD GREER	CLARK CO. SCHOOL DIST	736-5445
ROBERT O. VAUGHAN	MT WHEELER POWER, IN WELLS BUREAU SUPPLY CO.	738-4031
BLACKIE EVANS	AFL-CIO 777 E. Williams C.C.	882-7490
Joe Midmore	Nevada Consumer Fairness & Assoc American Subcontractors Assn	882-1890
Dick Lane	Entertainment District	
John Madole	AFC	
Bill Covert		
John Davis		
Paul Peterson	17314 Road	
Robert Kingston	House	
Frank Moore		
Jim Williams	Dir. of Div. Commerce	
BEMA EDWARDS	INS DIV	

RATE AND TARIFF ANALYSIS

by

Leigh A. Riddick

EXHIBIT C

In an effort to judge the consequences of all the pressures on regulation in Nevada, a preliminary review was made of the tariffs on file in Nevada for two major electric utilities, Sierra Pacific Power Company and Nevada Power Company. The results clearly show that these pressures have resulted in deficient regulation in Nevada.

An example of effective regulation is designing rates based on concepts of cost of service. Such rates take various forms based on the characteristics of the company being examined, but certain general principles apply to almost all utilities. Some of these more basic results are absent from the tariffs examined. For example, the following are common characteristics of cost-based rates:

- seasonal differentials in which energy charges vary by season, as the utility's costs vary.
- fixed customer charges unrelated to consumption.
- time-of-use rates in which charges vary by period of the day as the utility's costs vary.
- load management rates which offer the customer a discount for allowing the utility to control the amount of power he consumes during high cost operation periods of the utility.
- cogeneration rates to encourage the use of alternate energy sources.
- class divisions based on cost characteristics of customer usage patterns.

All of these characteristics are incorporated into tariffs to encourage efficiency and conservation in energy use. The rates are intended to inform the consumer of the cost associated with his energy use. However, it should be noted that rates are not based entirely on cost, but tempered somewhat by other considerations such as customer impact. However, the characteristics listed above are basic to cost-based rates.

Seasonal differentials are absent in all of the rates examined, yet certain areas of Nevada have extreme seasonal differentials usually associated with extreme cost differences. Such differentials are one of the first basic cost characteristics usually recognized in rate design.

On the other hand, optional time-of-use electric rates are on file for large customers of both Sierra Pacific Power Company and 2072

Nevada Power Company. Such rates are a much more sophisticated cousin of seasonal rate differentials. Seasonal rate differentials are used to show customers that many of the costs of the utility are geared to its need to expand plant to meet peak demands.

Much of the plant of a company with a sharp peak in demand will be idle in off-peak months, but still must be financed and maintained in good working order. In addition, peak plants usually require more expensive fuel. Peak users create the need for this plant: having higher rates in peak periods informs customers of their responsibility for these costs.

Similarly, many costs of the utility---mostly fuel and maintenance costs---vary during the hours of any given day as demand fluctuates and different running costs are incurred. However, the time-of-use rates on file at the Public Service Commission of Nevada are unusual in two respects which considerably lessen their effectiveness. First, the rate differentials are very, very narrow:

Sierra Pacific Power Company ¹		
Period	Rate	Differential
On-Peak	5.068¢	} 0.605¢ } 0.209¢
Mid-Peak	4.463¢	
Off-Peak	4.254¢	

¹Source: Sierra Pacific Electric Tariff No. 1, 8th Revised
P.S.C.N Sheet No. 68.

Nevada Power Company²

Period	Rate	Differential
On-Peak	3.920¢	} 0.653¢
Off-Peak	3.267¢	

It is generally accepted that the differential between such charges must be at least 2¢-3¢ to be meaningful in reflecting cost differences. Clearly, the 0.6¢ and 0.2¢ differentials in the existing rates suggest inadequacies. Additionally, the time periods to which the Nevada Power rates apply are too long (11:00 a.m. - 9:00 p.m.: 10 hours) to allow much flexibility in customer use. Also, the sharp edges of cost differences associated with time of electricity use are blurred as those differences are averaged over longer and longer time periods.

These rates are clearly inadequate, but an even greater problem exists in the dual facts that the time-of-use rate for Sierra Pacific customers is an optional rate and the alternative rate for the customers is a declining block rate.³ Declining block rates encourage use at all times because the average price per kilowatt hour declines as usage increases. No customer who desires to lower costs would be likely to choose the optional rate unless the kilowatt hour charges under the declining block rate greatly exceed the optional charges. However, this is not the case as the following comparison shows:

Sierra Pacific Power Company

Time-of-Use Charges		Declining Block Charges	
On-Peak	5.068¢	1st 150 Kwh	4.515¢
Mid-Peak	4.463¢	Next 150 Kwh	4.358¢
Off-Peak	4.254¢	Next 150 Kwh	4.212¢
		All Remaining Kwh	4.014¢

²Source: Nevada Power Tariff No. 1-B, Third Revised P.S.C.N. Sheet No. 15.

³Source: Sierra Pacific Electric Tariff No. 1, 8th Revised P.S.C.N. Sheet No. 67.

Clearly, the declining block charges will be less than any time-of-use scenario because the minimum cut off for entry into this class of service is 1000 Kwh. This means that any customer in this class will hit the 4.014¢/Kwh billing range under the declining block rate, which is less than the lowest time-of-use charge of 4.254¢. In addition, the average rate for a customer using only 1000 Kwh—a highly unlikely event—will only be 4.170¢/Kwh. Again, this average rate is less than the lowest time-of-use rate. To reiterate, there is no way a large user can save money on energy charges by being on the time-of-use rate. Demand charges on the tariffs are so similar that there is no need to discuss them. In summary, the time-of-use rates on file in Nevada are of form only and no meaningful substance.

The only load management rates are irrigation or water pumping rates. Load management rates are offered to allow customers an alternative way to receive their energy that will lower both their own costs and those of the utility. Usually, the customer allows the utility to directly control his load during peak hours or it is indirectly controlled by him. For this control he receives either a credit or a lower rate.

Nevada Power Company offers a water pumping customer a lower kilowatt charge for the privilege of being able to interrupt service to him when his demand exceeds 299 kilowatts in any one month.⁴ However, the timing of interruption is not directly tied to the timing of the utility's system peak. This is unusual since the utility's interest in curtailing demand is related to the potential for decreasing costs during its peak. The rate does tie demand charges to time of electricity use, but customers are only directly charged for demand levels during curtailment. This denies any cost principle associated with load management or interruptible rates. In essence, the

⁴ Source: Nevada Power Company, Tariff 1-B, Third Revised P.S.C.N. Sheet No. 18.

customer pays for the demand level after curtailment but receives no credit since his demand charges are at levels equivalent with other customers' demand charges. Additionally, these customers are not currently eligible for the time-of-use rates on file.

Sierra Pacific Power Company's irrigation customers have no control options, and again are not eligible for time-of-use rates. The implication of these facts is that these customers have no meaningful load control (and thus no cost control) option.

In summary, these Nevada utilities offer no load management incentives for their customers and they are thus promoting costly inefficiencies in energy use. Great potential exists for savings to both the utilities and their customers through controlling many loads, such as water heating, air conditioning, space heating and even some manufacturing loads. Such rates have been well-received and quite effective in other states.

No co-generation rates are offered by either utility, which again discourages wise energy use.

Due to time limitations and the complexity of analyzing usage patterns, this analysis does not include a discussion of the classification of customers into tariff groups based on cost characteristics.

*read by Ralph Brown
from page 25
see for minutes*

A. C. Evans

EXHIBIT D

As the largest user of irrigation power in northern Nevada we would urge your support of AB 580. You are surely aware of the ever escalating costs of energy and the tremendous squeeze on agriculture which already faces extremely thin margins of profit.

We feel confident of being able to meet competition in our industry on an equal footing; however, two areas of major benefits our competition enjoys is generally more favorable freight rates and substantially improved power rates.

We expect to have to bear increasing fuel costs as we realize the necessity of passing on such burdens to remain solvent even though agriculture finds it often cannot "pass on" our increasing costs. We must, however, take all measures possible to protect our fragile agriculture economy in northern Nevada from being costed out of business.

AB 580 is a measure providing a protective element badly needed by agriculture without imposing any burden on other utility customers. In fact, it does not even appear to alter what we now have in utility rates, except to provide for an interruptible service, but does provide: (1) lower rates if and when we can arrange for some mutually beneficial interruptible rates, and (2) protection against imposition of capacity costs over that of an interruptible rate schedule. It also permits the utility to meet the growing demands of the fully organized and most fundamental American industry -- irrigated agriculture -- without building expensive new base load facilities.

Your full support of AB 580 is most earnestly encouraged as a protective measure which should have no detrimental affect on the balance of your Nevada constituency.

POSITION PAPER

EXHIBIT E

ASSEMBLY BILL 580

(Seasonal Interruptible Electric Rate Bill)

POSITION OF: Mt. Wheeler Power, Inc., and Wells Rural Electric Company, non-profit, membership cooperatives.

POSITION: These non-profit membership cooperatives do not oppose or support the bill, provided the technical amendment requested by Assemblyman Rhoads is adopted.

REQUESTED AMENDMENT:

To adopt a clarifying amendment as follows:

"Section 3: The provisions of this act are not intended to apply to any cooperative association or non-profit corporations or associations which supply electric power for the use of its own members only."

PROBLEM TO BE CORRECTED:

The bill in a number of instances refers to "public utilities". By virtue of NRS 704.673 and 704.675 the cooperative associations and non-profit cooperatives are declared to be "public utilities". While a cooperative association or non-profit cooperative that serves members only, is subject to the jurisdiction of the Public Service Commission in several respects such as certification, discontinuance, modification and restriction of service, they are not subject to public service jurisdiction in matters relating to rates, rules or approval of securities, and have not been since 1963. Therefore, it would be unnecessary and illogical to have them subject to this single facet of ratemaking. Without the amendment the bill is ambiguous, as it does not state which sections of NRS 704 are being amended, and the non-profit cooperatives are subject to certain sections thereof and not subject to other sections. Therefore in its present form it would not be clear, as to whether the act would apply to them or not.

RATIONALE:

The cooperative associations and non-profit cooperatives serving members only have no reason to be regulated by the Public Service Commission as to ratemaking, because:

1. The members, who are the consumers, have almost direct control over the ratemaking process. Each member-consumer, whether a large corporation or a small household user, has a full vote, annually, to elect members to the board of directors. Then, the directors, who themselves are members-consumers-ratepayers fix the rates to be charged, and then only after hearings to obtain further member in-put.

2. The cooperative directors who set rates do not have a conflict of purpose, as do the directors of an investor-owned utility. In the investor-owned utility the consumers want low rates for service and the directors and stockholders who elect them, want high rates for profits. In the cooperative no interested party, be it a member or a director, wants rates any higher than necessary to keep the cooperative in a healthy financial condition.

3. Any excess rates charged by a cooperative are pro-rated directly back to the consumers in the form of capital credits. All annual earnings of the cooperative over and above actual costs of service are credited to the capital account of each consumer, to be repaid to the consumer as the financial conditions of the cooperative permit.

4. I am advised by management that if the bill applied to the non-profit cooperatives, that it would very adversely affect them financially, particularly those that have large irrigation loads compared to their total loads. This point can be more adequately explained by management.

MT. WHEELER POWER, INC. and
WELLS RURAL ELECTRIC COMPANY

BY 

ROBERT O. VAUGHAN,
General Counsel

EXHIBIT F

ASSEMBLY BILL NO. 592

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 592

ASSEMBLY BILL NO. 592—COMMITTEE ON COMMERCE

APRIL 30, 1981

Referred to Committee on Commerce

SUMMARY—Removes insured's choice of types of policies upon conversion of group health insurance policy to individual policy. (BDR 57-1856)

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 group health insurance; requiring certain coverages among the insured's choice of types of policies upon conversion of group policy to individual policy; 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 689B.150 is hereby amended to read as follows:
2 689B.150 1. [A person who is entitled to a converted policy must
3 be given his choice of at least three types of policies offering benefits on
4 an expense-incurred basis.
5 2. [The converted policy may] *At least one choice among the three*
6 *types of policies must include major medical or catastrophic benefits if*
7 *they were provided under the group policy.*
8 3. For those insureds eligible for Medicare, the insurer may provide a
9 supplement to Medicare as the converted policy.

EXHIBIT G

ASSEMBLY BILL NO. 593

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 593

ASSEMBLY BILL NO. 593—ASSEMBLYMAN COULTER
(by request)

APRIL 30, 1981

Referred to Committee on Commerce

SUMMARY—Prohibits local government from requiring owner or lessee to hire contractor to do work on property. (BDR 54-1607)

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 contractors; prohibiting a local government from requiring an owner or lessee to hire a contractor to do certain work; 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 624 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:
3 *A local government shall not require any person, whether an owner*
4 *or a lessee, to employ a contractor for any repair, alteration, construc-*
5 *tion or renovation of any commercial or residential property which the*
6 *owner or lessee occupies, unless:*
7 1. *The repair, alteration, construction or renovation is structural or*
8 *electrical or involves plumbing; or*
9 2. *The cost of the repair, alteration, construction or renovation is*
10 *\$2,500 or more.*

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EXHIBIT H

ASSEMBLY BILL

(REPRINTED WITH ADOPTED AMENDMENTS)
SECOND REPRINT

A. B. 288

ASSEMBLY BILL NO. 288—COMMITTEE ON COMMERCE
MARCH 5, 1981

Referred to Committee on Commerce

SUMMARY—Imposes certain financial requirements for protection of subcontractors and employees on construction projects. (BDR 54-1131)

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 contractors; requiring certain notices of completion of contracts; 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 624 of NRS is hereby amended by adding
- 2 thereto a new section which shall read as follows:
- 3 1. Whenever an owner records a notice of completion pursuant to
- 4 NRS 108.228, he shall, on the same day, deliver or mail a copy of that
- 5 notice to each contractor in his employ under the contract to which the
- 6 notice applies.
- 7 2. Each contractor who completes the performance of a contract for
- 8 which he employs a subcontractor shall, within 3 working days after the
- 9 performance is completed or upon receipt of a copy of the notice of com-
- 10 pletion from the owner pursuant to subsection 1, whichever occurs first,
- 11 mail to each subcontractor notice that the performance was completed.
- 12 The notice must be sent by registered or certified United States mail,
- 13 return receipt requested.
- 14 3. Upon receipt of a notice of completed performance, each subcon-
- 15 tractor shall furnish the same notice in the manner specified in subsection
- 16 2 to each subcontractor in his employ under the contract.
- 17 4. The contractor and subcontractors shall retain the returned receipt
- 18 in his records for at least 2 years after the performance is completed.
- 19 5. Willful or repeated failure to comply with the requirements of this
- 20 section is cause for disciplinary action.

EXHIBIT I

ASSEMBLY BILL NO. 465

A. B. 465

ASSEMBLY BILL NO. 465—ASSEMBLYMAN POLISH

APRIL 8, 1981

Referred to Committee on Commerce

SUMMARY—Broadens prohibition against practicing chiropractic without license. (BDR 54-1571)

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 chiropractic; broadening the prohibition against practicing without 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. NRS 634.030 is hereby amended to read as follows:
2 634.030 The board shall elect a president, vice president and a
3 secretary-treasurer, and shall adopt reasonable [rules and] regulations
4 for the transaction of business [.] *and to enable it to carry out its duties*
5 *under this chapter.*
- 6 SEC. 2. NRS 634.060 is hereby amended to read as follows:
7 634.060 1. It is unlawful for any person [:
8 (a) To practice] *who does not hold a license issued pursuant to this*
9 *chapter to:*
10 (a) Practice chiropractic in this state. [without a license so to do.
11 (b) To hold] (b) Hold himself out as a chiropractor. [without having
12 a license.]
13 (c) Use any combination, variation or abbreviation of the terms "chiro-
14 practor," "chiropractic" or "chiropractic physician" as a professional or
15 commercial representation.
16 (d) Use any means which directly or indirectly conveys to another per-
17 son the impression that he is qualified or licensed to practice chiropratic.
18 2. Any person violating the provisions of this section is guilty of a
19 gross misdemeanor.

EXHIBIT J

ASSEMBLY CONCURRENT RESOLUTION NO. 44

A. C. R. 44

**ASSEMBLY CONCURRENT RESOLUTION NO. 44—ASSEMBLY-
MEN JEFFREY, BANNER, FOLEY, THOMPSON, RHOADS,
BENNETT, CAFFERATA, HICKEY AND RACKLEY**

MAY 14, 1981

Referred to Committee on Labor and Management

**SUMMARY—Directs Nevada industrial commission to study premium rates
for certain clerical employees. (BDR 1883)**

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

**ASSEMBLY CONCURRENT RESOLUTION—Directing the Nevada industrial
commission to study the premium rates for certain clerical employees.**

- 1 WHEREAS, The Nevada industrial commission administers a system of
- 2 risk classification to determine the premium rates of employers participat-
- 3 ing in the program of industrial insurance; and
- 4 WHEREAS, The system of risk classification established by the commis-
- 5 sion assigns clerical employees to one category regardless of the occupa-
- 6 tional field in which the employee works; and
- 7 WHEREAS, The risk classification in which clerical employees are placed
- 8 is narrowly defined to exclude clerical employees exposed to any amount
- 9 of industrial risk; and
- 10 WHEREAS, This system of classification works a hardship on the small
- 11 employer who occasionally uses clerical employees in such a manner as
- 12 to expose them to industrial risks; now, therefore, be it
- 13 *Resolved by the Assembly of the State of Nevada, the Senate concur-*
- 14 *ring.* That the Nevada industrial commission is hereby directed to study
- 15 methods of altering the system of risk classification so that clerical
- 16 employees who are exposed to industrial risks are assigned to an appro-
- 17 priate risk classification which recognizes their limited exposure; and be
- 18 it further
- 19 *Resolved,* That the results of the study and any action taken by the
- 20 Nevada industrial commission in response thereto be reported to the legis-
- 21 lative commission.

EXHIBIT K

SENATE BILL NO. 704

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

S. B. 704

SENATE BILL NO. 704—SENATOR NEAL (by request)

MAY 22, 1981

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes in provisions regarding credit unions. (BDR 56-1879)

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 credit unions; making various changes in the law relating thereto; 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 678.390 is hereby amended to read as follows:
2 678.390 1. The board may appoint an audit committee to make [a
3 semiannual] *an annual* audit of the financial records of the credit union
4 and any interim audits as may be deemed necessary by the board or as
5 may be directed by the commissioner. A copy of the report [shall] *must*
6 be submitted to the board *and the commissioner* and a summary pre-
7 sented to the members at the next annual meeting.
8 2. The audit committee may by unanimous vote suspend any direc-
9 tor, officer or member of the credit union following an audit, for any
10 violation of this chapter, the charter or bylaws or for any other practice
11 which the audit committee deems to be unsafe or unauthorized. In such
12 cases, the audit committee shall call a special meeting of the members
13 not less than 7 nor more than 21 days following the suspension and
14 [such suspension shall] *the suspension must* be ratified or overturned by
15 the members.
16 3. Any member of the audit committee may be suspended by the
17 board for the same reasons and in the same manner as in subsection 2.
18 4. The audit committee may by a majority vote call a special meet-
19 ing of the members to consider any violation of this chapter, the charter
20 or bylaws or any practice of the credit union deemed by the audit com-
21 mittee to be unsafe or unauthorized.
22 5. In lieu of having an audit committee the board of directors may
23 employ the services of a public accountant or credit union auditing
24 service to complete the necessary audit of the [credit union records.]
25 *records of the credit union.*

1 SEC. 2. NRS 678.690 is hereby amended to read as follows:

2 678.690 For the purpose of establishing the reserves required by
3 NRS 678.670 and 678.680, all assets except the following are con-
4 sidered risk assets:

5 1. Cash on hand;

6 2. Deposits or shares in federal or state banks, savings and loan
7 associations and credit unions;

8 3. Assets which are insured by, fully guaranteed as to principal and
9 interest by, or due from the U.S. Government, its agencies, the Federal
10 National Mortgage Association or the Government National Mortgage
11 Association;

12 4. Loans to other credit unions;

13 5. *Loans to members of the credit union which are fully secured by*
14 *the shares of the member applying therefor;*

15 6. Loans to students insured under the provisions of the Higher
16 Education Act of 1965 (20 U.S.C. § 1071 et seq.) or similar state
17 insurance programs;

18 [6.] 7. Loans insured under the National Housing Act, as amended
19 (12 U.S.C. § 1703) by the Federal Housing Administration;

20 [7.] 8. Shares or deposits in central credit unions organized under
21 the provisions of NRS 678.850, or of any other state law or the Federal
22 Credit Union Act of 1934, as amended (12 U.S.C. § 1751 et seq.);

23 [8.] 9. Common trust investments which deal in investments
24 authorized by this chapter;

25 [9.] 10. Prepaid expenses;

26 [10.] 11. Accrued interest on nonrisk investments;

27 [11.] 12. Furniture and equipment; and

28 [12.] 13. Land and buildings.

29 SEC. 3. NRS 678.750 is hereby amended to read as follows:

30 678.750 1. A credit union may purchase insurance on the lives of
31 its members in an amount equal to their respective shares, deposits and
32 loan balances or any of them.

33 2. A credit union may enter into cooperative marketing arrange-
34 ments for its members covering such services as group life insurance,
35 temporary disability coverage, health and accident plans and such other
36 programs which are demonstrated to be in the interest of improving the
37 economic and social conditions of the credit union's members.

38 3. A credit union must apply to the commissioner for [insurance
39 of member] *approval of a plan of insurance for members' accounts,*
40 *either pursuant to the Federal Credit Union Act of 1934, as amended,*
41 *(12 U.S.C. § 1781 et seq.), or under a contract or policy of insurance*
42 *issued by an insurer holding a certificates of authority to transact insur-*
43 *ance in this state, and take all actions necessary to maintain an insured*
44 *status thereunder.*

45 4. The commissioner shall make available *reports of the financial*
46 *condition [and audit reports to the administrator of the National Credit*
47 *Union Administration and may accept any report of examination made*
48 *on behalf of such administrator.] of credit unions, reports of examina-*
49 *tions made pursuant to NRS 678.790 and any other reports that may be*
50 *required by the insurer and deemed appropriate by the commissioner.*

1 If a credit union is closed because of bankruptcy or insolvency, the com-
2 missioner may appoint [the administrator of the National Credit Union
3 Administration as the] a liquidating agent.

4 Sec. 4. NRS 678.760 is hereby amended to read as follows:

5 678.760 Funds not used in loans to members may be invested in:

6 1. Securities, obligations, participations or other instruments of or
7 issued by or fully guaranteed as to principal and interest by the United
8 States of America or any agency thereof or in any trust or trusts estab-
9 lished for investing directly or collectively in [the same;] *these instru-*
10 *ments;*

11 2. Obligations of this state or any political subdivision thereof;

12 3. Certificates of deposit or passbook type accounts issued by a state
13 or national bank, mutual savings bank or saving and loan association;

14 4. Loans to or shares or deposits of other credit unions as permitted
15 by the bylaws;

16 5. Capital shares, obligations or preferred stock issues of any agency
17 or association organized either as a stock company, mutual association or
18 membership corporation if the membership or stockholdings, as the case
19 may be, of [such] the agency or association are confined or restricted
20 to credit unions or organizations of credit unions, and the purposes for
21 which [such] the agency or association is organized are designed to
22 service or otherwise assist credit union operations;

23 6. Shares of a cooperative society organized under the laws of this
24 state or the United States in a total amount not exceeding 10 percent
25 of the shares, deposits and surplus of the credit union;

26 7. Stocks and bonds of United States corporations to a maximum of
27 5 percent of members' shares, except that such an investment [shall]
28 *must* be limited to [income] stocks or bonds *yielding income* which
29 [appear on a list] *are* approved by the commissioner; [published
30 quarterly (or annually). such list to include no fewer than 30 corpora-
31 tions;] and

32 8. Loans to any credit union association, national or state, of which
33 the credit union is a member, except that such an investment [shall]
34 *must* be limited to 1 percent of the shares, capital deposits and unim-
35 paired surplus of the credit union.

EXHIBIT L

SENATE CONCURRENT RESOLUTION NO. 69

S. C. R. 69

SENATE CONCURRENT RESOLUTION NO. 69—COMMITTEE
ON COMMERCE AND LABOR

MAY 21, 1981

Referred to Committee on Commerce and Labor

SUMMARY—Encourages board of psychological examiners to certify psychologists on basis of training in lieu of education. (BDR 2129)



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

SENATE CONCURRENT RESOLUTION—Encouraging the board of psychological examiners to certify psychologists on the basis of training in lieu of education.

- 1 WHEREAS, The legislature has declared the practice of psychology to
2 be a learned profession; and
3 WHEREAS, The board of psychological examiners has been granted
4 authority by the legislature to certify otherwise qualified psychologists on
5 the basis of training deemed equivalent by the board to a doctorate in
6 psychology in both subject matter and extent of training; and
7 WHEREAS, Many psychologists employed by governmental agencies are
8 not certified by the board of psychological examiners; now, therefore,
9 be it
10 *Resolved by the Senate of the State of Nevada, the Assembly con-*
11 *curring,* That the legislature encourages the board of psychological exam-
12 iners to use its full authority to issue certificates to psychologists, who
13 have the training deemed equivalent to the statutory educational require-
14 ments for certification, so as to furnish an incentive for those skilled psy-
15 chologists in public practice to seek certification.

EXHIBIT M

ASSEMBLY BILL NO. 580

(REPRINTED WITH ADOPTED AMENDMENTS)

SECOND REPRINT

A. B. 580

ASSEMBLY BILL NO. 580—COMMITTEE ON COMMERCE

APRIL 28, 1981

Referred to Committee on Commerce

SUMMARY—Requires public utilities to offer seasonal rates for interruptible electricity for irrigation pumps. (BDR 58-2044)

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 public utilities; providing for seasonal rates for interruptible electricity for irrigation pumps; 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 704 of NRS is hereby amended by adding
2 thereto a new section which shall read as follows:
3 *The commission shall by regulation require each public utility which*
4 *furnishes electricity to provide lower rates for electricity for irrigation*
5 *pumps under a schedule which:*
6 1. *Will be applied:*
7 (a) *From April 1 to October 31, inclusive; and*
8 (b) *If the customer concedes to the utility a right to interrupt services*
9 *to the customer's irrigation pumps under conditions established by the*
10 *utility and approved by the commission.*
11 2. *Provides for a rate for interruptible service per kilowatt hour of*
12 *electricity used. The rate must not exceed the lowest charge per kilowatt*
13 *hour offered by the public utility under any of its rate schedules applicable*
14 *to its residential, commercial or industrial customers in Nevada. No*
15 *charges may be included for minimum billings or costs relating to*
16 *standby, customers or demand.*
17 SEC. 2. *The commission shall require each public utility which sup-*
18 *plies electricity to fill a schedule of rates which provides for the reduction*
19 *described in section 1 of this act no later than January 1, 1982.*
20 SEC. 3. The provisions of this act do not apply to any cooperative
21 association or nonprofit corporation or association which supplies elec-
22 tricity for the use of its own members.

EXHIBIT N

ASSEMBLY BILL NO. 117

(REPRINTED WITH ADOPTED AMENDMENTS)

FIRST REPRINT

A. B. 117

ASSEMBLY BILL NO. 117—ASSEMBLYMAN BANNER

FEBRUARY 9, 1981

Referred to Committee on Labor and Management

SUMMARY—Changes various provisions on appeals and hearing officers in law concerning industrial insurance. (BDR 53-300)

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 industrial insurance; making various changes to provisions concerning appeals officers and hearing officers; providing the commissioners with subpoena powers; 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 616.226 is hereby amended to read as follows:
2 616.226 [Hearing] *Commissioners, hearing* officers and appeals
3 officers, in conducting hearings or other proceedings pursuant to the
4 provisions of this chapter or regulations [promulgated] *adopted* under
5 this chapter may:
- 6 1. Issue subpoenas requiring the attendance of any witness or the
 - 7 production of books, accounts, papers, records and documents.
 - 8 2. Administer oaths.
 - 9 3. Certify to official acts.
 - 10 4. Call and examine under oath any witness or party to a claim.
 - 11 5. Maintain order.
 - 12 6. Rule upon all questions arising during the course of a hearing or
 - 13 proceeding.
 - 14 7. Permit discovery by deposition or interrogatories.
 - 15 8. Initiate and hold conferences for the settlement or simplification
 - 16 of issues.
 - 17 9. Dispose of procedural requests or similar matters.
 - 18 10. Generally regulate and guide the course of a pending hearing or
 - 19 proceeding.
- 20 SEC. 2. NRS 616.230 is hereby amended to read as follows:
21 616.230 If any person disobeys an order of an appeals officer, a
22 hearing officer or the commission or a subpoena issued by [the commis-
23 sioners, inspectors or examiners, or either of them,] *a commissioner,*

1 *appeals officer, hearing officer, inspector or examiner*, or refuses to per-
2 mit an inspection, or as a witness, refuses to testify to any matter for
3 which he may be lawfully interrogated, [then] the district judge of the
4 county in which the person resides, on application of the appeals officer,
5 [a] hearing officer or [the commission,] *commissioner*, shall compel
6 obedience by attachment proceedings as for contempt, as in the case of
7 disobedience of the requirements of subpoenas issued from the court on
8 a refusal to testify therein.

9 SEC. 3. NRS 616.567 is hereby amended to read as follows:

10 616.567 1. When the commission determines that a case should
11 be closed before all benefits to which the claimant may be entitled have
12 been paid, the commission shall send a written notice of its intention to
13 close the case to the claimant by United States mail addressed to the
14 last known address of the claimant. The notice must include a statement
15 that the claimant has a right to [appeal] *a hearing before a hearing*
16 *officer* on the closing of his case, and that he may request a hearing, in
17 writing, on the form provided with the notice, within 30 days after the
18 date on which the notice was mailed by the commission. A suitable
19 form for requesting a hearing must be enclosed with the notice.

20 2. If the commission does not receive a request for a hearing before
21 [an appeals] *a hearing officer* within 30 days after mailing the notice,
22 it may close the case. Upon receiving a request for a hearing, the com-
23 mission shall treat the case as a contested case for the purposes of the
24 [appeal.] *hearing*.

25 SEC. 4. NRS 617.165 is hereby amended to read as follows:

26 617.165 The [commission] *chief of the hearings division of the*
27 *department of administration* may by regulation provide for specific
28 procedures for the determination of contested cases not inconsistent
29 with this chapter.

30 SEC. 5. NRS 617.405 is hereby amended to read as follows:

31 617.405 1. No judicial proceedings may be instituted for benefits
32 for an occupational disease under this chapter, unless:

33 (a) A claim is filed within the time limits prescribed in NRS 617.330;
34 and

35 (b) A final decision *by an appeals officer* has been rendered on
36 [such] *the* claim.

37 2. Judicial proceedings instituted for benefits for an occupational
38 disease under this chapter are limited to judicial review of that decision.