

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

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
May 29, 1981

The Senate Committee on Commerce and Labor was called to order by Chairman Thomas R.C. Wilson, at 2:30 p.m., Friday, May 29, 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 Don Ashworth
Senator Melvin Close
Senator William Hernstadt
Senator Clifford McCorkle

COMMITTEE MEMBERS ABSENT:

Senator Richard Blakemore (Excused)
Senator William Raggio (Excused)

STAFF MEMBER PRESENT:

Betty Steele, Committee Secretary

ASSEMBLY BILL NO. 406 and ASSEMBLY BILL NO. 49

Mr. Joe Nusbaum, chairman of the Nevada industrial commission, and Mr. Harvey Whittemore, representing the Nevada Resort Association, jointly requested that the committee not give further consideration to A.B. No. 406 or A.B. No. 49.

Chairman Wilson said that the direction of the committee on these issues was that the committee would not legislate the procedure for distributing dividends, but would legislate the policy for determining dividends. Mr. Nusbaum said if no action is taken on the two bills, then the status quo would still be in effect, (Regulation No. 37 of the Nevada industrial commission).

SENATE COMMITTEE ON COMMERCE AND LABOR
MAY 29, 1981

ASSEMBLY BILL NO. 656 -- "Requires certain employers and other organizations to offer optional dental service plan which does not restrict choice of provider of dental services."

Mr. Duane E. Christian, Nevada Dental Association, said that he has returned to the committee to discuss the placement of this bill in the statutes. The Assembly committee which passed A.B. No. 656 passed the bill without realizing the measure should not be in the chapter of the NRS as was indicated on the bill. Mr. Christian said that it was discussed that this responsibility should be placed with the state labor commissioner, rather than the state commissioner of insurance.

Chairman Wilson said the committee would review this problem and make their decision during a work session.

ASSEMBLY BILL NO. 598

Assembly Speaker Robert Barengo spoke on A.B. No. 598 and described the various sections of the measure. (Note: The committee does not have jurisdiction on A.B. No. 598.) This measure, Assemblyman Barengo said, returns to the supplier or the wholesaler and importer the jurisdiction to control their own industry, as opposed to the distiller, vintner or brewer. In Nevada, a participant in the liquor industry is either a retailer, a wholesaler, or a brewer, distiller, or vintner. Assembly Bill No. 598 will strengthen this system as the bill provides that the "brand" owner (supplier) shall file with the correct government agency a notice stating who his authorized agents are in this state. The primary section of A.B. No. 598 states that liquor agents must purchase from the "brand" owner, thereby establishing a mercantile relationship between owner and retailer/wholesaler, licensed in Nevada, and prohibiting out-of-state intervention in Nevada's three-tier system.

A.B. No. 406 (Cont.)

Senator Hernstadt moved to "Indefinitely Postpone" Assembly Bill No. 406.

Senator McCorkle seconded the motion.

The motion carried.

SENATE COMMITTEE ON COMMERCE AND LABOR
MAY 29, 1981

Chairman Wilson recessed the meeting for Senate General Session. The committee meeting reconvened at 4:15 p.m.

ASSEMBLY BILL NO. 444

Chairman Wilson said the committee was having difficulty with the "practice" definition of the measure in Section 7. The chairman said the definition in A.B. No. 444 differs greatly from the 1977 and 1979 statute definitions. It is necessary to have a definition which does not conflict with chapters 630 or 633 of the NRS.

Dr. Sidney Zimmet, Excalibur Medical Foundation, said that he would like "manipulation" to be part of the definition of a naturopathic physician. The doctor said the chiropractic association had concurred with the use of 'manipulation' in A.B. No. 444, but wanted it stated that the naturopathic physicians adjust the muscles and tendons, not the bones.

ASSEMBLY BILL NO. 70

Ms. Patsy Redmond, state insurance commissioner, said that she understood in previous hearings on A.B. No. 70 that Section 2, subsection 1, there was going to be an amendment deleting the last portion which requires a filing at the time that rate changes are filed. Chairman Wilson said that the amendment was dropped during General Session of the Senate.

ASSEMBLY BILL NO. 69

Ms. Redmond said in discussing this bill with Assemblyman Robert Price, she understood on page 1, line 6 and line 17, that the brackets were to be removed. (Ms. Redmond is referencing the 2nd Reprint of A.B. No. 69.) Ms. Redmond said that Assemblyman Price had stated that this language was being deleted because of a clarification in Section 5. However, Ms. Redmond did not feel that the language in Section 5 was adequate without the inclusion of the language on page 1, lines 6-17. Mr. Chuck Knaus, casualty actuary for the state insurance division, said if the language on page 1 being discussed is deleted, the only test the division would be able to utilize to determine if a company's rates are excessive is if the rates are likely to produce a long-term profit. The division would not be able to investigate the company's past rate results. This would make the hearing process more difficult for the division if a company wished to test the state's rate laws.

SENATE COMMITTEE ON COMMERCE AND LABOR
MAY 29, 1981

Mr. Jim Wadhams, director of the state commerce department, said the Assembly committee in bracketing out the language on page 1 was in effect stating that competition is the only necessary factor in determining rate levels, and that government intervention is not necessary. Mr. Wadhams said if the language is removed the rates are reviewed whether competition exists or does not exist.

Mr. Don Winne, Alliance of American Insureds, concurred with the commissioner of insurance that the brackets should be removed and the current law should remain in effect.

Mr. Virgil Anderson, AAA, also concurred in removing the brackets and maintaining the existing law. Mr. Anderson said that he would agree with the proposed amendment by the insurance division which states: "In the event the competition does not exist, as provided by the existing language, the rates might be excessive if they either have produced or are likely to produce a long-term profit."

Mr. George Vargas, American Insurance Association, said he supports the current rate law in Nevada and does not feel that A.B. No. 69 is necessary.

Assemblyman Robert Price said that the 2nd Reprint is not correct. The assemblyman said on page 2, lines 9-19 should be deleted, and as has been stated by the insurance division, the brackets on page 1, lines 6-17 should have been removed. The assemblyman said the only purpose of A.B. No. 69 is to publish the rate guide.

SENATE BILL NO. 523 (Amendment consideration only.)

Senator Close moved committee concurrence on the amendment.

Senator Hernstadt seconded the motion.

The motion carried.

SENATE BILL NO. 534 (Amendment consideration only.)

Senator Close moved that the committee will not concur on the amendment. (The bill is referred to conference.)

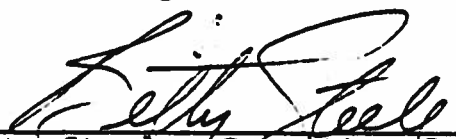
Senator Hernstadt seconded the motion.

The motion carried.

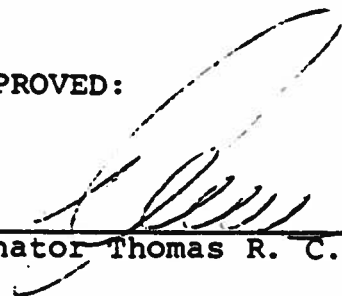
SENATE COMMITTEE ON COMMERCE AND LABOR
MAY 29, 1981

There being no further business, the meeting adjourned at
5:15 p.m.

Respectfully submitted,


Betty Steele, Committee Secretary

APPROVED:


Senator Thomas R. C. Wilson, Chairman

DATE: _____

SENATE AGENDA

EXHIBIT A

COMMITTEE MEETINGS

Committee on Commerce and Labor, Room 213

Day Friday, Date May 29, 1981, Time 1:30 p.m.

A.B. No. 406--Amends provision of industrial insurance law relating to rates, dividends and failure of coverage.

A.B. No. 656--Requires certain employers and other organizations to offer optional dental service plan which does not restrict choice of provider of dental services.

SENATE COMMITTEE ON

Commerce & Labor

DATE:

Fri May 29

EXHIBIT B

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME

ORGANIZATION & ADDRESS

TELEPHONE

NAME	ORGANIZATION & ADDRESS	TELEPHONE
Diak Garrow	Farmers Group	882-1890
Max Beckham	NEW MINING ASSOC.	235-7741
DON WINNE	Alliance of America Insured.	
Dr MEIER HENRY	NEW DENTAL ASSN.	
Duane E Christian	New Dental Assoc.	882 4122
JOHN MADOLE	ASSOC. GEN CONTRACTORS	329-6116
Peter Redmond	Director, MI Div of Justice	
James Madhans	Dir Dept of Agriculture	
Chuck Linn	Justice Div	
Virgil Anderson	AAA	
Roger Vargas	American Insurance Assoc	
Earl Rice	American Insurance	