

MINUTES OF THE
MEETING OF THE SENATE COMMITTEE
ON FINANCE

SIXTY-FIRST SESSION
NEVADA STATE LEGISLATURE
March 5, 1981

The Senate Committee on Finance was called to order by Chairman Floyd R. Lamb, at 8:00 a.m., Thursday, March 5, 1981, in Room 231 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Floyd R. Lamb, Chairman
Senator James I. Gibson, Vice Chairman
Senator Eugene V. Echols
Senator Norman D. Glaser
Senator Lawrence E. Jacobsen
Senator Thomas R.C. Wilson
Senator Clifford E. McCorkle

STAFF MEMBERS PRESENT:

Ronald W. Sparks, Chief Fiscal Analyst
Dan Miles, Deputy Fiscal Analyst
Candace Chaney, Secretary

DEPARTMENT OF COMMERCE

Mr. Jim Wadhams, Director of the Department of Commerce, introduced himself to the committee. He noted the Department of Commerce consisted of nine divisions and three sections. Mr. Wadhams presented the budget for the Director's Office to the committee.

Director's Office (Pg. 690). Mr. Wadhams indicated the most significant items in this budget were a result of the Governor's Management Task Force recommendations. The budget included the elimination of two positions, one being the position of Chief Assistant in the Las Vegas area.

He noted the remainder of the budget showed very little increase over the previous biennium with the exception of Legal and Court Expense. Mr. Wadhams said the agency requested \$117,874 for this item while the Governor had recommended \$51,873 for the same item. He stated the disparity between the two figures was a result of advice the department received from the Attorney General indicating the Director's Office needed an additional Deputy Attorney and two legal researchers.

The Chairman asked why there was such a significant increase in the Legal and Court Expense budget from the present biennium to the next. Mr. Wadhams said the work program for this item would be for the entire department. He noted, currently, the office had one Deputy assigned out who serviced all the other divisions except for Insurance, Real Estate, and Consumer Affairs. He indicated a portion of the increased budget category was contributable to the current Deputy's salary and fringe benefits. Mr. Wadhams added a \$10,000 legal and court expense cost was included in the figure for next year to act as a pool for the entire Department of Commerce which would be distributed out of the Director's office.

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The Director continued, noting that instead of leaving certain expenses or certain sums of money in the various divisions to pay for hearings and court expenses, the Budget Division had placed those funds in the Director's Office. He said it was an accumulation of agency requests from the divisions within the department and centralized in the Director's Office.

Senator Lamb inquired if this item would show up in other budgets of the Department of Commerce. Mr. Wadhams said the item would not be duplicated, it had been pulled out of the other agencies and placed in the Director's Office budget.

Senator Wilson asked if there would be an increase to the extent of additional legal personnel being required. The Director stated there were no additional personnel included in that budget category. He noted the original \$117,000 requested represented the additional Deputy and two researchers, but that request had been dropped. He indicated, also at that time, Mr. Barrett moved to collect the court cost funds from the other agencies.

Senator Wilson questioned if the new Deputy was necessary in Mr. Wadhams' judgment. The Director remarked the Manufactured Housing Division which was reconstituted last session was generating a substantial caseload. He felt that agency alone would justify a Deputy. He added the advice received by them from the Attorney General was that their needs would be better serviced by a divisional Deputy.

Senator Wilson commented if that was the proper place to cut the budget as far as the department's priorities were concerned. Mr. Wadhams felt in a regulatory agency, that particular item was the worst place to cut. He said if the department could not go to court to enforce the laws they are required to enforce, then the department would be rendered totally ineffective.

Senator Gibson requested an explanation of the legal and court expenses in the individual division budgets of the Department of Commerce. Mr. Wadham stated he would supply such material to the Senator.

The Vice Chairman asked Mr. Barrett how the Budget Division justified the legal and court expenses for the Director's Office. Mr. Barrett said the budget was comprised of the \$10,000 divisional pool for court costs for the entire department and the salary and benefits for the Deputy Attorney General.

The Chairman said he could not see where the department had that significant a number of legal problems to warrant that kind of expenditure. Mr. Barrett stated he knew there had been a number of legal problems that have had to be resolved which were scattered through the various division budgets in the work program year and the actual year. Mr. Wadhams added there were currently approximately 57 cases in the courts of Northern and Southern Nevada from the Consumer Arrairs, Insurance, and Real Estate divisions.

The Vice Chairman noted that within each of those budgets for the aforementioned divisions there were monies already budgeted for those purposes. Senator Lamb questioned Mr. Wadhams' statement that there would be no legal expenses in the other budgets and that all those monies had been put in the Director's Office budget. Mr. Wadham indicated the legal expense budgets for the Real Estate and the Insurance division had not been decreased.

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Senator Gibson said he must have misunderstood Mr. Wadhams; he thought the Director had said all of the legal expenses were shown in the budget for the Director's Office but added that was not the case. Mr. Wadhams commented it was a little difficult at times to explain certain items that were the result of activity from the Department of Administration.

Senator Wilson noted some of the legal expense budgets were consolidated in the Director's Office budget, and some were not. Mr. Barrett concurred. He said the amount shown in the Director's budget was not just for the Director's Office but for expenses anywhere that might pop up.

Senator Lamb asked if all the legal expense budgets in the Department of Commerce were taken, what kind of an increase would there be. He thought one might save a little if all those budgets were moved to the Director's Office budget.

The Chairman said he wanted to know what this department was costing the State for legal expense. Mr. Barrett stated the budget could well be higher because the department was having more legal problems from the work program of 1980-81. Mr. Wadhams noted the other item critical in that calculation was that the Attorney General prescribed for the department the amount of money he was going to charge for those legal services; the bulk of that figure was the salary of his Deputy Attorney Generals. He said the figures were somewhat contingent upon what the Finance Committee and their counterpart in the Assembly did on the Deputy Attorney Generals' salaries.

Senator Wilson asked Mr. Barrett what the rationale was for not recommending the Deputy that was requested by the department. Mr. Barrett said the Governor did not feel the department had a sufficient caseload to warrant the added position.

The Vice Chairman asked if the monies allocated to the \$10,000 pool in the legal fund could not be taken out of the self-supporting divisions. Mr. Barrett said the divisions were self-supporting but not in and of themselves. He noted their money did not come into the divisions themselves, but went into the General Fund. The divisions, in turn, were then given a General Fund Appropriation. He added the department, in total, brought in more money than they were requesting in General Fund Appropriations.

Mr. Sparks inquired if an assessment could not be made against the Manufactured Housing division which was totally self-supporting. Mr. Barrett indicated, in that case, it could be since the monies earned by that division did not come into the General Fund but directly into the division's budget.

Senator Wilson questioned, again, if the department felt it was necessary to have the requested Deputy Attorney General. Mr. Wadhams said he would make a breakdown of the issue and supply that information to the Senator.

Senator Echols asked what was the rationale behind the Deputy and Chief Assistant positions; why was there a title change and the significant increase in salary from \$20,000 to \$32,000. Mr. Wadhams indicated two positions with salaries of \$20,000 each would be dropped and a new individual would be sought who was more experienced and qualified to handle the agency.

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Financial Institutions Division (Pg. 692). Mr. Wadhams noted this budget was a consolidation of three agencies, Banking, Savings and Loan, and Credit Unions. Also the Thrift Companies agency was being pulled out administratively from the Director's Office. The consolidation was implemented to achieve some administrative savings of the current agencies that regulate the financial and lending institutions in the State. He noted that three Chiefs were no longer needed to administer those agencies.

Mr. Joe Sevigny, Superintendent of Banks, highlighted some recommended changes to this budget. He said in the area of communications, the Financial Institutions budget recommended \$8,809. He noted the request by the agency was \$2,750 more than the recommended figure, adding that it was critical to have at least as much in the communications budget as the combined three budgets had before. He noted communications were more critical since travel had been cut.

Mr. Sevigny noted the category of "other buildings rent" was being proposed to be decreased by the amount of \$3,933. The reduction was due to the offices of the Credit Unions agency being moved to the Financial Institutions offices in Reno.

The Superintendent of Banks requested that the staffing level be maintained and asked the committee to consider the aforementioned proposals.

Mr. Norman Okada, Acting Commissioner of Savings Associations, asked the committee to consider an additional request with regard to the Financial Institutions budget. Due to an oversight, expenses for the Credit Union Advisory Council were not provided for in this budget. Before consolidation, those expenses were included in the individual budgets and \$1,900 was requested to be included in the Financial Institutions budget to cover the Advisory Council's expenses.

The Vice Chairman inquired if, at the present time, the Thrift Companies and the Credit Unions were supported by fees. If so, where would those fees go with regard to the consolidation. Mr. Sevigny stated the fees would go into the General Fund. He noted the agency had requested a reassessment for banks which could increase the fees by approximately 60%.

Consumer Affairs Division (Pg. 702). Mr. Wadhams pointed out that as a result of the Governor's Management Task Force, there was a recommendation proposing that the function of this division be transferred to local District Attorney's Office. In anticipation of that consideration, the budget provided would only reflect the continuing operation of this agency. Mr. Wadhams said the department would concur with the recommendation if they could be assured the local District Attorney's office could provide the same level of service for the consumers as the Consumer Affairs Division has provided for the last two years.

The Chairman inquired as to the effectiveness of investigations carried out by Consumer Affairs. Mr. Wadhams thought they were very effective. He noted there were currently a total of 24 lawsuits against different operations.

Senator Lamb asked what the status was regarding the division's suit against Las Vegas Hosts. The Director noted, as a direct result of the action taken against that operation, the business had gone under and the principals had fled.

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The Chairman remarked that Las Vegas Hosts was still operating and had cheated the public and some hotels out of approximately \$150,000. Mr. Wadhams said he appreciated the receipt of the information and would look into the matter further.

Senator Lamb asked if the division felt it had been accomplishing something. Mr. Wadhams felt, very definitely, that they had. He noted the division felt it was a continuing responsibility especially the way the present economy was.

Senator Wilson inquired if the division's lack of consistent reporting methods had been remedied. Mr. Wadhams indicated that they had; statistics were being maintained and a uniform reporting system was being established statewide.

Unclaimed Property Division (Pg. 706). Mr. Dave Schaefer, Administrator of the Unclaimed Property Fund, presented his budget to the committee. He noted the purpose of the agency was to locate and collect abandoned property that was being held by a holder for an owner that could not be located. To date, 329 companies had reported over \$1,804,000 as abandoned property. The agency had returned \$330,000 to owners they have located, also to date.

Senator Wilson asked if the remaining monies not returned to the owners escheated. Mr. Schaefer anticipated the agency depositing \$1,250,000 into the General Fund on July 1, 1981. He projected one million dollars in revenue deposits to the General Fund for the next two years.

Mr. Schaefer noted that travel expense monies had decreased to \$4,500. Travel was necessary throughout the State to pick up the contents of safety deposit boxes and also included trips for staff meetings for the department in Carson City.

The Administrator noted the operating budget included increases for advertising expenses for legal notice publication where that rate had increased. He indicated the contract services budget funds would utilize banking and savings and loan examiners for the auditing phase of the program which would begin in July.

Mr. Schaefer stated the agency had provided a return of \$10.38 for each dollar appropriated in the first 18 months of the program.

Senator Gibson commended the agency as being a very worthwhile program. He asked if a bill was being processed to continue the program which is slated for discontinuance as a result of the Sunset Review. Mr. Schaefer said discontinuance of the program would not take place until 1983 and felt it would not be appropriate to take action at the present time.

Division of Housing (Pg. 708). Mr. Al McNitt, Administrator of the Division of Housing, presented the budget for this agency. He noted the agency's function was to finance low to moderate income housing. He stated the division was fully self-supporting and required no further State appropriations. Mr. McNitt said the division had created a new program under its surplus funds whereby surplus funds are invested to provide below market rate financing for residential housing for which the sale of bonds is not feasible.

Mr. McNitt referred to the "existing positions" category with regard to the position of Chief Assistant to the Housing Division. He requested that this budget be increased substantially for retention of personnel and enable the agency to obtain a

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a qualified replacement if the position were to become vacant. Mr. McNitt remarked the agency was also requesting the continuation of the Second Accountant position approved by legislature last session.

Senator Lamb requested an explanation of the contract services category. Mr. McNitt indicated the monies were primarily for outside auditing expenses.

Senator McCorkle asked what Congress had been doing to affect the Division of Housing. Mr. McNitt addressed the problem.

McNitt: During the last two years, the State of Nevada has been fighting legislation. In January, the Governor announced a temporary suspension of the single family program for the Housing Division until the agency could find some way of either operating pursuant to that legislation, or, obtain remedies, both politically and legally.

That legislation, for the first time, places Congress in the position of regulating municipal finance. Legally, we are down to some hard questions; who is going to control municipal finance in the future, the Federal government, or the States. Out contention is the Federal government does not have the constitutional power to do this; they have exceeded that power.

We have prepared a package for the Governor which includes a package back down to the Legislature concerning those questions. The problems we have are primarily on the single-family side rather than the multi-family side, although that legislation does insert the Federal government into regulating the multiple family finance side also.

The single-family side problem, basically, is we have yet to be able to use those permanent rules of that legislation to provide a positive cash flow for future single-family bond issues. Until we can provide a positive cash flow, the agency is not about to request approval from the State Board of Finance for another issue of bonds, or, come to the legislature and request it to subsidize such bonding programs. If we were to issue the bonds at this time, knowing that there was not to be a positive cash flow, we would be encountering a default on those bonds somewhere between the eighth and twelfth year of the issue. I do believe we will find some way, down the road, to issue some more single-family bonds. We have not found that method yet.

Senator Gibson inquired if Congress hadn't gotten away with tax exemption, also. Mr. McNitt said that was the whole key. He noted it was for the singular benefit of the Federal government to do away with all forms of tax-exempt municipal finance. Mr. McNitt felt Congress did not have the constitutional power to do so.

Senator McCorkle asked in what form the division's revenues were. Mr. McNitt said the division had an arbitrage income with regard to the cost of their previous bonds. Those bonds were what they charged on their mortgages to pay for the operating expenses of the division and to make a surplus which the division turns right back into more loans. Mr. McNitt noted there were strings with regard to those revenues.

Senator McCorkle felt, once a reasonable surplus had been established by the division, excess monies should be used by the State. Senator Gibson commented, by law, the division

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was set up to provide low-cost housing. He said any revenues the division received should go back into the division for that purpose; the program was not set up to make money for the State.

Senator Echols inquired, referring to the audit report of 1978, if the division had complied to the recommendations made as a result of that audit. Mr. McNitt stated they were in compliance with the exception of some items where the division is in disagreement with the audit recommendations.

Manufactured Housing Division (Pg. 711). Mr. Wayne Tetrault, Administrator of the Manufactured Housing Division, presented this budget. The functions of this agency include:

1. Mobile home installation inspections.
2. Field and factory inspections of mobile homes.
3. Processing and issuing mobile home licenses.
4. Issuing titles and title searches for mobile homes.
5. The enforcement of construction code compliance for manufactured housing units.
6. The handling and investigation of consumer complaints.

Mr. Tetrault noted the agency was requesting two new positions, an Auditor and an Administrative Aid II. The auditor was needed to examine dealer records on a regular basis to detect financial and other business problems. The Administrative Aid was needed for the Elko office due to increased workload.

Out-of-state travel. Requested \$4,300 over the next two years in order to attend four meetings each year on Federal and national construction codes for manufactured housing units.

In-state travel. Requested \$42,000 over the next two years. He noted 85% of the funds would be used by the inspectors to do mobile home inspections, handle consumer complaints, and monitor dealer activities.

Equipment. Monies requested to buy furniture for the new requested positions, and to buy two safes to hold overnight agency fee and service collections.

Specialized equipment. Requested \$1,078 to purchase a mobile home ground anchor pull testing unit to test the efficiency of the anchors that hold the mobile home to the ground.

Mr. Tetrault noted the agency was funded solely by user fees. The budget was requesting no monies from the General Fund.

Senator Glaser asked if the inspectors inspected at the factory or only after the units were brought into the State. Mr. Tetrault said the inspectors did both.

Senator McCorkle noted in the program statement for the agency included the division's right to license servicement which the legislature had specifically excluded from the law. He inquired why that statement was included in the program description when it was not included in the law. Mr. Tetrault stated the definition of a serviceman was still in the law, narrowed down to include those individuals who did electrical or plumbing work. The division licensed those individuals.

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Senator McCorkle asked if the division was going to raise their fees to cover expenses. Mr. Tetrault indicated if the economy went down, fees might be increased. He added the division might start charging for services previously done free of charge, for example, charging for title searches.

Senator Jacobsen inquired if the division would have need for any additional requirements if the MX program came to Nevada. Mr. Tetrault felt the MX would have a tremendous impact on the Division since, probably, the program would be in a part of the State where the Division presently has no personnel. He noted the laws were sufficient to do the job but more money and personnel would be required.

Senator Echols asked if the division would need legislative approval to respond to the impact of the MX program. Mr. Wadhams said, as that impact began to develop, the division would either come to the regular legislative session, or Interim Finance with the statistics on what needs the Division had to meet that impact on a temporary basis.

Senator Gibson inquired if the demand for modular homes was increasing. Mr. Tetrault said the demand was increasing tremendously. Referring to zoning, Mr. Tetrault stated that Southern Nevada had 5,500 spaces projected, while Western Nevada had only 873 spaces projected.

Senator Wilson asked if the division anticipated on-site construction housing for the MX program. Mr. Tetrault said yes. He indicated the proposal the division had seen from the Air Force showed that the housing units would either be on skids or wheels, but would still be of the construction camp concept.

Senator Wilson asked if the construction camp would be in the division's jurisdiction. Mr. Tetrault stated if it was a Federal agency on Federal land, the division would have notion to say about it. Senator Gibson noted the Air Force had indicated their preference was to transfer that property over so it would be on county or private land.

Senator Wilson inquired if the division had made a judgment as to the fiscal impact of MX on their activities. Mr. Wadhams responded that the division could do nothing until they received the Air Force's Construction Management Plan which was a specific blueprint for the operation.

Senator Wilson asked to what extent did the State participate in the MX decisions with regard to this division. Mr. Wadhams said the Air Force had not, as yet, given the Division the right to participate as a partner in their decision-making processes for the MX program.

Senator Wilson felt the State should not approach the Air Force as a supplicant. Mr. Wadhams assured him the division had not.

Insurance Division (Pg. 715). Mr. Don Heath, the Insurance Commissioner, presented the budget for this division. He displayed a chart to the committee which underscored the revenue producing nature of this division. He noted total revenues of \$12,444,045 were produced in fiscal year 1979-80 while premium taxes accounted for \$11,122,337. Other revenues including fines, fees and discretionary taxes accounted for the balance of the revenues and equalled \$1,321,708. This resulted

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in a net return of \$490,993 from other discretionary revenues collected by the division.

The Insurance Division operated with a return to the General Fund of 37% of the monies generated by its own efforts, Mr. Heath said. He noted, essentially, the division budget had as its major resource component, the regular appropriation shown on page 716 of the budget book. Major expenditure components included payroll, in-state travel, total operating expenditures, a catch-all category known as sub-account 10, and another miscellaneous category to include EDP system program facility charges and educational testing service costs.

Mr. Heath stated the balance of the division's programs and accounts were funded and monitored through assessment to the insurance industry and various revolving accounts at no cost to the General Fund. He noted the budget showed the elimination of 3½ positions and the request for one new position in the Las Vegas office.

He asked the committee to note the total operating expenditure increases in communications and in legal and court expenses. Mr. Heath indicated "dues and registration" had been combined with "training" which was a sub-account 10 item and would be placed in what will be known as the Governor's Consolidated Training budget.

Mr. Heath indicated two new programs, the Insurance Fraud Section and the Self-insurance Workman's Compensation Program, which both resulted from the last legislative session. He noted both programs were funded by industry from assessments.

Senator Wilson asked if the legal and court expense budget represented an increase in this division's operation. Mr. Heath said it did with regard to the personnel slot for the Deputy Attorney General.

Senator Echols requested an explanation as to why the Governor had recommended almost half the figure requested by the division for in-state travel. Mr. Heath replied that he had made a rather bad estimate of these costs.

Senator Glaser noted the Governor's Task Force had recommended that every three years the Insurance Agents have their licenses renewed and a fee was to be charged. The Senator asked if any legislation had been introduced to implement this recommendation. Mr. Heath indicated legislation was in bill drafting request form and was headed toward a committee to address the point.

The Chairman requested an explanation as to the necessity of the new position requested. The Insurance Commissioner said the position was needed to augment the Southern Nevada area for consumer services and to handle consumer complaints.

Senator Wilson, referring to the previous hearing of the Department of Administration's budget, asked the Insurance Commissioner how applications for insurance increases by the carrier were handled by his office. He also asked if the insured had the opportunity to come in and be heard, or at least made privy to the record made justifying the increase in premium.

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Mr. Heath said Nevada did not have a "prior approval" rating law. He stated when the insurers had a rate increase request they often laid it before the division and asked for a review simply to, in good faith, try to minimize cost and time invested on both parties part to review that transaction, perhaps later, in a public hearing and possibly upon appeal to court. He noted the division did not have sufficient monies to review rates at a public hearing. He added it was the carrier's responsibility to notify the insured of the rate increase.

Senator Wilson felt the rate payer ought to be told of the impending rate increase and given the opportunity to appear and appeal that increase. Mr. Wadhams noted, previously, before the Risk Manager law was enacted, the Insurance Commissioner had the responsibilities for that agency and, consequently, knew immediately when a rate increase had been filed. He felt, apparently, the Risk Management Division did not keep in contact with the rating section of the Insurance Division.

The Vice Chairman asked what impact the mandatory auto insurance act had on the division. Mr. Heath said the division felt it had increased the uninsured population by as much as 40%.

Senator Gibson wondered if the division should require the insurance carrier to notify the Department of Motor Vehicles when someone cancelled their insurance policy. It was his understanding that individuals would buy a policy, license their car, and then cancel the policy within a few weeks. Mr. Heath concurred with the Senator's perception of the problem. He noted the Department of Motor Vehicles had looked at this problem in terms of additional computer programming to supplement what they had to deal with the situation. Costs for the additional programming would run as high as 1.5 million dollars. Mr. Heath felt there was no such thing as an airtight mandatory auto insurance.

Mr. Larry Keyes, representing the Nevada Independent Insurance Agents, testified before the committee. He said his organization supported the Insurance Division's requested budget and would like to see the 3½ positions eliminated, put back into the budget.

Senator Wilson inquired as to the rationale for cutting those positions. Mr. Barrett said the cuts were due to the standard reason. The agency was asked to make a 10% reduction in staff and those were the positions the agency felt they could do without. Mr. Wadhams stated the positions were identified not as being non-essential, but as being relatively less profitable.

Senator Wilson asked what effect the cuts were going to have on the division's operation. Mr. Heath said the fees produced solely by the efforts of the agency would not grow as rapidly with the cut of those positions. He estimated a 5% decrease in growth of revenue.

Senator Wilson inquired as to the affect the pending passage of the Three-Way bill regarding industrial insurance coverage would have on the division if approved. Mr. Heath replied the bill would have tremendous impact, in some cases, depending on how the bill was ultimately written and the responsibilities given to the Insurance Division.

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Senator Wilson indicated if the bill was written as proposed, the division would have to totally draw a new classification rating system for all of industrial insurance. Mr. Heath noted, in his opinion, the eliminated positions would be then needed badly.

Senator Wilson asked Mr. Barrett if he felt eliminating the positions were the wise thing to do. Mr. Barrett stated the Insurance Division, in their budget hearing before his division, did not present the idea that the staff cuts would mean a reduction in the other revenues.

Mr. Ray Rothwell, President of Blue Shield of Nevada, testified in support of the requested budget for the Insurance Division and requested the retention of the 3½ positions.

Senator Lamb asked if Mr. Rothwell was fronting for the Insurance Division. Mr. Rothwell said the Blue Cross system was very supportive of the Insurance Division. The Chairman asked if the Insurance Division did business with Blue Shield. Mr. Rothwell stated they were regulated by the Division.

The Chairman said, "Every time somebody is burnt a little bit, they squeal don't touch us, do what you want with everybody else, but don't bother us." "That is not the way it is going to work", he concluded.

Senator Lamb asked if the Insurance Division regulated Blue Shield of Nevada. Mr. Wadhams said yes.

Senator Jacobsen inquired of the people representing the insurance industry where they anticipated increased rates over the next two years. Mr. Rothwell noted, at Blue Shield, they were looking for a medical trend increase that amount to slightly less than 1.5% a month, about 17% per year.

Senator Jacobsen asked what the insurance industry thought about earmarking some of the premiums on fire tax to go to fire services. Mr. Keyes thought the agents would support the idea very much but could not speak for their companies.

Senator Echols asked why the division opposed the open rate structure. Mr. Wadhams felt the current rate law in Nevada offered the best of two worlds.

Senator Wilson commented the committee was considering alternative ways of developing legislation to implement a medical cost containment program. He noted one alternative was by contract and would it affect the division's operating budget even though they would proceed on an independent contract basis. Mr. Heath thought it would. He felt there might be a whole host of hearings and appeals that would constitute a greater legal and court expense.

Mr. Bud Meneley, representing the Nevada Independent Insurance Agents, testified in support of the requested budget for the Insurance Division. He said the proposed cut of 3½ positions would result in more revenue lost to the State than they would save if the positions were eliminated.

Senator Lamb asked Mr. Meneley if he was saying that his group wanted to see cuts in other agencies, not the Insurance Division. Mr. Meneley stated he was saying the cuts were not cost-effective.

Mr. Bob Schreiber, Executive Director of the Nevada Trial Lawyers submitted a letter from that organization in support of the

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requested budget of the Insurance Division. (See Exhibit H.)

Mr. Heath said he would give the committee an Insurance Division program summary with a copy of the U.S. General Accounting Office report with regard to State regulation of insurance.

Senator Lamb asked Mr. Wadhams if he had solicited this support this morning. Mr. Wadhams said he had not. The Chairman inquired as to how these people knew of the committee hearing. Mr. Wadhams noted the committee's agenda was published in the newspaper.

Mr. Wadhams noted the Prepaid Funeral and Cemetery Fund, Self-Insurance Workman's Compensation, Insurance Fraud Section, National Association of Insurance Commissioner, Insurance Recovery Fund, and Insurance Education and Research were all revolving funds. He said the Unclaimed Life Insurance Funds had been merged with the Unclaimed Property Division.

Fire Marshal (Pg. 727). Mr. Tom Huddleston, State Fire Marshal, presented the budget for this agency. He said the agency was mandated to fill a great number of responsibilities. He noted the office was re-established during the last legislative session and were held to the 1977-78 budget level which left the agency presently with approximately one position less than they had ten years ago. Mr. Huddleston indicated, in addition to the mandate responsibilities, the agency tried to stay responsive to the approximately 160 fire departments within the State. The budget was a reflection of what the agency felt it would require to fulfill the mandates the legislature had given them.

The Chairman requested Mr. Huddleston to explain the necessity of the new positions requested. The Fire Marshal said three additional Deputy Fire Marshals were requested to address some of the areas that were mandated, fire works, explosives control, uniform fire reporting systems, etc. He added a Computer Programmer I was requested to get the uniform fire reporting system in effect by 1984. An additional request for an Account Clerk position was included to help the agency with the handling of the billing.

Division of Real Estate (Pg. 731). Mr. Lynn Luman, Administrator of the Real Estate Division, presented the budget for this agency. Mr. Wadhams noted this division was unique in State government this session. It was subjected to zero-base budgeting, subjected to Sunset Review, a review by the Legislative Auditor, and review by the Fiscal Analysis Division. He noted positive recommendations were received by each of those processes.

Mr. Wadhams said the division was responsible for licensing of all real estate salesmen/brokers and for the control of those licensees conduct. The division also reviewed land sales and subdivision applications under NRS 119.

Mr. Luman noted the budget called for the reduction of two positions, both Administrative Aids. He asked the committee to refer to the "real estate exam fees" category in the budget. He noted the fees had been distributed throughout the operating expenses and that, in his opinion, was in violation of the division's Statute No. 140. He felt the fees could not be used with the exception of covering the costs of administering the examination; any overage would revert to the General Fund.

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Mr. Barrett disagreed with Mr. Luman and did not feel the division was in violation of any statute. Whether the fees were put in the division budget, or in the General Fund, Mr. Barrett said the effect was exactly the same.

Senator Glaser inquired why three-quarters of the division's staff was in Carson City when half of their business took place in Las Vegas. Mr. Luman indicated that many of the staff in Carson City did not do the functions that were performed in Las Vegas; they did other functions. Mr. Wadhams said there was a computerization system being developed currently that would allow licenses and applications to be processed at both ends of the State.

Senator Jacobsen asked why there was such a significant increase in EDP expense. Mr. Luman stated the division was in the conversion process to a new computer system to replace the manual processing of licenses.

Senator Jacobsen inquired as to the amount of licensees coming into the State each year. Mr. Luman indicated the number was hard to estimate; the division was running approximately 350 applications per month.

Senator Echols asked if the division had complied with the recommendations made by the 1979 audit. Mr. Wadhams noted the division disagreed with some of the recommendations very strongly and were prepared to discuss them before the appropriate committee.

Mr. Bill Cozart, representing the Nevada Association of Realtors, testified in support of the requested budget for the Real Estate Division. (See Exhibit H.)

Real Estate Education and Research Fund (Pg. 734). Mr. Wadhams indicated this budget should be looked at with conjunction to the Real Estate Recovery Account on page 737. He noted previously, the bonds that salesmen and brokers filed were eliminated in favor of a recovery fund, notably, the Real Estate Recovery Account. The Recovery Account contains a static amount of \$50,000. Funds in excess of that amount reverted to the Education and Research Fund which, by law, is to be expended for continuing education, educational improvement, and other programs that would raise the professional ability of the licensees in the State.

The Education and Research Fund budget requested one position, a transfer position out of the basic operating budget of the division of an Education Coordinator to be paid out of this fund.

Mr. Wadhams noted this fund was operated by two entities, the Administrator, and, a Real Estate Advisory Commission consisting of five independently appointed licensed brokers.

The Vice Chairman inquired as to who was in control of this fund. Mr. Wadhams stated the fund operated on a two-step process. The division reviewed proposed uses of the fund and then would make recommendations. The decision as to the expenditure of the fund rested in the hands of the Real Estate Advisory Commissioners.

Senator Jacobsen asked if the Commission was active. Mr. Wadhams said the commissioners attended six meetings and had three conference calls last year.

Senate Committee on Finance
March 5, 1981

The Vice Chairman requested a status report on the self-insurance program set up last session. Mr. Wadhams noted the program appeared on page 720 and was a revolving fund. He said there were some 40,000 Nevada workers covered under self-insurance and almost 26 employers were now certified as self-insurers.

Mr. Bob Bowers, Real Estate Advisory Commissioner, testified in support of the budget requested by the Real Estate Division.

Senator Echols requested an explanation of the "balance forward" figure shown on page 734. Mr. Barrett noted there was an error in format only, the figures were all right.

Senator Wilson asked Mr. Luman to address his feelings concerning the position cuts in his division. Mr. Luman indicated the committee should have received revised budget sheets, other than the one Senator Wilson was referring to. He said the cuts of the two Administrative Aid positions would definitely have an impact on the division.

Mr. Wadhams stated he would provide the revised budget sheets to the committee as soon as possible.

Developmental Disability Protection and Advocacy Program (Pg. 738).

Mr. Wadhams noted this program was an essentially Federal one that was moved into the Department of Commerce during the last legislative session. The basic function of the agency was to insure that persons having developmental disabilities in the state of Nevada had been afforded all their proper treatment and legal rights of service under Federal grants. Mr. Wadhams introduced Ms. Holly Elder, the Administrator of this program to the committee. He noted her function was to serve as watchdog over other agencies in the Human Resources Department who were required to provide certain services to persons with developmental disabilities.

Mr. Wadhams stated the Federal government provided \$50,000 in funds for this program to be matched in kind by the State. Accounting services are provided by the Department of Commerce. He noted an additional amount of money was required to provide adequate staffing.

The Director noted there were some \$250,000 available to the Developmental Disability Planning Council which is attached to the Division of Rehabilitation. It was anticipated that perhaps some of that funding would be appropriated to fund this program.

Mr. Barrett said the Budget Division felt this program ought to be able to use some of the Council program monies. He noted if this program did not exist, the Disability Planning Council would not receive the \$250,000 in Federal funds. The Division of Rehabilitation said very strongly that the Developmental Disability Protection and Advocacy program could not use any of their discretionary monies to finance the program. Mr. Barrett supposed the Federal government would make the final decision.

There being no further business, the meeting adjourned at 10:40 a.m.

Senate Committee on Finance
March 5, 1981

Respectfully submitted by:


Candace L. Chaney, Secretary

APPROVED BY:


Senator Floyd R. Lamb, Chairman

DATE: 3/10 - 81

SENATE AGENDA

COMMITTEE MEETINGS

Committee on FINANCE, Room 231

Day (See Below), Date (See Below), Time (See Below)

MONDAY, MARCH 2, 1981 - 8:00 a.m.

1. S.B. 79 - Amends Act adding two judges to Second Judicial District.
2. S.B. 208 - Makes appropriation for cost of litigation involving Truckee River Stream System and consulting experts.
3. S.B. 43 - Authorizes establishment of residential centers by Department of Parole and Probation.
4. S.B. 29 - Extends program of restitution by certain offenders.
5. S.B. 197 - Increases allowance against property tax accrued for qualified solar systems and provides this allowance for certain water heaters.
6. Western Interstate Commission for Higher Education (Pg. 258.4 & 259)
(Dr. Donald Driggs)
7. S.C.R. 6 - Requests inclusion of library science in program of the Western Interstate Commission for higher education.
8. S.B. 198 - Creates process for competitive bidding to provide services proposed by Department of Human Resources.
9. S.B. 277 - Makes supplemental appropriation to youth services division of Department of Human Resources.
10. S.B. 48 - Provides for reimbursement of Carson City for services rendered to State.

TUESDAY, MARCH 3, 1981 - 8:00 a.m.

1. Department of the Military (Pg. 596 - General William Engel)
2. Adjutant General Construction Fund (Pg. 599 - Gen. Engel)
3. National Guard Benefits (Pg. 600 - Gen. Engel)
4. Department of Administration (Howard Barrett)
 - a. Budget Division (Pg. 53)
 - b. Group Insurance Committee (Pg. 56)
 - c. Governor's Out-of-State Travel (Pg. 57)
 - d. State Unemployment Compensation (Pg. 59)
 - e. Merit Award Board (Pg. 60)
 - f. Risk Management Division (Pg. 61)
 - g. Clear Creek Youth Center (Pg. 64)
5. Personnel Division (Pg. 110 - Jim Wittenburg)
 - a. Cooperative Personnel Services (Pg. 110)
 - b. Intergovernmental Personnel (Pg. 112)
6. Labor Commission (Pg. 741 - Edmond MC Goldrick)

WEDNESDAY, MARCH 4, 1981 - 7:30 a.m.

ROOM 131

1. State Department of Education and School Districts.

THURSDAY, MARCH 5, 1981 - 8:00 a.m.

1. Department of Commerce (Pg. 690 - 738 Jim Wadhams)

SENATE COMMITTEE ON FINANCE

DATE: March 5, 1981

PLEASE PRINT	PLEASE PRINT	PLEASE PRINT	PLEASE PRINT
NAME	ORGANIZATION & ADDRESS		TELEPHONE
<i>A. Christensen</i>	<i>Commerce</i>		<i>8-4250</i>
<i>J. Stolle</i>	<i>Industrial Property, Commerce L.J.</i>		<i>875-537</i>
<i>W. St. Paul</i>	<i>Manufactured Housing Unit</i>		<i>885-4298</i>
<i>W. M. ...</i>	<i>Real Estate Division</i>		<i>895-4220</i>
<i>W. Young</i>	<i>REAL ESTATE DIVISION</i>		<i>895-4235</i>
<i>D. Keith</i>	<i>INSURANCE DIVISION</i>		<i>885-4270</i>
<i>J. ...</i>	<i>CONSUMER AFFAIRS</i>		<i>885-4340</i>
<i>MARY VAUGHAN</i>	<i>CONSUMER AFFAIRS</i>		<i>885-4340</i>
<i>BUD MENELEY</i>	<i>NEW IND. INS. AGENTS</i>		<i>785-4433</i>
<i>J. ...</i>	<i>...</i>		<i>...</i>

1/81:c5

Library Note:

The minutes only make mention of Exhibits A, B, and H. Because none of the attached material is labelled, it is impossible to determine which exhibits are or are not complete or missing.

Research Library
September 2014

DEPARTMENT OF FINANCIAL INSTITUTIONS BUDGET

NRS 678.290 provides for twice a year Credit Union Advisory council meetings. The council consists of 5 members plus the commissioner. The meetings are held in the Department of Commerce offices in Carson City.

Currently four of the members live outside of the Carson City area requiring some reimbursement of expenses. Estimated costs are as follows:

03-IN-STATE TRAVEL

2 from Las Vegas (covering transportation and meals)	\$164 x 2	\$328
1 from Hawthorne (covering transportation, meals & lodging)		\$ 97
1 from Elko (covering transportation, meals & lodging)		\$197
3 airporter costs to/from Cannon International		\$ 30
		<u>\$652</u>
		x 2 meetings
		<u>\$1304</u>
		say: <u>\$1300</u>

01-CREDIT UNION BOARD SALARY

5 members x \$60	\$300
	<u>x 2 meetings</u>
	<u>\$600</u>

No.	License	Licenses			Business Locations			Total Assets (in 000)			Total Loans (in 000)			Total Deposits (in 000)		
		Wa.	Cl.	Rur.	Wa.	Cl.	Rur.	12/78	12/79	12/80 (est)	12/78	12/79	12/80 (est)	12/78	12/79	12/80 (est)
657 to 69	Banks	2	3	2	18	23	13	1,229,556	1,051,270	1,561,100	719,582	636,657	858,500	1,105,706	903,089	1,346,800
673	Savings & Loans	4	3	1	31	41	25	1,602,000	1,783,000	1,978,000	1,299,000	1,424,000	1,590,000	1,175,000	1,357,000	1,499,000
677	Thrift Co.'s	3	1	0	6	7	8	25,547	52,837	78,286	25,128	42,735	64,482	22,390	46,790	70,400
678	Credit Unions	3	11	4	3	11	4	50,211	55,154	95,142	43,884	47,304	39,939	37,954	50,396	91,200
645B	Mortgage Co.'s	51	69	9	52	70	0	N/A	N/A	N/A	*81,277	143,497	126,267	N/A	N/A	N/A
675	Small Loan Co.'s	22	41	5	22	41	5	120,548	158,858	209,700	119,590	137,782	158,400	N/A	N/A	N/A
649	Collection Agy.'s	4	7	7	4	7	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	Trust Co.'s	2	0	0	2	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
676	Debt Adjustors	1	1	0	1	1	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
670	Industrial Dev.Co.'s	1	0	0	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
671	Money Order Co.'s & Other Check Issuers	0	5	5	0	5	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Totals		93	141	33	140	206	67	3,027,862	3,101,119	3,922,228	2,207,184	2,288,478	2,711,321	2,341,050	2,357,275	3,007,580

* Represents loan volumes by year. Not included in total loan figures.

Wa. = Washoe
Cl. = Clark
Rur. = Rural

FINANCIAL INSTITUTIONS DIVISION BUDGET

A review of the proposed budget and further appraisal of clerical staff needs indicate that the resulting Division can be better served with the following adjustments:

<u>Governor Requests</u>		<u>Agency Requests</u>
0080	Management Asst. II - Carson City \$17,991	\$17,991
0090	Management Asst. I - Carson City 13,999	-0-
0210	Management Asst. I - Las Vegas 13,446	13,446
0220	Adm. Aid II Range A (½) 6,478	-0-
8010	Sr. Account Clerk - Carson City 12,410	12,410
	Management Asst. II - Carson City	17,991
	Total Cost	\$61,838
		\$64,324
	Personnel Cost Saving	\$2,486

The resulting team will provide a higher level of clerical expertise in the management of the central office for the division, would utilize present staff, minimize training downtime, assist an orderly reorganization and effect personnel savings of \$2,486.00.



STATE OF NEVADA
DEPARTMENT OF COMMERCE
HOUSING DIVISION
201 SOUTH FALL STREET, ROOM 300
CARSON CITY, NEVADA 89710
(702) 685-4258

ROBERT LIST
GOVERNOR
JAMES L. WADHAMS
DIRECTOR

A. L. MCNITT, JR.
ADMINISTRATOR
DOUGLASS R. MORRA
DEPUTY ADMINISTRATOR

<u>CARSON CITY</u>			<u>CLARK (cont.)</u>		
89701	Carson City	110	89004	Blue Diamond	1
89710	" "	0	89005	Boulder City	16
89437	Stewart	<u>0</u>	89007	Bunkerville	0
	Total	<u>110</u>	89046	Cottonwood Cove	0
			89019	Goodsprings	0
<u>CHURCHILL</u>			89015	Henderson	328
89406	Fallon	<u>89</u>	89018	Indian Springs	0
	Total	<u>89</u>	89019	Jean	0
<u>CLARK</u>			89046	Laughlin	0
89101	Las Vegas	168	89021	Logandale	1
89102		94	89024	Kesquite	0
89103		51	89025	Koapa	0
89104		86	89040	Overton	3
89106		3	89041	Pahrump	0
89107		211	89020	Sandy Valley	0
89108		253	89046	Searchlight	<u>0</u>
89109		38		Total	<u>349</u>
89110		627		GRAND TOTAL	<u>2942</u>
89111		1	<u>DOUGLAS</u>		
89112		1	89410	Gardnerville	41
89114		4	89413	Glenbrook	0
89117		72	89411	Genoa	0
89118		7	89423	Kinden	29
89119		25	89448	Zephyr Cove	0
89120		71	89449	Stateline	<u>0</u>
89121		138		Total	<u>70</u>
89122		161	<u>ELKO</u>		
89128		29	89822	Carlin	1
89154		0	89823	Deeth	0
89158		0	89801	Elko	32
89191		<u>0</u>	89824	Halleck	0
	Total	<u>2040</u>		Jack Creek	
89030	North Las Vegas	553	89825	Jackpot	0
			89826	Jarbridge	0
			89827	Jiggs	0
			89828	Lamoille	0
			89829	Lee	0
			89830	Montello	0
			89831	Mountain City	0
			89832	Owyhee	0
			89833	Ruby Valley	0
			89834	Tuscarora	0
			89835	Wells	1
				Wendover	<u>0</u>
				Total	<u>34</u>

0-77

ESMERALDA

89010	Dyer	1
89013	Goldfield	0
89047	Silverdale	0
	Total	<u>1</u>

EUREKA

89821	Beowawe	0
89821	Crescent Valley	0
89316	Eureka	0
	Total	<u>0</u>

HUMBOLDT

89404	Denio	0
89414	Golconda	0
89421	McDermitt	1
89425	Orovada	0
89426	Paradise Valley	0
	Sulphur	
89438	Valmy	0
89445	Winnemucca	37
	Total	<u>38</u>

LANDER

89310	Austin	0
89820	Battle Mountain	10
	Total	<u>10</u>

LINCOLN

89001	Alamo	18
89008	Caliente	2
89008	Carp	0
89017	Hiko	0
89042	Panaca	2
89043	Pioche	0
	Total	<u>22</u>

LYON

89403	Dayton	42
89408	Fernley	88
89428	Silver City	1
89429	Silver Springs	3
89430	Smith	0
89443	Weed Heights	0
89444	Wellington	0
89447	Yerington	6
	Total	<u>140</u>

MINERAL

89416	Babbitt	0
89415	Hawthorne	6
89420	Luning	0
89422	Mina	0
89427	Schurz	0
	Total	<u>6</u>

NYE

89003	Beatty	0
89314	Duckwater	0
89049	Fish Lake Valley	0
89409	Gabbs	0
89023	Jackass Flats	0
89020	Lathrop Wells	0
89022	Manhattan	0
89023	Mercury	0
	Nyala	
89045	Round Mountain	0
89049	Tonopah	2
	Total	<u>2</u>

PERSHING

89418	Imay	0
89419	Lovelock	3
	Total	<u>3</u>

STOREY

89440	Virginia City	2
	Total	<u>2</u>

WASHOE

89501	Reno	1
89502	"	69
89503	"	88
89504	"	0
89505	"	2
89506	"	270
89507	"	2
89509	"	15
89510	"	1
89511	"	3
89512	"	109
89513	"	2
89523	"	2
		<u>564</u>

89431	Sparks	291
89402	Crystal Bay	0
89405	Empire	0
89412	Gerlach	0
89450	Incline Village	0
89424	Nixon	0
89436	Steamboat	1
89442	Wadsworth	0
89439	Verdi	0
	Total	<u>856</u>

WHITE PINE

89311	Baker	0
89301	Cherry Creek	0
89315	East Ely	1
89301	Ely	8
89317	Lund	0
89318	McGill	6
89319	Ruth	<u>4</u>
	Total	<u>19</u>

GRAND TOTAL 4,344

NEW PROJECTS PENDING UNDER CONSTRUCTION COMPLETED PROJECTS

RURAL	1			2			3			4			5			6			7			8			9			10			11			
	No. Loans	Units	Loan Totals	No. Loans	Units	Loan Totals	No. Loans	Units	Loan Totals	No. Loans	Units	Loan Totals	No. Loans	Units	Loan Totals	No. Loans	Units	Loan Totals	No. Loans	Units	Loan Totals	No. Loans	Units	Loan Totals	No. Loans	Units	Loan Totals	No. Loans	Units	Loan Totals				
Carson																			2	180	4,878,500				2	180	4,878,500							
Churchill																																		
Douglas																																		
Elko																																		
Esmeralda																																		
Eureka																																		
Humboldt	1	24	550,000																						1	24	650,000							
Lander	1	28	658,200																						1	28	658,200							
Lincoln																																		
Lyon																																		
Mineral																																		
Nye																																		
Perishing																																		
Storey																																		
White Pine																																		
	2	52	1,300,200																															
Clark	2	129	3,513,400																															
Washoe	1	62	1,885,000																															
TOTALS	5	243	5,656,600	3	310	9,596,340							12	1,248	24,834,158									20	1,801	41,087,098								



NEVADA ASSOCIATION OF REALTORS®

William E. Cozart, CAE
Executive Vice President
Corporate Secretary

1135 TERMINAL WAY, SUITE 201 / POST OFFICE BOX 7338 / RENO, NEVADA 89510 / (702) 329-6648

Office of the President
1135 Terminal Way
Suite 204
Reno, Nevada 89502
(702) 329-3001

March 4, 1981

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Regional Vice President
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TO: SENATE FINANCE COMMITTEE

FROM: WILLIAM E. COZART, CAE

RE: REAL ESTATE DIVISION BUDGET HEARINGS MARCH 5, 1981

On behalf of the Nevada Association of REALTORS®, I would appreciate your consideration of the following relative to the proposed budget of the Nevada Real Estate Division:

1. The Association is supportive of a reasonable increase in license fees to move the Division to a "self-support" status. Along with this support, however, we also must indicate our position that the Division and its personnel carry out their duties and responsibilities in the most efficient manner possible to reduce costs when possible.
2. The Association asks your consideration relative to increasing the Division Administrator's salary as much as possible. Many problems have been encountered in the past in the recruiting and retention of qualified people to fill that position. A major factor has been the lack of a job market, competitive salary.
3. The Association asks that you consider what we feel is a disproportionate staffing pattern between the Carson City and Las Vegas offices. With over half of the licensees, the Las Vegas office has half the staff of the Carson City office. The Las Vegas office, in our opinion, needs additional investigators.

PAST PRESIDENTS: Thomas J. McLaughlin, William H. Gerrett, Paul O. Drury, Johnnie T. Patton, Lawrence P. Stecher, Glen C. Johnson, Gar Foutz, Mat H. Gibbons, C. D. Baker, Preston Q. Hale, Leo R. English, F. E. (Pete) Walters, Herb Mattheus, Charles Naylor, D. E. (Ted) Mattson, Frank Sala, Fred Desiderio, Gilbert Schwartz, Robert Bowers, Joe Nolan, Charles L. Ruthe, Paul Argeres, Jessie Emmett, William E. Creer, William H. Myers, William E. Hoppe.

4. The Association is strongly opposed to the proposal to transfer the salary of the Coordinator of Education and Research from the Division operating budget to the Education, Research and Recovery Fund. We are also opposed to using the Fund money for Division personnel travel.

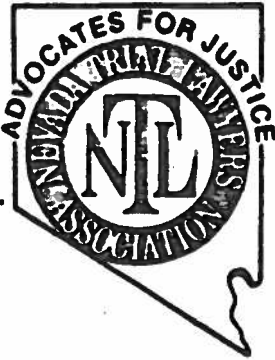
The Education, Research and Recovery Fund is a dedicated fund to, beside the Recovery function, provide education and research for the licensees. Payout is made to this Fund in addition to statutory licensee fees. We believe that personnel and travel, if justified, should be part of the general operating budget as the Fund was not created to subsidize Division personnel.

Only a portion of the Coordinator's duties and responsibilities are directly related to the Fund and the proposed increases in license fees plus the proposed continuing education certification fee should cover the expense of that activity.

5. The Education, Research and Recovery Fund is being administered in a creditable manner and the Division and Commission are to be commended. Educational programs and research activities are being provided to the licensees in an efficient, timely manner and discussions are now underway to develop a Chair in Real Estate at both university campuses with possible funding through the Fund.

Thank you for your consideration of these matters. If I can be of further assistance, please do not hesitate to call on me.

WEC:kb



NEVADA TRIAL LAWYERS ASSOCIATION

502 N. Division, Carson City, Nevada 89701 • Phone (702) 883-3577

March 5, 1981

Hon. Floyd Lamb, Chairman
and Members of Senate Finance
Nevada State Legislature
Capitol Complex
Carson City, Nevada 89710

PRESIDENT
Robert E. Heaney
147 E. Looney St.
Reno, NV 89501
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Richard W. Myers

EXECUTIVE DIRECTOR
R. E. Bob Shriver

Dear Chairman Lamb and Committee Members:

The Nevada Trial Lawyers Association wishes to express its support for the budget and staff requirements requested by the State Insurance Division, as represented by Insurance Commissioner Don Heath.

It is our understanding that pending legislation seeks to reduce budget and certain staff positions.

In our judgment, the Insurance Division must be adequately funded and staffed to effectively regulate the insurance industry and to protect Nevada citizens from unfair practices and unwarranted rate hikes. As you are aware, the practices and rates of the insurance industry affect all citizens. This is particularly true since enactment of mandatory automobile insurance. Moreover, there are a number of bills pending in this session, which if passed will impose even greater responsibilities upon the Insurance Division.

And the Trial Bar, whose constituency is made up of people whose lives, health, property and futures are vitally linked to the availability and adequacy of insurance and fairness of claims practice of the insurance industry, believes it is imperative that the Insurance Division be allowed to retain the staff necessary to carry out its statutory responsibilities. We therefore urge reconsideration of any proposed staff cuts and restoration of the Division's budget request.

We respectfully request that this letter be made part of your Committee's hearing record concerning this matter.

Sincerely,


Robert E. Heaney, President
Nevada Trial Lawyers Association

REH:rs

Affiliate of the Association of Trial Lawyers of America