

Joint Meeting

MINUTES OF MEETING - COMMITTEE ON COMMERCE - 55TH NEVADA ASSEMBLY
SESSION - FEBRUARY 20, 1969

Present: Assemblymen Wood, Bowler, Mello, Hafen, Capurro,
Espinoza and Torvinen

Senators Hecht and White

Absent: Senators Swobe, Titlow and Bunker

Also Present: Mr. Ralph Harmon, Retail Merchant

Senator White stated that the purpose of meeting jointly was to eliminate the necessity of having two hearings on S.B. 195, Providing for grading and marketing of poultry. White noted that he held proxies for two of the absent Senators and therefore had a quorum. He noted that the action on the bill would be taken separately.

Mr. Harmon was introduced and he stated as follows:

Utah has a grading law requiring all poultry to have a grade stamped on the package as well as the USDA Approved" stamp. Poultry cannot be sold in Utah if it is ungraded. Nevada does not have this grading law and because of this, the graded stuff is going to Utah and the junk is coming to Nevada. We **are** selling low grade poultry as a better grade. We know that beef and other meat are graded to describe the grade of meat that they are. With regard to the USDA inspection - all friers must be USDA inspected before they are shipped from State to State. Grade A chickens are the best and must bear a wing tag showing the grade. The bones and skin must be good with no breaks or bruises. Friers are in mixed sizes but no runts are allowed. Grade B friers are in mixed sizes with some runts in them. They are noted for their broken wings and bones. You will often find bare-backs among them. These are chickens who have been picked on by other chickens and this caused their backs to become bare and irritated. This, of course, must be removed, and you will note this by that portion sliced off on the back. Grade C are mainly runts and have many broken bones and bruises. They are almost always trimmed in some way or other. Very often they will have roost blisters which must be cut away.

Grade C in Utah is not allowed for sale unless further processing has been performed. This provides that the chickens are heated in such a manner that all parts of the chicken are heated to at least 140 degrees. The cost on the market of the C grade which has been treated in this manner is 3¢ to 4¢ a pound higher than the C grade normally. The price would range from 24¢ to 29¢ on these poultry. We can market at our stores the same as anyone else. But it is not fair to the public. We find that many of the ads in Nevada will advertise turkey at 29¢ a pound - and they will be a C grade, although the grade will not be mentioned in the ad. In Utah, the ad must reveal the grade. We pay 35¢ a pound approximately for Grade A poultry. We only found one ad in Utah advertising C grade poultry and that one had "pre-heated" on it before it could be allowed for sale. Nevada is being

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used as a dumping ground for the junk-

Mr. Bowler asked Mr. Harmon if he felt the majority of the poultry in Las Vegas was coming from Utah and Harmon said "No, a lot of poultry comes from the South. Unless the grade is on it in Utah they will jerk it out of the showcase until the grade has been established."

Mr. Bowler then asked what percentage of the poultry he used in his three markets was purchased in the State of Utah and Mr. Harmon replied, "We don't purchase any C grade poultry." he stated further that the southern growers cannot take the poor grade into Utah and so they sell it in Nevada before they get to Utah. He estimated that about 20% of the poultry in southern Nevada was this type.

Capurro asked if it could be sold if it was cut up and Harmon said "Yes, if it is cut up and pre-heated".

Mello: What is the purpose of the pre-heating process?

Harmon: It kills bacteria. I have some ads for the last two months from both states, if you would be interested in comparing them.

White: It is true that some stores buy inferior products and use them as a come-on to get people in their stores. They buy the low grade stuff and advertise it at a very low price. The buyers come to the store and either refuse to buy it, even at the low price; or else they will purchase the higher priced poultry.

Harmon: I know for a fact this happened at Thanksgiving time this year, however, we were not hurt by it. But I feel the customer must be protected. We want to see the poultry all marked with the grade that it is being sold as. I want to see us have the same law as Utah. (Mr. Harmon then held up a low grade chicken) Who wants to buy a piece of chicken like this?

Espinoza: Perhaps people of low income status need this lower priced poultry. We may be putting a hardship on them if we take it away. Maybe that 2¢ or 3¢ a pound cheaper means a great deal to them. Are they frozen when they are shipped in?

Harmon: No, they have never been frozen.

Bowler then asked if the purpose of enacting S.B. 195 was for the purpose of keeping the inferior products out of Nevada and giving the public a better grade of merchandise and Mr. Harmon replied, "Yes."

Hecht asked if S.B. 195 would keep C grade poultry out and Harmon said it would unless the poultry had received the heating process.

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Torvinen: Isn't the Federal Inspection Stamp on the poultry anyway?

Harmon: All poultry in the State is USDA inspected, but the grade is not shown.

Torvinen: Then the C grade poultry is not a health hazard as far as the USDA is concerned?

Harmon: That is right.

Torvinen then asked what the rule in California was and Harmon said he did not know.

Capurro: Isn't it true that the State Quarantine Officer now sets up the standards?

White: I was talking with Lee Burge with the State Agriculture Department and he would like to be heard later on this.

Wood: Frequently in buying chickens as well as being served to us in public eating places, the chicken will look good in the leg and thigh area but when you get into it, the meat and bones are discolored. What is the reason for this?

Harmon: I believe that would be a sign of not being well cooked. My brother has a Kentucky Fried Chicken place and sometimes this will occur because it is not cooked enough.

Wood: No, I think it is different from that. It looks more like a bruise.

Harmon: That is possible, it could very well be a bruise.

Hecht asked if there would be any money required for the enforcement of this bill. White said that regulation would be required and also the setting up for the handling; therefore, there would be additional expense. Harmon noted that once a bill was set up, the merchants would most likely watch each other to assure enforcement. He said in his opinion people did not know what they were getting for their money. The poultry may have a leg or a wing missing. He noted, however, that Safeway Stores did grade all of their poultry.

Mello: I have noticed that in some cases the poultry will have dark brown spots on it. Like a freezer burn.

Harmon: Unfortunately the present law allows the poultry to be simply washed off from time to time and put back into the showcase. This is a very bad practice.

Mr. White thanked Mr. Harmon for his presentation and he was excused.

Mr. White then gave the schedule as it was set up for his Senate hearings and invited the Assembly committee to be

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He noted the schedule as follows:

Real estate bills: S.B. 88, 99 and 100 -
scheduled for 1:00 p.m. on Wednesday, February 26.

Funeral and cemetery bills: S.B. 97, 144 and 145 -
scheduled for 1:00 p.m. on Tuesday, February 25.

Savings and loan bills - S.B. 179, 192 and 196 -
scheduled for 2:30 p.m. on Thursday, February 27.

Mr. White and Mr. Hecht excused themselves after Mr. Wood informed them that someone from the Assembly Committee would try to attend these hearings.

Chairman Wood presented BDR 55-506, providing for the licensure and regulation of trust companies, and BDR 55-248, clarifying capital stock requirements for banks and trust companies. He stated that BDR 55-248 had been presented to Mr. Lowman who in turn directed it to the Commerce Committee for consideration. Espinoza moved that BDR 55-506 and BDR 55-248 be introduced at the discretion of the chairman; Bowler seconded and it unanimously carried.

Wood noted that the committee had about 20 bills in committee and asked if the committee wanted to be notified of the bills to be considered prior to the Tuesday and Thursday meetings or if they preferred to just come in and hit them. Hafen noted that it is extremely difficult to set forth what is going to be studied day by day.

Torvinen said he felt it would be nice to be able to notify the introducer of a bill which is up for discussion. That way the committee will not kill the bill without giving the introducer the right to speak.

Bowler said it would be a good idea to have a list of the bills up for study placed on the desks periodically for the benefit of the members.

Discussion then turned to the gaming bills and Torvinen said that after talking with Mr. Johnson of the Control Board, he felt that if A.B. 101 did not pass, we should amend the powers section for the Control Board to allow them to make regulations in this field.

Capurro: I feel it should be a law rather than a regulation.

Torvinen: Maybe we should draft a bill along these lines.

Wood: I am not against the idea of 101, but the way it is written is very bad. The Gaming Commission cannot interpret the thing as it now is.

Capurro: I agree that it is written badly, but the theory of the bill is good.

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Wood then noted that on A.B. 105, the committee was planning to sit tight until a compromise was reached between the real estate builders and developers and the realtors. Espinoza stated that in his opinion, the bill should be left alone.

Wood pointed out to the committee that the people in Incline Village wanted this bill because they want to get a Boise Cascade. However, in doing that, they are going to get someone else too.

Torvinen said that Incline Village would have a Nevada licensed broker and could associate those non-resident salesmen and counter-sign for them. If they are regular employees under present law, the employer is responsible for their actions.

Capurro said in his opinion, the salesmen should still be required to take the real estate examination. These guys are not qualified real estate people and they are selling door to door in California. In many instances, they will sell a piece of property that is snow-capped and photographed in a beautiful setting. Then when the snow melts the buyer gets a good look at what he has purchased. These men are in the business for a quick sale. Capurro further said that even though we don't want to put them out of business, he feels they should be required to follow the same regulations that the Nevada man does.

Wood suggested providing in the code a provision for professional licenses wherein the salesman is licensed only for the purpose of selling the property belonging to the developer who employs him. And a Nevada broker must counter-sign all transactions. Espinoza said that way is being done right now and Capurro stated he did not feel it was right to bring the subdivider and developer in to this. They would have to have a broker on the staff.

Torvinen repeated what Mattson had said regarding the fact that their primary business is selling the real estate owned by the corporation and it would be bad if the property owner could not sell his own property without a broker. Wood stated there would be no action taken on A.B. 105 today.

Next meeting scheduled for Tuesday, February 25 at 10:00 a.m. and that they would try to go through half of the bills being held and either sub them out for study or act on them.

Meeting was adjourned.