

Present: Wood, Mello, Torvinen, and Bowler
Absent: Kent Hafen, Capurro and Espinosa

Chairman Wood convened the meeting shortly after 10:00 a.m. and recognized that a quorum was present. He said that he had asked Mr. Russell McDonald to explain those bills on the agenda the Legislative Counsel had presented to the committee.

It was agreed that AB 105 modifying real estate license exemption provisions would be considered later after Mr. McDonald's presentation.

Mr. McDonald stated that a model law covering all nonprofit corporations was needed but that pending its presentation and development, the Nevada statutes needed clarification and modifications.

AB 106 broadens the purposes for which a nonprofit corporation can be formed. Presently the law limits the formation solely for educational or general charitable and eleemosynary purposes. There is a situation here whereby some educational and charitable together may be prevented from forming such a corporation and this bill allows groups whose objectives are a combination of educational, charitable, or eleemosynary activities to incorporate. The Boy Scouts of America are an example of the type group the bill would include. Although the Secretary of State presently accepts such applications, the statutes are in need of this clarification.

AB 107 is another bill that clarifies the language concerning nonprofit corporations for the organization and maintenance of gymnastic, athletic, historic, scientific, literary and other societies. It would also repeal the debt limitation.

Assemblyman Torvinen inquired about the use of the term "and other societies" as to its broadness. Mr. McDonald said that other sections of the statute provide the limitations on that term.

AB 108 removes the requirement that the majority of persons forming a nonprofit corporation have to be residents of the state. He said that this removal would erase the practice presently employed of a fictional corporate formation to conform with the residence requirement which in practice is later obviated by appointment and a reforming of persons. He said that private corporations are not so restricted and there is no reason why nonprofit corporations need to be.

AB 109 would permit religious corporations to acquire property by devise or bequest. The present law excludes them and has largely been ignored in practice. By including religious corporations among those permitted to acquire property, the law is made more realistic. Wills bequeathing property to religious corporations are thereby clearly recognized as valid. This amendment also would remove many instances whereby the present law is in conflict with other statutes.

Mr. Wood thanked Mr. McDonald for his presentation and announced that

the corporation bills were going to be considered by the committee tomorrow and that he had asked Mr. John Woodburn from the Secretary of State's office to appear before the committee. Mr. McDonald said that if the committee had any questions that Mr. Woodburn did not answer he would be glad to return. Mr. McDonald was then excused.

Torvinen moved Do Pass AB 106, 107, 108, and 109.
Bowler seconded.
Motion unanimously passed.

Chairman Wood requested Vice Chairman Mello to assign these bills for introduction on the assembly floor.

Mr. Wood then introduced Assemblyman Lingenfelter to explain AB 105 to the committee.

Assemblyman Lingenfelter said that the bill had been supported by the real estate brokers for the purpose of assuring that real estate salesmen are competent persons. Presently it is the practice for for of the large subdividers to recruit salesmen for real property who do not have the background or qualifications for competent handling of such sales. The brokers feel that real estate sales should be performed by properly licensed personnel or their representatives. The present practices do not protect the prospective buyers.

Mr. Wood questioned the language of paragraph 3 (e) and (f) whereby the employees of hotel, motel, auto or trailer park managers and the employees of managers of apartment buildings or complexes are permitted to act as salesmen. Mr. Lingenfelter said that the brokers do not want the bill to be too restrictive and that employees should be permitted to assist in rentals.

The committee agreed that this section of the bill should be further researched with regard to clarification of just what these employees would be empowered to do. Mr. Lingenfelter stated that he would take the bill to the sponsors for suggested amendment and Chairman Wood asked that Mr. Mello accompany him as the committee representative.

Senator White, Chairman of the Senate Committee on Commerce, appeared to advise that he had prepared a list of sub-committees who would be asked to research specifically and individually the various chapters of SB 39 enacting a new insurance code. He distributed the sub-committee assignments and requested that the research be started in preparation for the hearings that are to be held.

Chairman Wood corrected the agenda for tomorrow stating that AB 105 would not be included. He said that AB 105 would be held in committee for amendment and further consideration.

Bowler moved the meeting adjourn.
Torvinen seconded.
Meeting adjourned.