

*Handwritten signature and date: 3/10/69*

MINUTES OF MEETING - COMMERCE COMMITTEE - 55TH NEVADA ASSEMBLY  
SESSION - MARCH 6, 1969

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

Absent: Mello

Also Present: Russell McDonald, Legislative Counsel Bureau

Chairman Wood convened the meeting at 10:35 a.m. and proceeded  
with the senate bills for discussion.

S.B. 34, provides remedy for tenant in summary eviction pro-  
ceedings and extends notice period.

Wood noted that this bill provides for eviction of a tenant after  
3 days from notice rather than 5 days. Mr. McDonald stated that  
this bill went farther than that and noted that subsection 3 has  
been added to Section 2 wherein it provides that a tenant may  
not be evicted within this period of time if within 5 days after  
receiving notice he files a petition setting forth his reasons  
for not being evicted. The Senate had other bills on this same  
subject, but chose this one. This is an attempt to protect the  
tenant from alleged mispractices on the part of landlords. It  
normally would apply to non-payment of rent.

Torvinen noted that Section 40.250 has been in effect since 1861.  
Senator Herr succeeded in the last session in having 40.253  
established wherein an affidavit can be filed with the justice  
of the peace and if still no compliance, the constable goes down  
and evicts the tenant. He stated that Justice of the Peace,  
Beemer, hates this because the tenant has no recourse to the  
court. Judiciary now has two or three bills, including one of  
his own, which amends 40.253 by setting out in detail what the  
landlord's affidavit has to have in it; rate of rent, date of  
last payment, how much in arrears, type of notice given to the  
tenant, etc. Most of these tenants cannot afford attorneys to  
defend them in matters like this anyway and in his opinion, sub-  
section 3 will be entirely useless. Torvinen said he would be  
in favor if the bill were amended to state that when the notice  
is filed with the justice court, the tenant could be supplied  
with an appropriate application to be filled out and informing  
him of his rights. He noted that this would help attorneys a  
great deal because they very often will go ahead and help these  
people without compensation because they feel sorry for them.

Mr. McDonald asked if they had taken any action on the bills he  
had and Torvinen said "no". McDonald then said he believed this  
bill, S.B. 34 properly belonged in the Judiciary Committee in  
order to be considered along with the others. Even if the Commerce

## Assembly

Page -2- Commerce Committee

March 6, 1969

Committee passed the bill now, it would probably be re-referred back to Judiciary from the floor.

Wood asked if they provided the amendment Mr. Torvinen was asking for and then passed it if that might help to speed things up.

Espinoza asked if the notice of eviction is given to a tenant and he still does not comply and court action is filed, the tenant would still continue to live in the home until the court hearing. Torvinen said "yes, but it only takes as long as it takes the judge to schedule a date for hearing and he would usually set the date at the convenience of the landlord."

It was noted that the continued residence would show in the judgement including the costs of the court action, but the chances of not having the judgement satisfied even with a lien in some cases always exists.

Wood noted that the Judiciary Committee has plenty of work now and wondered if it might not be better to pass it out of Commerce with the amendment. McDonald noted that there were other places in the bill where the revision needed to be made with regard to changing 3 days to 5 days. Line 3 and Line 12 still refer to the old limitation. Mr. Torvinen noted that the bills he has in Judiciary do not provide for this particular limitation, but they attack it in a different way. He asked McDonald what he suggested in this matter.

McDonald suggested that they pass it out with a re-referral to the Judiciary Committee and Torvinen put it into his other bills. Once it is in Judiciary they can examine all of them at the same time and come up with something that the Senate would buy.

Bowler moved that S.B. 34 be passed out with re-referral to the Judiciary Committee; Espinoza seconded the motion and it was unanimously carried.

S.B. 37, requires state and political subdivisions to purchase insurance through licensed resident agents.

Mr. McDonald said this bill was suggested by the Nevada Independent Insurance Agents. It was discussed and noted that this had been proposed due to certain agents on the state lines who were selling insurance across the line. McDonald noted that there were portions of the bill which referred to state board of finance, school districts, state board of education, school buses and boards of trustees for school districts.

Hafen asked why this bill was necessary. It sounded like agents were going out of state and selling insurance to these political subdivisions.

## Assembly

Page -3- Commerce Committee

March 6, 1969

Capurro said he believed it was because those persons on the state line were selling to political subdivisions outside of the state and Nevada agents want them to buy their insurance from our agents.

Espinoza asked what would happen if they suddenly decided that contractors could not go across the state line. This type of legislation could go much farther than just insurance. Capurro said he really did not care much for the bill as it was written.

Torvinen said it was his impression that any insurance agent selling out of state had to be countersigned by a resident agent anyway. Capurro said they are but they may charge as much as \$50 for this service, without thought of the agent himself.

Wood asked if there was anything in S.B. 39 that would cover this particular problem and McDonald said he believed the old law was used in S.B. 39.

Senator White entered the meeting briefly for the purpose of setting the time of 7:00 p.m. on Wednesday and Thursday evening for joint hearings between the Senate and Assembly Commerce committees.

S.B. 52, gives director of department of commerce responsibility of appointment of commissioner of savings and loan associations.

This bill was recommended by the Legislative Counsel Bureau and is necessary to clean up the language overlooked last session. McDonald noted that when the Executive Branch of the Department of Commerce was created they inadvertently failed to provide for the appointment of the savings and loan commissioner in the statutes. Formerly the commissioner had been appointed by the Governor, however, it should be included in those appointments made by the Department of Commerce.

S.B. 53, abolishes duty of state controller as member of state insurance rating board.

This bill too was recommended by McDonald's office and he stated that this was to do away with reference to the controller's seal which is no longer in use and also the reference to the state insurance rating board which has not been in effect for many years.

Bowler moved that S.B. 52 and S.B. 53 be given a Do Pass; motion seconded by Capurro and unanimously carried.

S.B. 137, Broadens application of simplified corporate merger statute.

McDonald stated that this bill was suggested for the purpose of updating the corporate code in order to compete with such states

## Assembly

Page -4- Commerce Committee

March 6, 1969

as Delaware and California. This bill clears up the existing confusion in the merger law. The Secretary of State has received many inquiries, including three companies on the big board, who wanted to come into Nevada but when they learned how unclear our law is, they went to other states. He noted litigation has been started over the statutes as well as keeping these companies out of the state.

The bill also provides that a minority stockholder is entitled to be paid the fair market value of his stock if he is not in favor of a merger. He is not forced to sell his stock unless he does not want the merger. A judge and jury would decide what the value of the stock is.

Right now the law is so unclear on mergers that a stockholder who holds only 1% of the stock could get a court order to keep the merger from going through.

Torvinen moved that S.B. 137 be given a Do Pass; seconded by Hafen and unanimously carried.

S.B. 166, imposes additional fee upon foreign corporation maintaining no office in the state.

Mr. McDonald noted that this bill came from Mr. Emerson Wilson, Nevada Title Guaranty Company who informed him that under the present situation whereby foreign corporations are allowed the right of loaning money in the State of Nevada, they are required to file a list of their officers annually. However, the statutes do not provide for any type of penalty in the event the list is not filed. According to law, the Secretary of State is designated as agent for such foreign corporation in the event of service of process. In many cases the Secretary of State is unable to contact the proper officers because he has not received this list.

The Senate agreed that there should be a penalty for failing to file the list of officers annually and the fee settled on was \$12.50 which would be both reasonable and not exorbitant.

Hafen asked if the Secretary of State would notify these corporations when they were default and McDonald said they would be notified without penalty and penalty would be assessed if they thereafter failed to comply.

Espinoza moved for Do Pass on S.B. 166; motion seconded by Bowler, unanimously carried.

S.B. 167, permits banking corporations to serve as executors, administrators or guardians.

McDonald said he did not feel this bill should be in Commerce Committee, but should be in Judiciary. McDonald then explained the portions proposed for amendment. Torvinen asked if Mr. Kwapil

**Assembly**

Page -5- Commerce Committee

March 6, 1969

had made any remarks with respect to this bill and McDonald said not to his knowledge. Torvinen said they had gone round and round about this in Judiciary Committee with regard to state administrators.

McDonald suggested the committee go over the bill carefully; it does resolve some conflict. Further discussion was held and Wood announced that S.B. 167 would be held in Committee for further consideration.

S.B. 207, permits raise in amount of bond required of gaming licenses.

McDonald noted that this bill had been recommended by the Nevada Gaming Commission and read a letter to Senator Dodge from Mr. Bowers of the commission. The letter stated that a person had gone to court on the basis that he was not renting the gaming devices but only the area where they were contained. He was upheld in court.

Wood said it looked like there was an escape clause in the law and evidently this bill was to take care of it. McDonald noted another letter regarding the bonding requirements. The letter stated that the \$50,000 limitation is now obsolete due to the growth of the industry. This bill allows the authorities to use the best information available in determining the amount of the bond.

Wood noted that on February 15 they had an extensive meeting with the gaming officials and one of the things discussed was the bonds. It had been brought out that in the past these funds were being placed in the general fund.

Bowler noted that at the present time they were talking about collecting the first quarter and the last quarter percentage and in this way they would not have to worry when a casino went out of business.

Hafen said if we were giving the commission authority to set the amount, in essence we are letting them decide who can come into Nevada with a business. Capurro noted that actually they have that right anyway.

Hafen moved that S.B. 207 be given a Do Pass; motion seconded by Bowler and receiving only two votes in favor, the motion failed.

S.B. 218, modifies provision for publication of annual statements by foreign corporations.

This is actually a McDonald-Koontz Bill which authorizes companies doing business on other than a calendar basis. These companies have to write for an extension in this filing of their audit sheets.

## Assembly

Page -6- Commerce Committee

March 6, 1969

He noted that these companies are good about complying but need to have their filing dates altered to their bookkeeping schedule. Also the publication will still be made in each of these cases.

Bowler moved that S.B. 218 be given a Do Pass; motion seconded by Capurro and unanimously carried.

SCR 10, urges gaming licensees to use equitable practices when charging for table games.

McDonald noted that this was a concurrent resolution which would memorialize the gaming commission to more closely scrutinize the table games.

Torvinen moved that SCR 10 be given a Do Pass; motion seconded by Hafen and unanimously carried.

Chairman noted that the next regular meeting would be held on Tuesday, March 11 at 10:00 a.m. and that Mr. McDonald would return. Meeting was adjourned.