

Present: Wood, Mello, Bowler, Hafen, Capurro, Espinoza,
Torvenin

Absent: None

Guests: Mr. Albert DeMers, Pyramid Funeral Home; John Knobel,
Ross-Burke-Knobel; Bob Guinn, Nevada Franchise;
Allen Williams, Credit Rating Bureau, Reno; Morrison
Beatty, Southern Nevada Credit Bureau; Pete Kelley,
Nevada Retail Assoc.; Assemblyman Close; Ray Eckelson,
Montgomery Ward; Mr. Daykin; Jim Lorigan, Farmers Ins.

Mr. Wood convened the meeting at 11:00 and advised that the
Gaming Board members would be present at 11:30 to discuss the
amendments to SB-140.

SB-355 - Substitutes "funeral director" for "undertaker",
changes certain licensing requirements.

Mr. DeMers: I became aware of the bill passed through the Senate
only Saturday morning. None of the people that are directly
affected were advised or knew that this bill had been presented.
It went through the Senate easily; it was not an interpretation
of the law but a complete change in operation. Basically, the
bill is being changed in the last portion. On the surface it
would appear a logical thing; it is not. The present law now
says ".....". Funeral directors are basically administra-
tive; embalmers self-explanatory. I have interviewed a large
percentage of embalmers and they are not qualified to be funeral
directors. There is not one owner of a funeral home that does
not object to this bill. In relationship to the public, the
costs would have to be passed to them. I certainly would like
you to vote this bill down on the basis that no bill of this type
should be introduced without the people affected knowing about
it. This is not an interpretation, but a complete change. If
this bill were passed the costs would have to be transferred to
the public.

John Knobel, Ross-Burke-Knobel: I am speaking for various people
and all of us are definitely against this bill. There are no
embalmers unemployed in the state of California; nobody wants to
take up the profession.

SB-200 - Prohibits monopoly financing of motor vehicles.

Bob Guinn, Nevada Franchise. This bill is a package sponsored
by the dealers association for the purpose of trying to meet some
of the growing pressure on automobile dealers in the country to
use the financing facilities for corporations exclusively. There
has been a growing tendency to do this. There is similar legis-
lation in several parts of the country. I am sure that the
opponents of this bill told you that the Federal Anti Trust
provisions cover this particular problem, but I point out to you
that it is one thing for an individual to prosecute a case before
the Federal government and it is another to go before a local
court to get his grievances aired. This is not new legislation.

Word for word of this legislation has been in effect in the State of New Mexico since 1941 and in Utah since 1943. Frankly, I do not see any great prosecution under this act by the Nevada dealers. I do say to you that it will relieve some of the pressure that exists. The treatment of the individual dealer who uses a great deal of corporate financing uses it as a leverage. It is in the public interest to restrain any manufacturers from have any involvements to deprive the public of the unimbibed financing where they choose to do so. The legislation has been reviewed by the dealers throughout the state for the last three months. If these manufacturers have come and represented that this is no need, no problem, and if this legislation is needed, they wouldn't have any problem at all.

Torvenin pointed out to Mr. Guinn that it was Sections 6 and 7 that the manufacturers were concerned with and that they did not know what these sections meant and what they would do and that they needed more time to study.

Mr. Guinn read from a chapter in the New Mexico code which contains these same provisions.

Hafen brought out that Section 8 was also eluded; it was determined that the New Mexico code was the same. There was discussion about some changes that might be made in the bill. It was suggested that in Section 8 the word "shall" be changed to "may" but it was indicated that this not necessary because the word "proper" does the same thing. Page 3, line 21; "and for the dissolution of the corporation." to be deleted.

AB-707 - Regulates credit rating bureaus.

Chairman Wood pointed out to the committee that he had a telegram from the manager of Dun and Bradstreet that they wished to be notified in advance of any action to be taken on this bill.

Allen Williams: We are basically opposed to the present bill. We feel it is similar to the Kroxmeyer bill in the Congress. The federal government is researching the problems that might exist in our industry in reporting credit facts. In Nevada we want to wait and see what Congress does. Both senators from Nevada were asked to co-sponsor this bill (Kroxmeyer) and they both declined. On a national scale Congressman Gallagher conducted hearings for the House. He met with managers of credit granters and credit bureau representatives on several occasions and also with reporting agencies; out of that the association credit bureaus went into a very thorough study regarding this and in conjunction with the American Bankers and others developed what is called a set of guidelines for credit bureaus. Forty percent of our work relates to another credit bureau somewhere else; to be cut off from this communication would virtually eliminate 40% of our business. A copy of the guidelines was given to the committee members. We have ethics and do everything possible to correct errors and be accurate. We feel that the bill before you today is too restrictive to us in possible financial damages that we would have to raise the costs. It would restrict and limit the amount of credit information given to the point that

they would not be able to make decisions in many cases. We think perhaps that the state of Nevada should wait and see what conclusions come out of Congress on a national level and then if these are not adequate, then Nevada could correct this. This legislation will probably be enacted before the end of the year.

Morrison Beatty: I agree with what Mr. Williams has said. The industry is capable to self-regulation. Here in Nevada we have only the four credit bureaus. There is some confusion, I believe, in the minds of some legislators - more specifically in Washington - about the difference between credit reporting and insurance reporting. We're concerned with whether a man pays his bills and whether a credit grantor can grant credit in the future. Our guidelines have been adopted by various credit granting groups. In the past we did not have a clear cut understanding in what they require in the nature of credit report. These have been removed from the guideline area and are now policy.

Pete Kelley: We support the position of Mr. Williams and Mr. Beatty. We are particularly concerned with Sections 6 and 7 of the proposed bill. Mr. Kelley gave Chairman Wood some suggested changes.

Mr. Close: I can see nothing wrong with giving the people involved the opportunity to correct information that would bear on their credit rating and can see nothing wrong with keeping current the information and destroying past 10 years nor with allowing any individual to examine the information and write an explanation about the facts surrounding or relating to this particular bad report. I am aware that many times that the credit bureaus have wrongfully damaged somebody's credit.

Mr. Mello gave an example of wrong credit information being given and of trying to check the record at the credit bureau.

Williams: Approximately one year ago we instituted a policy of setting down anybody who comes in and desires to examine their record. We have three trained counselors who are trained to do this. If they state that they have had credit elsewhere and we do not have that information we try to get it. We have had more complaints regarding omission rather than error. We have 550 firms who are members and report information to us. Our business is not to say you are good or you are bad; our business is to report the record to the people who make the decisions. Mr. Close does not see the harm in this bill; I do. Just one of the sidelines that we intend to make credit available to people. If we are put in the spotlight and restricted on the impending damages that we can incur. We are going to be so positive on the information that we give out that we are going to omit some information that we cannot absolutely verify; less information will be given out. On a marginal application we may not be able to give out enough information. I would be the last person to say that our records are accurate. We must set down and review the file with that individual and we must at our expense up-date and correct any errors or omissions and

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write letters to the people involved stating that we made an error in our report.

Close pointed out that there was no penalty for wrong information.

Beatty: Probably one of the biggest problems that we have in the credit reporting field is the secrecy that we used to maintain prior to November 26, 1968. We are merely a clearing house of credit information for the credit grantor. They insisted up to that point that the information that we received from them would not be disclosed to the person. Following the Gallagher hearings the Associated Credit Bureaus acted as hosts and it wasn't until hosted these people that they sat down and drew up these credit bureau policies and then they said that we could discuss their ledger information with the customers. Today the information we need is if the person pays his bills, if he has in the past and if he has sufficient assets, job possibilities etc.

It was pointed out that Wally Warren was here representing the banks as opposed to this bill but had left.

Ray Eckelson: Section 4, page 3; we exchange our reports with the other financing companies so we feel that this section might affect us. It was brought out that credit information given them would be passed on to other companies requesting it.

SB-140 - Implements Nevada racing commission's multiple racing program by authorizing greyhound racing on tracks holding a minimum of 25 days of horse racing each 90-day period.

Chairman Wood stated that whether the committee is for or against the bill that the amendments are needed.

Bucket shop and totalizator were defined.

Chairman Wood discussed the amendments: Amendment 1813: This amendment proposes to retain the jurisdiction of a local board of county commissioners in the county where a track is located and also for the purpose of setting dates and establishing for the fairs etc. This is necessary because there are to my knowledge three areas that have historically operated so called county fairs and have horse racing.

Amendment 1943: This clarifies the 3% and the 4% because the 1% could have been misconstrued to mean 1% of the above percentage. Mr. Daykin pointed out that the 1% is required by another section of NRS 466.080.

Amendment 1944: States that unclaimed or unredeemed ticket money go to the general fund. This is done in Massachusetts, Illinois, New Jersey, Michigan but not in Colorado. It was not known whether this was done in California or New Mexico.

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Amendment 1945: As the original bill was set up there could be double taxing on dogs and this was not the intent of the original bill.

It was questioned whether this bill could come under the corporate licensing bill.

Capurro presented amendments to this bill (copy of his presentation given to the committee members). His amendments would not permit dog racing and would change the percentage on Page 5, line 3 from 16.5% to 25%.

AB-99 - Limits application of automobile and aircraft "guest statutes".

Jim Lorigan: He felt that the bill should be done away with entirely or left alone. Twenty seven states have the guest statute; 23 do not. Of the 23, Georgia and Massachusetts there must be gross negligence to recover damages. Speed in itself is gross negligence and I feel that the law as it now stands protects the public against improper driving and if we were to open this thing it opens the door to fraud. I feel we should leave the law alone and oppose this.

Mr. Daykin presented amendments to the bill so that the spouses of persons related to the driver in the second degree of consanguinity be added to this bill.

Committee recessed for lunch.

BDR - Imposes additional regulations on public utilities and requires district attorneys to prosecute.

The committee decided to introduce.

Chairman Wood pointed out that SB-37 in this committee is in conflict with SB-24, which has been passed and signed by the Governor.

Chairman Wood also pointed out that he has been under more pressure for public hearings and he wished the committee's reaction to cutting off hearings. It was decided to do so.

SB-355 - Substitutes "funeral director" for "undertaker", changes certain licensing requirements.

Hafen moved to kill; Espinoza seconded; motion carried unanimously.

SB-204 - Amends Professional Corporation Act to include professional associations.

Torivinen moved a do pass; Capurro seconded; motion carried unanimously.

SB-200 - Prohibits monopoly financing of motor vehicles.

Torvenin moved that we reconsider this bill; motion seconded; motion carried unanimously.

Bowler moved a do pass with amendments; Capurro suggested that we hear some more people;; Espinoza seconded; motion carried unanimously.

SB-140 - Implements Nevada racing commission's multiple racing program by authorizing greyhound racing on tracks holding a minimum of 25 days of horse racing each 90-day period.

Espinoza moved a do pass with the amendments and the proposed amendments; Bowler seconded.

Torvenin stated that he would like to have Capurro's amendments and look them over.

It was felt that the committee should decide which way they are going to go before it is presented on the floor.

Mello Noted that Mr. Bowler's name is listed in the prospectus of Las Vegas Downs on the board of directors. Mr. Mello asked Mr. Bowler to state his duties on the board.

Mr. Bowler said he was interested in horse racing and was appointed on the board of directors on the Southern Nevada Racing Association. That was long before I knew that they were going to include dog racing in the bill. I was serving on that in the interest of horse racing and that is all. Later they came along with Las Vegas Downs which would include dog racing and I stayed on the board. I have no stock and do not intend to buy any. I am getting nothing out of it. I do not think it is any more of a conflict of interest than any other legislator has. I think my reputation and my actions speak for themselves in regard to my position on this. I was going to resign but I talked with Mr. McDonald and asked if I should take myself off of the board just because I favor SB-140.

Mello again asked what his duties were as a member of the board.

Mr. Bowler stated that his duties were nothing more than serving the best interest or racing.

Mello question whether Bowler had a benefit to the people who are selling stock. It was stated that once you sell stock the stockholders elect the directors themselves and at this point this is the original board of directors and they are not responsible to the stockholders.

Mr. Bowler said that he stood accused, he was not involved in the stock and not going to be involved in the stock. "I would stake my reputation; I don't think it is fair; I don't think there is a man here that does not have some kind of conflict of interest."

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Mello stated that there is no doubt there has been special interests but most people show "not voting" on that particular piece of legislation. I am asking that you show "not voting".

Hafen stated that he hated to see this point brought up because he didn't think that Bowler is any more in conflict of interest than when he (Hafen) voted on agriculture bills or when Mello voted on bills related to railroads, and felt it was a very unfair point.

Mr. Espinoza called "point of order". Mr. Espinoza stated that he wished to withdraw his motion and Bowler withdrew his second to the motion.

Mr. Bowler said that he considered this a personal affront on his reputation and felt that Mr. Mello was in poor taste.

Chairman Wood stated that there was no question of integrity of Mr. Bowler; the only question is one of interest and whether or not there is a conflict of interest and the only point of discussion is conflict of interest.

Mr. Bowler requested that the amendments be prepared and matched and he further requested an opinion as to whether he was in conflict of interest or not.

Capurro thought that they should see what the committee wants to adopt.

The amendments will be placed in mimeographed form for further study by the committee on that basis.

AB-707 - Regulates credit rating bureaus.

Mello moved a do pass; Espinoza seconded; motion did not carry.

Capurro moved to indefinitely postpone; Hafen seconded; motion carried to indefinitely postpone with Mello voting "no".

AB-99 - Limits application of automobile and aircraft "guest statutes".

Torvenin moved a do pass as amended; Espinoza seconded;

Hafen: To my way of thinking this bill is just going in the face of everything that the people built Nevada on, self-reliance and self-responsibility. It has to be proven gross negligence to sue under this statute. If we pass AB-99, it doesn't make much difference as I see it. He gave an example of a mother driving in bad weather cub scouts and the breaks applied, car skidding out of control; either injured or killed. She's probably negligent in two ways; one that she venture out in that type of weather and other that she didn't have control of the car.

"I think it is my responsibility when I get in a car with anyone. I just can't see this type of legislation".

Torvenin gave an example of driving and as the result of a gust of wind having an accident; Capurro pointed out that if there is negligence and ~~if~~ you have to go a step farther to prove gross negligence that it will be done.

Espinoza motioned for the previous amendment; Hafen seconded; motion carried unanimously.

Motion made to amend and do pass; motion seconded.

Mello, Capurro, Torvenin, and Espinoza "yes"

Hafen and Wood "no" Bowler not voting.

Motion carried to amend and do pass AB-99.

Mello: I would like to say that I was quite fair in the question I asked Mr. Bowler and I didn't bring my family in this and I don't think your family is involved in this. (regarding SB-140)

SB-39 - Insurance Code

It was decided that a committee as a whole discuss this.

Meeting adjourned.

Next Meeting : Thursday morning, 10:00, April 3, 1969.

S.B.140
Randy Capurro

Presented 4/1/69

I have given a great deal of thought to S.B.140 and to the purpose for which it has been said it was introduced.

The major purpose, I understand, is to help promote horse racing. Although I was not in the Senate when the bill was considered there, I understand that one of its chief supporters, Senator Bunker, said that he had no specific interest in dog racing but that he was a horseman and that he would like to be able to race his horses in Nevada.

He pointed out that horse racing in this state was unable to sustain itself and that the addition of dog racing on horserace tracks would make the difference between an industry that was uneconomical and one that was viable.

However, there has been a great amount of controversy over the bill. The idea of dog racing -- let's face up to it -- may have some friends, but also many respected residents of our state are apprehensive about the adverse effect dog racing may have upon the state.

I think it is unwise to start what amounts to a new form of gambling unless it has general support. The industry - the gambling industry -- is too important to our state.

Therefore, I ~~propose to~~ have an amendment drafted which will allow this bill to help horse racing, as it proposes to do, by changing Section 10 at the top of page five to provide that the allowable deduction by a licensee for commissions on parimutuel wagering shall be 25 percent rather than the present 16½ percent.

At the same time, I would leave in the provisions whereby the Nevada Gaming Commission would investigate the suitability of applicants and licensees.

Otherwise, with the increase in the commission to 25 percent for race track operators on parimutuel betting, I believe it would be unnecessary to include any provision for dog racing and I will therefore move that all reference to dog racing be amended out of the bill.

In any event, I believe we should give further help to promote horse racing in Nevada, but I am unalterably opposed to subsidizing the industry by instituting dog racing.

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the disposition or adjudication is shown in the bureau file. In revising a report, the bureau shall make reasonable effort to learn and report disposition of each such item.

- (c) In evaluating such information, the credit granter is urged by the bureau to inquire further as to the details and disposition of any items of significance to his credit decision, or authorize the bureau to do so.
2. A credit bureau shall systematically record non-responsibility notices, records of accounts placed for collection, and voluntary notices received from credit granters.
3. If feasible, a credit bureau is urged to systematically record consumer financing statements (known in some states as chattel mortgages or conditional sales contracts.)
4. The filing of property deeds and mortgages shall be at the option of the credit bureau.

F. FILE RETENTION PROCEDURES

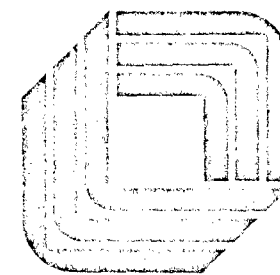
All procedures indicated in this section are stated in terms of length of time the specified items are to be reported. The intent is to insure the mandatory reporting of the specified items for the time periods indicated, and the discontinuance of reporting after such time periods have expired. Whenever it is ascertained that a specified item in the bureau file is to be reported no longer, such item is to be deleted from the file as soon as practical.

1. A credit bureau shall report bankruptcies of all types for not longer than 14 years from the date of ad-

judication of the most recent bankruptcy.

2. A credit bureau shall report records of accounts placed for collection and records of accounts charged to Profit and Loss for not longer than 7 years, or until the governing statute of limitations has expired (whichever is the longer period).
- 3.(a) A credit bureau shall report suits and judgments for not longer than 7 years from date of entry, or until the governing statute of limitations has expired (whichever is the longer period).
(b) A credit bureau shall report paid tax liens for not longer than 7 years. But there is no limitation on reporting of unpaid tax liens, because of no statute of limitations on such items.
4. A credit bureau shall report records of arrest, indictment or conviction of crimes for not longer than 7 years from the date of release or parole. Such items shall no longer be reported if at any time it is learned that in the case of a conviction a full pardon has been granted, or in the case of an arrest or indictment a conviction did not result.
5. A credit bureau shall report any other adverse data not otherwise specified in this section for not longer than 7 years.
6. A credit bureau shall delete as soon as practical any item of derogatory information whenever it is ascertained that the source of information can no longer verify the item in question from its records of original entry.

Credit Bureau Policies to Protect Consumer Privacy



adopted by

Associated Credit Bureaus, Inc.

Houston, Texas

The Credit Bureau Policies to Protect Consumer Privacy fulfill the needs of today's credit-geared economy.

Regular file-weeding procedures eliminate out-dated and non-essential information, so that credit granters can make fast, intelligent evaluations of credit applicants.

Better than a personal recommendation for credit, today's credit record doesn't deal in personalities. It is reported in the "common language" — an opinion-free, objective terminology that records a person's usual manner of payment of each credit account.

By encouraging open communication between the consumer and the credit bureau, the new policies also provide a vehicle for resolving any errors that might occur in a person's credit record.

Development of the policies was initiated by Associated Credit Bureaus, Inc., the trade association for 2100 independent member credit bureaus. After two years of study and consultation with credit granters, legislators and educators, ACB formed an advisory committee of the major associations and organizations concerned with consumer credit. In November 1968, the advisory committee finalized the Credit Bureau Policies to Protect Consumer Privacy, and they were officially adopted by ACB in January 1969.

The policies, which have been substantially followed by most credit bureaus for years, standardize procedures for all ACB bureaus.

A. CONSUMERS' RIGHT TO KNOW

1. The credit bureau shall provide trained personnel to interview and counsel with consumers during normal business office hours.
2. The consumer shall furnish full identification and shall sign a statement granting immunity from legal action both to the credit bureau and to its sources of information. The bureau shall then upon request disclose the content and the sources of information in its master file to such consumer.
3. The bureau shall make any necessary reinvestigation and perform any necessary updating of records (including public records) at no cost to the consumer for the interview or for the reinvestigation. However, in the case of a consumer who has not been refused credit, if a reinvestigation of certain items is required, a modest fee (not exceeding the cost of a revised report) may be charged.

B. SERVICE TO NON-CREDIT GRANTING GOVERNMENTAL AGENCIES

1. Identifying information such as names, addresses, former addresses, places of employment or former employment may be supplied to such agencies under contract.
2. Any other information in the credit bureau file, unless the investigation is for security purposes, will be supplied only in response to legal process.

C. SERVICE TO BUSINESSES, PROFESSIONS AND INDIVIDUALS

1. Credit bureaus shall require service contracts in which the regular subscriber or the occasional user certifies that inquiries will be made only for the purposes of credit granting or other bona fide business transactions, such as evaluation of present or prospective credit risks or evaluation of the qualifications of present or prospective employees.
2. The bureau shall refuse service to any prospective subscriber or user who will not so certify, and shall discontinue service to any who fail to honor the above contract provisions.

D. PERSONNEL REPORTING

A credit bureau which furnishes personnel reporting service shall adopt rigid safeguards in order that the specialized information developed in the course of such investigations shall be maintained separately, and shall not be incorporated in credit reports or made available to subsequent inquirers except in connection with a subsequent personnel investigation.

E. CREDIT BUREAU FILE CONTENT

- 1.(a) A credit bureau shall systematically record bankruptcies, suits and judgments, tax liens, legal separations, divorces, newspaper clippings, and records of arrest, indictment or conviction of crimes.
- (b) In reporting such information a credit bureau shall show full details including the date of the item, and whether