

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON COMMERCE AND LABOR**

**Seventy-Fourth Session
May 11, 2007**

The Committee on Commerce and Labor was called to order by Chair John Ocegüera at 12:55 p.m., on Friday, May 11, 2007, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/74th/committees/. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblyman John Ocegüera, Chair
Assemblyman Marcus Conklin, Vice Chair
Assemblywoman Francis Allen
Assemblyman Bernie Anderson
Assemblywoman Barbara E. Buckley
Assemblyman Chad Christensen
Assemblywoman Heidi S. Gansert
Assemblyman William Horne
Assemblywoman Marilyn Kirkpatrick
Assemblyman Garn Mabey
Assemblyman Mark Manendo
Assemblyman David R. Parks
Assemblyman James Settelmeyer

COMMITTEE MEMBERS ABSENT:

Assemblyman Morse Arberry Jr. (Excused)

GUEST LEGISLATORS PRESENT:

Senator Maggie Carlton, Clark County Senatorial District No. 2

Minutes ID: 1285



Senator Dina Titus, Clark County Senatorial District No. 7

STAFF MEMBERS PRESENT:

Brenda Erdoes, Committee Counsel
Dave Ziegler, Committee Policy Analyst
Patricia Blackburn, Committee Secretary
Earlene Miller, Committee Secretary
Gillis Colgan, Committee Assistant

OTHERS PRESENT:

Kathleen Delaney, Bureau of Consumer Protection, Office of the Attorney General
Sharon Jackson, Deputy Chief Investigator, Bureau of Consumer Affairs
Susan Fisher, representing Chiropractic Physicans' Board of Nevada
Jennifer Lazovich, representing Focus Property Group
David Noble, Public Utilities Commission of Nevada
Gail Anderson, Administrator, Real Estate Division

[The roll was called and a quorum was present.]

Chair Oceguela:

We will start the work session with Senate Bill 100 (1st Reprint).

Senate Bill 100 (1st Reprint): Requires an insurer or third-party administrator who pays workers' compensation to an employee or a dependent of an employee to deposit the compensation directly into the account of the employee or dependent under certain circumstances. (BDR 53-465)

Dave Ziegler, Committee Policy Analyst:

[Work session document ([Exhibit C](#)).] This bill was sponsored by Senator Carlton and we heard it on April 23, 2007. This bill requires a workers' compensation insurer or administrator to deposit monthly benefits payments directly to the account of an injured worker or dependent, upon request. The bill applies to benefits for permanent partial disability, permanent total disability, and death.

There were no amendments offered for this bill on the date of the hearing.

Chair Oceguela:

Senator Carlton are you just waiting to see what happens?

Senator Maggie Carlton, Clark County Senatorial District No. 2:

I am here to answer any questions.

Assemblyman Mabey:

My concern is if someone has to pick up the check, and they are not disabled, you would be able to see that. Is there a way there could be fraud if it is directly deposited into their account?

Senator Carlton:

I have heard that numerous times. It started on workers' compensation issues in 1999. The fraud issue always tends to turn up. One of the things we discussed in the Senate was that the attestation you want could be on the document so that when you deposit the check, you make the same declaration as if you were signing the check declaring that you are still disabled. That provision will stay intact.

Assemblyman Conklin:

I think you can recognize the irony involved in requiring someone to come into my insurance company so I can make a claim that he is not disabled because he was able to come in. A disability could be partial, it could be a finger, a hand, et cetera. That would be the least likely thing to be used as a mechanism of determining whether someone was fraudulently receiving benefits.

Assemblyman Mabey:

Thank you, Mr. Chairman. I agree with that and will support the bill.

Assemblyman Settlemeyer:

We had some discussion about the concept of the verification process of the bank account that the checks are being deposited into. How do we make sure the bank account is still valid? What if someone were to pass away or move away and the bank account is still open and the checks are still going there?

Assemblyman Conklin:

I would think that is already covered in law. Legal drafts this language based on the standard language we use. Most of the time, when you are doing a direct deposit, an organization will send one dollar first to make sure that the account is valid because the bank then responds with a receipt that states it went to this account. If the person is no longer there, and there is no account for the funds to go into, the bank, I believe, has to send it back. Perhaps our legal counsel, Ms. Erdoes could answer that question.

Assemblyman Settlemeyer:

I will restate the question. I have some concern with setting up an automatic payment system into a bank account. What if that bank account is no longer valid—how does that affect it? Also, does a person have the right to split this check up into 17 different accounts or will they be limited to just one?

Brenda Erdoes, Committee Counsel:

The understanding we had when we looked into this was there would be regulations adopted by the agency administering it, and that would take care of the number of accounts issue. It was my understanding they wanted to limit it to just one. That, of course, would be done in a public hearing. As far as a closed account, we asked that question because we were wondering as well. We were told that a notice would come back to the agency and that the agency would then be responsible for talking with the employee and making sure it was correct.

Assemblyman Settlemeyer:

I am still concerned with the concept of multiple checks.

Chair Ocegura:

I would entertain a motion.

ASSEMBLYMAN CONKLIN MOVED TO DO PASS
SENATE BILL 100 (1st REPRINT).

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN ANDERSON, ARBERRY,
BUCKLEY, AND KIRKPATRICK WERE ABSENT FOR THE VOTE.)

Chair Ocegura:

We will open the work session on Senate Bill 18.

Senate Bill 18: Authorizes the imposition of a fine for engaging in a certain deceptive trade practice. (BDR 52-587)

Dave Ziegler, Committee Policy Analyst:

[Work session document ([Exhibit D](#)).]

This bill was sponsored by the Senate Committee on Commerce and Labor on behalf of the Consumer Affairs Division. We heard it on March 14, 2007. The proponents were James Campos, the Commissioner of the Consumer Affairs Division and Deputy Attorney General Kathleen Delaney. The bill provides that

a person is engaging in a deceptive trade practice if he conducts a business or occupation without registering with Nevada's Consumer Affairs Division if registration is required. The bill also allows the Commissioner of Consumer Affairs to impose a fine on a person who fails to comply with the registration requirement. There were no amendments offered on the day of the hearing.

Chair Ocegüera:

Is there any discussion by the Committee?

Assemblywoman Gansert:

I think we have a significant amendment to this bill.

Chair Ocegüera:

We do, but, is there any discussion on the original bill? [There was no further discussion on the original bill.]

Senator Dina Titus, Clark County Senatorial District No. 7:

I want to thank you for allowing me to offer an amendment to this bill ([Exhibit E](#)). Ordinarily, I would not do this but the circumstances surrounding the measure before you warrant this action, I believe, and deserve a little explanation.

This amendment adds price gouging to the list of activities considered deceptive trade practices. I presented an earlier version of this in Senate Bill 82 which was referred to a two-person Subcommittee chaired by Senator Heck. I worked with the opponents of the bill. We tightened the definition, we added safeguards for business, and we met the objections of the gasoline companies. I worked with Kathleen Delaney from the Consumer Affairs Division to accomplish that and brought the amendment back to the Subcommittee just before the deadline. It did not have a chance to be heard by Senator Heck even though the other member of the Subcommittee, Senator Schneider supported it and we had done what had been required of us. I understand if somebody opposes a bill, but I think something this important merits a hearing, especially after so many people worked so hard on it.

This is a measure that 30 other states have. The measure is introduced in the interest of being proactive when it comes to emergency preparedness because once disaster strikes, it is too late, especially when our Legislature meets only every other year. Simply put, the bill makes price gouging during an emergency a deceptive trade practice, enforced and punished like any other trade practice under Chapter 598 of the *Nevada Revised Statutes*. This includes the imposition of civil and criminal penalties which have long been established.

The bill provides that renting, leasing, selling, or offering to rent, lease, or sell consumer goods and services for an unconscionable price 24-hours before or during a declared state of emergency is a deceptive trade practice. If you look at the amendment, Section 4.5 begins with a declaration of intent that includes some fairly strong language that we respect the needs of business and do not want to interfere with the marketplace, but selling something in the time of an emergency for an unconscionable price is something that the State should be involved in and should not allow. If you look at Sections 4.7 through 5, you find the definitions of goods and services, unconscionable price, and state of emergency.

By passing this amendment, Nevada would be following 30 other states that have anti-price gouging statutes. These laws address short-term price spikes in the aftermath of some type of disaster, either natural or manmade. The push for such legislation began in the wake of Hurricane Andrew and intensified after Hurricane Katrina, when victims were confronted with inflated prices for hotels, food, fuel, tree removal, batteries, lumber, et cetera.

Currently, state laws are varied to meet and reflect their unique local circumstances, and in testimony before Congress, the Federal Trade Commission (FTC) endorsed this individualized approach as being the most appropriate because the states' proximity to retail outlets and their ability to react quickly to consumer complaints seems better than having Congress try to do it.

There is currently no law at the federal level on price gouging, but I will point out to you that in early January, Republican Senator Ted Stevens of Alaska introduced a measure called the "Gasoline Consumer Anti-Price Gouging Protection Act." Senator Stevens noted that in the aftermath of major events such as a natural disaster, terrorist attack, or geopolitical instability in oil producing countries, Americans who are the victims of these events should not also be the victims of price gouging. Similar legislation was introduced late in 2005 by Democratic Senators Feinstein of California and Cantwell of Washington and again in the spring of 2006 by Republican representative Heather Wilson of New Mexico. These bills have been endorsed by a number of Attorneys General and Governors across the country from both parties.

Price gouging is a complex issue and raises debate among economists. It is hard to define price gouging. People know it when they encounter it, especially at the gas pump. However you want to define it, as an unreasonable price in someone's mind, as profiteering or as pricing needed products increasingly high, we all would agree it is a problem. We have to be careful; however, when we address it through legislation. Any new law has to be grounded in a state's

existing law, it must not interfere with interstate commerce, which is the purview of the federal government, and it must acknowledge that price volatility is sometimes attributable to reasonable healthy market forces. The Legislature must lay out a means of differentiating between those market forces and blatant opportunism. To accomplish this, several factors should be considered in order to enact a statute that will most likely attack gouging while having the smallest adverse impact on rational price incentives.

First, any price gouging statute should define the boundaries clearly. The price gouging bill should also account for increased prices that occur because of just what is happening in the marketplace. The statute should also provide for consideration of local, national, and international market conditions, and local businesses should not be penalized for factors beyond their control. I believe this amendment does just that. We worked very hard on this. We took into account businesses' concerns. We worked with the Consumer Affairs Division and with our own legal staff. The amendment fits into existing law, is narrowly defined, and takes into account normal market forces. At the same time it protects Nevadans from unreasonable price gouging.

Assemblyman Settlemeyer:

I appreciate the intent of the amendment. This amendment states that any presidentially declared natural disaster would qualify. In 2006 there were 56 such disasters. That would be more than one every month where a retailer would have to figure out whether or not he is allowed to raise his prices. That bothers me.

Senator Dina Titus:

The burden of proof would be on the complaining individual to show that this was not a disaster, so he would go before the Consumer Affairs Division to prove that point. It may be a disaster that has absolutely no affect on Nevada, so it would be irrelevant. I see Ms. Delaney in the audience in Las Vegas, she could address some of these legal questions.

Kathleen Delaney, Bureau of Consumer Protection, Office of the Attorney General:

The issue of whether this amendment might be overbroad or if it would be invoked every time there was some declared Presidential emergency somewhere, the answer is no. The only way this would be triggered is if there was some unconscionable rise in price. The issue would be what is the justification for the rise in price. A Presidential emergency declared in Kansas, would not be an issue in Nevada. It would not only be some perception that something that happens in Kansas affected the oil markets or other markets and that somehow someone in Nevada thought to take advantage of that. For

instance, after September 11th, the perception that oil might be disrupted somehow caused these merchants to raise their prices from what was then about \$2.00 a gallon, to about \$5.00 a gallon. The public outcry at that point put an end to that.

It is not just because of an emergency that prices can be raised or merchants have to deal with it. This is not price control, it deals with a merchant who takes unfair advantage of some circumstances that can be complained about and investigated.

Senator Dina Titus:

If I could add, you will notice that the fluctuation allowed is 25 percent. That is a substantial increase before anything would be triggered.

Chair Oceguera:

I would like our witnesses in Las Vegas to give any testimony they want and see if that clears up any other questions.

Kathleen Delaney:

I worked with the Senator when the bill was on the Senate side. We hoped to address the Senate Committee's concerns. I proposed some amendments that we believed addressed those concerns including the issues about how emergencies might be declared, the fluctuations that are factored in, reasonable market fluctuations, seasonal fluctuations, and issues about the hotel markets. We proposed amendments at that time to correct those issues, and that bill was not reheard. I was here today to support the Consumer Affairs Division for the original version of S.B. 18 which is the fining mechanism in situations where there are businesses that are required by previous legislatures' bills to register and post a security with the Division. When these businesses do not comply with those existing requirements, the mechanism currently available to the Consumer Affairs Division is solely to provide notice and then do an "Order To Show Cause" hearing. It is very time-consuming and expensive and this type of violation seemed to be very appropriate for a fining mechanism. It is a very small fining mechanism that is being asked for because the goal is to put the business on notice in real time about the non-registration and correct the problem. That was what we were prepared to testify about today. I hope I can answer any other questions regarding this new proposed amendment to the bill. Also with me is Sharon Jackson from the Consumer Affairs Division. She is prepared to testify on the original version of the bill.

Sharon Jackson, Deputy Chief Investigator, Bureau of Consumer Affairs:

I believe that the amendment has its positive points, but I did not come here today to discuss the amendment, and I was not aware of this amendment. If

you decide not to pass the price gouging or the amendment, you will still need to pass the fining mechanism because it is something that the Division needs.

Assemblyman Conklin:

I have a series of questions for clarification. Senator Titus or Ms. Delaney, concerning the prima facie evidence, is that some surface term?

Kathleen Delaney:

I do not have the proposed amendment so I cannot see the exact language. My recollection was that if there is some apparent inappropriate rise in price and that complaint is brought to the State's attention, the State would look at the prior 30-day average price to see if there had been a 25 percent differentiation. There is another provision that would allow for that 25 percent fluctuation to be justified by actual market increases, et cetera. The fairness intended to be there is that you would look at average pricing either from the prior 30 days or that same time period the year before. You are actually comparing apples to apples. Then, there has to be the 25 percent or greater fluctuation that is not justified. There are built-in defenses in the bill, so if the higher than 25 percent fluctuation takes place, as long as it is attributable to that seller's extra cost, there is no price gouging. There is only price gouging if an unscrupulous merchant is unjustifiably increasing his average price more than 25 percent.

Senator Dina Titus:

We looked at these statutes, and this is the narrowest you can get. We started out broader, listened to business' concerns, narrowed this, and a lot of this language comes from those other statutes. As an example, in Nevada after Hurricane Katrina when people were stranded and could not get home, some of the rental car companies were charging \$200, \$300, or \$400 a day to rent a car. That is price gouging. That is taking advantage of somebody who is a victim because of a natural disaster. It would not be price gouging if it went from \$50 a day to \$70 a day because the market has changed, and it has to be obvious.

Assemblyman Conklin:

Ms. Delaney managed to answer all three of my questions in her statement.

Assemblywoman Gansert:

I appreciate your intent, but believe when a crisis happens, the market immediately changes. There is a scarcity of products, labor, or services, so I think it is hard to work off an annual average or a 30-day average. I am not in support of this legislation.

Chair Ocegüera:

Are there any other questions? I see none. Is there other discussion?

Assemblyman Horne:

I have read through the amendment, and I will support the amendment because in thinking about all the situations where this might arise, the 25-percent increase threshold that needs to be met and the types of items we are talking about seems high enough to address the concerns about volatility in prices. I am comfortable with supporting this amendment.

Assemblyman Anderson:

I think this is an understandable amendment that faces an issue in our communities, and I know there is some merchandise that seems to sit on the shelves forever in the event that it will be needed. Those are taken into consideration when normal prices are set. A 25 percent increase is dramatic.

Assemblyman Conklin:

I would like to point out to the Committee that on page 2 of the mock-up starting at line 39 is the section that clearly says it is not an unconscionable price if the net profit margin for the consumer good or service does not exceed an amount greater than 25 percent. Even though the price may go up, as Mrs. Gansert suggested, and in times of emergency, prices of many things go up, we do not regard that as an unconscionable rise because the merchant is simply passing on the cost of an item. If the price of wood goes up, and a house price goes up 25 percent, that is not unconscionable because the seller is still making the same profit margin. This amendment clearly addresses the act of raising prices exclusively for the purpose of getting a greater profit margin. That safeguard makes me very comfortable with this amendment.

ASSEMBLYMAN ANDERSON MOVED TO AMEND AND DO PASS
SENATE BILL 18.

ASSEMBLYMAN CONKLIN SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN GANSERT, MABEY,
ALLEN, SETTELMAYER, AND CHRISTENSEN VOTED NAY.)

Chair Ocegüera:

We will open the hearing on Senate Bill 19 (1st Reprint).

**Senate Bill 19 (1st Reprint): Revises provisions relating to the Chiropractic
Physicians' Board of Nevada. (BDR 54-573)**

Dave Ziegler, Committee Policy Analyst:

[Work session document ([Exhibit F](#)).]

This bill was sponsored by the Senate Committee on Commerce and Labor on behalf of the Chiropractic Physicians' Board. Susan Fisher representing the Board appeared before us on April 25, 2007. The bill changes certain continuing education and licensing requirements for chiropractic practitioners. It establishes a procedure for reinstating a suspended license and requires a license or certificate to be renewed biennially. It also increases the hours of continuing education a licensee must complete, to 36 hours during the 24 months immediately preceding renewal.

Chair Ocegueda:

Are there questions, comments, or concerns? Ms. Fisher do you have any comments?

Susan Fisher, representing Chiropractic Physicians' Board of Nevada:

I am here only to answer any questions the Committee might have.

Chair Ocegueda:

I know there are some questions concerning the fees. Someone has been in contact with the Governor's office. I do not believe we should hold up our process waiting for that office. I would entertain a motion.

ASSEMBLYMEN CONKLIN MOVED TO DO PASS
SENATE BILL 19 (1ST REPRINT).

ASSEMBLYMAN PARKS SECONDED THE MOTION.

THE MOTION PASSED. (ASSEMBLYMEN GANSERT, ALLEN,
CHRISTENSEN, AND SETTELMAYER VOTED NAY.)

Assemblywoman Gansert:

I had trouble with this bill because of the fees for approval of new courses. I spoke to an associate of mine, who was on that Board at one time, who told me they used to refer the courses to Board members who would feed the information back, but there was no cost incurred. My associate also said that there is a relatively new national organization that is doing this type of work for a significant fee. That is how most of the medical industry works on the national level.

Chair Ocegueda:

We will open the work session on Senate Bill 20 (1st Reprint).

Senate Bill 20 (1st Reprint): Revises provisions governing claims against subsequent injury accounts. (BDR 53-562)

Dave Ziegler, Committee Policy Analyst:

[Work session document ([Exhibit G](#)).]

This bill was introduced by the Senate Committee on Commerce and Labor on behalf of the Division of Industrial Relations. John Wiles, the Division counsel spoke to this Committee on April 20, 2007. The bill relates to workers' compensation and extends from 90 to 120 days the amount of time an administrator of a subsequent injury account has to issue a decision regarding a claim against the account. The bill also eliminates the requirement for an insurer or self-insured employer to notify Nevada's Division of Industrial Relations of a possible claim against a subsequent injury account within 100 weeks of the subsequent injury.

Chair Oceguela:

Are there any questions or discussion? I see none. I would entertain a motion.

ASSEMBLYWOMAN ALLEN MOVED TO DO PASS
SENATE BILL 20 (1ST REPRINT).

ASSEMBLYMAN MABEY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Oceguela:

We will open the work session on Senate Bill 86 (1st Reprint).

Senate Bill 86 (1st Reprint): Revises provisions regulating utilities that furnish water or provide sewage disposal services. (BDR 58-554)

Dave Ziegler, Committee Policy Analyst:

[Work session document ([Exhibit H](#)).]

This bill was sponsored by the Senate Committee on Commerce and Labor on behalf of the Public Utilities Commission (PUC). David Noble, representing the PUC, spoke to this Committee on April 18, 2007. The bill revises provisions governing regulation of water and sewage utilities. When deciding when to issue a "certificate of public convenience and necessity" to an applicant in a particular geographic area, the PUC must consider whether another public utility

or person is ready, willing, and able to provide service. The bill also does four things:

- It requires a water or sewer utility with gross annual operating revenue of \$1 million or more to submit a plan every three years for providing service;
- It excludes persons who provide water or sewer services from the definition of public utility if they serve 25 or fewer customers and have gross annual sales of \$25,000 or less;
- It requires water and sewer utilities with gross annual revenues of \$500,000 or more to file general rate applications at least once every three years, unless they receive a waiver; and
- It requires a public utility that furnishes water to maintain fire hydrants it owns that are located within a public right-of-way or on private property where there is reasonable access at no cost.

There were no amendments offered the day of the hearing, but there was an amendment received ([Exhibit I](#)).

Jennifer Lazovich, representing Focus Property Group:

Focus Property Group actually owns a utility company, Desert Utilities. The purpose of the proposed amendment is to make sure this law applies to new applications before the PUC and that it not apply to applications where an applicant is merely requesting to expand the certificated area.

David Noble, Public Utilities Commission of Nevada:

We support the amendment. We believe it clarifies the bill and that was the intent we were hoping to achieve with that provision in the bill.

Chair Ocegura:

Are there any questions on the amendment? I see none. Any questions on the bill?

Assemblyman Anderson:

I still remain concerned about Section 8. We had extensive comments relative to the fire hydrants, and I am concerned that they be marked in some fashion once they are identified as inoperable. I know sometimes it takes utility companies a long time to fix the hydrants; I want to make sure that the fire departments are notified immediately once a fire hydrant is out of service. I understand the fire departments spend a good deal of time turning hydrants on and off, and that it appears to be a water waster. In reality it is the best protection for the neighborhood.

Chair Oceguela:

I think those are valid concerns. I assume regulations would address that specific issue.

David Noble:

I agree that we can adopt a regulation that directly pertains to alerting the fire department when the utility comes across a hydrant that is not functioning and not fixed right away.

Chair Oceguela:

Mr. Anderson, I agree with you, there needs to be some type of notification immediately. Since you and I both sit on the Legislative Commission we will see this regulation. I am comfortable with this.

Assemblyman Anderson:

I have no doubt about that. I want to be sure that the utilities also identify back to the fire departments. If we have this on record that they will do this by regulation, I feel more comfortable.

Assemblyman Horne:

I just need some clarification. In Section 2, is the current standard for other utilities, "all prudent and reasonable expenditures must be recovered from the rates charged to public utilities customers?"

David Noble:

Nevada Revised Statutes (NRS) 704.751, subsection 2 mirrors that standard.

Chair Oceguela:

I would entertain a motion.

ASSEMBLYMAN ANDERSON MOVED TO AMEND AND DO PASS
SENATE BILL 86 (1st REPRINT).

ASSEMBLYMAN MABEY SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Oceguela:

We will open the work session on Senate Bill 227.

Senate Bill 227: Clarifies provisions relating to the disciplinary powers of the Nevada State Funeral Board. (BDR 54-975)

Dave Ziegler, Committee Policy Analyst:

[Work session document ([Exhibit J](#)).]

This bill was introduced by Senator Heck. The Senator spoke to the bill at our hearing on April 25, 2007. The bill provides that failure of a licensee of the Nevada State Funeral Board to immediately notify the Committee on Anatomical Dissection that he has come into possession of a body that is unclaimed or required to be buried at public expense, constitutes unprofessional conduct for which the Board may take disciplinary action. There were no amendments proposed or offered the day of the hearing.

Chair Ocegüera:

Are there any questions or discussion from the Committee?

Assemblywoman Kirkpatrick:

It seems silly that they needed this bill, but the County Coroners office had a problem with allowing them to take the bodies without it.

Assemblywoman Gansert:

I was not here for this hearing, but it is my understanding that it is a huge problem of what to do with a body, and there needed to be more regulations.

Assemblywoman Buckley:

If *Nevada Revised Statutes* (NRS) 451.400 already required the notification, they would already be violating State law, so why is this bill needed?

Brenda Erdoes, Committee Counsel:

It is my recollection of the testimony of Senator Heck that this had not been enforced. The Funeral Board said that if we would change this law, they would feel they could enforce it, and they would do so.

Chair Ocegüera:

I would entertain a motion.

ASSEMBLYMAN MABEY MOVED TO DO PASS SENATE BILL 227.

ASSEMBLYWOMAN GANSERT SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Ocegüera:

We will open the work session on Senate Bill 477 (1st REPRINT).

Senate Bill 477 (1st Reprint): Makes various changes relating to the licensing and regulation of time-share sales agents. (BDR 10-1327)

Dave Ziegler, Committee Policy Analyst:

[Work session document ([Exhibit K](#)).] This bill was introduced by the Senate Committee on Commerce and Labor. Scott Scherer, representing American Resort Development Association and Gail Anderson, Administrator of the Nevada Real Estate Division, spoke to this Committee on April 30, 2007, about the bill. The bill authorizes the Administrator of Nevada's Real Estate Division to issue a provisional time-share sales agent's license to a qualified applicant. A provisional licensee may not conduct sales-related activities unless he is under the supervision of a project broker or cooperating real estate broker designated by the project broker and is located at the principal place of business or branch office of the project broker or at the time-share development. A provisional licensee may not collect personal information from a prospective purchaser. A project broker may not give a provisional licensee access to a time-share lockbox or the ability to enter a private residence or time-share unit that some other person would not have. There were no amendments offered the day of the hearing.

Chair Ocegüera:

Is there any discussion on this bill?

Assemblyman Conklin:

I am okay with the bill. I am concerned about Section 4, where it says "a provisional licensee shall not" and then lists some items that they should not do. I wonder if there should be a phrase "but not limited to" in case a situation comes up where the licensing agency needs to add to this by regulation. I do not want to over think it.

Gail Anderson, Administrator, Nevada Real Estate Division:

I appreciate the issue you raise. I believe requiring the supervision of the broker will allow the Division to address issues that come up that we require the broker to address. If we have some kind of complaint or proactively want to audit the procedures of the broker in using the provisional licensee, I am comfortable that we have the authority, through the broker, to make any required changes we wanted to make. I would defer to the Committee's wisdom on that.

Assemblyman Conklin:

Mr. Chairman, that satisfies me.

Chair Ocegüera:

Are there further concerns?

Assemblywoman Buckley:

I would like to be clear on how long a provisional license lasts. Page 3 says it expires one year after its date of issuance. If you received an application for a full license and denied it, where is that provision?

Gail Anderson:

The one year would be the maximum amount of time the provisional license could be in place. The reason for the provisional license is to allow an applicant who has met educational and examination qualifications and a broker's background investigation to start to work before the Real Estate Division has received his criminal background investigation results.

Assemblywoman Buckley:

So it automatically expires if you deny their application?

Gail Anderson:

That is correct.

Chair Oceguela:

Are there any further questions? I see none. I would entertain a motion.

ASSEMBLYWOMAN BUCKLEY MOVED TO DO PASS
SENATE BILL 477 (1st REPRINT).

ASSEMBLYMAN ANDERSON SECONDED THE MOTION.

THE MOTION PASSED UNANIMOUSLY.

Chair Ocegüera:

Next week on Monday and Wednesday we have a work session scheduled. We need everyone here for the votes. There is the opportunity for us to receive more bills, so there might be some last minute scheduling. We could finish up on Wednesday with the bills we have received to this point.

[There being no further business to come before the Committee, the meeting was adjourned at 1:52 p.m.]

RESPECTFULLY SUBMITTED:

Patricia Blackburn
Committee Secretary

APPROVED BY:

Assemblyman John Ocegüera, Chair

DATE: _____

EXHIBITS

Committee Name: Committee on Commerce and Labor

Date: May 11, 2007

Time of Meeting: 12:55 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
SB 100	C	Dave Ziegler	Work session document
SB 18	D	Dave Ziegler	Work session document
SB 18	E	Senator Dina Titus	Proposed Amendment
SB 19	F	Dave Ziegler	Work session document
SB 20	G	Dave Ziegler	Work session document
SB 86	H	Dave Ziegler	Work session document
SB 86	I	Jennifer Lazovich	Proposed Amendment
SB 227	J	Dave Ziegler	Work session document
SB 477	K	Dave Ziegler	Work session document