

ASSEMBLY BILL NO. 189—ASSEMBLYMEN WHEELER,
O’NEILL; DICKMAN AND SEAMAN

FEBRUARY 23, 2015

Referred to Committee on Transportation

SUMMARY—Revises provisions governing special license plates.
(BDR 43-529)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to special license plates; authorizing the Commission on Special License Plates to investigate and request an audit of certain charitable organizations which receive additional fees collected by the Department of Motor Vehicles for special license plates; revising provisions regarding the application submitted to the Department by certain persons seeking a special license plate intended to generate financial support for an organization; revising provisions requiring certain charitable organizations which receive additional fees paid for special license plates to provide certain documents and records annually to the Commission; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, certain persons may apply to the Department of Motor
2 Vehicles for the design, preparation and issuance of a special license plate that is
3 intended to generate financial support for a charitable organization. The application
4 must include certain information about the person requesting the special license
5 plate, the charitable organization, if different from the person requesting the special
6 license plate, and information about the intended use of the financial support. (NRS
7 482.367002) **Section 6** of this bill requires that such an application also include a
8 budget prepared by or for the charitable organization if the charitable organization
9 is not a governmental entity whose budget is included in the executive budget.
10 **Section 6** also requires the Department to notify the Commission on Special
11 License Plates and the charitable organization upon making a determination to issue
12 the special license plate.



13 Existing law requires each charitable organization, not including a
14 governmental entity whose budget is included in the executive budget, that receives
15 fees from the sale of special license plates to prepare and submit annually to the
16 Commission a balance sheet and a recent bank statement. (NRS 482.38277) The
17 Commission is required to provide those documents to the Legislative Auditor, who
18 is required to prepare a final written report for the Commission regarding the
19 propriety of the financial administration and recordkeeping of the charitable
20 organization. (NRS 482.38278) **Section 2** of this bill authorizes the Commission to
21 investigate and request an audit by the Legislative Auditor of any charitable
22 organization that receives fees from the sale of special license plates if the
23 Commission has reasonable cause to believe or has received a credible complaint
24 that the charitable organization has: (1) filed with the Commission or the
25 Department forms or records that are inadequate or inaccurate; (2) committed
26 improper practices of financial administration; or (3) failed to use adequate
27 methods and procedures to ensure that all money received in the form of additional
28 fees from special license plates is expended solely for the benefit of the intended
29 recipient. The Commission may also investigate and request such an audit if the
30 Commission determines that an investigation and audit are reasonably necessary to
31 assist the Commission in administering any provision of existing law which the
32 Commission is authorized to administer.

33 Existing law also requires each charitable organization, not including a
34 governmental entity whose budget is included in the executive budget, that receives
35 fees from the sale of special license plates to prepare and submit annually to the
36 Commission updated information regarding the telephone number and mailing
37 address of the charitable organization and the names of persons who are responsible
38 for overseeing the operation of the charitable organization. (NRS 482.38277)
39 **Section 8** of this bill further requires that the charitable organization provide the
40 Commission annually with a report on the budget of the organization which
41 provides details about how the fees received from the special license plates have
42 been expended and a copy of the most recent federal tax return of the organization,
43 if any. **Section 8** also requires the charitable organization to post annually on its
44 Internet website the federal tax returns, if any, of the charitable organization; or, if
45 the charitable organization does not have an Internet website, to publish annually
46 the federal tax returns, if any, of the charitable organization in a newspaper of
47 general circulation in the county where the charitable organization is based.

48 Existing law authorizes the Commission to recommend that the Department
49 take adverse action against a charitable organization that receives fees from the sale
50 of special license plates if the Commission makes certain determinations about the
51 organization, and after the organization has had an opportunity for a hearing on
52 those determinations. The adverse action recommended may include the suspension
53 of the collection of all additional fees collected on behalf of the charitable
54 organization and the suspension of production of the special license plates from
55 which the charitable organization receives additional fees, if the Department is still
56 producing that design. (NRS 482.38279) **Section 10** of this bill adds to the criteria
57 on which the Commission may base such a determination the results of an audit
58 prepared at the request of the Commission pursuant to **section 2**.

59 **Section 4** of this bill provides that all records related to the receipt or use of
60 money from the sale of special license plates are public records and are available
61 for public inspection.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 482 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2, 3 and 4 of this act.

3 **Sec. 2. 1.** *The Commission on Special License Plates may*
4 *investigate and request an audit by the Legislative Auditor of any*
5 *charitable organization if the Commission:*

6 (a) *Has reasonable cause to believe or has received a credible*
7 *complaint that the charitable organization has filed with the*
8 *Commission or the Department forms or records that are*
9 *inadequate or inaccurate, has committed improper practices of*
10 *financial administration, or has failed to use adequate methods*
11 *and procedures to ensure that all money received in the form of*
12 *additional fees is expended solely for the benefit of the intended*
13 *recipient; or*

14 (b) *Determines that an investigation and audit are reasonably*
15 *necessary to assist the Commission in administering any provision*
16 *of this chapter which the Commission is authorized or required to*
17 *administer.*

18 2. *Upon request of the Commission pursuant to this section*
19 *for an audit of a charitable organization, the Legislative Auditor*
20 *shall:*

21 (a) *Conduct the audit and prepare a final written report of the*
22 *audit;*

23 (b) *Distribute a copy of the final written report to each member*
24 *of the Commission; and*

25 (c) *Present the final written report to the Commission at the*
26 *next regularly scheduled meeting of the Commission.*

27 3. *Along with any statement of explanation or rebuttal from*
28 *the audited charitable organization, the final written report of the*
29 *audit may include, without limitation:*

30 (a) *Evidence regarding the inadequacy or inaccuracy of any*
31 *forms or records filed by the charitable organization with the*
32 *Commission or the Department;*

33 (b) *Evidence regarding any improper practices of financial*
34 *administration on the part of the charitable organization;*

35 (c) *Evidence regarding the methods and procedures, or lack*
36 *thereof, used to ensure that all money received in the form of*
37 *additional fees is expended solely for the benefit of the intended*
38 *recipient; and*

39 (d) *Any other evidence or information that the Legislative*
40 *Auditor determines to be relevant to the propriety of the financial*
41 *administration and recordkeeping of the charitable organization,*



1 *including, without limitation, the disposition of any additional fees*
2 *received by the charitable organization.*

3 **Sec. 3.** 1. *Upon receiving notification by the Department*
4 *pursuant to subsection 5 of NRS 482.367002 that a special license*
5 *plate that is intended to generate financial support for an*
6 *organization will be issued by the Department, a charitable*
7 *organization, not including a governmental entity whose budget is*
8 *in the executive budget, that is to receive additional fees shall, if*
9 *the charitable organization wishes to award grants with any of the*
10 *money received in the form of additional fees, submit to the*
11 *Commission in writing the methods and procedures to be used by*
12 *the charitable organization in awarding such grants, including,*
13 *without limitation:*

14 (a) *A copy of the application form to be used by any person or*
15 *entity seeking a grant from the charitable organization;*

16 (b) *The guidelines established by the charitable organization*
17 *for the submission and review of applications to receive a grant*
18 *from the charitable organization; and*

19 (c) *The criteria to be used by the charitable organization in*
20 *awarding such a grant.*

21 2. *Upon receipt of the information required, the Commission*
22 *shall review the procedures to determine if the methods and*
23 *procedures are adequate to ensure that all money received in the*
24 *form of additional fees is expended solely for the benefit of the*
25 *intended recipient. If the Commission determines that the methods*
26 *and procedures are:*

27 (a) *Adequate to ensure that all money received in the form of*
28 *additional fees is expended solely for the benefit of the intended*
29 *recipient, the Commission shall notify the charitable organization*
30 *of that determination.*

31 (b) *Inadequate to ensure that all money received in the form of*
32 *additional fees is expended solely for the benefit of the intended*
33 *recipient, the Commission shall notify the charitable organization*
34 *and request that the charitable organization submit a revised*
35 *version of the methods and procedures to be used by the charitable*
36 *organization in awarding grants.*

37 3. *A charitable organization may not award any grants of*
38 *money received in the form of additional fees until the procedures*
39 *and methods have been determined adequate by the Commission*
40 *pursuant to subsection 2.*

41 **Sec. 4.** *All records of:*

42 1. *A charitable organization that is to receive additional fees,*
43 *not including a governmental entity whose budget is in the*
44 *executive budget, that are related to the receipt of or use of those*
45 *fees; and*



1 2. *Any person who receives money from such a charitable*
2 *organization in the form of a grant, that are related to the receipt*
3 *of or use of that money,*
4 *↪ are public records and are available for public inspection as*
5 *provided in chapter 239 of NRS.*

6 **Sec. 5.** NRS 482.270 is hereby amended to read as follows:

7 482.270 1. Except as otherwise provided in this section or by
8 specific statute, the Director shall order the redesign and preparation
9 of motor vehicle license plates.

10 2. Except as otherwise provided in subsection 3, the
11 Department shall, upon the payment of all applicable fees, issue
12 redesigned motor vehicle license plates pursuant to this section to
13 persons who apply for the registration or renewal of the registration
14 of a motor vehicle on or after January 1, 2001.

15 3. The Department shall not issue redesigned motor vehicle
16 license plates pursuant to this section to a person who was issued
17 motor vehicle license plates before January 1, 1982, or pursuant to
18 NRS 482.3747, 482.3763, 482.3775, 482.378, 482.379 or
19 482.37901, without the approval of the person.

20 4. The Director may determine and vary the size, shape and
21 form and the material of which license plates are made, but each
22 license plate must be of sufficient size to be plainly readable from a
23 distance of 100 feet during daylight. All license plates must be
24 treated to reflect light and to be at least 100 times brighter than
25 conventional painted number plates. When properly mounted on an
26 unlighted vehicle, the license plates, when viewed from a vehicle
27 equipped with standard headlights, must be visible for a distance of
28 not less than 1,500 feet and readable for a distance of not less than
29 110 feet.

30 5. Every license plate must have displayed upon it:

31 (a) The registration number, or combination of letters and
32 numbers, assigned to the vehicle and to the owner thereof;

33 (b) The name of this State, which may be abbreviated;

34 (c) If issued for a calendar year, the year; and

35 (d) If issued for a registration period other than a calendar year,
36 the month and year the registration expires.

37 6. Each special license plate that is designed, prepared and
38 issued pursuant to NRS 482.367002 must be designed and prepared
39 in such a manner that:

40 (a) The left-hand one-third of the plate is the only part of the
41 plate on which is displayed any design or other insignia that is
42 suggested pursuant to paragraph ~~(f)~~ (g) of subsection 2 of that
43 section; and

44 (b) The remainder of the plate conforms to the requirements for
45 lettering and design that are set forth in this section.



1 **Sec. 6.** NRS 482.367002 is hereby amended to read as
2 follows:

3 482.367002 1. A person may request that the Department
4 design, prepare and issue a special license plate by submitting an
5 application to the Department. A person may submit an application
6 for a special license plate that is intended to generate financial
7 support for an organization only if:

8 (a) For an organization which is not a governmental entity, the
9 organization is established as a nonprofit charitable organization
10 which provides services to the community relating to public health,
11 education or general welfare;

12 (b) For an organization which is a governmental entity, the
13 organization only uses the financial support generated by the special
14 license plate for charitable purposes relating to public health,
15 education or general welfare;

16 (c) The organization is registered with the Secretary of State, if
17 registration is required by law, and has filed any documents required
18 to remain registered with the Secretary of State;

19 (d) The name and purpose of the organization do not promote,
20 advertise or endorse any specific product, brand name or service that
21 is offered for profit;

22 (e) The organization is nondiscriminatory; and

23 (f) The license plate will not promote a specific religion, faith or
24 antireligious belief.

25 2. An application submitted to the Department pursuant to
26 subsection 1:

27 (a) Must be on a form prescribed and furnished by the
28 Department;

29 (b) Must specify whether the special license plate being
30 requested is intended to generate financial support for a particular
31 cause or charitable organization and, if so:

32 (1) The name of the cause or charitable organization; and

33 (2) Whether the financial support intended to be generated
34 for the particular cause or charitable organization will be for:

35 (I) General use by the particular cause or charitable
36 organization; or

37 (II) Use by the particular cause or charitable organization
38 in a more limited or specific manner;

39 (c) Must include the name and signature of a person who
40 represents:

41 (1) The organization which is requesting that the Department
42 design, prepare and issue the special license plate; and

43 (2) If different from the organization described in
44 subparagraph (1), the cause or charitable organization for which the



1 special license plate being requested is intended to generate
2 financial support;

3 (d) Must include proof that the organization satisfies the
4 requirements set forth in subsection 1;

5 (e) Must be accompanied by a surety bond posted with the
6 Department in the amount of \$5,000, except that if the special
7 license plate being requested is one of the type described in
8 subsection 3 of NRS 482.367008, the application must be
9 accompanied by a surety bond posted with the Department in the
10 amount of \$20,000; ~~and~~

11 (f) *Must, if the organization is a charitable organization, not*
12 *including a governmental entity whose budget is included in*
13 *the executive budget, include a budget prepared by or for the*
14 *charitable organization which includes, without limitation, the*
15 *proposed operating and administrative expenses of the charitable*
16 *organization; and*

17 (g) May be accompanied by suggestions for the design of and
18 colors to be used in the special license plate.

19 3. If an application for a special license plate has been
20 submitted pursuant to this section but the Department has not yet
21 designed, prepared or issued the plate, the applicant shall amend the
22 application with updated information when any of the following
23 events take place:

24 (a) The name of the organization that submitted the application
25 has changed since the initial application was submitted.

26 (b) The cause or charitable organization for which the special
27 license plate being requested is intended to generate financial
28 support has a different name than that set forth on the initial
29 application.

30 (c) The cause or charitable organization for which the special
31 license plate being requested is intended to generate financial
32 support is different from that set forth on the initial application.

33 (d) *A charitable organization which submitted a budget*
34 *pursuant to paragraph (f) of subsection 2 prepares or has*
35 *prepared a new or subsequent budget.*

36 ↪ The updated information described in this subsection must be
37 submitted to the Department within 90 days after the relevant
38 change takes place, unless the applicant has received notice that the
39 special license plate is on an agenda to be heard at a meeting of the
40 Commission on Special License Plates, in which case the updated
41 information must be submitted to the Department within 48 hours
42 after the applicant receives such notice. The updating of information
43 pursuant to this subsection does not alter, change or otherwise affect
44 the issuance of special license plates by the Department in



1 accordance with the chronological order of their authorization or
2 approval, as described in subsection 2 of NRS 482.367008.

3 4. The Department may design and prepare a special license
4 plate requested pursuant to subsection 1 if:

5 (a) The Department determines that the application for that plate
6 complies with subsection 2; and

7 (b) The Commission on Special License Plates recommends to
8 the Department that the Department approve the application for that
9 plate pursuant to subsection 5 of NRS 482.367004.

10 5. *Upon making a determination to issue a special license*
11 *plate pursuant to this section, the Department shall notify:*

12 (a) *The person who requested the special license plate*
13 *pursuant to subsection 1;*

14 (b) *The charitable organization for which the special license*
15 *plate is intended to generate financial support, if any; and*

16 (c) *The Commission on Special License Plates.*

17 6. Except as otherwise provided in NRS 482.367008, the
18 Department may issue a special license plate that:

19 (a) The Department has designed and prepared pursuant to this
20 section;

21 (b) The Commission on Special License Plates has
22 recommended the Department approve for issuance pursuant to
23 subsection 5 of NRS 482.367004; and

24 (c) Complies with the requirements of subsection 6 of
25 NRS 482.270,

26 ↪ for any passenger car or light commercial vehicle upon
27 application by a person who is entitled to license plates pursuant to
28 NRS 482.265 and who otherwise complies with the requirements for
29 registration and licensing pursuant to this chapter. A person may
30 request that personalized prestige license plates issued pursuant to
31 NRS 482.3667 be combined with a special license plate issued
32 pursuant to this section if that person pays the fees for personalized
33 prestige license plates in addition to the fees for the special license
34 plate.

35 ~~6.1~~ 7. The Department must promptly release the surety bond
36 posted pursuant to subsection 2:

37 (a) If the Department determines not to issue the special license
38 plate; or

39 (b) If it is determined that at least 1,000 special license plates
40 have been issued pursuant to the assessment of the viability of the
41 design of the special license plate conducted pursuant to NRS
42 482.367008, except that if the special license plate is one of the type
43 described in subsection 3 of NRS 482.367008, the Department must
44 promptly release the surety bond posted pursuant to subsection 2 if
45 it is determined that at least 3,000 special license plates have been



1 issued pursuant to the assessment of the viability of the design of the
2 special license plate conducted pursuant to NRS 482.367008.

3 ~~77~~ 8. If, during a registration period, the holder of license
4 plates issued pursuant to the provisions of this section disposes of
5 the vehicle to which the plates are affixed, the holder shall:

6 (a) Retain the plates and affix them to another vehicle that meets
7 the requirements of this section if the holder pays the fee for the
8 transfer of the registration and any registration fee or governmental
9 services tax due pursuant to NRS 482.399; or

10 (b) Within 30 days after removing the plates from the vehicle,
11 return them to the Department.

12 **Sec. 7.** NRS 482.38272 is hereby amended to read as follows:

13 482.38272 As used in NRS 482.38272 to 482.38279, inclusive,
14 *and sections 2, 3 and 4 of this act*, unless the context otherwise
15 requires, the words and terms defined in NRS 482.38273 to
16 482.38276, inclusive, have the meanings ascribed to them in those
17 sections.

18 **Sec. 8.** NRS 482.38277 is hereby amended to read as follows:

19 482.38277 1. On or before September 1 of each fiscal year,
20 each charitable organization, not including a governmental entity
21 whose budget is included in the executive budget, that receives
22 additional fees shall prepare a balance sheet for the immediately
23 preceding fiscal year on a form provided by the Commission on
24 Special License Plates and file the balance sheet, accompanied by a
25 recent bank statement, with the Commission. The Commission shall
26 prepare and make available, or cause to be prepared and made
27 available, a form that must be used by a charitable organization to
28 prepare such a balance sheet.

29 2. On or before July 1 of each fiscal year, each charitable
30 organization, not including a governmental entity whose budget is
31 included in the executive budget, that receives additional fees shall
32 provide to the Commission and the Department:

33 (a) A list of the names of the persons, whether or not designated
34 officers, who are responsible for overseeing the operation of the
35 charitable organization;

36 (b) The current mailing address of the charitable organization;
37 ~~and~~

38 (c) The current telephone number of the charitable organization
39 ~~;~~;

40 (d) *A report on the budget of the charitable organization,*
41 *including, without limitation:*

42 (1) *A copy of the most recent annual budget of the*
43 *charitable organization; and*

44 (2) *A description of how all money received by the*
45 *charitable organization in the form of additional fees was*



1 *expended, including, without limitation, how that money was*
2 *expended by the charitable organization, or any recipient or*
3 *awardee of that money from the charitable organization; and*

4 *(e) A copy of the most recent federal tax return of the*
5 *charitable organization, if any.*

6 3. *On or before July 1 of each fiscal year, each charitable*
7 *organization, not including a governmental entity whose budget is*
8 *included in the executive budget, that receives additional fees shall*
9 *post on the Internet website of the charitable organization or, if no*
10 *such Internet website exists, publish in a newspaper of general*
11 *circulation in the county where the charitable organization is*
12 *based, the most recent federal tax return, if any, of the charitable*
13 *organization.*

14 4. The Legislative Auditor shall prescribe:

15 (a) The form and content of the balance sheets required to be
16 filed pursuant to subsection 1; and

17 (b) Any additional information that must accompany the balance
18 sheets and bank statements required to be filed pursuant to
19 subsection 1, including, without limitation, the methods and
20 procedures used to ensure that all money received in the form of
21 additional fees is expended solely for the benefit of the intended
22 recipient.

23 ~~4~~ 5. The Commission shall provide to the Legislative
24 Auditor:

25 (a) A copy of each balance sheet and bank statement that it
26 receives from a charitable organization pursuant to subsection 1; and

27 (b) A copy of the information that it receives from a charitable
28 organization pursuant to subsection 2.

29 **Sec. 9.** NRS 482.38278 is hereby amended to read as follows:

30 482.38278 1. On or before September 30 following the end
31 of each fiscal year, the Legislative Auditor shall present to the
32 Commission on Special License Plates a final written report with
33 respect to the charitable organizations for which the Commission
34 provided to the Legislative Auditor a balance sheet pursuant to
35 subsection ~~4~~ 5 of NRS 482.38277.

36 2. The final written report must be distributed to each member
37 of the Commission before the report is presented to the
38 Commission.

39 3. Along with any statement of explanation or rebuttal from the
40 audited charitable organization, the final written report may include,
41 without limitation:

42 (a) Evidence regarding the inadequacy or inaccuracy of any
43 forms or records filed by the charitable organization with the
44 Commission or the Department;



1 (b) Evidence regarding any improper practices of financial
2 administration on the part of the charitable organization;

3 (c) Evidence regarding the methods and procedures, or lack
4 thereof, used to ensure that all money received in the form of
5 additional fees is expended solely for the benefit of the intended
6 recipient; and

7 (d) Any other evidence or information that the Legislative
8 Auditor determines to be relevant to the propriety of the financial
9 administration and recordkeeping of the charitable organization,
10 including, without limitation, the disposition of any additional fees
11 received by the charitable organization.

12 **Sec. 10.** NRS 482.38279 is hereby amended to read as
13 follows:

14 482.38279 1. If the Commission on Special License Plates
15 determines that a charitable organization has failed to comply with
16 one or more of the provisions of NRS 482.38277 or if, in a report
17 provided to the Commission by the Legislative Auditor pursuant to
18 NRS 482.38278, *or section 2 of this act*, the Legislative Auditor
19 determines that a charitable organization has committed improper
20 practices of financial administration, has filed with the Commission
21 or the Department forms or records that are inadequate or
22 inaccurate, or has failed to use adequate methods and procedures to
23 ensure that all money received in the form of additional fees is
24 expended solely for the benefit of the intended recipient, the
25 Commission shall notify the charitable organization of that
26 determination.

27 2. A charitable organization may request in writing a hearing,
28 within 20 days after receiving notification pursuant to subsection 1,
29 to respond to the determinations of the Commission or Legislative
30 Auditor. The hearing must be held not later than 30 days after the
31 receipt of the request for a hearing unless the parties, by written
32 stipulation, agree to extend the time.

33 3. The Commission shall issue a decision on whether to uphold
34 the original determination of the Commission or the Legislative
35 Auditor or to overturn that determination. The decision required
36 pursuant to this subsection must be issued:

37 (a) Immediately after the hearing, if a hearing was requested; or

38 (b) Within 30 days after the expiration of the 20-day period
39 within which a hearing may be requested, if a hearing was not
40 requested.

41 4. If the Commission decides to uphold its own determination
42 that a charitable organization has failed to comply with one or more
43 of the provisions of NRS 482.38277 or decides to uphold the
44 determination of the Legislative Auditor that the organization has
45 committed improper practices of financial administration, has filed



1 with the Commission or the Department forms or records that are
2 inadequate or inaccurate, or has failed to use adequate methods and
3 procedures to ensure that all money received in the form of
4 additional fees is expended solely for the benefit of the intended
5 recipient, the Commission shall issue its decision in writing and
6 may recommend that the Department:

7 (a) Suspend the collection of all additional fees collected on
8 behalf of the charitable organization; and

9 (b) Suspend production of the particular design of special
10 license plates from which the charitable organization receives
11 additional fees, if the Department is still producing that design.

12 5. If, in accordance with subsection 4, the Commission
13 recommends that the Department take adverse action against a
14 charitable organization, the Commission shall notify the charitable
15 organization, in writing, of that fact within 30 days after making the
16 recommendation. A charitable organization aggrieved by a
17 recommendation of the Commission may, within 30 days after the
18 date on which it received notice of the recommendation, submit to
19 the Department any facts, evidence or other information that it
20 believes is relevant to the propriety of the Commission's
21 recommendation. Within 30 days after receiving all facts, evidence
22 and other relevant information submitted to the Department by the
23 aggrieved charitable organization, the Department shall render a
24 decision, in writing, as to whether the Department accepts or rejects
25 the Commission's recommendation. The decision of the Department
26 is a final decision for the purpose of judicial review.

27 **Sec. 11.** This act becomes effective on July 1, 2015.

