

## Senate Committee on Transportation

This measure may be considered for action during today's work session.

May 7, 2015

### **ASSEMBLY BILL 189 (R1)**

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

**Sponsored by:** Assembly Members Wheeler, O'Neill, et al.

**Date Heard:** April 28, 2015

**Fiscal Impact:** Effect on Local Government: No.

Effect on the State: Yes.

Assembly Bill 189 makes various changes relating to special license plates. The bill requires an application by a charitable organization for a special license plate to include a budget prepared by or for the organization if it is not a governmental entity whose budget is included in the *Executive Budget*. The charitable organization must annually provide the Commission on Special License Plates with a report on the organization's budget detailing how special plate fees have been expended and a copy of its most recent federal tax return, if any. The measure also requires the organization to annually publish the tax return on its website or in a newspaper of general circulation in the county where the organization is based.

This bill further authorizes the Commission to request the Legislative Commission to direct the Legislative Auditor to perform an audit of any charitable organization receiving fees from the sale of special license plates if the Commission on Special License Plates has reasonable cause to believe or has received a credible complaint that the organization has:

1. Filed with the Commission on Special License Plates or the Department of Motor Vehicles forms or records that are inadequate or inaccurate;
2. Committed improper practices of financial administration; or
3. Failed to use adequate methods and procedures to ensure that all money received by the organization from special license plates is appropriately expended.

Finally, A.B. 189 provides that all records of a charitable organization that receives fees and any person who receives grants from a charitable organization related to the receipt or use of money from the sale of special license plates are public records available for public inspection.

**Amendments:** Senator Hammond proposed the attached amendment to clarify that only certain documents and information submitted to the Commission on Special License Plates by a charitable organization are public records and available for public inspection.

MOCK-UP

PROPOSED AMENDMENT 6890 TO  
ASSEMBLY BILL NO. 189  
FIRST REPRINT

PREPARED FOR SENATOR HAMMOND  
MAY 1, 2015

PREPARED BY THE LEGAL DIVISION

**NOTE: THIS DOCUMENT SHOWS PROPOSED AMENDMENTS IN CONCEPTUAL FORM. THE LANGUAGE AND ITS PLACEMENT IN THE OFFICIAL AMENDMENT MAY DIFFER.**

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of **green bold underlining** is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

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 thereto  
2 the provisions set forth as sections 2, 3 and 4 of this act.  
3     **Sec. 2. 1.** *The Commission on Special License Plates may request*  
4 *the Legislative Commission to direct the Legislative Auditor to perform*  
5 *an audit of any charitable organization if the Commission on Special*  
6 *License Plates:*  
7     *(a) Has reasonable cause to believe or has received a credible*  
8 *complaint that the charitable organization has filed with the Commission*  
9 *on Special License Plates or the Department forms or records that are*  
10 *inadequate or inaccurate, has committed improper practices of financial*  
11 *administration, or has failed to use adequate methods and procedures to*  
12 *ensure that all money received in the form of additional fees is expended*  
13 *solely for the benefit of the intended recipient; or*  
14     *(b) Determines that an audit is reasonably necessary to assist the*  
15 *Commission on Special License Plates in administering any provision of*  
16 *this chapter which it is authorized or required to administer.*

1     2. *If the Legislative Commission directs the Legislative Auditor to*  
2 *perform an audit of a charitable organization, the Legislative Auditor*  
3 *shall:*

- 4     (a) *Conduct the audit and prepare a final written report of the audit;*  
5     (b) *Distribute a copy of the final written report to each member of the*  
6 *Commission on Special License Plates; and*  
7     (c) *Present the final written report to the Commission on Special*  
8 *License Plates at its next regularly scheduled meeting.*

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

- 12     (a) *Evidence regarding the inadequacy or inaccuracy of any forms or*  
13 *records filed by the charitable organization with the Commission on*  
14 *Special License Plates or the Department;*  
15     (b) *Evidence regarding any improper practices of financial*  
16 *administration on the part of the charitable organization;*  
17     (c) *Evidence regarding the methods and procedures, or lack thereof,*  
18 *used to ensure that all money received in the form of additional fees is*  
19 *expended solely for the benefit of the intended recipient; and*  
20     (d) *Any other evidence or information that the Legislative Auditor*  
21 *determines to be relevant to the propriety of the financial administration*  
22 *and recordkeeping of the charitable organization, including, without*  
23 *limitation, the disposition of any additional fees received by the*  
24 *charitable organization.*

25     Sec. 3. 1. *Upon receiving notification by the Department pursuant*  
26 *to subsection 5 of NRS 482.367002 that a special license plate that is*  
27 *intended to generate financial support for an organization will be issued*  
28 *by the Department, a charitable organization, not including a*  
29 *governmental entity whose budget is in the executive budget, that is to*  
30 *receive additional fees shall, if the charitable organization wishes to*  
31 *award grants with any of the money received in the form of additional*  
32 *fees, submit to the Commission on Special License Plates in writing the*  
33 *methods and procedures to be used by the charitable organization in*  
34 *awarding such grants, including, without limitation:*

- 35     (a) *A copy of the application form to be used by any person or entity*  
36 *seeking a grant from the charitable organization;*  
37     (b) *The guidelines established by the charitable organization for the*  
38 *submission and review of applications to receive a grant from the*  
39 *charitable organization; and*  
40     (c) *The criteria to be used by the charitable organization in awarding*  
41 *such a grant.*

42     2. *Upon receipt of the information required, the Commission shall*  
43 *review the procedures to determine if the methods and procedures are*  
44 *adequate to ensure that all money received in the form of additional fees*

1 is expended solely for the benefit of the intended recipient. If the  
2 Commission determines that the methods and procedures are:

3 (a) Adequate 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 notify the charitable organization of that  
6 determination.

7 (b) Inadequate to ensure that all money received in the form of  
8 additional fees is expended solely for the benefit of the intended  
9 recipient, the Commission shall notify the charitable organization and  
10 request that the charitable organization submit a revised version of the  
11 methods and procedures to be used by the charitable organization in  
12 awarding grants.

13 3. A charitable organization may not award any grants of money  
14 received in the form of additional fees until the procedures and methods  
15 have been determined adequate by the Commission pursuant to  
16 subsection 2.

17 ~~Sec. 4. All records of~~  
18 ~~1. All documents and information submitted to the Commission~~  
19 ~~pursuant to sections 2 and 3 of this act, NRS 482.38277 and NRS~~  
20 ~~482.38278 by a charitable organization that is to receive additional fees,~~  
21 ~~not including a governmental entity whose budget is in the executive~~  
22 ~~budget, that are related to the receipt of or use of those fees, and~~  
23 ~~2. Any person who receives money from such a charitable~~  
24 ~~organization in the form of a grant, that are related to the receipt of or~~  
25 ~~use of that money,~~  
26 ~~are public records and are available for public inspection as provided~~  
27 ~~in chapter 239 of NRS.~~

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

29 482.270 1. Except as otherwise provided in this section or by  
30 specific statute, the Director shall order the redesign and preparation of  
31 motor vehicle license plates.

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

37 3. The Department shall not issue redesigned motor vehicle license  
38 plates pursuant to this section to a person who was issued motor vehicle  
39 license plates before January 1, 1982, or pursuant to NRS 482.3747,  
40 482.3763, 482.3775, 482.378, 482.379 or 482.37901, without the approval  
41 of the person.

42 4. The Director may determine and vary the size, shape and form and  
43 the material of which license plates are made, but each license plate must  
44 be of sufficient size to be plainly readable from a distance of 100 feet  
45 during daylight. All license plates must be treated to reflect light and to be

1 at least 100 times brighter than conventional painted number plates. When  
2 properly mounted on an unlighted vehicle, the license plates, when viewed  
3 from a vehicle equipped with standard headlights, must be visible for a  
4 distance of not less than 1,500 feet and readable for a distance of not less  
5 than 110 feet.

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

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

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

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

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

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

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

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

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

22 482.367002 1. A person may request that the Department design,  
23 prepare and issue a special license plate by submitting an application to the  
24 Department. A person may submit an application for a special license plate  
25 that is intended to generate financial support for an organization only if:

26 (a) For an organization which is not a governmental entity, the  
27 organization is established as a nonprofit charitable organization which  
28 provides services to the community relating to public health, education or  
29 general welfare;

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

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

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

40 (e) The organization is nondiscriminatory; and

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

43 2. An application submitted to the Department pursuant to subsection  
44 1:

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

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

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

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

7 (I) General use by the particular cause or charitable  
8 organization; or

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

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

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

14 (2) If different from the organization described in subparagraph (1),  
15 the cause or charitable organization for which the special license plate  
16 being requested is intended to generate financial support;

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

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

24 (f) ***Must, if the organization is a charitable organization, not***  
25 ***including a governmental entity whose budget is included in***  
26 ***the executive budget, include a budget prepared by or for the charitable***  
27 ***organization which includes, without limitation, the proposed operating***  
28 ***and administrative expenses of the charitable organization; and***

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

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

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

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

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

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

1 ↪ The updated information described in this subsection must be submitted  
2 to the Department within 90 days after the relevant change takes place,  
3 unless the applicant has received notice that the special license plate is on  
4 an agenda to be heard at a meeting of the Commission on Special License  
5 Plates, in which case the updated information must be submitted to the  
6 Department within 48 hours after the applicant receives such notice. The  
7 updating of information pursuant to this subsection does not alter, change  
8 or otherwise affect the issuance of special license plates by the Department  
9 in accordance with the chronological order of their authorization or  
10 approval, as described in subsection 2 of NRS 482.367008.

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

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

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

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

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

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

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

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

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

28 (b) The Commission on Special License Plates has recommended the  
29 Department approve for issuance pursuant to subsection 5 of NRS  
30 482.367004; and

31 (c) Complies with the requirements of subsection 6 of  
32 NRS 482.270,

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

41 ~~6.~~ 7. The Department must promptly release the surety bond posted  
42 pursuant to subsection 2:

43 (a) If the Department determines not to issue the special license plate;  
44 or

1 (b) If it is determined that at least 1,000 special license plates have  
2 been issued pursuant to the assessment of the viability of the design of the  
3 special license plate conducted pursuant to NRS 482.367008, except that if  
4 the special license plate is one of the type described in subsection 3 of  
5 NRS 482.367008, the Department must promptly release the surety bond  
6 posted pursuant to subsection 2 if it is determined that at least 3,000  
7 special license plates have been issued pursuant to the assessment of the  
8 viability of the design of the special license plate conducted pursuant to  
9 NRS 482.367008.

10 ~~7.1~~ **8.** If, during a registration period, the holder of license plates  
11 issued pursuant to the provisions of this section disposes of the vehicle to  
12 which the plates are affixed, the holder shall:

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

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

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

20 482.38272 As used in NRS 482.38272 to 482.38279, inclusive, *and*  
21 *sections 2, 3 and 4 of this act*, unless the context otherwise requires, the  
22 words and terms defined in NRS 482.38273 to 482.38276, inclusive, have  
23 the meanings ascribed to them in those sections.

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

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

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

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

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

42 (c) The current telephone number of the charitable organization ~~+~~;

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



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

3           (2) *A description of how all money received by the charitable*  
4 *organization in the form of additional fees was expended, including,*  
5 *without limitation, how that money was expended by the charitable*  
6 *organization, or any recipient or awardee of that money from the*  
7 *charitable organization; and*

8           (e) *A copy of the most recent federal tax return of the charitable*  
9 *organization, if any, including all schedules related thereto.*

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

18          4. The Legislative Auditor shall prescribe:

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

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

26          ~~4.~~ 5. The Commission shall provide to the Legislative Auditor:

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

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

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

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

37          2. The final written report must be distributed to each member of the  
38 Commission before the report is presented to the 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 forms or  
43 records filed by the charitable organization with the Commission or the  
44 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 thereof,  
4 used to ensure that all money received in the form of additional fees is  
5 expended solely for the benefit of the intended recipient; and

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

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

12 482.38279 1. If the Commission on Special License Plates  
13 determines that a charitable organization has failed to comply with one or  
14 more of the provisions of NRS 482.38277 or if, in a report provided to the  
15 Commission by the Legislative Auditor pursuant to NRS 482.38278, *or*  
16 *section 2 of this act*, the Legislative Auditor determines that a charitable  
17 organization has committed improper practices of financial administration,  
18 has filed with the Commission or the Department forms or records that are  
19 inadequate or inaccurate, or has failed to use adequate methods and  
20 procedures to ensure that all money received in the form of additional fees  
21 is expended solely for the benefit of the intended recipient, the  
22 Commission shall notify the charitable organization of that determination.

23 2. A charitable organization may request in writing a hearing, within  
24 20 days after receiving notification pursuant to subsection 1, to respond to  
25 the determinations of the Commission or Legislative Auditor. The hearing  
26 must be held not later than 30 days after the receipt of the request for a  
27 hearing unless the parties, by written stipulation, agree to extend the time.

28 3. The Commission shall issue a decision on whether to uphold the  
29 original determination of the Commission or the Legislative Auditor or to  
30 overturn that determination. The decision required pursuant to this  
31 subsection must be issued:

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

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

35 4. If the Commission decides to uphold its own determination that a  
36 charitable organization has failed to comply with one or more of the  
37 provisions of NRS 482.38277 or decides to uphold the determination of the  
38 Legislative Auditor that the organization has committed improper practices  
39 of financial administration, has filed with the Commission or the  
40 Department forms or records that are inadequate or inaccurate, or has  
41 failed to use adequate methods and procedures to ensure that all money  
42 received in the form of additional fees is expended solely for the benefit of  
43 the intended recipient, the Commission shall issue its decision in writing  
44 and may recommend that the Department:

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

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

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

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

H