

ASSEMBLY EDUCATION COMMITTEE MINUTES  
APRIL 1, 1975

2- 383

MEMBERS PRESENT: Chairman Wittenberg, Vice Chairman Polish,  
Messrs. Coulter, Chaney, Lowman, Vergiels

MEMBERS ABSENT: Mr. Weise (excused)

GUESTS: Merlin Anderson, Department of Education  
John Gamble, Department of Education

Chairman Wittenberg called the meeting to order for the purpose of discussing further amendments to AB 24, provides for regulation of proprietary elementary, secondary and post-secondary educational institutions and their agents that seek to conduct operations in Nevada.

Chairman Wittenberg began by distributing copies of the proposed amendments and a final copy of the proposed bill as it will read with these amendments included. A copy of both is herewith attached to these minutes as Exhibit I and made a part of this record.

Mr. Gamble began going over the amendments and commented on the major changes which are:

Page 4, after line 12, in section 26, of the first reprint, subsection 9 was omitted, which had been adopted by the committee. This is the grandfather clause.

Page 6, line 43 of section 30, of the first reprint, the words "junior high school, high school" are inserted between "middle school" and "or secondary". This should have been included but was omitted. It does appear elsewhere in the bill.

Mr. Lowman asked if secondary applied to junior high. Mr. Anderson stated that it did, and that the term high school also applies to junior highs by legislative definition.

Mr. Lowman then asked why, on page 11, section 43, line 27 of the first reprint, they are changing the term "department" to "administrator". Mr. Anderson stated that this section did not apply to the department but rather to the commission and therefore to the administrator acting for the commission.

Page 11, line 45, of section 45, of the first reprint, the term "private" had been omitted and it had been the intention of the committee that these people should represent private postsecondary institutions rather than someone from some place like the University.

Page 11, lines 48 and 49, of section 45, of the first reprint, the bill drafters had reverted to the language of the original bill which had been changed by the committee so that the commission shall hire an administrator who shall also be the executive secretary.

Pages 16 and 17, lines 47-3, section 55, of the first reprint, are deleted as the bill drafters left in the language of the original bill which had been changed to leave out action by the department.

Page 17, lines 15-22, section 56, of the first reprint, are deleted. This also refers to the same action as the previous deletion.

Page 17, line 23, section 56 of the first reprint, insert "2" instead of "3" so as to make everything correspond.

Page 18, line 16, section 59, of the first reprint, omitted the language "not less than" which had been adopted by the committee.

Page 21, lines 1-18, section 67, of the first reprint, put the commission back in the department and this should be deleted and the new language substituted. It was decided from the hearing that this commission should not be established within the Department of Education. Also the new language will put an appropriation within the bill. This appropriation has been greatly reduced as they do anticipate receiving money from other sources.

Mr. Lowman asked if there was any change in the feelings of the committee as to whether the commission should report to the Superintendent of Public Instruction instead of to the Governor. He stated that he felt that this should belong in the Department of Education rather than in the Administrative Department.

Mr. Gamble stated that as long as the commission was autonomous and their decisions were final, who they report to is immaterial. Their appointment is made by the Governor and therefore they properly should report to him.

Mr. Lowman then stated that he question whether it should be appointed by the Governor. He stated that he felt in some ways that it should not be a part of the political arena appointed by the Governor.

Mr. Vergiels stated it was apparent from the hearing that the State Board of Education wanted out of it and the regents don't want the responsibility either.

Mr. Wittenberg stated that he would rather have it left as it is under the Governor.

Mr. Vergiels moved the committee do adopt these amendments to the first report of AB 24 and Mr. Polish seconded the motion. The vote was unanimous in favor of the motion (Mr. Weise excused).

As there was no further business for this meeting, Chairman Wittenberg adjourned the meeting.

Respectfully submitted,

Sandra Gagner,  
Assembly Attache

Amend sec. 1, page 1, line 2, by deleting "66" and inserting: "68".

Amend sec. 5, page 1, line 15, by deleting "department" and inserting: "board".

Amend sec. 16, page 2, lines 38 and 39, by deleting "department" and inserting:  
"board".

Amend sec. 24, page 3, line 40, by deleting "department" and inserting: "commission  
and the board".

Amend sec. 26, page 4, by inserting between lines 12 and 13 an additional subsection  
"9." "Institutions or school systems in operation prior to July 1, 1975 which had prior  
board approval of their courses of study under NRS 394.130. Any substantial changes in  
these schools or in future schools in the school system which would alter their nature  
or purpose as described in their official literature as of July 1, 1975, will be subject  
to compliance with the act."

Amend sec. 29, page 6, line 17, by deleting "department" and inserting: "board".

Amend sec. 30, page 6, line 42, by deleting "department" and inserting: "board".

Amend sec. 30, page 6, line 43, by inserting after "middle school" and before  
"or secondary" the following: <sup>junior high school</sup> "high school".

Amend sec. 30, page 6, line 44, by deleting "department" and inserting: "board".

Amend sec. 30, page 6, line 46, by deleting "department" and inserting: "board".

Amend sec. 31, page 7, line 3, by deleting "department" and inserting: "board".

Amend sec. 31, page 7, line 7, by deleting "department" and inserting: "board".

Amend sec. 31, page 7, line 8, by deleting "department" and inserting: "board".

Amend sec. 31, page 7, line 8, by deleting "department" and inserting: "board".

Amend sec. 31, page 7, line 16, by deleting "department" and inserting: "board".

Amend sec. 31, page 7, line 19, by deleting "department" and inserting: "board".

Amend sec. 31, page 7, line 36, by deleting "department" and inserting: "board".

Amend sec. 33, page 8, line 20, by deleting "department" and inserting: "board".

Amend sec. 33, page 8, line 23, by deleting "department" and inserting: "board".

Amend sec. 34, page 8, line 36, by deleting "department" and inserting: "board".

Amend sec. 34, page 8, line 40, by deleting "department" and inserting: "board".

Amend sec. 35, page 9, line 9, by deleting "department" and inserting: "board".

Amend sec. 36, page 9, line 21, by deleting "department" and inserting: "board".

Amend sec. 36, page 9, line 22, by deleting "department" and inserting: "board".

Amend sec. 36, page 9, line 30, by deleting "department" and inserting: "board".

Amend sec. 36, page 9, line 33, by deleting "department" and inserting: "board".

Amend sec. 36, page 9, line 35, by deleting "department" and inserting: "board".

Amend sec. 37, page 9, line 39, by deleting "department" and inserting: "board".

Amend sec. 37, page 9, line 39, by deleting "department" and inserting: "board".

Amend sec. 37, page 9, line 42, by deleting "department" and inserting: "board".

Amend sec. 43, page 11, line 27, by deleting "department" and inserting: "administrator".

Amend sec. 43, page 11, line 29, by deleting "board" and inserting: "commission".

Amend sec. 43, page 11, lines 29 and 30, by deleting "to be adopted by the department".

Amend sec. 45, page 11, line 41, by deleting "board" and inserting: "state board of education".

Amend sec. 45, page 11, line 45, by inserting "private" immediately after "representing" and immediately before "postsecondary".

Amend sec. 45, page 11, lines 48 and 49, by deleting "The superintendent of public instruction, or his designee, shall be the secretary of the board" and inserting:

"The administrator shall be the executive secretary".

Amend sec. 46, page 12, line 11, by deleting "department" and inserting: "administrator".

Amend sec. 47, page 12, line 39, by deleting "department" and inserting: "administrator".

Amend sec. 49, page 13, line 16, by deleting "department" and inserting: "administrator".

Amend sec. 49, page 13, line 19, by deleting "or the department".

Amend sec. 50, page 13, line 42, by deleting "or the department".

Amend. sec. 50, page 14, line 17, by deleting "enrollment" and inserting: "tuition".

Amend. sec. 50, page 14, line 19, by deleting "enrollment" and inserting: "tuition".

Amend sec. 50, page 14, line 24, by deleting "department" and inserting: "commission".

Amend sec. 50, page 14, line 25, by deleting "department" and inserting: "commission".

Amend sec. 51, page 14, line 41, by deleting "department" and inserting: "commission".

Amend sec. 51, page 14, line 49, by deleting "department" and inserting: "commission".

Amend sec. 51, page 15, line 2, by deleting "department" and inserting: "commission".

Amend sec. 51, page 15, line 4, by deleting "department" and inserting: "commission".

Amend sec. 52, page 15, line 6, by deleting "department" and inserting: "commission".

Amend sec. 52, page 15, line 7, by deleting "department" and inserting: "commission".

- Amend sec. 52, page 15, line 11, by deleting "department" and inserting: "commission".
- Amend sec. 52, page 15, line 15, by deleting "department" and inserting: "commission".
- Amend sec. 52, page 15, line 16, by deleting "department" and inserting: "commission".
- Amend sec. 52, page 15, line 22, by deleting "department" and inserting: "commission".
- Amend sec. 52, page 15, line 25, by deleting "department" and inserting: "commission".
- Amend sec. 52, page 15, line 36, by deleting "department" and inserting: "commission".
- Amend sec. 52, page 15, line 42, by deleting "department" and inserting: "commission".
- Amend sec. 52, page 15, line 44, by deleting "department" and inserting: "commission".
- Amend sec. 53, page 15, line 46, by deleting "department" and inserting: "commission".
- Amend sec. 53, page 15, line 47, by deleting "department" and inserting: "commission".
- Amend sec. 53, page 15, line 49, by deleting "department" and inserting: "commission".
- Amend sec. 53, page 16, line 11, by deleting "department" and inserting: "commission".
- Amend sec. 53, page 16, line 12, by deleting "department" and inserting: "administrator".
- Amend sec. 53, page 16, line 12, by deleting "department" and inserting: "commission".
- Amend sec. 53, page 16, line 22, by deleting "department" and inserting: "commission".
- Amend sec. 54, page 16, line 25, by deleting "department" and inserting: "commission".
- Amend sec. 54, page 16, line 28, by deleting "department" and inserting: "commission".
- Amend sec. 54, page 16, line 31, by deleting "department" and inserting: "commission".
- Amend sec. 54, page 16, line 33, by deleting "department" and inserting: "commission".
- Amend sec. 54, page 16, line 35, by deleting "department" and inserting: "commission".
- Amend sec. 54, page 16, line 37, by deleting "department" and inserting: "commission".
- Amend sec. 54, page 16, line 40, by deleting "department" and inserting: "commission".
- Amend sec. 55, page 16, line 41, by deleting "department" and inserting: "commission".
- Amend sec. 55, page 16, lines 43 and 44, by deleting "department" and inserting:

"commission".

Amend sec. 55, page 16, line 45, by deleting "department" and inserting: "commission".

Amend sec. 55, pages 16 and 17, lines 47 through 3, by deleting "Decisions of the department pursuant to subsection 1 which are adverse to the applicant may be appealed to the commission if the applicant has requested a hearing by the department and obtained an adverse decision. The applicant must appeal such decision to the commission within 10 days after receiving the department's decision. Action by the commission may be judicially reviewed pursuant to the provisions of the Nevada Administrative Procedure Act." and inserting: 2. "The hearing shall be conducted in accordance with the Nevada Administrative Procedure Act. After a hearing, the decision of the commission is final unless judicially reviewed."

- Amend sec. 56, page 17, line 5, by deleting "department" and inserting: "commission".
- Amend sec. 56, page 17, line 8, by deleting "department" and inserting: "commission".
- Amend sec. 56, page 17, line 10, by deleting "department" and inserting: "commission".
- Amend sec. 56, page 17, line 11, by deleting "department" and inserting: "commission".
- Amend sec. 56, page 17, line 13, by deleting "department" and inserting: "commission".
- Amend sec. 56, page 17, lines 15 through 22 by deleting lines 15 through 22.
- Amend sec. 56, page 17, lines 17 through 23 by deleting "3." and inserting: "2."
- Amend sec. 56, page 17, lines 23 and 24, by deleting "department" and inserting: "commission".
- Amend sec. 57, page 17, line 30, by deleting "department" and inserting: "commission".
- Amend sec. 57, page 17, line 34, by deleting "department" and inserting: "commission".
- Amend sec. 57, page 17, line 35, by deleting "department" and inserting: "commission".
- Amend sec. 57, page 17, line 37, by deleting "department" and inserting: "commission".
- Amend sec. 57, page 17, line 41, by deleting "department" and inserting: "commission".
- Amend sec. 57, page 17, line 44, by deleting "department" and inserting: "commission".
- Amend sec. 57, page 17, line 45, by deleting "department" and inserting: "commission".
- Amend sec. 58, page 18, lines 1 through 7, by deleting lines 1 through 7 and inserting:
1. "Any person aggrieved or adversely affected by any final commission action, or by any penalty imposed by the commission, may obtain judicial review in accordance with the provisions of the Nevada Administrative Procedure Act."
- Amend sec. 58, page 18, line 8, by deleting "or the department".
- Amend sec. 59, page 18, line 14, by deleting "department" and inserting: "commission".
- Amend sec. 59, page 18, line 16, by deleting "department" and inserting: "commission".
- Amend sec. 59, page 18, line 16, by inserting "not less than" immediately after "sum of" and immediately before \$5,000.
- Amend sec. 59, page 18, line 29, by deleting "department" and inserting: "commission".
- Amend sec. 59, page 18, line 37, by deleting "department" and inserting: "commission".
- Amend sec. 60, page 18, line 45, by deleting "department" and inserting: "commission".
- Amend sec. 61, page 19, line 5, by deleting "department" and inserting: "commission".
- Amend sec. 61, page 19, line 6, by deleting "department" and inserting: "commission".
- Amend sec. 61, page 19, line 10, by deleting "department" and inserting: "commission".
- Amend sec. 61, page 19, line 12, by deleting "department" and inserting: "commission".
- Amend sec. 61, page 19, line 13, by deleting "department" and inserting: "commission".
- Amend sec. 61, page 19, line 14, by deleting "department" and inserting: "commission".

Amend sec. 64, page 20, line 22, by deleting "department" and inserting: "commission or board".

Amend sec. 64, page 20, line 25, by deleting "department" and inserting: "commission or board".

Amend sec. 64, page 20, line 27, by deleting "department" and inserting: "commission or board".

Amend sec. 64, page 20, line 29, by deleting "department" and inserting: "commission or board".

Amend sec. 64, page 20, line 35, by deleting "department" and inserting: "commission or board".

Amend sec. 64, page 20, line 36, by deleting "department" and inserting: "commission or board".

Amend sec. 64, page 20, line 39, by deleting "department" and inserting: "commission or board".

Amend sec. 64, page 20, line 45, by deleting "department" and inserting: "commission or board".

Amend sec. 67, page 21, lines 1 through 18, by deleting lines 1 through 18 and inserting: 1. "There is hereby appropriated from the general fund in the State Treasury, to the Commission on Postsecondary Educational Authorization, for the purpose of implementing the provisions of sections 41 to 61 of this act:

(a) For the fiscal year 1975-76, the sum of \$30,000.

(b) For the fiscal year 1976-77, the sum of \$54,000.

2. Said sums to cover Administrator's Office and Commission costs as specifically described in sections 45, 46 and 47 of the Act.

Amend sec. 68, page 21, lines 19 through 49, by deleting lines 19 through 49 and inserting: "The commission on Postsecondary Authorization shall operate as an autonomous commission under the Governor. However, for purposes of fiscal accounting and/or housing, it may enter into a contract with the State Department of Education to provide same.



SUMMARY--Provides for regulation of all proprietary elementary, secondary and postsecondary educational institutions and their agents that seek to conduct operations in Nevada. Fiscal Note: Yes. (BDR 34-56)

AN ACT relating to private elementary, secondary and postsecondary educational institutions and establishments; authorizing and empowering the state board of education and the commission on postsecondary authorization to regulate elementary, secondary, and postsecondary educational institutions and their agents in the State of Nevada; assigning powers and duties to the agencies; establishing procedures to be followed prior to the granting, denial or revocation of a license or permit; regulating the granting of academic degrees and the naming of institutions; providing civil remedies; providing penalties; and providing other matters properly relating thereto.

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

Section 1. Chapter 394 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 68, inclusive, of this act.

Sec. 2. As used in this chapter, the words and terms in sections 3 to 23, inclusive, of this act have the meanings ascribed to them in such sections.

Sec. 3. "Administrator" means the administrator of the commission on postsecondary institutional authorization.

Sec. 4. "Agent" means any natural person owning an interest in, employed by or representing for remuneration a private elementary, secondary or postsecondary educational institution within or outside this state, or who holds himself out to residents of this state as representing an elementary, secondary or postsecondary educational institution for any purpose.

Sec. 5. "Agent's permit" means a nontransferable written authorization issued to a natural person by the board or commission which allows that person to solicit or enroll any resident of this state for education in a private elementary, secondary or postsecondary educational institution.

Sec. 5.5. "Board" means the state board of education.

Sec. 6. "Commission" means the commission on postsecondary institutional authorization.

Sec. 7. "Commissioner" means any member of the commission on postsecondary institutional authorization except the administrator.

Sec. 8. "Department" means the state department of education.

Sec. 9. "Document of indebtedness" means any contract, note, instrument or other evidence of indebtedness entered into by a resident of this state and a private elementary, secondary or postsecondary educational institution, its agent or lending agency specifying the terms of payment for educational services to be provided by any private elementary, secondary or postsecondary educational institution.

Sec. 10. "Education" or "educational services" includes any class, course or program of training, instruction or study.

Sec. 11. "Educational credentials" means degrees, diplomas, certificates, transcripts, reports, documents or letters of designation, marks, appellations, series of letters, numbers or words which signify, purport to signify or are generally taken to signify enrollment, attendance, progress or satisfactory completion of the requirements or prerequisites for education at a private elementary, secondary or postsecondary educational institution.

Sec. 12. "Elementary and secondary educational institutions" includes an academic, vocational, technical, home study, business or other school or other person offering educational credentials, diplomas or certificates, or offering instruction or educational services. This term includes all grades between kindergarten and twelfth grade.

Sec. 13. "Entity" includes any company, firm, society, association, partnership, corporation and trust.

Sec. 14. "Grant" includes awarding, selling, conferring, bestowing or giving.

Sec. 15. "Lending agency" means:

1. Any private elementary, secondary or postsecondary educational institution;

2. Any person controlling, controlled by or held in common ownership with an elementary, secondary or postsecondary institution; or

3. Any person regularly loaning money to such an educational institution or its students.

Sec. 16. "License" means the written authorization of the Board or commission to operate or to contract to operate a private elementary, secondary or postsecondary educational institution.

Sec. 17. "Offer" includes, in addition to its usual meanings, advertising, publicizing, soliciting or encouraging any person, directly or indirectly in any form, to perform the act described.

Sec. 18. "Operate" means to establish or maintain any facility in this state from or through which education or educational credentials are offered or granted, and includes contracting with any person, group or entity for the purpose of providing education or educational credentials.

Sec. 19. "Ownership" means ownership of a controlling interest in a private elementary, secondary or postsecondary educational institution or ownership of a controlling interest in the legal entity owning or controlling the institution.

Sec. 20. "Person" includes a company, partnership, association, corporation or other entity as well as a natural person.

Sec. 21. "Postsecondary education" means the education or educational services offered to persons who have completed or terminated their elementary and secondary education or who are beyond the age of compulsory school attendance for the attainment of academic, professional or vocational objectives.

Sec. 22. "Postsecondary educational institution" means an academic, vocational, technical, home study, business, professional or other school, college or university, or any person offering educational credentials or educational services, but does not include any institution established or maintained under the laws of this state, another state or the Federal Government at the public expense. It includes all school grades above the twelfth grade.

Sec. 23. "Private schools" means private elementary and secondary educational institutions.

Sec. 24. It is the policy of this state to encourage and enable its citizens to receive an education commensurate with their respective talents and desires. The legislature recognizes that privately owned institutions offering elementary, secondary and postsecondary education and vocational and professional instruction perform a necessary service to the citizens of this state. It is the purpose of this chapter to provide for the protection, education and welfare of the citizens of the State of Nevada, its educational, vocational and professional institutions, and its students, by:

- 1. Establishing minimum standards concerning quality of education, ethical and business practices, health and safety, and fiscal responsibility, to protect against substandard, transient, unethical, deceptive or fraudulent institutions and practices;
- 2. Prohibiting the granting of false or misleading educational credentials;
- 3. Regulating the use of academic terminology in naming or otherwise designating educational institutions;
- 4. Prohibiting misleading literature, advertising, solicitation or representation by educational institutions or their agents;
- 5. Providing for the preservation of essential academic records; and
- 6. Providing certain rights and remedies to the consuming public, the commission and the board necessary to effectuate the purposes of this chapter.

Sec. 25. Sections 25 to 40, inclusive, of this act, may be cited as the Private Elementary and Secondary Education Authorization Act.

Sec. 26. The following educational institutions are exempt from the provisions of the Private Elementary and Secondary Education Authorization Act:

- 1. Institutions exclusively offering instruction at any level of post-secondary education.
- 2. Institutions maintained by the state or any of its political subdivisions and supported by public funds.
- 3. Institutions exclusively offering religious or sectarian studies.
- 4. Institutions licensed under the provisions of the Postsecondary Education Authorization Act.
- 5. Institutions operated by or under the direct administrative supervision of the Federal Government.
- 6. Institutions or individuals offering instruction to four or fewer students in a 24-hour day or to 24 or fewer students during any calendar year.
- 7. Fraternal or benevolent institutions offering instruction to their members or their immediate relatives, which instruction is not operated for profit.
- 8. Institutions offering instruction solely in avocational and recreational areas.
- 9. Institutions or school systems in operation prior to July 1, 1975 which had prior board approval of their courses of study under NRS .394.130. Any substantial changes in these schools or in future schools in the school system which would alter their nature or purpose as described in their official literature as of July 1, 1975, will be subject to compliance with the act.

Sec. 27. 1. The department, under the direction and control of the board, shall administer the provisions of the Private Elementary and Secondary Education Authorization Act in addition to any other duties prescribed by law.

2. The department, with the approval of the board, shall:

- (a) Establish minimum criteria, in conformity with section 29 of this act, which applicants for a license or agent's permit shall meet before a license or permit is issued. The criteria shall be sufficient to effectuate the purposes of the Private Elementary and Secondary Education Authorization Act but not unreasonably hinder legitimate educational innovation.

(b) Receive, investigate as necessary and act upon applications for licenses and agents' permits.

(c) Maintain a list of agents and private elementary and secondary education institutions authorized to operate in this state. The list shall be available for the information of the public.

(d) Receive, and maintain as a permanent file, copies of academic records in conformity with section 40 of this act.

(e) In conformity with the Nevada Administrative Procedure Act, promulgate regulations and procedures necessary for the conduct of its work and the implementation of the Private Elementary and Secondary Education Authorization Act, which regulations shall have the force of law; and hold such hearings as are advisable or required in developing regulations and procedures, or in aid of any investigation or inquiry.

Sec. 28. The department, with the approval of the board, may:

1. Request from any other department, division, board, bureau, commission or other agency of the state, and the latter agency shall provide, any information which it possesses that will enable the department to exercise properly its powers and perform its duties under the Private Elementary and Secondary Education Authorization Act.

2. Negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the department such agreements are or will be helpful in effectuating the purposes of the Private Elementary and Secondary Education Authorization Act, but nothing contained in any such reciprocity agreement may limit the department's powers, duties and responsibilities independently to investigate or act upon any application for a license to operate or any application for renewal of a license to operate an elementary or secondary educational institution, or an application for issuance or renewal of any agent's permit, or to enforce any provision of the Private Elementary and Secondary Education Authorization Act, or any regulations promulgated under it.

3. Investigate, on its own initiative or in response to any complaint lodged with it, any person subject to, or reasonably believed by the department to be subject to, its jurisdiction, and in connection with an investigation:

- (a) Subpena any persons, books, records or documents pertaining to the investigation;
- (b) Require answers in writing under oath to questions propounded by the department; and
- (c) Administer an oath or affirmation to any person.

A subpoena issued by the department may be enforced by any district court of this state.

4. Exercise other powers implied but not enumerated in this section but in conformity with the provisions of the Private Elementary and Secondary Education Authorization Act which are necessary in order to carry out the provisions of that act.

Sec. 29. 1. An elementary or secondary educational institution must be maintained and operated, or a new institution must demonstrate that it can be maintained and operated, in compliance with the following minimum standards:

- (a) The quality and content of each course of instruction, training or study reasonably and adequately achieve the stated objective for which the course or program is offered.
- (b) The institution has adequate space, equipment, instructional materials and personnel to provide education of good quality.
- (c) The education and experience qualifications of directors, administrators, supervisors and instructors reasonably insure that the students will receive education consistent with the objectives of the course or program of study.

(d) The institution provides students and other interested persons with a catalog or brochure containing information describing the grades or programs offered, program objectives, length of school year or program, schedule of tuition, fees and all other charges and expenses necessary for completion of the course of study, cancellation and refund policies, and such other material facts concerning the institution as are reasonably likely to affect the decision of the parents or student to enroll in the institution, together with any other disclosures specified by the department or defined in its regulations and that the information is provided to parents or prospective students prior to enrollment.

(e) Upon satisfactory completion of training or instruction, the student is given appropriate educational credentials by the institution indicating that the course of instruction or study has been satisfactorily completed by the student.

(f) Adequate records are maintained by the institution to show attendance, progress and performance.

(g) The institution is maintained and operated in compliance with all pertinent ordinances and laws, including regulations adopted relative to the safety and health of all persons upon the premises.

(h) The institution is financially sound and capable of fulfilling its commitments.

(i) Neither the institution nor its agents engage in advertising, sales, collection, credit or other practices of any type which are false, deceptive, misleading or unfair.

(j) The chief executive officer, trustee, directors, owners, administrators, supervisors, staff, instructors, and agents are of good reputation and character.

(k) The student housing owned, maintained or approved by the institution, if any, is appropriate, safe and adequate.

(l) The institution has a fair and equitable cancellation and refund policy.



2. Accreditation by national or regional accrediting agencies recognized by the United States Office of Education may be accepted by the board as evidence of compliance with the minimum standards established under this section. Accreditation by a recognized, specialized accrediting agency may be accepted as evidence of such compliance only as to the portion or program of an institution accredited by such agency if the institution as a whole is not accredited.

Sec. 30. It is unlawful for any person, alone or in concert with others, to:

1. Operate in this state an elementary or secondary educational institution not exempted from the provisions of the Private Elementary and Secondary Education Authorization Act, unless the institution has a currently valid license to operate.

2. Offer, as or through an agent, enrollment or instruction in, or educational credentials from, an elementary or secondary educational institution not exempted from the provisions of the Private Elementary and Secondary Education Authorization Act, whether the institution is within or outside this state, unless the agent is a natural person and has a currently valid agent's permit, except that the department may, with the approval of the board, adopt regulations to permit a person to disseminate legitimate public information without a permit.

3. Instruct or educate, or offer to instruct or educate (including advertising or soliciting for such purpose), enroll or offer to enroll, or contract with any person for such purpose, or award any educational credential, or contract with any institution or party to perform any such act in this state, whether the person is located within or outside this state, unless such person complies with the minimum standards set forth in section 29 of this act and the regulations adopted by the board.

4. Use the terms "kindergarten," "elementary," "middle school," "high school" or "secondary" without authorization to do so from the board.

5. Grant, or offer to grant, educational credentials, without a license to operate from the board.

Sec. 31. 1. Each elementary or secondary educational institution desiring to operate in this state shall apply to the department upon forms to be provided by the department. The application shall be accompanied by a catalog or brochure published or proposed to be published by the institution, containing the information specified in paragraph (d) of sub-section 1 of section 29 of this act, including information required by regulations of the board. The application shall also be accompanied by evidence of the required surety bond and payment of the fees as specified in section 39 of this act.

2. After receipt of the application and any further information required by the board, and an investigation of the applicant if the board considers it necessary, the board shall either grant or deny a license to operate to the applicant.

3. The license shall state in clear and conspicuous manner at least the following information:

- (a) The date of issuance, effective date and term of the license.
- (b) The correct name and address of the institution licensed to operate.
- (c) The authority for approval and conditions of operation.
- (d) Any limitation of the authorization, as considered necessary by the board.

4. The term for which authorization is given shall not exceed 2 years. A provisional license may be issued for a shorter period of time if the board finds that the applicant has not fully complied with the standards established under section 29 of this act.

5. The license shall be issued to the owner or governing body of the applicant institution and is nontransferable. If a change in ownership of the institution occurs, the new owner or governing body must, within 10 days after the change in ownership, apply for a new license, and if it fails to do so, the institution's license shall terminate. Application for a new license by reason of change in ownership of the institution is, for purposes of section 33 of this act, an application for renewal of the institution's license.

6. At least 60 days prior to the expiration of a license, the institution shall complete and file with the department an application form for renewal of its license. The renewal application shall be reviewed and acted upon as provided in this section.

7. An institution not yet in operation when its application for a license is filed may not begin operation until the license is issued. An institution in operation when its application for a license is filed may continue operation until its application is acted upon by the \_\_\_\_\_ board, and thereafter its authority to operate is governed by the action of the board.

Sec. 32. 1. Each person desiring to solicit or perform the services of an agent in this state shall apply to the department upon forms provided by the department. The application shall be accompanied by evidence of the good reputation and character of the applicant, in a form prescribed by the department, and shall state the institution which the applicant intends to represent. An agent representing more than one institution must obtain a separate agent's permit for each institution represented, except that when an agent represents institutions having a common ownership only one agent's permit is required with respect to the institutions. If any institution which the applicant intends to represent does not have a license to operate in this state, the application shall be accompanied by the information required of institutions making application for a license. The application for an agent's permit shall also be accompanied by evidence of a surety bond and payment of fees required by section 39 of this act.

2. After review of the application and any further information submitted by the applicant as required by the department, and any investigation of the applicant which the department considers appropriate, the department shall grant or deny an agent's permit to the applicant.

3. The agent's permit shall state in a clear and conspicuous manner at least the following information:

- (a) The date of issuance, effective date and term of the permit.
- (b) The correct name and address of the agent.
- (c) The institutions which the agent is authorized to represent.

2-

4. An agent's permit shall not be issued for a term of more than 1 year.

5. At least 30 days prior to the expiration of an agent's permit the agent shall complete and file with the department an application for renewal of the permit. The renewal application shall be reviewed and acted upon as provided in this section.

Sec. 33. 1. If the board, upon review and consideration of an application for a license or for an agent's permit, or a renewal of a license or agent's permit, determines that the applicant fails to meet the criteria for granting the application, the board shall notify the applicant by certified mail setting forth the reasons for the denial of the application.

2. The department may grant to an applicant for renewal an extension of time to eliminate the reasons recited in the denial letter if:

(a) The applicant has demonstrated to the department its or his desire to meet the criteria; and

(b) The department reasonably believes that the applicant can correct the deficiencies within the extension period.

3. If the department denies an application for an agent's permit, or an application for renewal, it shall notify the institution which the agent represented or sought to represent, setting forth the reasons for the denial in accordance with the department's records.

Sec. 34. 1. Any person aggrieved by a decision of the board denying a license to operate or an agent's permit, or the placement of conditions on the license to operate or agent's permit, is entitled to a hearing before the board if the aggrieved person submits a written request for a hearing within 10 days from receipt of the board's letter of denial. If no request is submitted within the prescribed period the decision is final.

2. The hearing shall be conducted in accordance with the Nevada Administrative Procedure Act.

3. The decision of the board is final unless the applicant seeks judicial review.

Sec. 35. 1. A license to operate or an agent's permit may be revoked or made conditional after its issuance if the department reasonably believes that the holder of the license or permit has violated the Private Elementary and Secondary Education Authorization Act or any regulations promulgated under it. Prior to the revocation or imposition of conditions, the department shall notify the holder by certified mail of facts or conduct which warrant the impending action and advise the holder that if a hearing is desired it must be requested within 10 days of receipt of the department's notice letter. The hearing shall be conducted in accordance with the Nevada Administrative Procedure Act.

2. If no hearing is requested within the 10-day period, or after a hearing before the board, the decision of the agency is final unless judicially reviewed.

3. If an agent's permit is revoked or conditions imposed, the department shall, by certified mail, notify the institutions which the agent represented in addition to the agent and any other parties to any hearing.

Sec. 36. 1. Any person claiming damage either individually or as a representative of a class of complainants as a result of any act by an elementary or secondary educational institution or its agent, or both, which is a violation of the Private Elementary and Secondary Education Authorization Act or regulations promulgated under that act, may file with the department a verified complaint against the institution, its agent or both. The complaint shall set forth the alleged violation and contain other information as required by the board. A complaint may also be filed with the board by the superintendent of public instruction or the attorney general.

2. The department shall investigate any verified complaint and may, at its discretion, attempt to effectuate a settlement by persuasion and conciliation. The department may consider a complaint after 10 days' written notice by certified mail to the institution or to the agent, or both, as appropriate, giving notice of a time and place for a hearing.

3. If, after consideration of all evidence presented at a hearing, the board finds that an elementary or secondary educational institution or its agent, or both, has engaged in any act which violates the Private Elementary and Secondary Education Authorization Act or regulations promulgated under it, the board shall issue and serve upon the institution, or agent or both, an order to cease and desist from such act. The board may also, as appropriate, based on its own investigation or the evidence adduced at the hearing, or both, institute an action to revoke an institution's license or an agent's permit.

Sec. 37. 1. Any person aggrieved or adversely affected by any final board action, or by any penalty imposed by the board, may obtain judicial review in accordance with the Nevada Administrative Procedure Act.

2. If the board determines that irreparable injury would result from the implementation of its decision, it shall postpone the effective date of its action pending judicial review, or the reviewing court may order a stay as provided in the Nevada Administrative Procedure Act.

Sec. 38. 1. At the time application is made for an agent's permit, a license to operate or a license renewal, the department shall require the elementary or secondary educational institution making the application to file with the department a good and sufficient surety bond in the sum of not less than \$5,000. The bond shall be executed by the applicant as principal and by a surety company qualified and authorized to do business in this state. The bond shall be made payable to the State of Nevada and be conditioned to provide indemnification to any student, enrollee or his parent or guardian determined to have suffered damage as a result of any act by any elementary or secondary educational institution or their agent which is a violation of the Private Elementary and Secondary Education Authorization Act, and the bonding company shall pay any final, nonappealable judgment of any court of this state that has jurisdiction, upon receipt of written notice of final judgment. The bond may be continuous but, regardless of the duration of the bond, the aggregate liability of the surety shall not exceed the penal sum of the bond.

2. The surety bond to be filed in accordance with this section shall cover the period of the license or the agent's permit, as appropriate, except when a surety is released.

3. A surety on any bond filed under this section may be released after the surety gives 30 days' written notice to the department, but the release shall not discharge or otherwise affect any claim filed by a student, enrollee or his parent or guardian for damage resulting from any act of the elementary or secondary educational institution or agent which is alleged to have occurred while the bond was in effect, nor for an institution's closing operations during the term for which tuition had been paid while the bond was in force.

4. A license or an agent's permit shall be suspended by operation of law when the institution or agent is no longer covered by a surety bond as required by this section; but the department shall give the institution or agent, or both, at least 30 days' written notice prior to the release of the surety that the license or permit will be suspended by operation of law until another surety bond is filed in the same manner and amount as the bond being terminated.

Sec. 39. All fees collected pursuant to the provisions of the Private Elementary and Secondary Education Authorization Act shall be deposited in the state treasury to the credit of the general fund, and no fees so collected are subject to refund. The fees to be collected by the department shall accompany an application for a license to operate or an agent's permit, in accordance with the following schedule.

1. The initial application fee for an elementary or secondary educational institution is \$50.

2. The renewal fee for an elementary or secondary educational institution is \$50.

3. The initial fee for an agent's permit is \$5.

4. The renewal fee for an agent's permit is \$5.

Sec. 40. 1. If any elementary or secondary educational institution operating in this state proposes to discontinue its operation, the chief administrative officer of the institution, by whatever title designated, shall file with the department original or true copies of all academic records of the institution as specified by the department. The records shall include, as a minimum, academic information customarily required by schools when considering students for transfer or advanced study; and, as a separate document, the academic record of each former student.

2. If it appears to the department that academic records of an institution discontinuing its operations are in danger of being destroyed, secreted, mislaid or otherwise made unavailable to the department, the department may seek a court order permitting the seizure of such records.

3. The department shall maintain a permanent file of records coming into its possession.

Sec. 41. Sections 41 to 61, inclusive, of this act may be cited as the Postsecondary Educational Authorization Act.

Sec. 42. The following kinds of education and institutions are exempted from the provisions of the Postsecondary Educational Authorization Act:

1. Institutions exclusively offering instruction at any level from pre-school through the twelfth grade.

2. Education sponsored by a bona fide trade, business, professional or fraternal organization, so recognized by the commission solely for the organization's membership, or offered on a no-fee basis.

3. Education solely avocational or recreational in nature, as determined by the commission, and institutions offering such education exclusively.

4. Education offered by eleemosynary institutions, organizations or agencies, so recognized by the commission, if such education is not advertised or promoted as leading toward educational credentials.

5. Postsecondary educational institutions established, operated and governed by this state or its political subdivisions.

6. Schools licensed under other provisions of Nevada law.

7. Flying schools certificated by the Federal Aviation Administration.



SEC. 43. The administrator shall administer the provisions of the Post-secondary Educational Authorization Act, subject to the direction and control of the commission. The commission shall approve all regulations pursuant to this act.

SEC. 44. 1. The commission consists of seven members to be appointed by the governor. The term of office of each commissioner is for 4 years, except that the initial appointments shall be as follows:

- (a) Two for 2 years;
- (b) Two for 3 years; and
- (c) Three for 4 years.

2. The members of the commission shall serve without compensation, but are entitled to receive the per diem allowances and travel expenses provided by law.

SEC. 45. 1. The commission shall include the following persons:

- (a) One representative of the State Board of Education.
- (b) Two persons knowledgeable in the field of education, but not persons representing postsecondary educational institutions, or colleges established or maintained under the laws of this state.
- (c) Two persons representing private postsecondary educational institutions.
- (d) Two persons from the public at large who are not associated with the field of education.

2. The commission shall designate a chairman. The administrator shall be the executive secretary. The commission shall meet at least four times each year at such places and times as shall be specified by a call of the chairman or majority of the commission. The commission shall prescribe regulations for its own management. Four members of the commission constitutes a quorum which may exercise all the authority conferred upon the commission.

3. Appointments to fill vacancies on the commission caused by death, resignation or inability of a commissioner to perform his duties shall be for the unexpired term of the commissioner to be replaced.

4. Any commissioner may be removed by the governor if, in his opinion, the commissioner is guilty of malfeasance in office or neglect of duty.

SEC. 46. The administrator, with the approval of the commission, shall:

1. Establish minimum criteria in conformity with section 50 of this act, including quality of education, ethical and business practices, health and safety, and fiscal responsibility, which applicants for a license to operate, or for an agent's permit, shall meet before the license or permit may be issued and to continue the license or permit in effect. The criteria to be developed shall be sufficient to effectuate the purposes of the Postsecondary Educational Authorization Act, but not unreasonably hinder legitimate education innovation.

2. Receive, investigate as necessary, and act upon applications for a license to operate postsecondary educational institutions and applications for agents' permits.

3. Maintain a list of postsecondary educational institutions licensed and agents permitted to operate in this state. The list shall be available for the information of the public.

4. Receive and maintain as a permanent file, copies of academic records in conformity with section 61 of this act.

5. In conformity with the Nevada Administrative Procedure Act, promulgate regulations and procedures necessary for the conduct of its work and the implementation of the Postsecondary Educational Authorization Act, which regulations shall have the force of law; and hold such hearings as are advisable or required in developing regulations and procedures, or in aid of any investigation or inquiry.

6. Direct the technical and administrative activities of the commission.

7. Perform any lawful acts considered necessary or desirable to carry out the provisions and purposes of the Postsecondary Educational Authorization Act.

SEC. 47. The administrator, with the approval of the commission, may:

1. Negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the commission the agreements are or will be helpful in effectuating the purposes of the Postsecondary Educational Authorization Act, but nothing contained in any reciprocity agreement may limit the commission's powers, duties and responsibilities independently to investigate or act upon any application for a license to operate a postsecondary educational institution, or an application for issuance or renewal of any agent's permit, or with respect to the enforcement of any provision of the Postsecondary Educational Authorization Act, or any regulation promulgated under it.

2. Investigate, on its own initiative or in response to any complaint lodged with it, any person subject to, or reasonably believed by the commission to be subject to, its jurisdiction and in connection with an investigation:

(a) Subpena any persons, books, records or documents pertaining to the investigation;

(b) Require answers in writing under oath to questions propounded by the commission; and

(c) Administer an oath or affirmation to any person.

A subpoena issued by the commission may be enforced by any district court of this state.

3. Exercise other powers implied but not enumerated in this section but in conformity with the provisions of the Postsecondary Educational Authorization Act which are necessary in order to carry out the provisions of that act.

SEC. 48 (There is no section 48.)

SEC. 49. The administrator may request from any department, division, board, bureau, commission or other agency of the state, and the latter agency shall provide, any information which it possesses that will enable the commission to exercise properly its powers and perform its duties under the Postsecondary Educational Authorization Act.

SEC. 50. 1. A postsecondary educational institution must be maintained and operated, or a new institution must demonstrate that it can be maintained and operated, in compliance with the following minimum standards:

(a) The quality and content of each course or program of instruction, training or study reasonably and adequately achieve the stated objective for which the course or program is offered.

(b) The institution has adequate space, equipment, instructional materials and personnel to provide education of good quality.

(c) The education and experience qualifications of directors, administrators, supervisors and instructors reasonably insure that the students will receive education consistent with the objectives of the course or program of study.

(d) The institution provides students and other interested persons with a catalog or brochure containing information describing the programs offered, program objectives, length of program, schedule of tuition, fees, and all other charges and expenses necessary for completion of the course of study, cancellation and refund policies, and other material facts concerning the institution and the program or course of instruction as are likely to affect the decision of the student to enroll therein, together with any other disclosures specified by the commission or defined in the regulations and that the information is provided to prospective students prior to enrollment.

(e) Upon satisfactory completion of training, the student is given appropriate educational credentials by the institution, indicating that the course of instruction or study has been satisfactorily completed by the student.

(f) Adequate records and standards are maintained by the institution to reflect attendance, progress and performance.

(g) The institution is maintained and operated in compliance with all pertinent local ordinances and state laws, including regulations adopted pursuant thereto, relative to the safety and health of all persons upon the premises.

(h) The institution is financially sound and capable of fulfilling its commitments to students.

(i) Neither the institution nor its agents engage in advertising, sales, collection, credit or other practices of any type which are false, deceptive, misleading or unfair.

(j) The chief executive officer, trustees, directors, owners, administrators, supervisors, staff, instructors and agents are of good reputation and character.

(k) The student housing owned, maintained or approved by the institution, if any, is appropriate, safe and adequate.

(l) The institution has a fair and equitable cancellation and refund policy which shall provide students who cancel their enrollments during the first 25 percent of the course with a refund equal to 50 percent of the total tuition fee, or a proportionate amount of such total fee if the withdrawing student has not paid the total fee. Such institutions may, but shall not be required to, refund a greater percentage of the tuition fee or provide refunds for students who withdraw after completing more than the first 25 percent of the course.

2. Accreditation by national or regional accrediting agencies recognized by the United States Office of Education may be accepted by the commission as evidence of compliance with the minimum standards established under subsection 1, or the commission may require further evidence and make further investigation as in its judgment may be necessary. Accreditation by a recognized, specialized accrediting agency may be accepted as evidence of such compliance only as to the portion or program of an institution accredited by the agency if the institution as a whole is not accredited.

SEC. 51. It is unlawful for any person, alone or in concert with others, to:

1. Operate in this state a postsecondary educational institution not exempted from the provisions of the Postsecondary Educational Authorization Act, unless the institution has a currently valid license to operate.

2. Offer, as or through an agent enrollment or instruction in, or the granting of educational credentials from, a postsecondary educational institution not exempted from the provisions of the Postsecondary Educational Authorization Act, whether the institution is within or outside this state, unless the agent is a natural person and has a currently valid permit, except that the commission may promulgate regulations to permit the rendering of legitimate public information services without a permit.

3. Instruct or educate, or offer to instruct or educate (including advertising or soliciting for such purpose), enroll or offer to enroll, contract or offer to contract with any person for such purpose, or award any educational credential, or contract with any institution or party to perform any act in this state, whether the person is located within or outside this state, unless such person complies with the minimum standards set forth in section 50 of this act, and regulations adopted by the commission.

4. Use the term "university" or "college" without authorization from the commission.

5. Grant, or offer to grant, educational credentials without a license from the commission.

SEC. 52. 1. Each postsecondary educational institution desiring to operate in this state shall apply to the commission, upon forms to be provided by the commission. The application shall be accompanied by a catalog or brochure published or proposed to be published by the institution containing the information specified in paragraph (d) of subsection 1 of section 50 of this act, including information required by regulations of the commission. The application shall also be accompanied by evidence of the surety bond and payment of fees specified in section 60 of this act.

2. After review of the application and any other information required by the commission and an investigation of the applicant, if necessary, the commission shall grant or deny a license to the applicant.

3. The license shall state in clear and conspicuous manner at least the following information:

- (a) The date of issuance, effective date and term of the license.
- (b) The correct name and address of the institution.
- (c) The authority for approval and conditions of operation.
- (d) Any limitation considered necessary by the commission.

4. The term for which the license is given shall not exceed 2 years. A provisional license may be issued for a shorter period of time if the commission finds that the applicant has not fully complied with the standards established under section 50 of this act.

5. The license to operate shall be issued to the owner or governing body of the applicant institution and is nontransferable. If a change in ownership of the institution occurs, the new owner or governing body must, within 10 days after the change in ownership, apply for a new license and if it fails to do so, the institution's license shall terminate. Application for a new license by reason of change in ownership of the institution is, for purposes of section 54 of this act, an application for a license renewal.

6. At least 60 days prior to the expiration of a license to operate, the institution shall complete and file with the commission an application form for renewal of its license. The renewal application shall be reviewed and acted upon as provided in this section.

7. Any institution not yet in operation when its application for a license is filed may not begin operation until the license is issued. An institution in operation when its application for a license is filed may continue operation until its application is acted upon by the commission, and thereafter its authority to operate is governed by the action of the commission.

Sec. 53. 1. Each person desiring to solicit or perform the services of an agent in this state shall apply to the commission upon forms provided by the commission. The application shall be accompanied by evidence of the good reputation and character of the applicant, in a form prescribed by the commission, and shall state the institution which the applicant intends to represent. An agent representing more than one institution must obtain a separate agent's permit for each institution represented, except that when an agent represents institutions having a common ownership, only one agent's permit is required with respect to the institutions. If any institution which the applicant intends to represent does not have a license to operate in this state, the application shall be accompanied by the information required of institutions making application for a license. The application for an agent's permit shall also be accompanied by evidence of a surety bond as required by this act, and payment of the fees required by section 60 of this act.

2. After review of the application and other information submitted by the applicant, as required by the commission, and any investigation of the applicant which the administrator considers appropriate, the commission shall grant or deny an agent's permit to the applicant.

3. The agent's permit shall state in a clear and conspicuous manner at least the following information:

- (a) The date of issuance, effective date and term of the permit.
- (b) The correct name and address of the agent.
- (c) The institutions which the agent is authorized to represent.

4. An agent's permit shall not be issued for a term of more than 1 year.

5. At least 30 days prior to the expiration of an agent's permit, the agent shall complete and file with the commission an application for renewal of the permit. The renewal application shall be reviewed and acted upon as provided in this section.



Sec. 54. 1. If the commission, upon review and consideration of an application for a license to operate, or for an agent's permit, or for renewal of a license or agent's permit, determines that the applicant fails to meet the criteria for granting the application, the commission shall notify the applicant by certified mail, setting forth the reasons for the denial of the application.

2. The commission may grant to an applicant for renewal an extension of time to eliminate the reasons recited in the denial letter if:

(a) The applicant has demonstrated to the commission its or his desire to meet the criteria; and

(b) The commission reasonably believes that the applicant can correct the deficiencies within the extension period.

3. If the commission denies an application for a license or permit, or application for renewal, it shall notify the institution which the agent represented or sought to represent, setting forth the reasons for the denial in accordance with the commission's records.

Sec. 55. 1. Any person aggrieved by a decision of the commission denying a license or an agent's permit, or the placement of conditions on the license or agent's permit, is entitled to a hearing before the commission, if the aggrieved person submits a written request for a hearing within 10 days from the receipt of the commission's letter of denial. If no request is submitted within the prescribed period the decision is final.

2. The hearing shall be conducted in accordance with the Nevada Administrative Procedure Act. After a hearing, the decision of the commission is final unless judicially reviewed.

Sec. 56. 1. A license or an agent's permit may be revoked or made conditional after its issuance if the commission reasonably believes that the holder of the license or permit has violated the Postsecondary Educational Authorization Act or regulations promulgated hereunder. Prior to revocation or imposition of conditions, the commission shall notify the holder by certified mail of the impending action, setting forth the basis for the commission's actions and advising the holder that if a hearing is desired it must be requested within 10 days of receipt of the commission's notice letter. If no hearing is requested within the prescribed period the commission's decision is final. The hearing shall be conducted in accordance with the Nevada Administrative Procedure Act.

2. If an agent's permit is revoked or conditions imposed, the commission shall notify, by certified mail, the institution which the agent represented in addition to the agent and any other parties to any hearing.

Sec. 57. 1. Any person claiming damage, either individually or as a representative of a class of complainants, as a result of any act by a postsecondary educational institution or its agent, or both, which is a violation of the Postsecondary Educational Authorization Act, or regulations promulgated under that act, may file with the commission a verified complaint against the institution, its agent or both. The complaint shall set forth the alleged violation and contain other information as required by the commission. A complaint may also be filed by a commissioner or the attorney general with the commission.

2. The commission shall investigate any verified complaint and may, at its discretion, attempt to effectuate a settlement by persuasion and conciliation. The commission may consider a complaint after 10 days' written notice by certified mail to the institution or to the agent, or both, as appropriate, giving notice of a time and place for a hearing.

3. If, after consideration of all the evidence presented at a hearing, the commission finds that a postsecondary educational institution or its agent, or both, has engaged in any act which violates the Postsecondary Educational Authorization Act or the regulations promulgated under that act, the commission shall issue and serve upon the institution or agent, or both, an order to cease and desist from such act. The commission may also, as appropriate, based on its own investigation and the evidence adduced at the hearing, or either of them, institute an action to revoke an institution's license or an agent's permit.

Sec. 58. 1. Any person aggrieved or adversely affected by any final commission action, or by any penalty imposed by the commission, may obtain judicial review in accordance with the provisions of the Nevada Administrative Procedure Act.

2. If the commission determines that irreparable injury would result from the implementation of its decision, it shall postpone the effective date of its action pending review, or the reviewing court may order a stay as provided in the Nevada Administrative Procedure Act.

Sec. 59. 1. At the time application is made for an agent's permit, a license to operate or for a license renewal, the commission shall require the postsecondary educational institution making the application to file with the commission a surety bond in the sum of not less than \$5,000. The bond shall be executed by the applicant as principal and by a surety company as surety. The bond shall be payable to the State of Nevada and shall be conditioned to provide indemnification to any student, enrollee or his parent or guardian, determined by a final judgment to have suffered damage as a result of any act by the postsecondary educational institution which is a violation of the Postsecondary Educational Authorization Act. The bonding company shall provide indemnification upon receipt of written notice of such judgment.

2. The surety bond to be filed in accordance with this section shall cover the period of the license to operate or the agent's permit, as appropriate except when a surety is released.

3. A surety or any bond filed under this section may be released after the surety gives 30 days' notice to the commission, but the release shall not discharge or otherwise affect any claim filed by a student, enrollee or his parent or guardian for damage resulting from any act of the postsecondary institution or agent alleged to have occurred while the bond was in effect, nor for an institution's ceasing operations during the term for which tuition has been paid while the bond was in force.

4. A license or an agent's permit shall be suspended by operation of law when the institution or agent is no longer covered by a surety bond as required by this section; but the commission shall give the institution or agent, or both, at least 30 days' written notice prior to the release of the surety, to the effect that the license or permit will be suspended by operation of law until another surety bond is filed in the same manner and amount as the bond being terminated.

Sec. 60. All fees collected pursuant to the provisions of the Postsecondary Educational Authorization Act shall be deposited in the state treasury to the credit of the general fund, and no fees so collected are subject to refund. The fees to be collected by the commission shall accompany an application for a license to operate or an agent's permit, in accordance with the following schedule:

1. The initial application fee for postsecondary educational institutions is \$50.
2. The renewal fee for a postsecondary educational institution is \$50.
3. The initial fee for an agent's permit is \$5.
4. The renewal fee for an agent's permit is \$5.

Sec. 61. If any postsecondary educational institution operating in this state proposes to discontinue its operation, the chief administrative officer of the institution shall file with the commission original or true copies of all academic records of the institution specified by the commission. The records shall include, as a minimum, academic information customarily required by colleges when considering students for transfer or advanced study; and, as a separate document, the academic record of each former student. If it appears to the commission that academic records of an institution discontinuing its operations are in danger of being destroyed, secreted, mislaid or otherwise made unavailable to the commission, the commission may seek a court order permitting the seizure of such records. The commission shall maintain a file of records in its possession.

Sec. 62. 1. If the person to whom an elementary, secondary or postsecondary educational institution is to provide educational services is a resident of this state at the time any contract, instrument or document of indebtedness relating to payment for the services is entered into the provisions of this section shall govern the rights of the parties in regard to the documents of indebtedness. Any of the following agreements entered into in connection with the giving of a document of indebtedness is invalid:

- (a) That the law of another state shall apply;
- (b) That the maker or any person liable on such contract or other document of indebtedness consents to the jurisdiction of another state;
- (c) That another person is authorized to confess judgment on such contract or evidence of indebtedness;
- (d) That fixes venue.

2. A document of indebtedness relating to payment for education or educational services is not enforceable in the courts of this state by any elementary, secondary or postsecondary educational institution operating in this state or with an agent operating in this state unless:

- (a) The educational institution has received a license to operate; and
- (b) Each agent operating in this state had an agent's permit.

3. Any lending institution extending credit to any person for tuition, fees or any other charges of an elementary, secondary or postsecondary educational institution for educational services to be rendered by the institution shall conspicuously mark on the face of any document of indebtedness taken in connection with the extension of credit "student loan." If the lending agency fails to do so, the lending agency is liable for any damage incurred by any subsequent assignee, transferee or holder of the document on account of the absence of the notation.

4. Whether or not the notation "student loan" appears on the document of indebtedness, and notwithstanding any agreement to the contrary, the lending agency extending credit and any transferee, assignee or holder of the document of indebtedness are subject to all defenses and claims which may be asserted against the elementary, secondary or postsecondary educational institution which was to render the educational services, by any person that was a party to the document of indebtedness or the person to whom the educational services were to be rendered to the extent of the unpaid portion of the indebtedness.

Sec. 63. 1. Any elementary, secondary or postsecondary educational institution not exempt from the provisions of this chapter, whether or not a resident of or having a place of business in this state, which instructs or educates, or offers to instruct or educate, enrolls or offers to enroll, contracts or offers to contract, to provide instructional or educational services in this state, whether the instruction or services are provided in person or by correspondence, to a resident of this state, or which offers to award or awards any educational credentials to a resident of this state, submits the institution, and, if a natural person his personal representative, to the jurisdiction of the courts of this state, concerning any cause of action arising from violation of any section of this chapter.

2. Service of process upon any institution subject to the jurisdiction of the courts of this state may be made by personally serving the summons upon the defendant within or outside this state, in the manner prescribed by the Nevada Rules of Civil Procedure, with the same effect as if the summons had been personally served within this state.

3. This section does not limit the right to serve any process as prescribed by the Nevada Rules of Civil Procedure.

Sec. 64. 1. The attorney general or the district attorney of any county in which an elementary, secondary or postsecondary educational institution or an agent of such an educational institution is found, at the request of the commission or Board or on his own motion, may bring any appropriate action or proceeding in any court of competent jurisdiction for the enforcement of the provisions of this chapter.

2. If it appears to the commission or Board that any person is violating or is about to violate any of the provisions of this chapter or any of its lawful regulations or orders, the commission or Board may, on its own motion or on the written complaint of any person, file an action for injunction in the name of the commission or Board in any court of competent jurisdiction in this state against the person, group or entity, for the purpose of enjoining such violation or for an order directing compliance with the provisions of this chapter, and all regulations and orders promulgated pursuant to this chapter.

3. The right of injunction provided in this section is in addition to any other legal remedy which the commission or Board has, and is in addition to any right of criminal prosecution provided by law; but the commission or Board shall not obtain a temporary restraining order without notice to the person affected.

4. The existence of a pending commission or Board action with respect to alleged violations of this chapter shall not operate as a bar to an action for injunctive relief pursuant to this section.

Sec. 65. Any person or any owner, officer, agent or employee of an elementary, secondary or postsecondary educational institution who willfully violates the provisions of sections 30 or 51 of this act, or who willfully fails or refuses to deposit with the commission or Board the records required by sections 40 or 61 of this act, is guilty of a misdemeanor. Each day's failure to comply with the provisions of such sections is a separate offense.

Sec. 66. Funds to carry out the provisions of this act shall be provided by legislative appropriation from the general fund, and shall be paid out on claims as other claims against the state are paid.

Sec. 67. 1. There is hereby appropriated from the general fund in the State Treasury, to the Commission on Postsecondary Educational Authorization for the purpose of implementing the provisions of sections 41 to 61 of this act:

- (a) For the fiscal year 1975-76, the sum of \$30,000.
- (b) For the fiscal year 1976-77, the sum of \$54,000.

2. Said sums to cover Administrator's office and Commission costs as specifically described in sections 45, 46 and 47 of the Act.

Sec. 68. The commission on Postsecondary Authorization shall operate as an autonomous commission under the Governor. However, for purposes of fiscal accounting and/or housing, it may enter into a contract with the State Department of Education to provide same.

Sec. 69. NRS 396.540 is hereby amended to read as follows:

396.540 1. For the purposes of this section:

(a) "Bona fide resident" shall be construed in accordance with the provisions of NRS 10.020. The qualification "bona fide" is intended to assure that the residence is genuine and established for purposes other than the avoidance of tuition.

(b) "Tuition charge" means a charge assessed against students who are not residents of Nevada and which is in addition to registration fees or other fees assessed against students who are residents of Nevada.

2. The board of regents may fix a tuition charge for students at all campuses of the University of Nevada System, but tuition shall be free to:

(a) All students whose families are bona fide residents of the State of Nevada; and

(b) All students whose families reside outside of the State of Nevada, providing such students have themselves been bona fide residents of the State of Nevada for at least 6 months prior to their matriculation at the university; and

(c) All public school teachers who are employed full time by school districts in the State of Nevada; and

(d) All full-time teachers in private (schools) elementary, secondary and postsecondary educational institutions in the State of Nevada whose curricula meet the requirements of (NRS 394.130.) chapter 394 of NRS.