THE SEVENTY-SECOND DAY

CARSON CITY (Tuesday), April 16, 2019

Senate called to order at 12:10 p.m.

President Marshall presiding.

Roll called.

All present.

Prayer by the Chaplain, Pastor Peggy Locke.

You, O Lord, are Most High over all the earth. You are exalted far above all gods.

Lord, let our speech always be gracious, seasoned with salt, so we may know how we ought to answer each person. May we live in harmony with one another and not think ourselves more highly than we ought. May we be a blessing today and treat others how we ourselves want to be treated. Teach us, O Lord, to be compassionate and caring as we serve the people of our great State of Nevada. We continue to pray for those serving in harm's way. We pray for our families and our loved ones.

May the Lord bless you and keep you. May the Lord make His face shine upon you and be gracious to you. May the Lord lift up His countenance on you and give you peace today.

In Jesus' Name,

AMEN.

Pledge of Allegiance to the Flag.

By previous order of the Senate, the reading of the Journal is dispensed with, and the President and Secretary are authorized to make the necessary corrections and additions.

REPORTS OF COMMITTEE

Madam President:

Your Committee on Commerce and Labor, to which were referred Senate Bills Nos. 131, 161, 201, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

PAT SPEARMAN, *Chair*

Madam President:

Your Committee on Education, to which were referred Senate Bills Nos. 106, 147, 191, 204, 239, 296, 314, 320, 403, 468, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MOISES DENIS, *Chair*

Madam President:

Your Committee on Government Affairs, to which was referred Assembly Bill No. 381, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Government Affairs, to which were referred Senate Bills Nos. 16, 103, 158, 231, 465, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DAVID R. PARKS, *Chair*

Madam President:

Your Committee on Growth and Infrastructure, to which were referred Senate Bills Nos. 71, 395, 496, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Growth and Infrastructure, to which was re-referred Senate Bill No. 488, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

YVANNA D. CANCELA, *Chair*

Madam President:

Your Committee on Natural Resources, to which were referred Senate Bills Nos. 85, 140; Senate Joint Resolution No. 3, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MELANIE SCHEIBLE, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, April 15, 2019

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate Amendment No. 157 to Assembly Bill No. 182.

CAROL AIELLO-SALA
Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Senator Ratti has approved the addition of Senator Kieckhefer as a sponsor of Senate Bill No. 293.

Senator Cannizzaro moved that the following persons be accepted as accredited press representatives, and that they be assigned space at the press table and allowed the use of appropriate media facilities: DANISH BROADCASTING, DR: Steffen Kretz, Jacob Lorenzen; ENTRAVISION UNIVISION NEVADA: Issmar Ventura; KLAS-TV: J. Alfonso Carrera; KNPB-TV (PBS): Ben Asnis, Guinvere Clark, Rebecca Cronon, Martin Szillat; ONE SOURCE NETWORK LLC: Jennifer Cantley.

Motion carried.

Senator Parks moved that Senate Bill No. 28 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Parks moved that Senate Bill No. 165 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Cancela moved that Senate Bill No. 262 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Woodhouse moved that Senate Bill No. 354 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Woodhouse moved that Senate Bill No. 485 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Denis moved that Senate Bill No. 184 be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

Senator Denis moved that Senate Bill No. 469 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Dondero Loop moved that Senate Bill No. 493 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Cannizzaro moved that Senate Bill No. 431 be taken from the General File and placed on the Secretary's desk.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

By Senator Woodhouse:

Senate Bill No. 502—AN ACT relating to social workers; revising certain licensing fees; and providing other matters properly relating thereto.

Senator Woodhouse moved that the bill be referred to the Committee on Commerce and Labor.

Motion carried.

WAIVERS AND EXEMPTIONS

WAIVER OF JOINT STANDING RULE(S)

A Waiver requested by Senator Woodhouse.

For: Senate Bill No. 502

To Waive:

Subsection 1 of Joint Standing Rule No. 14.2 (dates for introduction of BDRs requested by individual legislators and committees).

Subsection 1 of Joint Standing Rule No. 14.3 (out of final committee of house of origin by 68th day).

Subsection 2 of Joint Standing Rule No. 14.3 (out of house of origin by 79th day).

Subsection 3 of Joint Standing Rule No. 14.3 (out of final committee of 2nd house by 103rd day).

Subsection 4 of Joint Standing Rule No. 14.3 (out of 2nd house by 110th day).

Has been granted effective: Friday, April 12, 2019.

NICOLE J. CANNIZZARO
Senate Majority Leader

JASON FRIERSON
Speaker of the Assembly

GENERAL FILE AND THIRD READING

Senate Bill No. 477.

Bill read third time.

Remarks by Senator Settelmeyer.

Senate Bill No. 477 expands existing prohibitions on a court from releasing certain children to a parent or guardian who has been convicted of the abuse, neglect or endangerment of a child under Nevada law unless the court finds clear and convincing evidence that no physical or psychological harm to the child will result from the release of the child to the parent or guardian. The prohibitions apply to the release of any child to such a parent, regardless of whether the child has been placed in protective custody and if the parent or guardian has been convicted of a violation of the law from another jurisdiction that prohibits the same or similar conduct as that prohibited by federal law.

Roll call on Senate Bill No. 477:
YEAS—20.
NAYS—Ohrenschall.

Senate Bill No. 477 having received a constitutional majority, Madam President declared it passed.
Bill ordered transmitted to the Assembly.

Senate Bill No. 2.
Bill read third time.
Remarks by Senator Hammond.
Senate Bill No. 2 creates the Subcommittee on Specialty Courts within the Advisory Commission on the Administration of Justice to examine specialty courts to determine their efficacy and need for expansion. The bill also revises the membership and quorum requirements for the Commission, designates the Attorney General as Chair of the Commission's Subcommittee on Victims of Crime and prescribes the Chair's duties in that role. Finally, the bill prohibits the Commission from dividing into subgroups or working groups to carry out its duties, except those subcommittees designated by law.

Roll call on Senate Bill No. 2:
YEAS—21.
NAYS—None.

Senate Bill No. 2 having received a constitutional majority, Madam President declared it passed, as amended.
Bill ordered transmitted to the Assembly.

Senate Bill No. 12.
Bill read third time.
Remarks by Senator Goicoechea.
Senate Bill No. 12 expands the authorized uses of the revenues collected from the surcharge that a board of county commissioners may impose for enhancement of the telephone system for reporting an emergency, the 911 lines. This revenue may be used to pay for the costs of an analysis or audit of the surcharges collected by a telecommunications provider.

Roll call on Senate Bill No. 12:
YEAS—21.
NAYS—None.

Senate Bill No. 12 having received a constitutional majority, Madam President declared it passed, as amended.
Bill ordered transmitted to the Assembly.

Senate Bill No. 14.
Bill read third time.
Remarks by Senator Ohrenschall.
Senate Bill No. 14 provides that any gubernatorial appointee to any board, commission or similar body is a civil officer of this State. It authorizes the Governor to remove such an appointee for misconduct in office, incompetence or neglect of duty unless a specific statute requires other removal procedures. The Governor must give the appointee 45-days' notice of the removal unless the Governor determines that circumstances require the immediate removal of the appointee.

The measure further declares that an appeals officer is a civil officer of this State and authorizes the Governor to remove an appeals officer prior to the expiration of his or her term for misconduct

in office, incompetence or neglect of duty, or if his or her license to practice law is revoked or suspended. The Governor must give the appeals officer 45-days' notice of the removal unless the Governor determines that circumstances require the immediate removal of the appeals officer.

Roll call on Senate Bill No. 14:
YEAS—21.
NAYS—None.

Senate Bill No. 14 having received a constitutional majority, Madam President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 30.

Bill read third time.

Remarks by Senator Pickard.

Senate Bill No. 30 revises the amount of a personal guarantee or surety bond that must be obtained from a private employer who contracts with the Department of Corrections to employ offenders. The amount must not be less than 10 percent or more than 100 percent of the prorated annual amount of the contract. The bill also requires the Director to explain to the Committee on Industrial Programs the amount fixed for any guarantee or surety bond.

Roll call on Senate Bill No. 30:
YEAS—21.
NAYS—None.

Senate Bill No. 30 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 36.

Bill read third time.

Remarks by Senator Scheible.

Senate Bill No. 36 revises provisions relating to the purchase of real property by a local government. The measure revises the prohibition on selling or leasing real property for less than the highest appraised value to instead prohibit a board of county commissioners or governing body of a city from, with limited exception, selling or leasing real property for less than the average of two independent appraisals, if two appraisals have been obtained, or the appraised value if only one appraisal has been obtained. A board of county commissioners or governing body of a city is authorized to obtain only one appraisal when listing certain real property with a licensed real-estate broker if the prior appraisal or appraisals were prepared more than six months before the real property is listed.

The measure authorizes a board of county commissioners or governing body of a city to offer real property for sale at auction on an Internet website or other electronic medium. If the board uses an Internet website or other electronic medium, at the next regularly scheduled meeting of the board after bidding has closed, the board is required to make a final acceptance of the highest bid or, under certain circumstances, reject the bids and withdraw the property from sale.

Roll call on Senate Bill No. 36:
YEAS—21.
NAYS—None.

Senate Bill No. 36 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 40.

Bill read third time.

Remarks by Senator Hardy.

Senate Bill No. 40 removes from statute specific dollar amounts of various administrative fines that may be assessed by the Division of Industrial Relations against an employer who violates provisions of this State's occupational safety and health administration laws. Instead, this bill provides that the monetary amounts of those fines may not be greater than the amounts set forth for those violations in the federal Occupational Safety and Health Act, including any adjustments to the amounts in that Act that are made pursuant to the Federal Civil Penalties Inflation Adjustment and, Improvements Act of 2015.

Additionally, the bill increases, from 15 working days to 30 calendar days, the time for an employer to file a notice of contest for a citation or proposed penalty.

Roll call on Senate Bill No. 40:

YEAS—21.

NAYS—None.

Senate Bill No. 40 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 45.

Bill read third time.

Remarks by Senator Hansen.

Senate Bill No. 45 clarifies provisions regarding a business that can be exempted from the requirement to obtain a State business license when providing certain emergency services. It provides that the State may enter into a contract with such a business and revises provisions setting forth requirements on where certain types of businesses must maintain their records.

Roll call on Senate Bill No. 45:

YEAS—21.

NAYS—None.

Senate Bill No. 45 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 57.

Bill read third time.

Remarks by Senators Hammond, Kieckhefer, Settelmeyer, Denis and Pickard.

SENATOR HAMMOND:

Senate Bill No. 57 makes a blueprint or diagram of the layout of a public school confidential. The most current blueprint or diagram of the layout of a public or private school must be disclosed to a public-safety agency upon its request. For public schools, the bill also authorizes such disclosure to certain other individuals or entities for purposes related to the school. Any blueprints or diagram received by such entities must not be disclosed, with certain exceptions.

SENATOR KIECKHEFER:

I have concerns with this bill primarily as it relates to the idea of a diagram of a school. I have written a layout of a school on a piece of paper to get my children to the correct classrooms, and without any clear definition of what a diagram of a school might be, I feel this drawing could certainly apply to this legislation.

There is an exception for "any other person or governmental entity if necessary for a purpose related to a public school," which basically makes moot anything other than that which what is generally open and available to the public. Anyone attending a school should be able to get a diagram of the school.

I understand the purpose of a blueprint. If we are targeting school safety and similar issues, keeping blueprints of schools confidential makes sense, but public buildings often have diagrams on the wall so people can see how to navigate and get around. The idea that disseminating something that is hanging on a wall would no longer be permissible and the diagram would be confidential seems far too broad. The applicability of this bill is not realistic. For those reasons, I have to oppose this bill.

SENATOR SETTELMEYER:

I would like someone from the Committee on Education to answer my question. I am worried about the concept of the diagram. Keeping a blueprint confidential makes sense, but going back to when my daughters were in kindergarten, I would write a diagram. In this building when someone cannot find an office, I walk them to the nearest elevator which has a diagram on it to help them find the right location. Most schools do something similar, especially secondary schools. When a student gets to middle school or high school and there are six or seven buildings to navigate, it will be difficult to do so without having a diagram. Are we going to ask them to use GPS coordinates to find their classrooms? I would like the Chair of the Education Committee to respond or perhaps have this bill put on the Secretary's desk for a clarifying amendment so a diagram is not a problem.

SENATOR DENIS:

This issue did not come up in Committee. We could put this bill on the Secretary's desk and have Legal review it to see if this would be a problem. We did not have a discussion about whether a hand-drawn diagram would fall under this bill. I would be glad to take a look at this issue.

SENATOR PICKARD:

Schools commonly use diagrams to assist parents during open houses and parent-teacher conferences in finding their way around the campus, particularly the large schools in southern Nevada where there are over 3,500 students in complex buildings. These are diagrams that have been disseminated many times over the past few years. We cannot unring that bell. This merits further discussion.

Senator Ratti moved that the bill be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senate Bill No. 74.

Bill read third time.

Remarks by Senator Hammond.

Senate Bill No. 74 clarifies that either a landlord or a tenant may appeal a summary eviction order entered for nonpayment of rent by filing a notice within ten days after the order has been entered and makes this appeal process available regarding mobile-home parks. The bill also provides that a verified complaint for expedited relief may be consolidated with a summary eviction or unlawful detainer action that is pending between a landlord and tenant.

Roll call on Senate Bill No. 74:

YEAS—21.

NAYS—None.

Senate Bill No. 74 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 97.

Bill read third time.

Remarks by Senators Harris, Hansen, Spearman, Cannizzaro and Seevers Gansert.

SENATOR HARRIS:

Senate Bill No. 97 provides that a defendant's discovery of a victim's actual or perceived sexual orientation or gender identity or expression is not an objectively reasonable defense for the existence of an alleged state of passion in the defendant and does not justify the defendant's use of force against the victim.

SENATOR HANSEN:

When I was Chair of Judiciary, I learned it is clear the deck is heavily stacked on the prosecution's side. I am not a lawyer, and I am not in the legal system. Having extensively visited with the public defender's office over the years, it was brought home to me that it is an unglamorous side of the legal profession, but it is highly necessary. Almost everyone in this room could name the district attorney in their county, but when asked who the public defenders is, few know whom it is or what they do. The office of the public defender is charged with defending the poorest among us, those who cannot afford legal help. The public defender's office came to us and made an impassioned plea to not allow this bill to go forward because they are concerned about legislative bodies passing categorical denials of a right of defense. They stated: "Because categorical probations of defenses do not evolve through well-considered case law, they must be mechanically applied by judges without regard to the trials truth-seeking function. Predictively, limiting the constitutional right of accused persons to mount a defense results in coerced guilty pleas, false convictions and convictions of more serious crimes than legally justified by the circumstances."

When one looks at the Bill of Rights, five of the rights put in by our founding fathers deal with protecting the rights of the accused from being abused by the government. The Sixth Amendment gives all people the right to have counsel in a criminal defense matter. I am concerned we will use this bill as a precedent in future matters. When things are unpopular, it is easy to come to the Legislature and say we are going to take away the right of public defenders or criminal defense attorneys to use a specific defense.

What triggered this was a visit I had from the Innocence Project. They told me about a case of a young man who was found not guilty but served 23 years on death row in Ely, Nevada. I have been in the Legislature five terms, and my visit with this man and his wife was one of the most moving experiences I have had. When he visited, his wife, who was his girlfriend when he was convicted at the age of 18, looked at the pictures of my children I have in my office. She remarked on how beautiful my family is. I realized how proud I am of my family and then talked to him. I realized that during the same 23 years he was in prison, I got married, had a family, had a business, participated in Little League, church and all the things that make the American dream come true. At the same time, DeMarlo Berry was sitting on death row, in maximum security, for a crime he did not commit.

What does that have to do with this bill? He was defended by a public defender's office that was already overworked, underpaid and underappreciated. If DeMarlo Berry could have afforded a first-class defense attorney, he would not have spent 23 years in the Nevada prison system facing execution. Fortunately for him, the man who committed the crime had a religious experience and, to make himself right with Jesus, confessed to the crime. As we think about these situations, especially as they relate to public defenders and the fact our founding fathers said everyone should have a right to counsel, we should not legislatively be putting restrictions on the public defender's office. They have a tough enough job as it is. They are overworked, underappreciated and have a lot to deal with. In horrible cases, they do their best, but in this case, a man was almost put to death in the Nevada gas chamber for a crime he did not commit.

Before we think about passing legislation that restricts the public defender's office from doing their job, we need to recognize we should not be doing things legislatively that restrict their ability to defend the poorest among us in these types of circumstances. This involves criminal law. This man was convicted and sentenced to 23 years in an unjust fashion. We should listen to the public

defenders and recognize they asked us to not start to categorically deny defenses. That is what this bill does. I urge my colleagues, in the interest of justice for the State of Nevada, to not restrict the public defender's office and to help keep the type of situation that happened to Mr. DeMarlo Berry from happening again. I urge my colleagues to vote "no" on this bill.

SENATOR SPEARMAN:

I rise to put a historical context on this. In 1955, Emmitt Till, 14 years old, was visiting his cousin in Mississippi from Chicago. He had a speech impediment and was accused of whistling at a white woman. They killed him, burned his body and put it in a ditch because they thought he was whistling at a white woman. In 1923, Rosewood, Florida, a town that was mostly African-American, burned to the ground after a white woman accused a black man of rape. He was black. I took offense to that. We see that time and time again. In the 1980s, there was an incident where a man murdered another man after he said he was in love with him on the Jenny Jones television show.

There is a historical context to this. I do not think voting "yes" on this bill is inconsistent with the Sixth Amendment. The arc of history bends toward justice, and this is one of these moments we help the bending. It is one of these moments when we should look at the fact some people who have racist or other prejudicial ideas about a certain group, which also happens to be marginalized, will use that prejudice to take a life. This is what we are talking about here. If there are other criminal elements present, those will come forward. What we are talking about here is someone using their own personal prejudice to pull the trigger, carry out a lynching or do whatever they need to do to take a life. I urge my colleagues to support this bill. Let us help the arc of justice bend.

SENATOR CANNIZZARO:

I rise in support of Senate Bill No. 97. This bill does two things. First, it says it is not sufficient basis to evoke a proper state of passion or provocation such to mitigate murder, and it does not permit for this to be a premise for a justified use of force in defense of one another simply based on someone claims a particular gender identity or expression. That is already not sufficient provocation nor does it justify the use of force.

This is clear when you are talking to a jury; evidence is not used as a sword to negate the fact there was not sufficient provocation or justification for the use of force. This bill is not about whether or not the public defender's office is able to do its job. If someone is still in danger because of another person's actions and acts with adequate provocation or is justified in using force or violence against someone to defend themselves, that is still a proper defense at trial every day of the week. It is not proper to say one is threatened by someone because they are LGBTQ. That is never sufficient provocation nor does it justify the use of force against another.

Mr. Berry's case is extraordinary and heart-wrenching, but it does not apply to this instance. This is not a defense that, had it not been permitted, would have affected his case whatsoever. I urge this Body to not use this as a reason to not pass this common-sense bill, which still allows for adequate defenses in the use of defending oneself at trial.

In conversations with my colleague from Senate District 9, she brought up an excellent example. There are instances where we say it is not adequate to allow for sufficient provocation or for the use of force against another. If we think of situations where a baby might be crying because they are fussy or hungry, that is not sufficient basis for a parent to hurt or kill that child. This falls in that category. I urge my colleagues' support for Senate Bill No. 97.

SENATOR SEEVERS GANSERT:

I rise in support of Senate Bill No. 97. I have four children. If I did not stand in support of this bill, they would be upset with me. The days of violent acts and using gender expression, identity or sexual orientation as the excuse for a violent act are over. I rise in strong support of Senate Bill No. 97, and I urge my colleagues to do the same.

Roll call on Senate Bill No. 97:

YEAS—19.

NAYS—Goicoechea, Hansen—2.

Senate Bill No. 97 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 101.

Bill read third time.

Remarks by Senator Woodhouse.

Senate Bill No. 101 amends NRS 387.122 to revise the date that the Superintendent of Public Instruction must present the equity-allocation model to the Legislative Committee on Education from not later than July 1 to not later than May 1 of each even-numbered year. Additionally, this bill adds the requirement that the Superintendent of Public Instruction shall adopt the equity-allocation model after consideration of any recommendations of the Legislative Committee on Education and shall adopt it not earlier than July 1 of each even-numbered year. I urge its passage.

Roll call on Senate Bill No. 101:

YEAS—21.

NAYS—None.

Senate Bill No. 101 having received a constitutional majority, Madam President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 136.

Bill read third time.

Remarks by Senator Brooks.

Senate Bill No. 136 revises the Tahoe Regional Planning Compact by changing the composition of the Board of Directors of the Tahoe Transportation District.

Roll call on Senate Bill No. 136:

YEAS—21.

NAYS—None.

Senate Bill No. 136 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 150.

Bill read third time.

Remarks by Senator Goicoechea.

Senate Bill No. 150 requires, with limited exception, the governing body of a city or county to develop and maintain a water resource plan that includes the identification of known water sources available for use by the community and an analysis of the existing and expected demand for that water. One such exception is for a city or county that is located in an area served by certain water districts or water authorities that have developed and maintained a water resource plan that includes the information required by this bill.

This measure authorizes the Board for Financing Water Projects to provide grants of money to the governing body of a county or city to develop and maintain a water resource plan. They have ten years to develop this plan, and we think it is something that is going to be needed as we continue to move forward.

Roll call on Senate Bill No. 150:
YEAS—21.
NAYS—None.

Senate Bill No. 150 having received a constitutional majority, Madam President declared it passed, as amended.
Bill ordered transmitted to the Assembly.

Senate Bill No. 164.
Bill read third time.
Remarks by Senator Kieckhefer.

Senate Bill No. 164 establishes that a "virtual currency," as defined by the bill, is considered intangible personal property and is, therefore, exempt from personal property taxes. The bill provides that a virtual currency will be considered in the same manner as provided under current law for shares of stock, bonds, mortgages, notes, bank deposits and other forms of intangible personal property, which under Article 10, Section 1, of the *Nevada Constitution* are deemed to represent interest in property already assessed and taxed, either in Nevada or elsewhere, and shall be exempt.

In addition to providing definitions for the terms "public blockchain," "state of the public blockchain" and "unaffiliated computers or machines," the bill defines "virtual currency" to mean a digital representation of value that is created, issued and maintained on a public blockchain. It is not attached to a tangible asset or fiat currency and is accepted as a means of payment and may only be transferred, stored or traded electronically.

Roll call on Senate Bill No. 164:
YEAS—21.
NAYS—None.

Senate Bill No. 164 having received a constitutional majority, Madam President declared it passed, as amended.
Bill ordered transmitted to the Assembly.

Senate Bill No. 172.
Bill read third time.
Remarks by Senator Hardy.

Senate Bill No. 172 requires a municipality to provide a copy of the annual financial information that it submits to the Municipal Securities Rulemaking Board related to the issuance of bonds for each improvement district to the Director of the Legislative Counsel Bureau. If a municipality's treasurer determines that certain events have occurred, a municipality must then prepare a final accounting for each special fund created for an improvement district. Each final accounting must contain sufficient detail as required by the municipality's chief financial officer and indicate the amount of surplus, if any, remaining in a special fund for the improvement district. It is to be completed not more than 18 months after the date the treasurer makes his or her determination with certain exceptions provided for a shorter time frame.

The measure revises the provisions regarding the refund of surplus assessment funds and requires that penalties, collection costs and interest imposed on assessments in excess of $100,000 remaining after the bonds and interest on the bonds have been paid, be deposited into certain accounts for public capital improvements. If the holder of a certificate of sale for a property sold because of delinquent assessment charges does not demand the deed within three years after the redemption period ends, the certificate is null and void, with limited exception, and no deed may be executed to the holder of the certificate.

Roll call on Senate Bill No. 172:
YEAS—21.
NAYS—None.

Senate Bill No. 172 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 178.

Bill read third time.

Remarks by Senator Cancela.

I am excited to bring Senate Bill No. 178 before this Body. It is one, if not the only bill, that has all Senators as sponsors. It creates the Council on Food Security within the Department of Health and Human Services. The Council was established by Governor Sandoval in 2014 by Executive Order, and this places it in statute and allows for the Council to continue doing its good work addressing the needs of Nevadans related to hunger and food insecurity.

The bill also creates the Food for People, Not Landfills Program within the Department as a way to set State goals for how to divert food from landfills and into hungry Nevadan bodies. It will do so by setting goals and objectives for the next five years and beyond. It will establish the criteria for food donors to participate in the Program. It will also submit an annual report to the Legislature concerning the Program. Once this measure is approved, we will hear of it in the future. I urge this Body's support.

Roll call on Senate Bill No. 178:
YEAS—21.
NAYS—None.

Senate Bill No. 178 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 179.

Bill read third time.

The following amendment was proposed by Senator Hansen:

Amendment No. 527.

SUMMARY—Revises provisions relating to abortions. (BDR 40-567)

AN ACT relating to abortions; revising provisions relating to informed consent to an abortion; repealing criminal penalties on certain actions relating to the termination of a pregnancy; repealing the prohibition on the excusal of a person on certain grounds from testifying as a witness in a prosecution relating to the termination of a pregnancy; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law in NRS 442.250 regulates the medical conditions under which abortions may be performed in this State. Because NRS 442.250 was submitted to and approved by a referendum of the voters at the 1990 general election, Section 1 of Article 19 of the Nevada Constitution dictates that the provisions of NRS 442.250 may not be amended, annulled, repealed, set aside, suspended or in any way made inoperative except by the direct vote of the people. In addition to the provisions of NRS 442.250, Nevada's abortion laws

also contain certain requirements for informed consent to an abortion. (NRS 442.253) Because the requirements concerning informed consent were not part of the referendum in 1990, they may be amended or repealed by the Legislature without being approved by the direct vote of the people.

This bill revises the requirements in existing law relating to informed consent. This bill conforms with Section 1 of Article 19 of the Nevada Constitution because this bill does not amend, annul, repeal, set aside, suspend or in any way make inoperative the provisions of NRS 442.250. Instead, this bill serves a different governmental purpose than the provisions of NRS 442.250 and revises laws that are separate and complete by themselves and are not amendatory of the provisions of NRS 442.250. (*Matthews v. State ex rel. Nev. Tax Comm'n*, 83 Nev. 266, 267-69 (1967))

Existing law requires a physician to certify in writing that a woman gave her informed written consent before performing an abortion in this State. Existing law additionally requires a physician to certify in writing the pregnant woman's marital status and age before performing an abortion. (NRS 442.252) Existing law further requires that an attending physician or a person meeting the qualifications adopted by the Division of Public and Behavioral Health of the Department of Health and Human Services: (1) take certain action to notify a pregnant woman that she is pregnant; (2) inform a pregnant woman of the number of weeks which have elapsed from the probable time of conception; and (3) explain the physical and emotional implications of having the abortion. (NRS 442.253)

Sections 1 and 2 of this bill revise the requirements for informed consent for an abortion. Section 1 removes the requirement that a physician certify a pregnant woman's marital status and age before performing an abortion. Section 1 also removes the requirement that a physician certify in writing that a woman gave her informed written consent. Section 2 requires an attending physician or person meeting the qualifications adopted by the Division to: (1) provide the pregnant woman with a list of providers of health care, medical facilities and other persons and entities that perform ultrasonography free of charge; (2) provide orally the explanation required in existing law to a pregnant woman that she is pregnant and a copy of her pregnancy test is available; and ~~[(2)]~~ (3) orally inform her of the estimated gestational age. Section 2 additionally requires an attending physician or a person meeting the qualifications adopted by the Division to explain orally to a pregnant woman in an accurate and thorough manner: (1) the procedure to be used and the proper procedures for her care after the abortion; (2) the discomforts and risks that may accompany or follow the performance of a procedure; and (3) if an interpreter is available to assist the woman because the woman does not understand the language used on a form indicating consent or the language used by the persons providing her with information concerning the procedure, that an interpreter is available to provide the explanation. Section 2 also requires an attending physician or a person meeting the qualifications adopted by the Division to: (1) offer to answer any questions the woman has concerning

the procedure; and (2) provide the woman with a copy of a form indicating consent. Section 2 provides that informed consent shall be deemed to have been given by a woman seeking an abortion when: (1) the form indicating consent has been signed and dated by certain persons; and (2) if the form indicating consent is not written in a language understood by the pregnant woman, the person who explains certain information to the pregnant woman certifies that the information has been presented in such a manner as to be understood by the woman.

Existing law criminalizes certain actions relating to the termination of a pregnancy and prohibits a person from being excused from testifying as a witness in any prosecution relating to the termination of a pregnancy on the grounds that the testimony would tend to incriminate the person. (NRS 201.120, 201.130, 201.140) Section 6 repeals these provisions.

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

Section 1. NRS 442.252 is hereby amended to read as follows:

442.252 No physician may perform an abortion in this state unless, before the physician performs it, he or she ~~[certifies in writing that]~~ *obtains* the ~~[woman gave her]~~ informed ~~[written]~~ consent ~~[, freely and without coercion. The physician shall further certify in writing the pregnant woman's marital status and age based upon proof of age offered by her.]~~ *of the woman seeking the abortion pursuant to NRS 442.253*.

Sec. 2. NRS 442.253 is hereby amended to read as follows:

442.253 1. The attending physician or a person meeting the qualifications established by regulations adopted by the Division shall ~~[accurately and in a]~~ *:*

(a) In an accurate and thorough manner which is reasonably likely to be understood by the pregnant woman ~~[:~~

~~(a)]~~ *, orally:*

(1) Explain that, in his or her professional judgment, she is pregnant and a copy of her pregnancy test is available to her.

~~[(b)]~~ *(2)* Inform her of the ~~[number of weeks which have elapsed from the probable time of conception.~~

~~(c)]~~ *estimated gestational age;*

(3) Explain ~~[the physical and emotional implications of having the abortion.~~

~~(d) Describe the medical]~~ *:*

(I) The procedure to be used ~~[, its consequences]~~ and the proper procedures for her care after the abortion.

(II) The discomforts and risks that may accompany or follow the procedure.

(III) If an interpreter is available to assist the woman because the woman does not understand the language used on a form indicating consent or the language used by the attending physician or person meeting the

qualifications established by regulations adopted by the Division, that an interpreter is available to provide the explanation.

(b) Provide the pregnant woman with a list of providers of health care, medical facilities and other persons and entities that perform ultrasonography free of charge. The list must be organized geographically and include, without limitation, the name, address and telephone number of each provider, facility and other person or entity.

(c) Offer to answer any questions the woman has concerning the procedure.

~~[(c)]~~ *(d) Provide the woman with a copy of a form indicating consent.*

2. ~~[The attending physician shall verify that all material facts and information, which in the professional judgment of the physician are necessary to allow the woman to give her informed consent, have been provided to her and that her consent is informed.]~~ *The form indicating consent provided pursuant to subsection 1 must clearly describe the nature and consequences of the procedure to be used.*

3. ~~[If the woman does not understand English, the form indicating consent must be written in a language understood by her, or the attending physician shall certify on the form that the information required to be given has been presented in such a manner as to be understandable by her. If an interpreter is used, the interpreter must be named and reference to this use must be made on the form for]~~ *Informed* consent ~~[.]~~ *shall be deemed to have been given by a woman seeking an abortion for the purposes of NRS 442.252 when:*

(a) The form indicating consent provided pursuant to paragraph (c) of subsection 1 has been signed and dated by:

(1) The woman;

(2) The interpreter, if an interpreter is used;

(3) The attending physician who will perform the procedure; and

(4) The person meeting the qualifications established by regulations adopted by the Division if such a person performs the duties prescribed in subsection 1; and

(b) If the form indicating consent is not written in a language understood by the woman, the person who performs the duties prescribed in subsection 1 has certified on the form that the information described in subsection 1 has been presented in such a manner as to be understood by the woman.

Sec. 3. NRS 442.256 is hereby amended to read as follows:

442.256 A physician who performs an abortion shall maintain a record of it for at least 5 years after it is performed. The record must contain:

1. The ~~[written]~~ *form indicating* consent ~~[of the woman;]~~ *completed in compliance with subsection 3 of NRS 442.253.*

2. A statement of the information which was provided to the woman pursuant to NRS 442.253 . ~~[; and]~~

3. A description of efforts to give any notice required by NRS 442.255.

Sec. 4. (Deleted by amendment.)

Sec. 5. NRS 41A.110 is hereby amended to read as follows:

41A.110 ~~[A]~~ *Except as otherwise provided in subsection 3 of NRS 442.253, a* physician licensed to practice medicine under the provisions of chapter 630 or 633 of NRS, or a dentist licensed to practice dentistry under the provisions of chapter 631 of NRS, has conclusively obtained the consent of a patient for a medical, surgical or dental procedure, as appropriate, if the physician or dentist has done the following:

1. Explained to the patient in general terms, without specific details, the procedure to be undertaken;

2. Explained to the patient alternative methods of treatment, if any, and their general nature;

3. Explained to the patient that there may be risks, together with the general nature and extent of the risks involved, without enumerating such risks; and

4. Obtained the signature of the patient to a statement containing an explanation of the procedure, alternative methods of treatment and risks involved, as provided in this section.

Sec. 6. NRS 201.120, 201.130 and 201.140 are hereby repealed.

Sec. 7. This act becomes effective on July 1, 2019.

TEXT OF REPEALED SECTIONS

201.120 Abortion: Definition; penalty. A person who:

1. Prescribes, supplies or administers to a woman, whether pregnant or not, or advises or causes her to take any medicine, drug or substance; or

2. Uses or causes to be used, any instrument or other means,

➥ to terminate a pregnancy, unless done pursuant to the provisions of NRS 442.250, or by a woman upon herself upon the advice of a physician acting pursuant to the provisions of NRS 442.250, is guilty of abortion which is a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years, and may be further punished by a fine of not more than $10,000.

201.130 Selling drugs to produce miscarriage; penalty. Every person who shall manufacture, sell or give away any instrument, drug, medicine or other substance, knowing or intending that the same may be unlawfully used in procuring the miscarriage of a woman, shall be guilty of a gross misdemeanor.

201.140 Evidence. In any prosecution for abortion, attempting abortion, or selling drugs unlawfully, no person shall be excused from testifying as a witness on the ground that the testimony would tend to incriminate him or her, but such testimony shall not be used against the person testifying in any criminal prosecution except for perjury in giving such testimony.

Senator Hansen moved the adoption of the amendment.

Remarks by Senators Hansen, Pickard and Cancela.

SENATOR HANSEN:

Amendment No. 527 to Senate Bill No. 179 is a modest recommendation that adds required steps the physician gives to a woman requesting an abortion. It adds, "… provide the pregnant woman with a list of providers of health care, medical facilities and other persons and entities that perform ultrasonography free of charge." As a body, our goal is to reduce the number of abortions. There is clear and overwhelming evidence when women see an ultrasound of the fetus, the number of abortions substantially decline. That is the purpose of this amendment.

SENATOR PICKARD:

I urge the Body's support of this amendment. It is a good move in the right direction, and I am prepared to vote in favor of Senate Bill No. 179 if we adopt this amendment.

SENATOR CANCELA:

Because Senate Bill No. 179 is my bill, I feel it is appropriate to speak to this amendment. While I appreciate the intent of my colleagues, I have some practical questions which make the amendment problematic. How will providers get the list of entities that provide the no-cost ultrasounds? Who will compile and maintain this list? How will the list be created to ensure facilities have professionals performing the ultrasounds? Unfortunately, what has happened in other states is without proper regulations, clinics pop up and provide misinformation to women, nonmedical-based information. This amendment opens a loophole for information to be given that does not actually reflect medical procedures. While that information is available widely and in other places, a medical provider should not give this information to a woman. I ask the Body to reject this amendment.

Senators Hansen, Goicoechea, Pickard requested a roll call vote on Senator Hansen's motion.

Roll call on Senator Hansen's motion:

YEAS—8.

NAYS—Brooks, Cancela, Cannizzaro, Denis, Dondero Loop, Harris, Ohrenschall, Parks, Ratti, Scheible, Spearman, Washington, Woodhouse—13.

The motion having failed to receive a majority vote, Madam President declared it lost.

Remarks by Senators Cancela, Hardy, Hammond, Ratti, Hansen and Seevers Gansert.

SENATOR CANCELA:

Senate Bill No. 179 makes various changes related to abortions. Specifically, it revises the requirements for informed consent for abortion and brings the language in line with medical standard-of-practice language. It removes the requirement that a physician certify a pregnant woman's marital status and age before performing an abortion. It removes the requirement that a physician certify in writing that a woman gave her informed written consent. The design ensures flexibility for medical providers to use electronic forms and not designed to change the way informed consent is received. It only expands the ability for different types of informed consent to be given based on 21st century technology. It also provides informed consent is deemed given when the form indicating consent has been signed and dated by certain persons. This is meant to incorporate the language in the bill to ensure, if she needs a translator, she is able to access one and the translator would be responsible for signing any informed consent form.

SENATOR HARDY:

I stand in support of life. This is an interesting season when we are celebrating the resurrection of the One person who could do it so we can be. When I consider spirits coming from our heavenly parents to gain a body and experience pain and joy, love and grief, and learn how to appreciate life even after death, I am reminded when Jeremiah was told, "Before I formed thee in the belly I knew thee; and before thou camest forth out of the womb, I sanctified thee, and I ordained thee a prophet unto the nations." That applies to all of us. I do not know when the spirit enters the body

of a person we call a fetus. It happens before 40 weeks or before premature birth. We have a merciful God who is patient with us and allows us to use our agency. I grieve for the lives lost before they can exercise their agency. I am, nevertheless, optimistic every child who lives and dies is resurrected.

SENATOR HAMMOND:

I hope I am the only one in this Body who has lost a child. That experience for my wife and I was life-changing. I was a young husband at the time and thought I would always know what to do to console and be there for my wife. It was hard to understand and hard not be able to take away that pain, but more than anything, the experience bonded us together and reconfirmed the commitment we made before we were married, to try the avenue of adoption. For that, I will always be exceptionally grateful. Sometimes, you have to go through pain to get to joy. It gave us a renewed respect for life in all of its forms, and out of that, our passion for adoption continued and moved forward.

Our oldest son, Tomas, was born on a Thursday. Friday, my wife called me to let me know the adoption agency had called us to tell us we had a baby boy. This was out of the blue. We did not know it was going to happen. We had to go through a few trials and tribulations. The mother changed her mind then changed it back again. We showed up on a Tuesday, and my wife worried the mother was being coerced into giving the baby up for adoption and was looking for a sign to make sure the mother was not being told what to do by her family or anyone else. Still today, the five sweetest words ever spoken in any language are the moment the birth mother turned to her sister, who was holding that baby, and pointing to my wife said, "darselo a ella," give him to her. She placed that baby in my wife's hands, and it changed our lives forever.

Our daughter Olivia's birth mother chose us out of dozens of options. Her birth mother had been on a bad path in life and often told us that becoming pregnant with Olivia saved her life. She showed courage far beyond her years. The morning Olivia was born surrounded by her birth family, her birth mother, her birth grandmother, her birth mother's sisters, my wife and I, her mother placed her in my arms. I am not ashamed to say I cried like a baby.

Sophia was the miracle baby we did not think we could create. My wife suffered a difficult pregnancy and was often sick. It did not deter her or bring her down. She was determined to do everything right to ensure we would not lose this baby as well, and we did not. Sophia is perfect and is her mother's daughter in so many ways. She is intelligent, strong-willed and beautiful. Sadly, she does have my feet. Luckily, she is her mother's daughter in every other way.

Our Isa's birth mother suffered from addiction, but she became determined to conquer those demons. The day after Christmas 2010, as soon as the mother knew she was going to bring a child into the world, Isa's birth grandmother called me to tell me that she, the birth mother, had chosen Tonya and me to adopt. I will never forget that phone call. She was talking about her daughter being pregnant, and I asked if there was anything we could do to help out. She said her daughter remembered visiting and loved our "rainbow" family and asked if we would adopt. It was hard. We did not know if we were going to have any more children at that time, but my wife and I decided this was meant to be. Sometimes, you get children, your family, in different ways. I will never forget when she was born. It was the spring of 2011. I was sitting in the hall of the Assembly Chamber. It was a Saturday, and we were working. The birth grandmother texted me and told me she had been born. I had to inform my wife, who was waiting for the phone call. I asked for a one-minute recess, and I do not know if I made any sense. I ran out into the hallway, called my wife and missed only one vote. My wife got on the flight to Alaska the moment she heard and spent the next few days at Isa's birth mother's bedside. Two amazing, strong women providing the love and care that only a mother can give.

Adoption is the other side of the coin to abortion. True courage and true choice is to respect life enough to let it grow and blossom as our four children have. We talked a lot about choice in this bill. Sadly, little of it focused on helping women make the choice to grant life. I shudder to think what would have happened if any of the four brave women I have talked about today chose abortion.

I will vote "no" today. I respect the intentions of the bill's sponsor. We are all good people with disagreements about principles, but on this issue, not just in this Chamber but nationally, far too often we talk about choice as an alternative word for abortion. Choice, however, like courage,

does not always look the same. We should be encouraging people to give life a chance and to respect how different and how special the world is when we bring life into it. Choice—those four women made a choice. For three of them it was, perhaps, the most difficult choice a person could make. We should commend them and all of the others like them, but they do not ask for commendation. They simply ask for a loving home for the child they were not able to care for themselves.

SENATOR RATTI:

One thing my colleague from District 18 and I have in common is we are both passionate advocates for adoption. I am the lucky winner of having been adopted by Bob and Jan Ratti when I was five days old. I am not sure if my adoption story can be told quite as eloquently, because I was not as aware, but in the stories I was told, when the social worker dropped me off at my parents' house, she set me on the couch next to my mom, and my mom would not pick me up. This made the social worker a little nervous. My mom finally said, "I am not picking her up until I know she is mine. Once you leave, I will pick her up. My father then said to my brother, "Keith, don't you want to come and meet your new sister?" My brother replied, "Not until Bozo the Clown is over."

We have a powerful story of adoption in my family, and I am an advocate for it. We need to trust women. The voters of Nevada have said abortion is legal in our State. There are people in this Chamber who have strong feelings one way or the other, deeply held personal beliefs I respect. This bill does nothing to change the status of whether abortion is legal or not legal. What it does is make up-to-date changes with the process in our State. It revises the informed consent to ensure the conversation between a doctor and a woman, which is one of the most important ones they will have, has medically-appropriate care information the woman needs. It makes sure if the woman needs access to a translator, she has one. It takes things that should be irrelevant in the conversation, such as marital status, out of the conversation. It makes sure the woman has the medical information she needs for a medical procedure. It would be inappropriate for us to ask any physician to distribute nonmedical information. This amendment would not have made the bill stronger. Nothing in this bill changes the status we have today. We should trust women. Abortion is a family-planning tool and a legal procedure families should have.

SENATOR HANSEN:

I was born in 1960 to a 15-year-old mother. If I had been conceived after Roe vs. Wade, I would have been aborted. When I hear the stories about choice and elections and medical procedures, we overlook an innocent third party involved in these decisions. The choice was made when people engaged in intercourse. It was not forced, and that is the time the choice occurs. We are talking about the consequences of those actions. I am disappointed my amendment was rejected.

I am showing you the ultrasound picture of a little boy who just celebrated his first birthday this Sunday as a 7-week-old fetus. There is a change in America right now because many young people are being exposed to ultrasounds. They have seen their brother or sister, just like I am looking at this picture. It is no longer an unviable tissue mass or some strange growth inside their mother. It is their brother or their sister. The younger people are the most pro-life people in America today. The older generation, such as I, tend to be pro-choice.

Question 1 from 1990 was just brought up. That was an all-or-nothing amendment. If a similar amendment was brought today, I bet it would not pass at nearly the level it did in 1990. The advances in technology using ultrasound have changed the dynamics of the discussion completely. Now, people who see these pictures know they are not talking about an unfortunate occurrence.

In some parts of the Country, we are going in the opposite direction. New York recently passed a law legalizing infanticide, flat out murder of babies up to the ninth month of pregnancy. The comments of the Virginia Governor were shocking to me. Considering this is the time when women are the majority in this legislative process, it is perfectly legal to have same-sex abortions. You can kill a baby just because it is female. Nowadays, with the ability to determine the sex well in advance, this is something that could occur. For some reason, we have not restricted this, which, at a bare minimum, we should prevent.

I have done a lot of homework on this issue. Alice Paul wrote the Equal Rights Amendment in the 1920s. Mary Wollstonecraft was one of the first women's rights leaders in America. Elizabeth Cady Stanton, and Susan B. Anthony had a newspaper called "The Revolution." In that

newspaper, they condemned abortion over 100 times and refused to take any sort of advertisements from them. Yet, today, the feminist movement has been hijacked by the abortionists the original feminists overwhelmingly condemned. As we study history and look at options such as adoptions, abortion is an archaic practice we still have. It is the 21st century version of 19th century slavery. It is a moral repugnance we continue to practice in our Country, and we, as a legislative body, should be working aggressively to help prevent it. My sonogram amendment would have helped push us in that direction. My colleague from District 10 has the greatest of intentions, and she, like myself, loves children and the future and wants what is best for our people including our daughters. I have four daughters, nine granddaughters and four sisters, and I resent the fact this is a man vs. woman issue because it is anything but that.

I urge my colleagues to consider the larger ramifications of this. We should be working like the feminists who pushed through the right for women to vote. If they were alive today, they would be opposed to legalized abortion and would try desperately to prevent these kinds of things. We are going in the opposite direction. I have hope for the future because of the younger generation who has been exposed to the reality of what a fetus really is. We will see changes in our lifetime in a positive direction. I urge my colleagues to vote "no" on Senate Bill No. 179.

SENATOR SEEVERS GANSERT:

I rise in support of women, and I have a record that supports women. I understand the intent of this bill is to clean up language in Nevada statutes, but I have three concerns. The first is in section 1 with the removal of "freely and without coercion." This language is important because we know some women are coerced into having abortions. A physician needs to know and recognize whether a woman is freely and without coercion making a choice. The second is parental notification. I appreciate that the language was put back into the bill, but we know our parental notification is unenforceable. I would have liked to have seen a change even if it was not 18 years old but perhaps 16 years old and under. I did discuss this with the sponsor of the bill. My third concern is the repealed section titled "Selling drugs to procure miscarriage penalty." The language in this section is broad and states, in part, "Every person who shall manufacture, sell or give away any instrument, drug, medicine or other substance …." This opens the door for unintended consequences. For these reasons, I will be opposing the bill. I appreciate the intent and am supportive of women, but this language is not something I can support.

SENATOR CANCELA:

I was not going to speak again, but it is important to be clear about what the bill does and what our current state of law is. In 1973, *Roe vs. Wade* was decided in the Supreme Court. In 1973, legislation was passed to codify Roe vs. Wade's protections into State law. In 1990, a ballot initiative codified those laws so they cannot be changed. This means abortion is legal in Nevada; it is. I appreciate the willingness of my colleagues to share their sentiments on abortion. It is a difficult conversation that has, in many cases, divided our Country and legislative bodies. The fact we can have that conversation speaks to the strength of our Senate, and for that, I am appreciative.

This bill does nothing to change that. All it does is create medical language around a medical procedure. It brings language in line to medical standards and 21st century practices. This is important because when a woman makes the difficult decision to have an abortion, she should be receiving medical information. She should be receiving the kind of information a doctor would give her and should not be having to disclose things like her marital status or have those types of conversations around this type of procedure.

There are concerns about some of the provisions being repealed by this bill. Those acts are punishable in other areas of statute. These areas have never been used to prosecute anyone so there should not be criminal language around the statute that codifies abortion in the State.

Senators Ratti, Scheible and Woodhouse moved the previous question.

Motion carried.

The question being on the passage of Senate Bill No. 179.

Roll call on Senate Bill No. 179:

YEAS—12.

NAYS—Denis, Goicoechea, Hammond, Hansen, Hardy, Pickard, Seevers Gansert, Settelmeyer, Washington—9.

Senate Bill No. 179 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 212.

Bill read third time.

Remarks by Senator Denis.

Senate Bill No. 212 allows a tow operator to affix a notice to a motor vehicle in a residential complex that provides the date and time the vehicle will be towed as the authorized agent of the owner of the property, if the tow operator and the owner of the property have entered into an agreement for that purpose. A vehicle may be towed immediately when a notice was previously affixed to the vehicle for the same or a similar reason within the residential complex or three or more times for any reason during the immediately preceding six months, regardless of whether the vehicle was subsequently towed. Additionally, a vehicle may be towed immediately if it is parked in a space that is clearly marked for a specific resident or the use of a specific unit in the residential complex.

This is a clean-up bill to fix a bill we passed last Session that allowed situations such as students parking in apartments across the street from the University of Nevada, Reno, where the car could not be towed for 48-hour parking from parking in the space every day all year. That was not the intent of the original bill, and this makes that change.

Roll call on Senate Bill No. 212:

YEAS—21.

NAYS—None.

Senate Bill No. 212 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 228.

Bill read third time.

Remarks by Senators Spearman and Settelmeyer.

SENATOR SPEARMAN:

Senate Bill No. 228 authorizes certain professionals to administer a product containing industrial hemp, or CBD, that has a concentration of not more than 0.3-percent THC, which is intended for human use or consumption by means other than inhalation or oral ingestion to a patient or client if the patient or client provides the product. Professional licensing boards must not take disciplinary action against these professionals for administering such a product. In addition, a licensed veterinarian may administer to an animal or recommend to the owner of an animal a product containing industrial hemp, or CBD, with a concentration of not more than 0.3-percent THC. The Nevada State Board of Veterinary Medical Examiners must not take any disciplinary action against a licensed veterinarian or the facility in which he or she works based on such action.

In speaking to a number of people who do things such as massage therapy or reflexology, many of them would like this as an option because it is better than putting a patient on opioids. There are people who have arthritis and have consistent pain, and CBD helps eliminate or manage the pain without the use of drugs. Some may feel CBD is like marijuana, but it is not. You do not swallow Drano; it is not topically applied because you put it in the sink or drain where it is needed.

This is not about whether one ingests CBD. This is about allowing people who have a healing touch to be able to use it without punishment.

SENATOR SETTELMEYER:

In a previous bill dealing with hemp, the Chair of Natural Resources mentioned the federal government may potentially be changing the level of THC in hemp. There has been a move to put that into Nevada Administrative Code rather than having a hardpressed number in Nevada Revised Statutes because it may change in the next several months. This would cause our law to be illegal if we do not follow the same federal guidelines on that number. What are your thoughts on that, and do you think it might be entertained in the other House?

SENATOR SPEARMAN:

Voting "yes" on this bill will not put the State of Nevada in jeopardy in any way. If it does, like many things we vote on in one Legislative Session, when changes occur in the interim, we will make changes to it. We will not have that problem when we go to annual Sessions. I urge your support.

Conflict of interest declared by Senator Ohrenschall.

Roll call on Senate Bill No. 228:

YEAS—20.

NAYS—None.

NOT VOTING—Ohrenschall.

Senate Bill No. 228 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 233.

Bill read third time.

Remarks by Senator Goicoechea.

Senate Bill No. 233 changes the criteria to qualify for capital improvement funding. This is a fund created by statute. There is no money available in this fund, but the bill changes one of the existing requirements that states an assessed, declining tax situation is required to qualify for the fund. That requirement was removed to facilitate qualification. Some school districts, especially one in White Pine County that is functioning in a 110-year-old building, previously could not access these funds. This bill simplifies things so they can access this fund, if there is money available. I urge your support, good bill, and it does not cost any money.

Roll call on Senate Bill No. 233:

YEAS—21.

NAYS—None.

Senate Bill No. 233 having received a constitutional majority, Madam President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 284.

Bill read third time.

Remarks by Senator Parks.

Senate Bill No. 284 creates the Advisory Task Force on Human Immunodeficiency Virus (HIV) Exposure Modernization. The Task Force must identify, review and evaluate existing statutes and regulations in Nevada that criminalize exposure to HIV, the research, the implementation and impact of such statutes and regulations, and assess developments occurring in other states and nationally with respect to modernizing HIV criminalization laws. It makes recommendations and

reports to the Governor and the Legislature on or before September 1, 2020. I encourage your support.

Roll call on Senate Bill No. 284:
YEAS—21.
NAYS—None.

Senate Bill No. 284 having received a constitutional majority, Madam President declared it passed, as amended.
Bill ordered transmitted to the Assembly.

Senate Bill No. 299.
Bill read third time.
Remarks by Senator Brooks.
Senate Bill No. 299 revises provisions governing the Electric Vehicle Infrastructure Demonstration Program. A public utility may include in its annual plan to the Public Utilities Commission of Nevada an incentive to a public school that installs electric vehicle infrastructure on the school's property or purchases electric school buses.

Roll call on Senate Bill No. 299:
YEAS—21.
NAYS—None.

Senate Bill No. 299 having received a constitutional majority, Madam President declared it passed, as amended.
Bill ordered transmitted to the Assembly.

Senate Bill No. 328.
Bill read third time.
Remarks by Senator Cannizzaro.
Senate Bill No. 328 prohibits a person from using an electronic communication device to willfully communicate in an obscene, threatening or annoying manner in the same way that current statute forbids a person from doing so via telephone. A person who violates these provisions is guilty of a misdemeanor. During the hearings on Senate Bill No. 328, it was made clear this bill in no way infringes on First Amendment rights or upon the rights of those who engage in social media to keep them from having a robust debate on social media.

Roll call on Senate Bill No. 328:
YEAS—21.
NAYS—None.

Senate Bill No. 328 having received a constitutional majority, Madam President declared it passed.
Bill ordered transmitted to the Assembly.

Senate Bill No. 329.
Bill read third time.
Remarks by Senator Brooks.
Senate Bill No. 329 requires an electric utility to submit a natural-disaster protection plan to the Public Utilities Commission of Nevada. The plan must contain certain information, procedures, protocols and measures relating to the efforts of the electric utility to prevent or respond to a fire or other natural disaster.

Roll call on Senate Bill No. 329:
YEAS—21.
NAYS—None.

Senate Bill No. 329 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 358.

Bill read third time.

The following amendment was proposed by Senator Brooks:

Amendment No. 457.

SUMMARY—Revises provisions relating to the renewable energy portfolio standard. (BDR 58-301)

AN ACT relating to renewable energy; declaring the policy of this State concerning renewable energy; revising provisions governing certain reports relating to the portfolio standard; revising provisions relating to the price charged by certain electric utilities for electricity generated by certain renewable energy facilities; revising provisions relating to the acquisition or construction of renewable energy facilities by certain electric utilities; revising the types of renewable energy that may be used to comply with the portfolio standard; revising the portfolio standard for providers of electric service in this State; revising the applicability of the portfolio standard; revising the authority of the Public Utilities Commission of Nevada to impose administrative fines or take administrative action; requiring the Public Utilities Commission of Nevada to revise any existing portfolio standard applicable to a provider of new electric resources to comply with the portfolio standard established by this act; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 8 of this bill sets forth findings and declarations of the Legislature that it is the policy of this State to: (1) encourage and accelerate the development of new renewable energy projects for the economic, health and environmental benefits provided to the people of this State; (2) become a leading producer and consumer of clean and renewable energy, with a goal of achieving by 2050 an amount of energy production from zero carbon dioxide emission resources that is equal to the total amount of electricity sold by providers of electric service in this State; and (3) ensure that the benefits of the increased use of portfolio energy systems and energy efficiency measures are received by the residents of this State.

Section 7 of this bill authorizes certain electric utilities to acquire, without additional approval of the Public Utilities Commission of Nevada, an existing renewable energy facility or a renewable energy facility that is being developed if: (1) the Commission had previously accepted an integrated resource plan or amendment to such a plan that provided for the purchase of the electricity generated by the facility pursuant to an agreement between the electric utility and the facility; (2) the electric utility notifies the Commission

that the facility will not be included in its rate base and the expenses associated with the facility will not be included in its revenue requirement and, instead, the utility will charge a just and reasonable price for the electricity generated by the facility which is based on a competitive market price established by the Commission; (3) the electric utility notifies the Commission that it will use the mechanism established by regulations adopted pursuant to section 6 of this bill to charge that just and reasonable price to its customers; (4) the electric utility notifies the Commission that it agrees to be bound by the terms and conditions of the agreement for the purchase of the electricity generated by the facility that was previously approved by the Commission; and (5) the utility acknowledges that, following the conclusion of the term of the agreement, the utility may not include the facility in its rate base and the expenses associated with the facility may not be included in its revenue requirement. Section 5 of this bill defines "renewable energy facility."

Section 6 of this bill authorizes certain electric utilities to request approval from the Commission to exclude a renewable energy facility owned by the utility from its rate base and the expenses associated with the facility from its revenue requirement and, instead, charge a just and reasonable price established by the Commission for the electricity generated by the facility. Under section 6, the just and reasonable price must be established by reference to a competitive market price for electricity and without reference to rate of return or cost of service principles. Section 6 further requires the Commission to adopt regulations to establish a mechanism by which certain electric utilities may charge the just and reasonable price established for the electricity generated by a renewal energy facility to its customers. Sections 11.3, 13 and 14 of this bill make conforming changes.

Existing law requires the Public Utilities Commission of Nevada to establish a portfolio standard which requires each provider of electric service in this State to generate, acquire or save electricity from renewable energy systems or efficiency measures in a certain percentage of the total amount of electricity sold by the provider to its retail customers in this State during a calendar year. (NRS 704.7821) Section 22 of this bill revises the portfolio standard for calendar year 2021 and each calendar year thereafter so that by calendar year 2030 and for each calendar year thereafter, each provider of electric service will be required to generate, acquire or save electricity from renewable energy systems or efficiency measures not less than 50 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year. Section 22 also: (1) eliminates the requirement that a minimum percentage of the amount of electricity that the provider is required to generate, acquire or save be generated or acquired from solar renewable energy systems; (2) revises, for the purposes of compliance with the portfolio standard, the provisions governing the calculation of the total amount of electricity sold by a provider to its retail customers in this State; and (3) authorizes the Commission to exempt a provider from some or all of the requirements of its portfolio standard for a calendar year if the provider is

unable to obtain a sufficient supply of electricity to comply with the standard due to a delay in the completion of a renewable energy system or the underperformance of an existing renewable energy system under the control of a person or entity other than the provider.

Section 19 of this bill provides that a portfolio energy system or energy efficiency measure includes a renewable energy system placed into operation before July 1, 1997, that uses waterpower to generate electricity if the waterpower is acquired by a provider from another party who is not a provider of electricity pursuant to a contract for a term of not less than 10 years and the provider began acquiring the waterpower ~~[pursuant to the contract]~~ before the effective date of this act.

Section 20 of this bill expands the definition of "provider of electric service" for the purposes of compliance with the portfolio standard. Sections 10 and 24 of this bill provide that certain providers of electric service are not subject to the jurisdiction of the Commission and are not required to provide certain reports to the Commission. Section 24 also provides that certain providers are not required to provide certain reports to the Commission during any year in which the total amount of electricity sold by the provider to its retail customers during that calendar year is less than 1,000,000 megawatt-hours. Section 9 of this bill requires certain providers of electric service to provide reports to the Director of the Office of Energy. Section 22 requires certain providers to submit to the Commission a report during any year in which the total amount of electricity sold by the provider to its retail customers during that calendar year is less than 1,000,000 megawatt-hours.

Section 21 of this bill expands the definition of "renewable energy" with respect to the kinds of waterpower that are considered renewable energy. Sections 1-3, 11, 12, 15, 17 and 25-27 of this bill make conforming changes so that the amendments to existing law set forth in section 21 do not affect other provisions of existing law governing renewable energy.

Sections 22 and 23 of this bill provide that the revised portfolio standard established by section 22 is applicable to providers of new electric resources, and also eliminates a limitation on the authority for a provider of new electric resources to use energy efficiency measures to comply with the portfolio standard. Section 28 of this bill requires the Commission to revise certain portfolio standards established for a provider of new electric resources to comply with the revised portfolio standard established by section 22.

Existing law provides that certain cooperatives, nonprofit corporations and associations supplying utility services in this State solely to their own members are subject to the jurisdiction of the Commission only for certain limited purposes. (NRS 704.675) Section 11.7 of this bill provides that such cooperatives, nonprofit corporations and associations are subject to the jurisdiction of the Commission for the purpose of complying with the renewable portfolio standard. Section 21.5 of this bill makes conforming changes.

Existing law authorizes the Commission to impose an administrative fine or take administrative action against a provider that does not comply with its portfolio standard and has not been excused from such compliance. (NRS 704.7828) Section 24.5 of this bill provides that the Commission may only impose an administrative fine or take administrative action against a provider that does not comply with its portfolio standard during any calendar year after 2018 and before 2030 if the provider also did not comply with its portfolio standard for the immediately preceding 2 calendar years.

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

Section 1. NRS 701.055 is hereby amended to read as follows:

701.055 "Energy development project" means a project for the generation, transmission and development of energy located on public or private land. The term includes, without limitation:

1. A utility facility, as defined in NRS 704.860, constructed on private land; and

2. Electric generating plants and their associated facilities which use or will use renewable energy, as defined in NRS ~~[704.7811,]~~ *704.7715,* as their primary source of energy to generate electricity.

Sec. 2. NRS 701.380 is hereby amended to read as follows:

701.380 1. The Director shall:

(a) Coordinate the activities and programs of the Office of Energy with the activities and programs of the Consumer's Advocate and the Public Utilities Commission of Nevada, and with other federal, state and local officers and agencies that promote, fund, administer or operate activities and programs related to the use of renewable energy and the use of measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

(b) Spend the money in the Trust Account for Renewable Energy and Energy Conservation to:

(1) Educate persons and entities concerning renewable energy and measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

(2) Create incentives for investment in and the use of renewable energy and measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

(3) Distribute grants and other money to establish programs and projects which incorporate the use of renewable energy and measures which conserve or reduce the demand for energy or which result in more efficient use of energy.

(4) Conduct feasibility studies, including, without limitation, any feasibility studies concerning the establishment or expansion of any grants, incentives, rebates or other programs to enable or assist persons to reduce the cost of purchasing distributed generation systems and on-site generation systems and net metering systems that use renewable energy.

(c) Take any other actions that the Director deems necessary to carry out the duties of the Office of Energy, including, without limitation, contracting with consultants, if necessary, for the purposes of program design or to assist the Director in carrying out the duties of the Office.

2. The Director shall prepare an annual report concerning the activities and programs of the Office of Energy and submit the report to the Legislative Commission and the Governor on or before January 30 of each year. The annual report must include, without limitation:

(a) A description of the objectives of each activity and program;

(b) An analysis of the effectiveness and efficiency of each activity and program in meeting the objectives of the activity or program;

(c) The amount of money distributed for each activity and program from the Trust Account for Renewable Energy and Energy Conservation and a detailed description of the use of that money for each activity and program;

(d) An analysis of the coordination between the Office of Energy and other officers and agencies; and

(e) Any changes planned for each activity and program.

3. As used in this section:

(a) "Distributed generation system" means a facility or system for the generation of electricity that is in close proximity to the place where the electricity is consumed:

(1) That uses renewable energy as defined in NRS ~~[704.7811]~~ *704.7715* to generate electricity;

(2) That is located on the property of a customer of an electric utility;

(3) That is connected on the customer's side of the electricity meter;

(4) That provides electricity primarily to offset customer load on that property; and

(5) The excess generation from which is periodically exported to the grid in accordance with the provisions governing net metering systems used by customer-generators pursuant to NRS 704.766 to 704.777, inclusive.

(b) "Electric utility" has the meaning ascribed to it in NRS 704.7571.

Sec. 3. NRS 701B.790 is hereby amended to read as follows:

701B.790 "Waterpower" has the meaning ascribed to it in subsection 3 of NRS ~~[704.7811.]~~ *704.7715*.

Sec. 4. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 5 to 10, inclusive, of this act.

Sec. 5. *"Renewable energy facility" has the meaning ascribed to it in NRS 704.7315.*

Sec. 6. *1. A utility or two or more utilities under common ownership may, in a plan filed pursuant to NRS 704.741 or an amendment to such a plan, request that the Commission establish a just and reasonable price for the energy produced by a renewable energy facility owned by such utility or utilities by means of reference to a competitive market rate. A request pursuant to this subsection must include a request that the Commission exclude any capital investment associated with the renewable energy facility from the rate*

base of the utility or utilities and expenses associated with such facility from the revenue requirement of the utility or utilities.

2. If a utility or utilities make a request pursuant to subsection 1, the Commission may grant the request. If the Commission grants the request, any capital investment made by the utility or utilities in such a renewable energy facility must be excluded from the rate base of the utility or utilities and all expenses associated with the facility must be excluded from the revenue requirement of the utility or utilities. The just and reasonable price for the electricity generated by the renewable energy facility must be established by reference to a competitive market price for the electricity, without regard or reference to the principles of cost of service or rate of return price setting. The Commission may determine a competitive market price based on the results of a reasonably contemporaneous competitive request for proposals for a substantially similar product with substantially similar terms and conditions, including duration of the proposal.

3. In an order approving or modifying a plan filed by a utility or utilities pursuant to NRS 704.741 or an amendment to such a plan that includes a provision for the acquisition of a renewable energy facility, the Commission may establish reasonable performance terms and conditions for the generation and sale of the electricity.

4. The Commission shall establish by regulation a mechanism by which a utility that is authorized to charge its customers a just and reasonable price established by the Commission for the electricity generated by a renewable energy facility may account for the electricity generated by the renewable energy facility and charge the just and reasonable price for that electricity to its customers through the mechanism set forth in NRS 704.187. The regulations adopted pursuant to this subsection also must ensure that no costs shall be borne by customers of the utility other than those costs approved by the Commission to be reflected in the mechanism set forth in NRS 704.187 for the term specified in the Commission's order. At the conclusion of the term, the Commission shall not allow the utility to include the remaining capital investment, if any, associated with such a facility in the utility's rate base or to include any expenses associated with the facility in the utility's revenue requirement. The Commission may establish regulations for the utility to make a proposal regarding recovery of a just and reasonable price for energy produced by the facility beyond the initial term approved by the Commission by filing a plan pursuant to NRS 704.741 or an amendment to such a plan. Any such proposal must be reviewed and approved by the Commission before any other costs associated with the facility are charged to customers through the mechanism set forth in NRS 704.187.

5. As part of any order issued by the Commission approving or modifying a plan filed by a utility or utilities pursuant to NRS 704.741 or an amendment to such plan that includes a provision for the acquisition of a renewable energy facility pursuant to subsection 2, the Commission shall make all findings necessary to support the conclusion that the facility is not public utility

property as defined in section 168(i) of the Internal Revenue Code, 26 U.S.C. § 168(i).

Sec. 7. *A utility may, without any additional approval of the Commission, acquire an existing renewable energy facility or a renewable energy facility that is being developed if:*

1. The Commission has accepted a provision of a plan or an amendment to a plan pursuant to NRS 704.751 that provides for the purchase of the electricity generated by the renewable energy facility pursuant to an agreement for the purchase of that electricity.

2. The utility provides a notice to the Commission which states:

(a) That the utility will not include the renewable energy facility in its rate base or expenses associated with the facility in its revenue requirement and, instead, will use the mechanism established by the regulations adopted by the Commission pursuant to subsection 4 of section 6 of this act to account for the electricity generated by the renewable energy facility and charge a just and reasonable price for that electricity to its customers through the deferred accounting mechanism set forth in NRS 704.187;

(b) The contract price originally approved by the Commission will be the just and reasonable price that the utility will charge its customers for electricity generated by the renewable energy facility pursuant to the accounting mechanism set forth in NRS 704.187;

(c) The utility agrees to be bound by all of the terms and conditions of the agreement for the purchase of the electricity that was accepted by the Commission pursuant to NRS 704.751 and acknowledges that, following the conclusion of the term of the agreement, the utility may not include:

(1) Any capital investment associated with the renewable energy facility in the utility's rate base; or

(2) Any expense associated with the renewable energy facility in the utility's revenue requirement; and

(d) That the utility acknowledges that, at the conclusion of the existing term of the agreement, the utility may not include a just and reasonable charge for the price of the electricity produced by the renewable energy facility in the deferred accounting mechanism set forth in NRS 704.187 unless the Commission approves a just and reasonable charge by reference to a competitive market price through a plan filed pursuant to NRS 704.741, or an amendment to such plan, filed by the utility pursuant to the regulations adopted by the Commission pursuant to subsection 4 of section 6 of this act.

Sec. 8. *The Legislature finds and declares that it is the policy of this State to:*

1. Encourage and accelerate the development of new renewable energy projects for the economic, health and environmental benefits provided to the people of this State;

2. Become a leading producer and consumer of clean and renewable energy, with a goal of achieving by 2050 an amount of energy production from

zero carbon dioxide emission resources equal to the total amount of electricity sold by providers of electric service in this State; and

3. Ensure that the benefits of the increased use of portfolio energy systems and energy efficiency measures are received by the residents of this State. Such benefits include, without limitation, improved air quality, reduced water use, a more diverse portfolio of resources for generating electricity, reduced fossil fuel consumption and more stable rates for retail customers of electric service.

Sec. 9. *A provider of electric service that is subject to NRS 704.787 shall, on or before July 1 of each year, submit to the Director of the Office of Energy appointed pursuant to NRS 701.150 a report that contains the information described in subsection 4 of NRS 704.7825.*

Sec. 10. *Notwithstanding any provision of law to the contrary, a provider of electric service that is subject to NRS 704.787 is not subject to the jurisdiction of the Commission.*

Sec. 11. NRS 704.021 is hereby amended to read as follows:

704.021 "Public utility" or "utility" does not include:

1. Persons engaged in the production and sale of natural gas, other than sales to the public, or engaged in the transmission of natural gas other than as a common carrier transmission or distribution line or system.

2. Persons engaged in the business of furnishing, for compensation, water or services for the disposal of sewage, or both, to persons within this State if:

(a) They serve 25 persons or less; and

(b) Their gross sales for water or services for the disposal of sewage, or both, amounted to $25,000 or less during the immediately preceding 12 months.

3. Persons not otherwise engaged in the business of furnishing, producing or selling water or services for the disposal of sewage, or both, but who sell or furnish water or services for the disposal of sewage, or both, as an accommodation in an area where water or services for the disposal of sewage, or both, are not available from a public utility, cooperative corporations and associations or political subdivisions engaged in the business of furnishing water or services for the disposal of sewage, or both, for compensation, to persons within the political subdivision.

4. Persons who are engaged in the production and sale of energy, including electricity, to public utilities, cities, counties or other entities which are reselling the energy to the public.

5. Persons who are subject to the provisions of NRS 590.465 to 590.645, inclusive.

6. Persons who are engaged in the sale or use of special fuel as defined in NRS 366.060.

7. Persons who provide water from water storage, transmission and treatment facilities if those facilities are for the storage, transmission or treatment of water from mining operations.

8. Persons who are video service providers, as defined in NRS 711.151, except for those operations of the video service provider which consist of

providing a telecommunication service to the public, in which case the video service provider is a public utility only with regard to those operations of the video service provider which consist of providing a telecommunication service to the public.

9. Persons who own or operate a net metering system described in paragraph (c) of subsection 1 of NRS 704.771.

10. Persons who for compensation own or operate individual systems which use renewable energy to generate electricity and sell the electricity generated from those systems to not more than one customer of the public utility per individual system if each individual system is:

(a) Located on the premises of another person;

(b) Used to produce not more than 150 percent of that other person's requirements for electricity on an annual basis for the premises on which the individual system is located; and

(c) Not part of a larger system that aggregates electricity generated from renewable energy for resale or use on premises other than the premises on which the individual system is located.

➥ As used in this subsection, "renewable energy" has the meaning ascribed to it in NRS ~~[704.7811.]~~ *704.7715*.

11. Persons who own, control, operate or manage a facility that supplies electricity only for use to charge electric vehicles.

Sec. 11.3. NRS 704.187 is hereby amended to read as follows:

704.187 1. An electric utility that ~~[purchases]~~ *:*

(a) Purchases fuel or power shall use deferred accounting by recording upon its books and records in deferred accounts all increases and decreases in costs for purchased fuel and purchased power that are prudently incurred by the electric utility.

(b) Pursuant to section 6 of this act is approved by the Commission to charge a just and reasonable price for the electricity generated by a renewable energy facility shall use deferred accounting in accordance with the regulations adopted by that section.

2. An electric utility using deferred accounting *:*

(a) Pursuant to paragraph (a) of subsection 1 shall include in its annual report to the Commission a statement showing, for the period of recovery, the allocated rate of return for each of its operating departments in this State using deferred accounting.

(b) Pursuant to paragraph (b) of subsection 1 shall include in its annual report to the Commission any information that is required to be included in the annual report by the regulations adopted pursuant to section 6 of this act.

3. Except as otherwise provided in this section, an electric utility using deferred accounting shall file an annual deferred energy accounting adjustment application on or before March 1, 2008, and on or before March 1 of each year thereafter.

4. An electric utility that purchases fuel or power and has received approval from the Commission to make quarterly adjustments to its deferred

energy accounting adjustment pursuant to subsection 10 of NRS 704.110 is not eligible to request an adjustment to its deferred energy accounting adjustment in its annual deferred energy accounting adjustment application.

5. *An electric utility that, pursuant to section 6 of this act, is approved by the Commission to charge a just and reasonable price for the electricity generated by a renewable energy facility shall file deferred energy accounting adjustments in accordance with the regulations adopted pursuant to section 6 of this act.*

6. As used in this section:

(a) "Annual deferred energy accounting adjustment application" means an application filed by an electric utility pursuant to this section and subsection 11 of NRS 704.110.

(b) "Costs for purchased fuel and purchased power" means all costs which are prudently incurred by an electric utility and which are required to purchase fuel, to purchase capacity and to purchase energy. The term does not include any costs that the Commission determines are not recoverable pursuant to subsection 11 of NRS 704.110.

(c) "Electric utility" means any public utility or successor in interest that:

(1) Is in the business of providing electric service to customers;

(2) Holds a certificate of public convenience and necessity issued or transferred pursuant to this chapter; and

(3) In the most recently completed calendar year or in any other calendar year within the 7 calendar years immediately preceding the most recently completed calendar year, had a gross operating revenue of $250,000,000 or more in this State.

➥ The term does not include a cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to NRS 704.673 and which provides service only to its members.

(d) "Renewable energy facility" has the meaning ascribed to it in NRS 704.7315.

Sec. 11.7. NRS 704.675 is hereby amended to read as follows:

704.675 Every cooperative association or nonprofit corporation or association and every other supplier of services described in this chapter supplying those services for the use of its own members only is hereby declared to be affected with a public interest, to be a public utility, and to be subject to the jurisdiction, control and regulation of the Commission for the purposes of NRS 703.191, 704.330 , ~~[and]~~ 704.350 to 704.410, inclusive, *and 704.7821*, but not to any other jurisdiction, control and regulation of the Commission or to the provisions of any section not specifically mentioned in this section.

Sec. 12. NRS 704.7315 is hereby amended to read as follows:

704.7315 "Renewable energy facility" means an electric generating facility that uses renewable energy to produce electricity. As used in this

section, "renewable energy" has the meaning ascribed to it in NRS ~~[704.7811.]~~ *704.7715*.

Sec. 13. NRS 704.736 is hereby amended to read as follows:

704.736 The application of NRS 704.736 to 704.754, inclusive, *and sections 5, 6 and 7 of this act* is limited to any public utility in the business of supplying electricity which has an annual operating revenue in this state of $2,500,000 or more.

Sec. 14. NRS 704.7362 is hereby amended to read as follows:

704.7362 As used in NRS 704.736 to 704.754, inclusive, *and sections 5, 6 and 7 of this act*, unless the context otherwise requires, the words and terms defined in NRS 704.7364 and 704.7366 *and section 5 of this act* have the meanings ascribed to them in those sections.

Sec. 15. NRS 704.738 is hereby amended to read as follows:

704.738 1. A utility which supplies electricity in this state may apply to the Commission for authority to charge, as part of a program of optional pricing, a higher rate for electricity that is generated from renewable energy.

2. The program may provide the customers of the utility with the option of paying a higher rate for electricity to support the increased use by the utility of renewable energy in the generation of electricity.

3. As used in this section, "renewable energy" has the meaning ascribed to it in NRS ~~[704.7811.]~~ *704.7715*.

Sec. 16. (Deleted by amendment.)

Sec. 17. NRS 704.7715 is hereby amended to read as follows:

704.7715 *1.* "Renewable energy" ~~[has the meaning ascribed to it in NRS 704.7811.]~~ *means:*

(a) Biomass;

(b) Geothermal energy;

(c) Solar energy;

(d) Waterpower; and

(e) Wind.

2. The term does not include coal, natural gas, oil, propane or any other fossil fuel, or nuclear energy.

3. As used in this section, "waterpower" means power derived from standing, running or falling water which is used for any plant, facility, equipment or system to generate electricity if the generating capacity of the plant, facility, equipment or system is not more than 30 megawatts. Except as otherwise provided in this subsection, the term includes, without limitation, power derived from water that has been pumped from a lower to a higher elevation if the generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts. The term does not include power:

(a) Derived from water stored in a reservoir by a dam or similar device, unless:

(1) The water is used exclusively for irrigation;

(2) The dam or similar device was in existence on January 1, 2003; and

(3) The generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts;

(b) That requires a new or increased appropriation or diversion of water for its creation; or

(c) That requires the use of any fossil fuel for its creation, unless:

(1) The primary purpose of the use of the fossil fuel is not the creation of the power; and

(2) The generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts.

Sec. 18. NRS 704.7801 is hereby amended to read as follows:

704.7801 As used in NRS 704.7801 to 704.7828, inclusive, *and sections 8, 9 and 10 of this act,* unless the context otherwise requires, the words and terms defined in NRS 704.7802 to 704.7819, inclusive, have the meanings ascribed to them in those sections.

Sec. 19. NRS 704.7804 is hereby amended to read as follows:

704.7804 "Portfolio energy system or efficiency measure" means:

1. Any renewable energy system:

(a) Placed into operation before July 1, 1997, if a provider of electric service used electricity generated or acquired from the renewable energy system to satisfy its portfolio standard before July 1, 2009; ~~[or]~~

(b) *Placed into operation before July 1, 1997, that uses waterpower from a plant, facility, equipment or system to generate electricity, if the waterpower is acquired by the provider of electric service from another party pursuant to a contract for a term of not less than 10 years and the provider of electric service began acquiring the waterpower* ~~*[pursuant to the contract]*~~ *from the plant, facility, equipment or system before the effective date of this act; or*

(c) Placed into operation on or after July 1, 1997 . ~~[; or]~~

2. Any energy efficiency measure installed on or before December 31, 2019.

Sec. 20. NRS 704.7808 is hereby amended to read as follows:

704.7808 1. "Provider of electric service" and "provider" mean any person or entity that is in the business of selling electricity to retail customers for consumption in this State, regardless of whether the person or entity is otherwise subject to regulation by the Commission.

2. The term includes, without limitation, a provider of new electric resources that is selling electricity to an eligible customer for consumption in this State pursuant to the provisions of chapter 704B of NRS.

3. The term does not include:

(a) ~~[This State or an agency or instrumentality of this State.~~

~~(b) A rural electric cooperative established pursuant to chapter 81 of NRS.~~

~~(c) A general improvement district established pursuant to chapter 318 of NRS.~~

~~(d) A utility established pursuant to chapter 709 or 710 of NRS.~~

~~(e) A cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to NRS 704.673 and which provides service only to its members.~~

~~(f)~~ A landlord of a manufactured home park or mobile home park or owner of a company town who is subject to any of the provisions of NRS 704.905 to 704.960, inclusive.

~~[(g)]~~ *(b)* A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this State.

Sec. 21. NRS 704.7811 is hereby amended to read as follows:

704.7811 1. "Renewable energy" means:

(a) Biomass;

(b) Geothermal energy;

(c) Solar energy;

(d) Waterpower; and

(e) Wind.

2. The term does not include coal, natural gas, oil, propane or any other fossil fuel, or nuclear energy.

3. As used in this section, "waterpower" means power derived from standing, running or falling water which is used for any plant, facility, equipment or system to generate electricity . ~~[if the generating capacity of the plant, facility, equipment or system is not more than 30 megawatts.]~~ Except as otherwise provided in this subsection, the term includes, without limitation, power derived from water that has been pumped from a lower to a higher elevation if the generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts ~~[.]~~ *, and the plant, facility, equipment or system was in existence and used to derive power from pumped water before January 1, 2019.* The term does not include power:

(a) ~~[Derived from water stored in a reservoir by a dam or similar device, unless:~~

~~(1) The water is used exclusively for irrigation;~~

~~(2) The dam or similar device was in existence on January 1, 2003; and~~

~~(3) The generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts;~~

~~(b)~~ That requires a new or increased appropriation or diversion of water for its creation; ~~[or~~

~~(c)~~ *(b)* That requires the use of any fossil fuel for its creation, unless ~~[:~~

~~(1) The~~ *the* primary purpose of the use of the fossil fuel is not the creation of the power ~~[; and~~

~~(2) The generating capacity of the plant, facility, equipment or system for which the water is used is not more than 30 megawatts.]~~ *; or*

(c) That was produced before the effective date of this act from a renewable energy system with a generating capacity of more than 30 megawatts placed into operation before July 1, 1997.

Sec. 21.5. NRS 704.7818 is hereby amended to read as follows:

704.7818 1. "Retail customer" means ~~[an]~~ *:*

(a) An end-use customer that purchases electricity for consumption in this state ~~[.]~~ *; or*

(b) An end-use member that purchases electricity for consumption in this state from a cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to NRS 704.675 and which provides service only to its members.

2. The term includes, without limitation:

(a) This state, a political subdivision of this state or an agency or instrumentality of this state or political subdivision of this state when it is an end-use customer that purchases electricity for consumption in this state, including, without limitation, when it is an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of chapter 704B of NRS.

(b) A residential, commercial or industrial end-use customer that purchases electricity for consumption in this state, including, without limitation, an eligible customer that purchases electricity for consumption in this state from a provider of new electric resources pursuant to the provisions of chapter 704B of NRS.

(c) A landlord of a manufactured home park or mobile home park or owner of a company town who is subject to any of the provisions of NRS 704.905 to 704.960, inclusive.

(d) A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this state.

Sec. 22. NRS 704.7821 is hereby amended to read as follows:

704.7821 1. For each provider of electric service, the Commission shall establish a portfolio standard. ~~[The]~~ *Except as otherwise provided in subsections 6, 8 and 9, the* portfolio standard must require each provider to generate, acquire or save electricity from portfolio energy systems or efficiency measures in an amount that is:

(a) For calendar years 2005 and 2006, not less than 6 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(b) For calendar years 2007 and 2008, not less than 9 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(c) For calendar years 2009 and 2010, not less than 12 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(d) For calendar years 2011 and 2012, not less than 15 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(e) For calendar years 2013 and 2014, not less than 18 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(f) For calendar years 2015 through 2019, inclusive, not less than 20 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(g) For calendar ~~[years]~~ *year* 2020 *,* ~~[through 2024, inclusive,]~~ not less than 22 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(h) *For calendar year 2021, not less than 24 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.*

(i) For calendar years 2022 and 2023, not less than 29 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(j) For calendar years 2024 through 2026, inclusive, not less than 34 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(k) For calendar years 2027 through 2029, inclusive, not less than 42 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(l) For calendar year ~~[2025]~~ *2030* and for each calendar year thereafter, not less than ~~[25]~~ *50* percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

2. In addition to the requirements set forth in subsection 1, the portfolio standard for each provider must require that:

(a) ~~[Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not less than:~~

~~(1) For calendar years 2009 through 2015, inclusive, 5 percent of that amount must be generated or acquired from solar renewable energy systems.~~

~~(2) For calendar year 2016 and for each calendar year thereafter, 6 percent of that amount must be generated or acquired from solar renewable energy systems.~~

~~(b)]~~ Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures:

(1) During calendar years 2013 and 2014, not more than 25 percent of that amount may be based on energy efficiency measures;

(2) During each calendar year 2015 to 2019, inclusive, not more than 20 percent of that amount may be based on energy efficiency measures;

(3) During each calendar year 2020 to 2024, inclusive, not more than 10 percent of that amount may be based on energy efficiency measures; and

(4) For calendar year 2025 and each calendar year thereafter, no portion of that amount may be based on energy efficiency measures.

➥ If the provider intends to use energy efficiency measures to comply with its portfolio standard during any calendar year, of the total amount of electricity saved from energy efficiency measures for which the provider seeks to obtain portfolio energy credits pursuant to this paragraph, at least 50 percent of that amount must be saved from energy efficiency measures installed at service locations of residential customers of the provider, unless a different percentage is approved by the Commission.

~~[(c)]~~ *(b)* If the provider acquires or saves electricity from a portfolio energy system or efficiency measure pursuant to a renewable energy contract or energy efficiency contract with another party:

(1) The term of the contract must be not less than 10 years, unless the other party agrees to a contract with a shorter term; and

(2) The terms and conditions of the contract must be just and reasonable, as determined by the Commission. If the provider is a utility provider and the Commission approves the terms and conditions of the contract between the utility provider and the other party, the contract and its terms and conditions shall be deemed to be a prudent investment and the utility provider may recover all just and reasonable costs associated with the contract.

3. If, for the benefit of one or more retail customers in this State, the provider has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.

4. The Commission shall adopt regulations that establish a system of portfolio energy credits that may be used by a provider to comply with its portfolio standard.

5. Except as otherwise provided in subsection 6, each provider shall comply with its portfolio standard during each calendar year.

6. If, for any calendar year, a provider is unable to comply with its portfolio standard through the generation of electricity from its own renewable energy systems or, if applicable, through the use of portfolio energy credits, the provider shall take actions to acquire or save electricity pursuant to one or more renewable energy contracts or energy efficiency contracts. ~~[If the Commission determines that, for a calendar year, there is not or will not be a sufficient supply of electricity or a sufficient amount of energy savings made available to the provider pursuant to renewable energy contracts and energy efficiency contracts with just and reasonable terms and conditions, the]~~ *The* Commission shall exempt the provider, for that calendar year, from the remaining requirements of its portfolio standard or from any appropriate portion thereof, as determined by the Commission ~~[.]~~ *if the Commission determines that:*

(a) For the calendar year, there is not or will not be a sufficient supply of electricity or a sufficient amount of energy savings made available to the provider pursuant to renewable energy contracts and energy efficiency contracts with just and reasonable terms and conditions, after the provider has made reasonable efforts to secure such contracts; or

(b) The provider is unable to obtain a sufficient supply of electricity to comply with the portfolio standard because of a delay in the completion of the construction of a renewable energy system, or the underperformance of an existing renewable energy system, that is under the control of a person or entity other than the provider and that was intended to provide such electricity.

7. The Commission shall adopt regulations that establish:

(a) Standards for the determination of just and reasonable terms and conditions for the renewable energy contracts and energy efficiency contracts that a provider must enter into to comply with its portfolio standard.

(b) Methods to classify the financial impact of each long-term renewable energy contract and energy efficiency contract as an additional imputed debt of a utility provider. The regulations must allow the utility provider to propose an amount to be added to the cost of the contract, at the time the contract is approved by the Commission, equal to a compensating component in the capital structure of the utility provider. In evaluating any proposal made by a utility provider pursuant to this paragraph, the Commission shall consider the effect that the proposal will have on the rates paid by the retail customers of the utility provider.

8. ~~[Except as otherwise provided in NRS 704.78213, the provisions of this section do not apply to a provider of new electric resources as defined in NRS 704B.130.]~~ *For the purposes of subsection 1, for calendar year 2019 and for each calendar year thereafter, the total amount of electricity sold by a provider to its retail customers in this State during a calendar year does not include the amount of electricity sold by the provider as part of a program of optional pricing authorized by the Commission pursuant to which the provider either transfers portfolio energy credits to the customer or retires portfolio energy credits above the renewable energy portfolio standard on behalf of the customer.*

9. For the purposes of subsection 1, for calendar year 2019 and for each calendar year thereafter, the total amount of electricity sold by the following providers to their retail customers in this State during a calendar year does not include the first 1,000,000 megawatt-hours of electricity sold by the provider to such customers during that calendar year:

(a) A rural electric cooperative established pursuant to chapter 81 of NRS that is in existence on the effective date of this act.

(b) A general improvement district established pursuant to chapter 318 of NRS that is in existence on the effective date of this act.

(c) A utility established pursuant to chapter 244, 266, 268, 709 or 710 of NRS that is in existence on the effective date of this act.

(d) A cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to NRS 704.673, which provides service only to its members and which is in existence and providing retail electric service on the effective date of this act.

➥ *Such providers do not earn energy portfolio credits under the system of energy portfolio credits established by the Commission pursuant to subsection 4 for electricity generated or acquired by the provider from renewable energy systems to make the first 1,000,000 megawatt-hours of sales to retail customers within this State within a calendar year. The provisions of this subsection do not apply to any successor in interest of such a provider.*

10. A provider listed in subsection 9 shall, during any calendar year in which the total amount of electricity sold by the provider to its retail customers in this State during that calendar year is less than 1,000,000 megawatt-hours, submit to the Commission, after the end of the calendar year and within the time prescribed by the Commission, a report of the total amount of electricity sold to its retail customers in this State for that calendar year. The providers described in paragraphs (a) and (d) of subsection 9 shall submit the report required by this subsection to the Commission as part of the annual report filed by such a provider as required by NRS 703.191.

~~[9.]~~ *11.* As used in this section:

(a) "Energy efficiency contract" means a contract to attain energy savings from one or more energy efficiency measures owned, operated or controlled by other parties.

(b) "Renewable energy contract" means a contract to acquire electricity from one or more renewable energy systems owned, operated or controlled by other parties.

(c) "Terms and conditions" includes, without limitation, the price that a provider must pay to acquire electricity pursuant to a renewable energy contract or to attain energy savings pursuant to an energy efficiency contract.

Sec. 23. NRS 704.78213 is hereby amended to read as follows:

704.78213 1. If the Commission issues an order approving an application that is filed pursuant to NRS 704B.310 or a request that is filed pursuant to NRS 704B.325 regarding a provider of new electric resources and an eligible customer, the Commission must establish in the order a portfolio standard applicable to the electricity sold by the provider of new electric resources to the eligible customer in accordance with the order. The portfolio standard must require the provider of new electric resources to generate, acquire or save electricity from portfolio energy systems or efficiency measures in the amounts described in the portfolio standard set forth in NRS 704.7821 . ~~[which is effective on the date on which the order approving the application or request is approved.]~~

2. ~~[Of]~~ *Except as otherwise provided in this subsection, of* the total amount of electricity that a provider of new electric resources is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not more than 25 percent of that amount may be based on

energy efficiency measures. *The provisions of this subsection apply to an order of the Commission approving an application that is filed pursuant to NRS 704B.310 or a request filed pursuant to NRS 704B.325 regarding a provider of new electric resources and an eligible customer only:*

(a) If the order was issued by the Commission before January 1, 2019; and

(b) For calendar years before 2025.

3. If, for the benefit of one or more eligible customers, the eligible customer of a provider of new electric resources has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider of new electric resources generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.

4. As used in this section:

(a) "Eligible customer" has the meaning ascribed to it in NRS 704B.080.

(b) "Provider of new electric resources" has the meaning ascribed to it in NRS 704B.130.

Sec. 24. NRS 704.7825 is hereby amended to read as follows:

704.7825 1. ~~[Each]~~ *Except as otherwise provided in subsection 6, each* provider of electric service shall submit to the Commission an annual report that provides information relating to the actions taken by the provider to comply with its portfolio standard.

2. Each provider shall submit the annual report to the Commission after the end of each calendar year and within the time prescribed by the Commission. The report must be submitted in a format approved by the Commission.

3. The Commission may adopt regulations that require providers to submit to the Commission additional reports during each calendar year.

4. Each annual report and each additional report must include clear and concise information that sets forth:

(a) The amount of electricity which the provider generated, acquired or saved from portfolio energy systems or efficiency measures during the reporting period and, if applicable, the amount of portfolio energy credits that the provider acquired, sold or traded during the reporting period to comply with its portfolio standard;

(b) The capacity of each renewable energy system owned, operated or controlled by the provider, the total amount of electricity generated by each such system during the reporting period and the percentage of that total amount which was generated directly from renewable energy;

(c) Whether, during the reporting period, the provider began construction on, acquired or placed into operation any renewable energy system and, if so, the date of any such event;

(d) Whether, during the reporting period, the provider participated in the acquisition or installation of any energy efficiency measures and, if so, the date of any such event; and

(e) Any other information that the Commission by regulation may deem relevant.

5. Based on the reports submitted by providers pursuant to this section, the Commission shall compile information that sets forth whether any provider has used energy efficiency measures to comply with its portfolio standard and, if so, the type of energy efficiency measures used and the amount of energy savings attributable to each such energy efficiency measure. The Commission shall report such information to:

(a) The Legislature, not later than the first day of each regular session; and

(b) The Legislative Commission, if requested by the Chair of the Commission.

6. The provisions of this section do not apply to:

(a) A provider of electric service that is subject to NRS 704.787; or

(b) A provider of electric service that is listed in subsection 9 of NRS 704.7821 during any calendar year in which the total amount of electricity sold by the provider to its retail customers in this State during that calendar year is less than 1,000,000 megawatt-hours.

Sec. 24.5. NRS 704.7828 is hereby amended to read as follows:

704.7828 1. The Commission shall adopt regulations to carry out and enforce the provisions of NRS 704.7801 to 704.7828, inclusive ~~[.]~~ *, and sections 8, 9 and 10 of this act.* The regulations adopted by the Commission may include any enforcement mechanisms which are necessary and reasonable to ensure that each provider of electric service complies with its portfolio standard. Such enforcement mechanisms may include, without limitation, the imposition of administrative fines.

2. If a provider exceeds the portfolio standard for any calendar year:

(a) The Commission shall authorize the provider to carry forward to subsequent calendar years for the purpose of complying with the portfolio standard for those subsequent calendar years any excess kilowatt-hours of electricity that the provider generates, acquires or saves from portfolio energy systems or efficiency measures;

(b) By more than 10 percent but less than 25 percent of the amount of portfolio energy credits necessary to comply with its portfolio standard for the subsequent calendar year, the provider may sell any portfolio energy credits which are in excess of 10 percent of the amount of portfolio energy credits necessary to comply with its portfolio standard for the subsequent calendar year; and

(c) By 25 percent or more of the amount of portfolio energy credits necessary to comply with its portfolio standard for the subsequent calendar year, the provider shall use reasonable efforts to sell any portfolio energy credits which are in excess of 25 percent of the amount of portfolio energy

credits necessary to comply with its portfolio standard for the subsequent calendar year.

➥ Any money received by a provider from the sale of portfolio energy credits pursuant to paragraphs (b) and (c) must be credited against the provider's costs for purchased fuel and purchased power pursuant to NRS 704.187 in the same calendar year in which the money is received, less any verified administrative costs incurred by the provider to make the sale, including any costs incurred to qualify the portfolio energy credits for potential sale regardless of whether such sales are made.

3. If a provider does not comply with its portfolio standard for any calendar year and the Commission has not exempted the provider from the requirements of its portfolio standard pursuant to NRS 704.7821 or 704.78213, the Commission ~~[~~:

~~(a) Shall]~~ *shall* require the provider to carry forward to subsequent calendar years the amount of the deficiency in kilowatt-hours of electricity that the provider does not generate, acquire or save from portfolio energy systems or efficiency measures during a calendar year in violation of its portfolio standard . ~~[~~; and

~~(b) May]~~

4. If the Commission has not exempted a provider from the requirements of its portfolio standard pursuant to NRS 704.7821 or 704.78213 and the provider does not comply with its portfolio standard:

(a) During any calendar year after 2018 but before 2030, and did not comply with its portfolio standard for the 2 immediately preceding calendar years; or

(b) During calendar year 2030 or any subsequent calendar year,

➥ *the Commission may* impose an administrative fine against the provider or take other administrative action against the provider, or do both.

~~[4.]~~ *5.* Except as otherwise provided in ~~[subsection 5,]~~ *subsections 4 and 6,* the Commission may impose an administrative fine against a provider based upon:

(a) Each kilowatt-hour of electricity that the provider does not generate, acquire or save from portfolio energy systems or efficiency measures during a calendar year in violation of its portfolio standard; or

(b) Any other reasonable formula adopted by the Commission.

~~[5.]~~ *6.* If a provider sells any portfolio energy credits pursuant to paragraph (b) or (c) of subsection 2 in any calendar year in which the Commission determines that the provider did not comply with its portfolio standard, the Commission shall not make any adjustment to the provider's expenses or revenues and shall not impose on the provider any administrative fine authorized by this section for that calendar year if:

(a) In the calendar year immediately preceding the calendar year in which the portfolio energy credits were sold, the amount of portfolio energy credits held by the provider and attributable to electricity generated, acquired or saved from portfolio energy systems or efficiency measures by the provider exceeded

the amount of portfolio energy credits necessary to comply with the provider's portfolio standard by more than 10 percent;

(b) The price received for any portfolio energy credits sold by the provider was not lower than the most recent value of portfolio energy credits, net of any energy value if the price was for bundled energy and credits, as determined by reference to the last long-term renewable purchased power agreements approved by the Commission in the most recent proceeding that included such agreements; and

(c) The provider would have complied with the portfolio standard in the relevant year even after the sale of portfolio energy credits based on the load forecast of the provider at the time of the sale.

~~[6.]~~ *7.* In the aggregate, the administrative fines imposed against a provider for all violations of its portfolio standard for a single calendar year must not exceed the amount which is necessary and reasonable to ensure that the provider complies with its portfolio standard, as determined by the Commission.

~~[7.]~~ *8.* If the Commission imposes an administrative fine against a utility provider:

(a) The administrative fine is not a cost of service of the utility provider;

(b) The utility provider shall not include any portion of the administrative fine in any application for a rate adjustment or rate increase; and

(c) The Commission shall not allow the utility provider to recover any portion of the administrative fine from its retail customers.

~~[8.]~~ *9.* All administrative fines imposed and collected pursuant to this section must be deposited in the State General Fund.

Sec. 25. NRS 704.860 is hereby amended to read as follows:

704.860 "Utility facility" means:

1. Electric generating plants and their associated facilities, except electric generating plants and their associated facilities which use or will use renewable energy, as defined in NRS ~~[704.7811,]~~ *704.7715,* as their primary source of energy to generate electricity and which have or will have a nameplate capacity of not more than 70 megawatts, including, without limitation, a net metering system, as defined in NRS 704.771. As used in this subsection, "associated facilities" includes, without limitation, any facilities for the storage, transmission or treatment of water, including, without limitation, facilities to supply water or for the treatment or disposal of wastewater, which support or service an electric generating plant.

2. Electric transmission lines and transmission substations that:

(a) Are designed to operate at 200 kilovolts or more;

(b) Are not required by local ordinance to be placed underground; and

(c) Are constructed outside any incorporated city.

3. Gas transmission lines, storage plants, compressor stations and their associated facilities when constructed outside any incorporated city.

4. Water storage, transmission and treatment facilities, other than facilities for the storage, transmission or treatment of water from mining operations.

5. Sewer transmission and treatment facilities.

Sec. 26. NRS 704.890 is hereby amended to read as follows:

704.890 1. Except as otherwise provided in subsection 3, the Commission may not grant a permit for the construction, operation and maintenance of a utility facility, either as proposed or as modified by the Commission, to a person unless it finds and determines:

(a) The nature of the probable effect on the environment;

(b) If the utility facility emits greenhouse gases and does not use renewable energy as its primary source of energy to generate electricity, the extent to which the facility is needed to ensure reliable utility service to customers in this State;

(c) That the need for the facility balances any adverse effect on the environment;

(d) That the facility represents the minimum adverse effect on the environment, considering the state of available technology and the nature and economics of the various alternatives;

(e) That the location of the facility as proposed conforms to applicable state and local laws and regulations issued thereunder and the applicant has obtained, or is in the process of obtaining, all other permits, licenses, registrations and approvals required by federal, state and local statutes, regulations and ordinances;

(f) That the surplus asset retirement plan filed pursuant to NRS 704.870:

(1) Complies with federal, state and local laws;

(2) Provides for the remediation and reuse of the facility within a reasonable period; and

(3) Is able to be reasonably completed under the funding plan contained in the application; and

(g) That the facility will serve the public interest.

2. If the Commission determines that the location of all or a part of the proposed facility should be modified, it may condition its permit upon such a modification. If the applicant has not obtained all the other permits, licenses, registrations and approvals required by federal, state and local statutes, regulations and ordinances as of the date on which the Commission decides to issue a permit, the Commission shall condition its permit upon the applicant obtaining those permits and approvals.

3. The requirements set forth in paragraph (g) of subsection 1 do not apply to any application for a permit which is filed by a state government or political subdivision thereof.

4. As used in this section, "renewable energy" has the meaning ascribed to it in NRS ~~[704.7811.]~~ *704.7715*.

Sec. 27. NRS 271.197 is hereby amended to read as follows:

271.197 "Renewable energy" has the meaning ascribed to it in NRS ~~[704.7811.]~~ *704.7715*.

Sec. 28. Notwithstanding the provisions of any other law or any ruling or order issued by or portfolio standard established by the Public Utilities

Commission of Nevada to the contrary, for any portfolio standard established by the Commission pursuant to the provisions of subsection 1 of NRS 704.78213 ~~[, as that section existed on or after July 1, 2012, and]~~ before the effective date of this act, the Commission shall, for calendar year 2020 and for each calendar year thereafter, revise the portfolio standard to require the provider of new electric resources as defined in NRS 704B.130 to generate, acquire or save electricity from portfolio energy systems or energy efficiency measures in the amounts described in the portfolio standard set forth in NRS 704.7821, as amended by section 22 of this act.

Sec. 29. 1. This act becomes effective upon passage and approval.

2. Section 3 of this act expires by limitation on December 31, 2025.

Senator Brooks moved the adoption of the amendment.

Remarks by Senators Brooks and Settelmeyer.

SENATOR BROOKS:

Amendment No. 457 makes two changes to Senate Bill No. 358. The amendment ensures a water power facility or system placed into operation before July 1, 1997, may continue to be used to comply with a portfolio standard when the contract for the acquisition of the water power is renewed. It also authorizes the utilities establish, pursuant to chapter 266, General Law for Incorporation of Cities and Towns of Nevada Revised Statutes, to exclude the first one-million megawatt hours of electricity sold by the utility during the calendar year.

SENATOR SETTELMEYER:

I rise in support of the amendment. I wish to thank the Senator from District 3 for addressing some of the concerns of northern Nevada on those particular issues.

Amendment adopted.

Bill ordered reprinted, re-engrossed and to third reading.

Senate Bill No. 367.

Bill read third time.

Remarks by Senators Scheible, Pickard, Settelmeyer, Rati and Spearman.

SENATOR SCHEIBLE:

Senate Bill No. 367 authorizes a tenant of housing acquired, constructed or rehabilitated with any money from the Account for Low-Income Housing in the State General Fund to keep one or more pets within the residence of the tenant in accordance with applicable laws and ordinances. The bill defines "pet" as any domesticated bird, cat, dog or aquatic animal or other animal kept for pleasure and not commercial use. A tenant who keeps a pet is subject to policies relating to keeping a pet within a residence, including compliance with noise and sanitation standards, registration of the pet with the owner of the residence, restraint of the pet in common areas, timely removal of pet excrement and vaccination requirements. The provisions of this bill do not apply to service animals or service animals in training.

SENATOR PICKARD:

Was there discussion as to the costs of maintenance that are likely to go up with this bill? Having been a property manager as part of my development efforts, whenever we dealt with pets, carpet was easy to replace, but subfloor was often expensive. Was there discussion about the potential disincentive this will create for developers?

SENATOR SCHEIBLE:

This was discussed during the hearing and work session on the bill. This may affect the calculations of certain development agencies and their cost-benefit analyses of creating low-income housing. In our research, we found it does not significantly decrease the amount of

housing made available in a market based on other places that have implemented these types of rules. These provisions are already the standard for most federal housing, including federal housing for seniors who experience low income. For that reason, if we make the comparison to the types of affordable housing that is available in Nevada today, we do not see a significant impact on the market for the availability of affordable housing, but we are willing to keep an eye on it.

SENATOR SETTELMEYER:

I am remiss to do anything that would deter people from building low-income, affordable, attainable housing. Trying to get low-income attainable housing is a problem. My wife has two African grey parrots, and I am familiar with how messy they can be and other animals can be. I will not be supporting this bill.

SENATOR RATTI:

I rise in support of Senate Bill No. 367. I had some of the same initial concerns shared by my colleagues. I have been doing a significant amount of work to ensure we are bringing more affordable housing to the market in Nevada. When this concept was originally proposed and brought to me, I ran it by the State Housing Division staff and was pleasantly surprised to find these protections already exist in federal law almost exactly mirrored to what is proposed in Senate Bill No. 367. This means that because most of the projects already have federal dollars in them, these protections exist. We see wonderful evidence of its success, particularly in our 55-plus developments where seniors who have companion animals have significantly better outcomes. This is an arena affordable housing developers and affordable housing developments are accustomed to managing already. This bill puts an extra layer of protection in State law which I support, and I urge you to support Senate Bill No. 367. I see no way it will slow down the other affordable housing efforts we have made this Session.

SENATOR SPEARMAN:

I rise in support of the bill. I know several housing projects that deal with veterans. Many of our veterans, especially those from the Viet Nam era, have pets that help them with their PTSD. I see this as a great bill. I urge your support, if for no other reason, than on behalf of our veterans.

Roll call on Senate Bill No. 367:

YEAS—21.

NAYS—None.

Senate Bill No. 367 having received a constitutional majority, Madam President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 407.

Bill read third time.

Remarks by Senator Brooks.

Senate Bill No. 407 eliminates provisions requiring an applicant for certification as a land-surveyor intern or engineering intern to obtain four years of work experience. It also repeals provisions authorizing the State Board of Professional Engineers and Land Surveyors to waive certain educational requirements to issue a license. Additionally, it revises where an engineering or land-surveying firm needs to be located, and makes it a gross misdemeanor for a person not licensed or exempted by the Board to use the term "engineer," "engineering" or "engineered."

Roll call on Senate Bill No. 407:

YEAS—21.

NAYS—None.

Senate Bill No. 407 having received a constitutional majority, Madam President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 410.

Bill read third time.

Remarks by Senators Kieckhefer and Hardy.

SENATOR KIECKHEFER:

Senate Bill No. 410 repeals NRS 360.891 and 360.892 which were established by Senate Bill 1 of the 29th Special Session in December of 2015. The repeal of these provisions eliminates the authority for the Governor's Office of Economic Development to approve an application for transferable tax credits related to a qualified project that agrees to make a capital investment in this State of at least $1 billion during the 10-year period immediately following approval of the application. It eliminates the $38 million of transferable tax credits that may be authorized by the Governor's Office of Economic Development for such qualified projects.

SENATOR HARDY:

I rise in opposition to this bill. People from the City of North Las Vegas called me and told me this would have an adverse effect on what they are trying to do with APEX, the roads that are there and the fly over there in preparation for something that has not happened, but they want to happen in that area.

SENATOR KIECKHEFER:

The bill eliminates the existing statutory authority for the transferable tax credits. If the Governor's Office of Economic Development identifies a $1-billion project that meets all the other threshold criteria within our law regarding this tier of economic development project, there is nothing that would prevent them from coming back to the Legislature for a re-authorization of those tax credits. The credits that exist are not specific to North Las Vegas nor are they specific to any region of the State. They could be used without Legislative consideration or approval in any region of this State, and for that reason, I encourage the Body's support.

Roll call on Senate Bill No. 410:

YEAS—19.

NAYS—Goicoechea, Hardy—2.

Senate Bill No. 410 having received a constitutional majority, Madam President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 416.

Bill read third time.

Remarks by Senator Woodhouse.

Senate Bill No. 416 allows a child of a deceased member of the Public Employees' Retirement System, Judicial Retirement System and Legislators' Retirement System to continue to receive a cumulative benefit of at least $400 per month after the child has been adopted, if either eligibility criteria is met. The Public Employees' Retirement Board must provide notice by certified mail to the last known address shown in the records of the Board of the provisions of this bill to each such child or the surviving parent or legal guardian of each such child whose payments of benefits ceased upon the child's adoption in accordance with the provisions of applicable law as they existed before the effective date of this bill. An eligible child or the surviving parent or legal guardian of the child, whose benefits were terminated upon adoption, may apply for the resumption of such payments. I urge your support.

Roll call on Senate Bill No. 416:
YEAS—21.
NAYS—None.

Senate Bill No. 416 having received a constitutional majority, Madam President declared it passed.
Bill ordered transmitted to the Assembly.

Senate Bill No. 424.
Bill read third time.
Remarks by Senator Ohrenschall.
Senate Bill No. 424 requires the regulations that the Division of Public and Behavioral Health of the Department of Health and Human Services adopt specifying circumstances under which a consumer is eligible to receive mental-health services from the Division to also prescribe a system to categorize consumers by the scope of services they need. The Division must also adopt regulations establishing procedures by which a consumer or provider of services may appeal the decision by the Division concerning eligibility for or authorization of services.

Roll call on Senate Bill No. 424:
YEAS—21.
NAYS—None.

Senate Bill No. 424 having received a constitutional majority, Madam President declared it passed.
Bill ordered transmitted to the Assembly.

Senate Bill No. 426.
Bill read third time.
Remarks by Senator Cancela.
Senate Bill No. 426 extends from December 31, 2020, to December 31, 2024, the deadline for a regional transportation commission (RTC) to submit to the board of county commissioners recommendations for the imposition of an additional tax on gross receipts of any retailer for the sale of all tangible personal property sold at retail to support certain transportation projects. The board of county commissioners may subsequently submit to the voters at the next general election a question asking whether the tax recommended by the RTC should be imposed in the county, if the next general election is held not later than December 31, 2024.

Roll call on Senate Bill No. 426:
YEAS—21.
NAYS—None.

Senate Bill No. 426 having received a constitutional majority, Madam President declared it passed.
Bill ordered transmitted to the Assembly.

Senate Bill No. 464.
Bill read third time.
Remarks by Senator Ohrenschall.
Senate Bill No. 464 revises the charter of the City of North Las Vegas. Among the changes are to provide that the Mayor has certain administrative duties to sign contracts, resolutions and ordinances that are approved by the City Council. The City Council may make certain contracts or claims involving the expenditure of money at a special meeting if the City Council provides notice of the special meeting in accordance with certain statutory requirements. If action on a

proposed ordinance is postponed to a future meeting of the City Council, the City Council is not required to introduce the ordinance again before taking action on the ordinance. Various antiquated terms are updated such as "an animal shelter" replaces "a pound."

The bill removes procedures relating to the suspension or removal of the City Attorney and City Manager and instead provides that each may be suspended or removed in accordance with the terms of his or her employment agreement. Various changes are made to the duties of the City Clerk. The City Manager and City Attorney are authorized to take certain legal action for the collection and disposition of certain moneys. The City Council is authorized to appoint one or more hearing commissioners to hear and decide certain actions relating to certain traffic offenses, and the bill establishes the qualifications, duties and powers of the hearing commissioners. I urge the Body's support.

Roll call on Senate Bill No. 464:
YEAS—21.
NAYS—None.

Senate Bill No. 464 having received a constitutional majority, Madam President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 470.

Bill read third time.

Remarks by Senator Spearman.

Senate Bill No. 470 requires the State Board of Health to establish regulations requiring a medical facility to conduct training related to cultural competency for any employee that provides direct care to a patient. The bill requires the Department of Health and Human Services to approve the medical facility's cultural-competency course or program. I urge your support because in times like these, when diversity is used many times as a weapon instead of a strength, it is important for those who provide healthcare and others to understand the different cultures with whom they will be dealing. This is a bill that makes us a better people.

Roll call on Senate Bill No. 470:
YEAS—20.
NAYS—Hansen.

Senate Bill No. 470 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 65.

Bill read third time.

Remarks by Senator Parks.

Assembly Bill No. 65 relates to notary public. Assembly Bill No. 65 makes various changes to provisions related to notary publics including eliminating obsolete language that refers to fees that a notary public or an electronic notary may charge to administer an oath or affirmation without a signature. It provides that the Secretary of State is only required to authenticate the signature and office of a notarial officer on a document intended for use in a foreign country. It removes a requirement that a person registering as an electronic notary public must have been a notarial officer for at least four years and authorizes the Secretary of State to establish a process for a person to submit an application to register as an electronic notary public simultaneously with an application for appointment as a notary public.

Finally, the bill eliminates the requirement that a notarial officer declare under penalty of perjury that individuals seeking to nominate a guardian are of sound mind and under no duress, fraud or undue influence.

Roll call on Assembly Bill No. 65:
YEAS—21.
NAYS—None.

Assembly Bill No. 65 having received a constitutional majority, Madam President declared it passed, as amended.
Bill ordered transmitted to the Assembly.

Senator Cannizzaro moved that the Senate recess until 3:30 p.m.
Motion carried.

Senate in recess at 2:46 p.m.

SENATE IN SESSION

At 3:51 p.m.
President Marshall presiding.
Quorum present.

REPORTS OF COMMITTEE

Madam President:

Your Committee on Health and Human Services, to which was referred Senate Bill No. 430, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JULIA RATTI, *Chair*

SECOND READING AND AMENDMENT

Senate Bill No. 16.
Bill read second time.
The following amendment was proposed by the Committee on Government Affairs:
Amendment No. 208.
SUMMARY—Revises provisions relating to ~~[the Gift Account for Veterans.]~~ certain gift accounts for veterans services. (BDR 37-196)
AN ACT relating to veterans; authorizing the Director of the Department of Veterans Services to apply for certain federal grants and other sources of money; authorizing the Director to accept certain money received from various sources; requiring the Director to deposit any money received from federal grants or certain other sources of money with the State Treasurer for credit to ~~[the Gift Account for Veterans]~~ certain accounts and to use such money only for specified purposes; and providing other matters properly relating thereto.
Legislative Counsel's Digest:
Under existing law, special fees collected from the issuance and renewal of certain license plates are deposited into the Gift Account for Veterans and may be used only for the support of outreach programs or services for veterans and their families, or both. (NRS 417.115, 482.3764) ~~[This]~~ Section 1 of this bill authorizes the Director of the Department of Veterans Services to apply for federal grants and other sources of money available for the support of outreach programs or services for veterans and their families, or both. ~~[This bill]~~ Section 1 further authorizes the Director to accept gifts, grants, donations and

other sources of money for such support. ~~[This bill]~~ Section 1 additionally requires the Director to deposit any money received from federal grants and certain other money received from gifts, grants, donations or other sources of money with the State Treasurer for credit to the Gift Account for Veterans and to use such money only for specified purposes.

Existing law creates the Account to Assist Veterans Who Have Suffered Sexual Trauma within the State General Fund and requires the Director to administer the account. (NRS 417.119) Section 1.2 of this bill authorizes the Director to apply for federal grants and other sources of money available for the assistance of veterans who have suffered sexual trauma while on active duty or during military training. Section 1.2 also requires the Director to deposit any money received from federal grants and certain other money received from gifts, grants, donations or other sources for such assistance with the State Treasurer for credit to the Account and to use such money only to assist veterans who have suffered sexual trauma while on active duty or during military training.

Existing law creates the Gift Account for the Veterans Home in Southern Nevada and the Gift Account for the Veterans Home in Northern Nevada, both within the State General Fund. (NRS 417.145) Section 1.4 of this bill requires the Director to administer both accounts. Section 1.4 also authorizes the Director to apply for and accept gifts, grants, donations and any other source of money for the support of the veterans' home in southern Nevada and the veterans' home in northern Nevada. Section 1.4 also provides that money deposited into either account must be used only for the support of the veterans' home in southern Nevada or the veterans' home in northern Nevada, as applicable.

Existing law creates the Gift Account for Veterans Cemeteries within the State General Fund. (NRS 417.220) Section 1.6 of this bill requires the Director to administer the Account and authorizes the Director to apply for and accept gifts, grants, donations and any other sources of money for the support of veterans' cemeteries in Nevada. Section 1.6 also provides any money deposited in the Account must be used only for the support of veterans' cemeteries in Nevada.

Existing law creates the Nevada Will Always Remember Veterans Gift Account in the State General Fund. (NRS 417.410) Section 1.8 of this bill requires the Director to administer the Account and authorizes the Director to apply for federal grants and other sources of money available for the design, procurement and installation of markers, plaques, statues or signs bearing the names of deceased members of the Armed Forces of the United States. Section 1.8 also requires the Director to deposit any money received from federal grants and other sources of money for such projects with the State Treasurer for credit to the Nevada Will Always Remember Veterans Gift Account.

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

Section 1. NRS 417.115 is hereby amended to read as follows:

417.115 1. The Gift Account for Veterans is hereby created in the State General Fund. The Director shall administer the Gift Account for Veterans.

2. The money deposited in the Gift Account for Veterans pursuant to *subsection 5 or* NRS 482.3764 may only be used for the support of outreach programs or services for veterans and their families, or both, as determined by the Director.

3. *The Director may apply for federal grants and other sources of money available for the support of outreach programs or services for veterans and their families, or both, as determined by the Director. The Director shall use a federal grant only as permitted by the terms of the grant.*

4. The Director may accept gifts, grants, donations and any other sources of money for the support of outreach programs or services for veterans and their families, or both, as determined by the Director.

5. The Director shall deposit any money received from a federal grant and other money received pursuant to subsection 3 or 4 with the State Treasurer for credit to the Gift Account for Veterans.

6. The interest and income earned on the money in the Gift Account for Veterans, after deducting any applicable charges, must be credited to the Gift Account for Veterans.

~~[4.]~~ *7.* All money in the Gift Account for Veterans must be paid out on claims approved by the Director as other claims against the State are paid.

~~[5.]~~ *8.* Any money remaining in the Gift Account for Veterans at the end of each fiscal year does not lapse to the State General Fund, but must be carried forward into the next fiscal year.

~~[6.]~~ *9.* The Director shall, on or before August 1 of each year, prepare and submit to the Interim Finance Committee a report detailing the expenditures made from the Gift Account for Veterans.

Sec. 1.2. NRS 417.119 is hereby amended to read as follows:

417.119 1. The Account to Assist Veterans Who Have Suffered Sexual Trauma is hereby created in the State General Fund. The Director shall administer the Account.

2. *The Director may apply for federal grants and other sources of money available for the assistance of veterans who have suffered sexual trauma while on active duty or during military training. The Director shall use a federal grant only as permitted by the terms of the grant.*

3. The Director may ~~[apply for any available grants and]~~ accept gifts, grants, donations and any other source of money for deposit in the Account.

~~[3.]~~ *4. The Director shall deposit any money received from a federal grant and other money received pursuant to subsection 2 or 3 with the State Treasurer for credit to the Account.*

5. Money deposited in the Account and any interest and income earned on such money must be used only to assist veterans who have suffered sexual trauma while on active duty or during military training. The interest and income earned on money in the Account, after deducting any applicable

charges, must be credited to the Account. All money in the Account must be paid out on claims approved by the Director as other claims against the State are paid. Any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund, but must be carried forward to the next fiscal year.

Sec. 1.4. NRS 417.145 is hereby amended to read as follows:

417.145 1. The Veterans Home Account is hereby established in the State General Fund.

2. Money received from:

(a) Payments made by the United States Department of Veterans Affairs for veterans who receive care in a veterans' home;

(b) Other payments for medical care and services;

(c) Appropriations made by the Legislature for veterans' homes;

(d) Federal grants and other money received pursuant to paragraph (c) of subsection 1 of NRS 417.147;

(e) Money collected pursuant to the schedule of rates established pursuant to subsection 2 of NRS 417.147 for occupancy of rooms at veterans' homes; and

(f) Except as otherwise provided in subsections 7 and 8, gifts of money and proceeds derived from the sale of gifts of personal property for the use of veterans' homes, if the use of those gifts has not been restricted by the donor,

➥ must be deposited with the State Treasurer for credit to the Veterans Home Account.

3. Interest and income must not be computed on the money in the Veterans Home Account.

4. The Veterans Home Account must be administered by the Director, with the advice of the administrators, and except as otherwise provided in paragraph (c) of subsection 1 of NRS 417.147, the money deposited in the Veterans Home Account may only be expended for:

(a) The establishment, management, maintenance and operation of veterans' homes;

(b) A program or service related to a veterans' home;

(c) The solicitation of other sources of money to fund a veterans' home; and

(d) The purpose of informing the public about issues concerning the establishment and uses of a veterans' home.

5. Except as otherwise provided in subsections 7 and 8, gifts of personal property for the use of veterans' homes:

(a) May be sold or exchanged if the sale or exchange is approved by the State Board of Examiners; or

(b) May be used in kind if the gifts are not appropriate for conversion to money.

6. All money in the Veterans Home Account must be paid out on claims approved by the Director as other claims against the State are paid.

7. The Gift Account for the Veterans Home in Southern Nevada is hereby established in the State General Fund. *The Director shall administer the Gift*

Account for the Veterans Home in Southern Nevada and may apply for and accept gifts, grants, donations and any other sources of money for the support of the veterans' home in southern Nevada. The money deposited in the Account and any interest and income earned on such money must be used only for the support of the veterans' home in southern Nevada. Gifts of money or personal property which the donor has restricted to one or more uses at the veterans' home in southern Nevada must be used only in the manner designated by the donor. Gifts of money which the donor has restricted to one or more uses at this veterans' home must be deposited with the State Treasurer for credit to the Gift Account for the Veterans Home in Southern Nevada. The interest and income earned on the money in the Gift Account for the Veterans Home in Southern Nevada, after deducting any applicable charges, must be credited to the Gift Account for the Veterans Home in Southern Nevada. Any money remaining in the Gift Account for the Veterans Home in Southern Nevada at the end of each fiscal year does not lapse to the State General Fund, but must be carried forward into the next fiscal year.

8. The Gift Account for the Veterans Home in Northern Nevada is hereby established in the State General Fund. *The Director shall administer the Gift Account for the Veterans Home in Northern Nevada and may apply for and accept gifts, grants, donations and any other sources of money for the support of the veterans' home in northern Nevada. The money deposited in the Account and any interest and income earned on such money must be used only for the support of the veterans' home in northern Nevada.* Gifts of money or personal property which the donor has restricted to one or more uses at the veterans' home in northern Nevada must be used only in the manner designated by the donor. Gifts of money which the donor has restricted to one or more uses at this veterans' home must be deposited with the State Treasurer for credit to the Gift Account for the Veterans Home in Northern Nevada. The interest and income earned on the money in the Gift Account for the Veterans Home in Northern Nevada, after deducting any applicable charges, must be credited to the Gift Account for the Veterans Home in Northern Nevada. Any money remaining in the Gift Account for the Veterans Home in Northern Nevada at the end of each fiscal year does not lapse to the State General Fund, but must be carried forward into the next fiscal year.

9. The Director shall, on or before August 1 of each year, prepare and submit to the Interim Finance Committee a report detailing the expenditures made from the Gift Account for the Veterans Home in Southern Nevada and the Gift Account for the Veterans Home in Northern Nevada.

Sec. 1.6. NRS 417.220 is hereby amended to read as follows:

417.220 1. The Account for Veterans Affairs is hereby created in the State General Fund.

2. Money received by the Director from:

(a) Fees charged pursuant to NRS 417.210;

(b) Allowances for burial from the United States Department of Veterans Affairs or other money provided by the Federal Government for the support of veterans' cemeteries;

(c) Receipts from the sale of gifts and general merchandise;

(d) Grants obtained by the Director for the support of veterans' cemeteries; and

(e) Except as otherwise provided in subsection 6 and NRS 417.115, 417.145, 417.147 and 417.410, gifts of money and proceeds derived from the sale of gifts of personal property that he or she is authorized to accept, if the use of such gifts has not been restricted by the donor,

➥ must be deposited with the State Treasurer for credit to the Account for Veterans Affairs and must be accounted for separately for a veterans' cemetery in northern Nevada or a veterans' cemetery in southern Nevada, whichever is appropriate.

3. The interest and income earned on the money deposited pursuant to subsection 2, after deducting any applicable charges, must be accounted for separately. Interest and income must not be computed on money appropriated from the State General Fund to the Account for Veterans Affairs.

4. The money deposited pursuant to subsection 2 may only be used for the operation and maintenance of the cemetery for which the money was collected. In addition to personnel he or she is authorized to employ pursuant to NRS 417.200, the Director may use money deposited pursuant to subsection 2 to employ such additional employees as are necessary for the operation and maintenance of the cemeteries, except that the number of such additional full-time employees that the Director may employ at each cemetery must not exceed 60 percent of the number of full-time employees for national veterans' cemeteries that is established by the National Cemetery Administration of the United States Department of Veterans Affairs.

5. Except as otherwise provided in subsection 7, gifts of personal property which the Director is authorized to receive but which are not appropriate for conversion to money may be used in kind.

6. The Gift Account for Veterans Cemeteries is hereby created in the State General Fund. *The Director shall administer the Gift Account for Veterans Cemeteries and may apply for and accept gifts, grants, donations and any other sources of money for the support of the veterans' cemeteries in Nevada. The money deposited in the Account and any interest and income earned on such money must be used only for the support of veterans' cemeteries in Nevada.* Gifts ~~[of]~~ *, grants, donations and other* money that the Director is authorized to accept and which the donor has restricted to one or more uses at a veterans' cemetery must be accounted for separately in the Gift Account for Veterans Cemeteries. The interest and income earned on the money deposited pursuant to this subsection must, after deducting any applicable charges, be accounted for separately for a veterans' cemetery in northern Nevada or a veterans' cemetery in southern Nevada, as applicable. Any money remaining in the Gift Account for Veterans Cemeteries at the end of each fiscal year does

not revert to the State General Fund, but must be carried over into the next fiscal year.

7. The Director shall use gifts of money or personal property that he or she is authorized to accept and for which the donor has restricted to one or more uses at a veterans' cemetery in the manner designated by the donor, except that if the original purpose of the gift has been fulfilled or the original purpose cannot be fulfilled for good cause, any money or personal property remaining in the gift may be used for other purposes at the veterans' cemetery in northern Nevada or the veterans' cemetery in southern Nevada, as appropriate.

Sec. 1.8. NRS 417.410 is hereby amended to read as follows:

417.410 1. The Nevada Will Always Remember Veterans Gift Account is hereby created in the State General Fund.

2. ~~[The Director may accept donations, gifts and grants of money from any source for deposit in the Account.~~

~~3.]~~ The money deposited in the Account pursuant to subsection ~~[2]~~ *4* must only be used to pay for the design, procurement and installation of markers, plaques, statues or signs bearing the names of deceased members of the Armed Forces of the United States pursuant to the provisions of NRS 331.125, 407.066 and 408.119.

3. The Director shall administer the Account and may apply for federal grants and other sources of money available for the purposes set forth in subsection 2. The Director shall use a federal grant only as permitted by the terms of the grant.

4. *The Director may accept gifts, grants, donations and any other sources of money received pursuant to this subsection or subsection 3 with the State Treasurer for credit to the Account.*

5. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.

~~[5.]~~ *6.* Any money remaining in the Account at the end of each fiscal year does not revert to the State General Fund, but must be carried forward to the next fiscal year.

Sec. 2. This act becomes effective upon passage and approval.

Senator Parks moved the adoption of the amendment.

Remarks by Senator Parks.

Amendment No. 208 to Senate Bill No. 16 relates to certain gift accounts for veterans. This amendment makes the language for accepting grants and gifts consistent across additional accounts for veterans that were discovered after introduction of the bill.

Amendment adopted.

Senator Woodhouse moved that the bill be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

Bill ordered reprinted, engrossed and to the Committee on Finance.

Senate Bill No. 71.

Bill read second time.

The following amendment was proposed by the Committee on Growth and Infrastructure:

Amendment No. 52.

SUMMARY—Revises provisions governing the Motor Carrier Division of the Department of Motor Vehicles. (BDR 43-228)

AN ACT relating to vehicles; authorizing certain motor carriers to provide evidence of registration and other licenses in an electronic format; providing that certain persons are jointly and severally liable with certain other persons for payment to the Department of Motor Vehicles of certain taxes and fees relating to fuel; revising the definitions of "supplier" and "special fuel supplier" to include a person who exports certain types of fuel; authorizing the Department to enter into agreements with certain persons for the issuance and renewal of a special fuel users license; authorizing a special fuel user to provide evidence of a special fuel user's license in an electronic format; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires certain vehicles to be registered through the Motor Carrier Division of the Department of Motor Vehicles. (NRS 482.206, 482.217, 482.276, 482.2916, 706.188) Existing law also requires the owner of a registered vehicle to place a certificate of registration or a legible copy of the certificate of registration in the vehicle and to keep it in the vehicle. (NRS 482.255) Section 1 of this bill authorizes a person who is required to register through the Motor Carrier Division to provide evidence of registration in an electronic format that can be displayed on an electronic device, which must be carried in the vehicle, or be accessible to law enforcement or other emergency personnel by other means. Section 1 also provides that a person who presents evidence of registration by means of an electronic device assumes all liability for any resulting damage to the device and provides that the owner of the vehicle may be held liable for any other infractions indicated by the electronic image displaying evidence of registration.

Existing law requires certain taxes and fees on certain types of vehicle fuel be paid to the Department of Motor Vehicles, and authorizes the Department to impose penalties and interest if such payment is deficient or not timely paid. (NRS 360A.100) Section 2 of this bill provides that a responsible person who willfully fails to collect or pay to the Department any such taxes or fees or attempts to evade such payment is jointly and severally liable with any other person who is required to pay the tax or fee. Section 2 defines a "responsible person" to include a person whose job or duty it is to collect, account for or pay any such tax or fee and who attests to the accuracy of the payment of the tax or fee under penalty of perjury, including: (1) an officer or employee of a corporation; and (2) a member or employee of a partnership or limited-liability company.

Existing law defines "supplier" for the purposes of laws governing motor vehicle fuel, except aviation fuel, and "special fuel supplier" for the purposes of laws governing special fuels. (NRS 365.084, 366.070) Sections 3 and 6 of

this bill add to the definitions of "supplier" and "special fuel supplier" a person who exports the respective fuels to a location outside of this State.

Existing law requires certain special fuel users to be licensed by the Department. (NRS 366.220, 366.221) Section 5 of this bill authorizes the Department to enter into an agreement with a special fuel user, or a service provider who is authorized by the Department to perform certain functions on behalf of a special fuel user, to authorize the special fuel user or service provider to issue a special fuel user's license, renew a special fuel user's license and issue certain identifying devices required for certain special fuel users. Such a special fuel user or service provider must file a bond or certain other form of security with the Department. Sections 8-10 of this bill make conforming changes. Section 9 authorizes a special fuel user to keep his or her special fuel user's license in his or her vehicle on an electronic device which displays the license in an electronic format. Section 9 also provides that the person who presents proof of licensure by means of an electronic device assumes all liability for any resulting damage to the device, and provides that the licensee may be held liable for any other infractions indicated by the electronic image displaying evidence of licensure.

Existing law authorizes the Department to enter into a cooperative agreement with other states and countries for the exchange of information regarding, and the auditing of, persons who use special fuel in motor vehicles operated or intended to operate interstate. (NRS 366.175) Section 7 of this bill identifies that agreement as the International Fuel Tax Agreement.

Existing law requires a special fuel user who fails to file a tax return or pay excise tax by the due date to pay a delinquent filing fee of $50 and a penalty of 10 percent of the amount of tax owed. (NRS 366.395) Section 11 of this bill requires such a person to pay either the delinquent filing fee or the penalty of 10 percent of the amount owed, whichever is greater.

Existing law authorizes the Department to enter into an agreement with certain departments or agencies of other states or countries regarding: (1) a plan concerning registration fees and certain other taxes; and (2) requirements that apply to certain vehicles that operate between this State and such other states or countries. (NRS 706.826) Section 12 of this bill identifies that plan as the International Registration Plan.

~~[Existing law requires any claim for certain exemptions from payment of excise tax on certain exported motor vehicle fuel or fuel for jet or turbine powered aircraft to be made within 6 months after the date of export of the fuel. (NRS 365.250) Section 13 of this bill eliminates that requirement. Section 4 of this bill makes a conforming change.]~~

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

Section 1. NRS 482.255 is hereby amended to read as follows:

482.255 1. ~~[Upon]~~ *Except as otherwise provided in subsection 2, upon* receipt of a certificate of registration, the *registered* owner shall place it or a legible copy in the vehicle for which it is issued and keep it in the vehicle. If

the vehicle is a motorcycle, moped, trailer or semitrailer, the *registered* owner shall carry the certificate in the tool bag or other convenient receptacle attached to the vehicle.

2. *The registered owner of a vehicle which, pursuant to the plan, must be registered through the Motor Carrier Division of the Department, in lieu of carrying a certificate of registration or a legible copy in the vehicle, may provide evidence of registration and other applicable licenses as an electronic image in an electronic format that can be displayed:*

(a) On an electronic device, which must be carried in the vehicle; or

(b) Through other means by which the electronic image is accessible to law enforcement or other emergency personnel upon request, including, without limitation, a radio frequency identifying device.

3. The *registered* owner or operator of a motor vehicle shall, upon demand, surrender the certificate of registration , ~~[or]~~ the copy *, the electronic device or access to the electronic image* for examination to any peace officer, including a constable of the township in which the motor vehicle is located or a justice of the peace or a deputy of the Department.

~~[3.]~~ *4.* No person charged with violating this section may be convicted if the person produces in court a certificate of registration *or evidence of registration in an electronic format* which was previously issued to him or her and was valid at the time of the demand.

5. If the evidence of registration and other applicable licenses is provided by means of an electronic device:

(a) The person who presents the device assumes all liability for any resulting damage to the device;

(b) The owner of the electronic device may be held liable for any other infractions indicated by the electronic image displaying evidence of registration and other applicable licenses.

6. As used in this section, "plan" means the International Registration Plan.

Sec. 2. Chapter 360A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A responsible person who willfully fails to collect or pay to the Department any tax or fee required to be paid to the Department pursuant to chapter 365, 366 or 373 of NRS or NRS 445C.330 or 590.120 or who attempts to evade the payment of any such tax or fee, is jointly and severally liable with any other person who is required to pay such a tax or fee for the tax or fee owed plus interest and all applicable penalties. The responsible person shall pay the tax or fee upon notice from the Department that it is due.

2. As used in this section, "responsible person" includes:

(a) An officer or employee of a corporation; and

(b) A member or employee of a partnership or limited-liability company,

➥ *whose job or duty it is to collect, account for or pay to the Department any tax or fee required to be paid to the Department pursuant to chapter 365,*

366 or 373 of NRS or NRS 445C.330 or 590.120 and who attests to the accuracy of the payment of the tax or fee under penalty of perjury.

Sec. 3. NRS 365.084 is hereby amended to read as follows:

365.084 "Supplier" means a person who:

1. Imports or acquires immediately upon importation into this State motor vehicle fuel, except aviation fuel, from within or without a state, territory or possession of the United States or the District of Columbia into a terminal located in this State;

2. Otherwise acquires for distribution in this State motor vehicle fuel, except aviation fuel, with respect to which there has been no previous taxable sale or use; ~~[or]~~

3. Produces, manufactures or refines motor vehicle fuel, except aviation fuel, in this State ~~[.]~~ *; or*

4. Exports motor vehicle fuel, except aviation fuel, to a location outside of this State.

Sec. 4. ~~[NRS 365.260 is hereby amended to read as follows:~~

~~365.260 Motor vehicle fuel carried out of this State, into another state or onto federal proprietary lands or reservations, to an amount not exceeding 25 gallons in the fuel tank or tanks of such motor vehicle shall not be deemed to be exported for the purposes of NRS 365.220 to [365.250,] *365.240,* inclusive.]~~ (Deleted by amendment.)

Sec. 5. Chapter 366 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Upon the request of a special fuel user or a service provider, the Department may enter into an agreement with the special fuel user or service provider which authorizes the special fuel user or service provider to license a special fuel user or renew a special fuel user's license and issue the identifying device required by NRS 366.265, if applicable.

2. Before licensing a special fuel user, renewing a special fuel user's license or issuing an identifying device pursuant to subsection 1:

(a) A special fuel user who enters into an agreement with the Department pursuant to this section shall file with the Department a bond of a surety company authorized to transact business in this State for the benefit of this State in an amount not less than $25,000; and

(b) A service provider who enters into an agreement with the Department pursuant to this section shall file with the Department a bond of a surety company authorized to transact business in this State for the benefit of this State in an amount not less than $50,000.

3. If a special fuel user or service provider provides a savings certificate, certificate of deposit or investment certificate pursuant to NRS 100.065 in lieu of the bond required pursuant to subsection 2, the certificate must state that the amount is not available for withdrawal except upon the approval of the Director of the Department.

4. If at any time a special fuel user or service provider is unable to account for an unissued license or an identifying device, the special fuel user or service

provider must immediately pay to the Department an amount established by the Department.

5. The Department may cancel an agreement entered into pursuant to this section with any special fuel user or service provider for refusing or neglecting to comply with the provisions of this chapter.

6. The Director shall adopt such regulations as are necessary to carry out the provisions of this section.

7. As used in this section, "service provider" means a business or organization authorized by the Department to license a special fuel user or renew a special fuel user's license on behalf of a special fuel user.

Sec. 6. NRS 366.070 is hereby amended to read as follows:

366.070 1. "Special fuel supplier" means a person who:

(a) Imports or acquires immediately upon importation into this State special fuel from within or without a state, territory or possession of the United States or the District of Columbia into a terminal located in this State;

(b) *Exports special fuel to a location outside of this State;*

(c) Produces, manufactures or refines special fuel in this State; or

~~[(c)]~~ *(d)* Otherwise acquires for distribution in this State special fuel with respect to which there has been no previous taxable sale or use.

2. The term does not include a special fuel manufacturer.

Sec. 7. NRS 366.175 is hereby amended to read as follows:

366.175 1. To the extent permitted by federal law, the Department may enter into *a* cooperative ~~[agreements]~~ *agreement* with other states and countries for the exchange of information regarding, and the auditing of, persons who use special fuel in motor vehicles operated or intended to operate interstate. Any agreement, arrangement or declaration, or any amendment thereto, is not effective until reduced to writing and signed by the parties thereto or their authorized representatives.

2. An agreement may include, with respect to persons who use special fuel, provisions:

(a) For determining the domicile of those persons;

(b) Specifying the records which are required to be kept by those persons;

(c) Relating to audit procedures, the exchange of information and persons eligible for licensing;

(d) Defining various words and terms;

(e) Setting forth the procedure for collecting special fuel taxes owing to another jurisdiction and forwarding those taxes to that jurisdiction; and

(f) Designed to facilitate the administration of the agreement.

3. The Department may, pursuant to the terms of an agreement, forward to the designated representatives of another jurisdiction any information in its possession relating to the manufacture, transportation, shipment, sale or use of special fuel by any person, and the location within this State of any motor vehicles owned by a person who has been identified by another jurisdiction as a user of special fuel.

4. An agreement may provide that each jurisdiction shall audit the records of persons residing or doing business within that jurisdiction to determine if the special fuel taxes owing to each jurisdiction have been properly reported and paid, and requiring each jurisdiction to forward the findings of its audits to every other jurisdiction in which the person who is the subject of an audit has incurred tax liability as a result of his or her use of special fuel. The audit findings received from another jurisdiction may be used by the Department as the basis for an estimated assessment of tax due from a person pursuant to the provisions of NRS 360A.100.

5. Any agreement entered into pursuant to the provisions of this section does not preclude the Department from auditing the records of any person subject to the provisions of this chapter.

6. As used in this section, "agreement" means the International Fuel Tax Agreement.

Sec. 8. NRS 366.240 is hereby amended to read as follows:

366.240 1. Except as otherwise provided in subsection 2 ~~[,]~~ *and section 5 of this act,* the Department shall:

(a) Upon receipt of the application and bond in proper form, issue to the applicant a special fuel supplier's or special fuel dealer's license.

(b) Upon receipt of the application in proper form, issue to the applicant a special fuel exporter's, special fuel transporter's, special fuel user's or special fuel manufacturer's license.

2. The Department may refuse to issue a license pursuant to this section to any person:

(a) Who formerly held a license issued pursuant to this chapter or a similar license of any other state, the District of Columbia, the United States, a territory or possession of the United States or any foreign country which, before the time of filing the application, has been revoked for cause;

(b) Who applies as a subterfuge for the real party in interest whose license, before the time of filing the application, has been revoked for cause;

(c) Who, if the person is a special fuel supplier or special fuel dealer, neglects or refuses to furnish a bond as required by this chapter;

(d) Who is in default in the payment of a tax on special fuel in this State, any other state, the District of Columbia, the United States, a territory or possession of the United States or any foreign country;

(e) Who has failed to comply with any provision of this chapter; or

(f) Upon other sufficient cause being shown.

Sec. 9. NRS 366.265 is hereby amended to read as follows:

366.265 1. A special fuel user who is required to hold a special fuel user's license pursuant to the provisions of this chapter shall:

(a) If the special fuel user uses special fuel in a motor vehicle that is operated or intended to operate interstate:

(1) Obtain an identifying device issued pursuant to ~~[a]~~ *:*

(I) An agreement with the Department entered into pursuant to section 5 of this act; or

(II) A cooperative agreement entered into pursuant to NRS 366.175; and

(2) Conspicuously display that identifying device on the exterior of the motor vehicle in such location as is required pursuant to the cooperative agreement.

(b) At any time the special fuel user is using special fuel in this State, ensure that his or her license, ~~[or]~~ a reproduction of the license that is authorized by the Department ~~[,]~~ *or an electronic device that displays the license in an electronic format that is authorized by the Department* is located in the motor vehicle.

2. The Department may establish by regulation a fee for the issuance of the identifying device described in subsection 1, in an amount not to exceed the estimated administrative costs of issuing the device. If the Department establishes the fee and issues such a device to a special fuel user ~~[,]~~ *or provides such a device to the special fuel user under the terms of an agreement entered into pursuant to section 5 of this act,* it shall charge and collect the fee from the special fuel user.

3. If proof of licensure is provided by means of an electronic device:

(a) The person who presents the electronic device assumes all liability for any resulting damage to the electronic device; and

(b) The licensee may be held liable for other infractions indicated by the electronic image displaying evidence of licensure.

Sec. 10. NRS 366.270 is hereby amended to read as follows:

366.270 If any person ceases to be a special fuel supplier, special fuel dealer, special fuel exporter, special fuel transporter, special fuel user or special fuel manufacturer within this State by reason of the discontinuance, sale or transfer of his or her business, the person shall:

1. Notify the Department in writing at the time the discontinuance, sale or transfer takes effect. The notice must give the date of the discontinuance, sale or transfer, and the name and address of any purchaser or transferee.

2. Surrender to the Department the license issued to the person by the Department ~~[,]~~ *or under the terms of an agreement entered into with the Department pursuant to section 5 of this act.*

3. If the person is:

(a) A special fuel user registered under the Interstate Highway User Fee Apportionment Act, file the tax return required pursuant to NRS 366.380 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS, except that both the filing and payment are due on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(b) A special fuel supplier, file the tax return required pursuant to NRS 366.383 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(c) A special fuel dealer or special fuel manufacturer, file the tax return required pursuant to NRS 366.386 and pay all taxes, interest and penalties required pursuant to this chapter and chapter 360A of NRS, except that both the filing and payment are due on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(d) A special fuel exporter, file the report required pursuant to NRS 366.387 on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

(e) A special fuel transporter, file the report required pursuant to NRS 366.695 on or before the last day of the month following the month of the discontinuance, sale or transfer of the business.

Sec. 11. NRS 366.395 is hereby amended to read as follows:

366.395 1. Any special fuel user who fails to file a tax return or pay any excise tax by the date due shall pay, in addition to any tax that may be due, a delinquent filing fee of $50 ~~[and]~~ *or* a penalty of 10 percent of the amount of tax owed, *whichever is greater,* plus interest on the amount of any tax that may be due at a rate established by the Department in accordance with the provisions of a cooperative agreement entered into pursuant to NRS 366.175, from the date the tax was due until the date of payment.

2. A tax return, statement or payment is considered delinquent if it is not received by the Department on or before the date the tax return, statement or payment is due, as prescribed by the provisions of this chapter.

3. A tax return, statement or payment shall be deemed received on the date shown by the cancellation mark stamped by the United States Postal Service or the postal service of any country upon an envelope containing the tax return, statement or payment.

Sec. 12. NRS 706.826 is hereby amended to read as follows:

706.826 In carrying out NRS 706.801 to 706.861, inclusive, each department of this State may enter into agreements with the departments or appropriate agencies of this or any other state or country to provide for any or all of the following:

1. For the exemption from the plan of certain classes of vehicles either on the basis of type, extent or frequency of operations and, when also deemed advisable, for their total or partial exemption from the fees for registration or taxes or both upon the conditions set forth in the agreement, all as found to be in the interest of this State, the facilitating of this plan, or of the facilitating of the operation of vehicles between this and the other contracting state or country.

2. For the reports and records required pursuant to NRS 706.801 to 706.861, inclusive, or any regulations made pursuant thereto to be uniform with the reports and records required by the other contracting state or country, but this does not prevent any department from requiring additional information from any operator subject to NRS 706.801 to 706.861, inclusive.

3. For the joint audit of the reports and records of any operator subject to NRS 706.801 to 706.861, inclusive, the reports and records of any such

operator and the department may be disclosed to the extent necessary for this purpose.

4. For the use of a plate, license, emblem, certificate or other device of this or any other state or country, for the identification of vehicles subject to the plan.

5. For putting the plan into effect between this and any other state or country.

6. As used in this section, "plan" means the International Registration Plan.

Sec. 13. ~~[NRS 365.250 is hereby repealed.]~~ (Deleted by amendment.)

~~TEXT OF REPEALED SECTION~~

~~365.250 Time to claim exemption on dealer's export to another state. Any claim for exemption from excise tax on account of motor vehicle fuel or fuel for jet or turbine-powered aircraft exported by a dealer to another state, other than stock transfers or deliveries in his or her own equipment, must be made by the dealer within 6 months after the date of the export unless the state or territory of destination would not be prejudiced with respect to its collection of taxes thereon should the claim not be made within that time.]~~

Senator Cancela moved the adoption of the amendment.

Remarks by Senator Cancela.

Amendment No. 52 makes two changes to Senate Bill No. 71. The amendment changes the word "owner" to "registered owner." It also retains existing law that requires any claim for certain exemptions from payment of excise tax on certain exported motor-vehicle fuel, or fuel for jet- or turbine-powered aircraft, to be made within six months after the date of export of the fuel.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 85.

Bill read second time.

The following amendment was proposed by the Committee on Natural Resources:

Amendment No. 113.

SUMMARY—Revises provisions governing the importation into this State of certain live animals or parts of the carcass of certain animals. (BDR 45-206)

AN ACT relating to animals; making it unlawful for a person or any agent or employee of a person to knowingly bring into or knowingly possess in this State the carcass or any part of the carcass of any elk, mule deer, white-tailed deer, moose, alternative livestock or certain other animals; prohibiting a person or the person's agent or employee from knowingly bringing any live moose or alternative livestock into this State; providing exceptions; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits a person or the person's agent or employee from bringing certain live animals into this State which are susceptible to chronic wasting disease, including, without limitation, any Rocky Mountain elk, mule

deer or white-tailed deer. An animal brought into this State in violation of that prohibition may be seized, destroyed or sent out of this State by the State Quarantine Officer. (NRS 571.210) A person who violates that prohibition is guilty of a misdemeanor and, in addition to any criminal penalty, is required to pay an administrative fine of not more than $1,000 per violation. (NRS 571.250) Section 2 of this bill expands the list of animals which are prohibited from importation into this State to include any live elk, moose or alternative livestock. Section 2 also provides that a person must knowingly violate that prohibition before he or she may be found guilty of committing the violation. Similarly, section 1 of this bill makes it unlawful for a person or any agent or employee of a person to ~~[:]~~ knowingly: (1) bring into this State the carcass or any part of the carcass of certain animals, including, without limitation, any elk, mule deer, white-tailed deer, moose or alternative livestock; or (2) ~~[knowingly]~~ possess the carcass or part of the carcass of such an animal in this State. Section 1 also provides an exception from that prohibition for certain parts of the carcass of such an animal and authorizes a game warden of the Department of Wildlife or any other law enforcement officer to seize, destroy or send the carcass or part of the carcass out of this State. A person who violates that prohibition is guilty of a misdemeanor and is subject to the payment of certain civil penalties for the violation. (NRS 501.385, 501.3855)

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

Section 1. Chapter 501 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, it is unlawful for a person or any agent or employee of a person to ~~[:]~~ knowingly:

(a) Bring into this State the carcass or any part of the carcass of any of the following animals which were obtained in another state, territory or country:

(1) An elk (Cervus elaphus);

(2) A mule deer (Odocoileus hemionus);

(3) A white-tailed deer (Odocoileus virginianus);

(4) A moose (Alces alces);

(5) Any alternative livestock; or

(6) Any other animal which the State Quarantine Officer has, by regulation, declared to be susceptible to chronic wasting disease and prohibited from importation into this State; or

(b) ~~[Knowingly possess]~~ Possess any carcass or part of the carcass of any elk, deer, moose, alternative livestock or other animal brought into this State in violation of paragraph (a).

2. A person or any agent or employee of a person may bring into this State the following parts of the carcass of any elk, deer, moose, alternative livestock or other animal specified in subsection 1:

(a) The meat of the elk, deer, moose, alternative livestock or other animal with no part of the spinal column, brain tissue or head attached, except that one or more bones of the legs or shoulders may be attached.

(b) The hide or cape of the elk, deer, moose, alternative livestock or other animal with no part of the spinal column, brain tissue or head attached.

(c) The clean skull plate of the elk, deer, moose, alternative livestock or other animal with antlers attached and no part of the brain tissue attached.

(d) The antlers of the elk, deer, moose, alternative livestock or other animal with no meat or tissue other than antler velvet attached.

(e) The taxidermy mount of the elk, deer, moose, alternative livestock or other animal with no meat or tissue other than antler velvet attached.

(f) The upper canine teeth of the elk, deer, moose, alternative livestock or other animal, including, without limitation, the bugler, whistler and ivory teeth.

3. Any carcass or part of the carcass of an elk, deer, moose, alternative livestock or other animal knowingly brought into this State or knowingly possessed in this State in violation of this section may be seized, destroyed or sent out of this State by a game warden or any other law enforcement officer within 48 hours. The expense of seizing, destroying or removing the carcass or part of the carcass must be paid by the person or his or her agent or employee who knowingly brought the carcass or part of the carcass into this State or knowingly possessed the carcass or part of the carcass in this State.

Sec. 2. NRS 571.210 is hereby amended to read as follows:

571.210 1. Except as otherwise provided in this section, a person, or the person's agent or employee may bring into this State any animal not under special quarantine by the State of Nevada, the Federal Government, or the state, territory or district of origin in compliance with regulations adopted by the State Quarantine Officer.

2. Notice that an animal is in transit is not required unless the animal remains in this State, or is to be unloaded in this State to feed and rest for longer than 48 hours.

3. A person, or the person's agent or employee shall not bring any animal into this State unless he or she has obtained a health certificate showing that the animal is free from contagious, infectious or parasitic diseases or exposure thereto. This requirement does not apply to any animal whose accustomed range is on both sides of the Nevada state line and which is being moved from one portion to another of the accustomed range merely for pasturing and grazing thereon. The State Quarantine Officer shall adopt regulations concerning the form of the certificate.

4. A person, or the person's agent or employee shall not:

(a) Alter a health certificate; or

(b) Divert any animal from the destination described on the health certificate without notifying the State Quarantine Officer within 72 hours after the diversion of the animal.

5. To protect this State from the effects of chronic wasting disease, a person, or the person's agent or employee shall not *knowingly* bring into this State any live:

(a) ~~[Rocky Mountain elk]~~ *Elk* (Cervus ~~[elaphus nelsoni);]~~ *elaphus);*

(b) Mule deer (Odocoileus hemionus);

(c) White-tailed deer (Odocoileus virginianus); ~~[or]~~

(d) *Moose (Alces alces);*

(e) Alternative livestock, unless in accordance with a permit obtained pursuant to NRS 576.129; or

(f) Other animal that the State Quarantine Officer has, by regulation, declared to be susceptible to chronic wasting disease and prohibited from importation into this State.

6. Any animal *knowingly* brought into this State in violation of this section may be seized, destroyed or sent out of this State by the State Quarantine Officer within 48 hours. The expense of seizing, destroying or removing the animal must be paid by the owner or the owner's agent in charge of the animal and the expense is a lien on the animal, unless it was destroyed, until paid.

Sec. 3. This act becomes effective upon passage and approval.

Senator Scheible moved the adoption of the amendment.

Remarks by Senator Scheible.

Amendment 113 makes one change to Senate Bill No. 85. The amendment adds the term "knowingly" to several sections of the bill to provide that it is unlawful for a person to knowingly bring into the State or knowingly possess certain animals or parts of certain animals obtained in another state which are susceptible to chronic wasting disease.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 103.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 228.

SUMMARY—Revises provisions relating to development and maintenance of affordable housing. (BDR 22-379)

AN ACT relating to affordable housing; authorizing certain local governments to reduce or subsidize impact fees, fees for the issuance of building permits and fees imposed for the purpose for which an enterprise fund was created ~~[; requiring that a local government make certain determinations and hold a public hearing before reducing or subsidizing fees imposed for the purpose for which an enterprise fund was created;]~~ to assist in maintaining or developing a project for affordable housing under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the governing bodies of certain cities and counties to adopt at least 6 of 12 specified measures in implementing a plan for

maintaining and developing affordable housing. One of these measures authorizes a governing body to subsidize in whole or in part impact fees and fees for the issuance of building permits. (NRS 278.235) This bill authorizes a governing body to reduce or subsidize impact fees, fees for the issuance of building permits and fees imposed for the purpose for which an enterprise fund was created ~~[.]~~ to assist in maintaining or developing a project for affordable housing if the project meets certain requirements and the governing body takes certain actions. This bill ~~[also requires that , before]~~ authorizes a governing body ~~[reduces or subsidizes]~~ to reduce or subsidize such fees ~~[imposed for the purpose for which an enterprise fund was created, the governing body must:]~~ to assist a project for affordable housing only if: (1) ~~[make]~~ the project meets certain requirements relating to the affordability of the housing; (2) the governing body has adopted an ordinance setting forth criteria for a project to qualify for such assistance and the project satisfies such criteria; (3) the governing body makes a determination that reducing or subsidizing such fees will not impair any bond obligations or other obligations; and ~~[(2) hold]~~ (4) the governing body holds a public hearing concerning the effect of the reduction or subsidization on the economic viability of the general fund of the city or county and , if applicable, the economic viability of any affected enterprise fund.

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

Section 1. NRS 278.235 is hereby amended to read as follows:

278.235 1. If the governing body of a city or county is required to include the housing element in its master plan pursuant to NRS 278.150, the governing body, in carrying out the plan for maintaining and developing affordable housing to meet the housing needs of the community, which is required to be included in the housing element pursuant to subparagraph (8) of paragraph (c) of subsection 1 of NRS 278.160, shall adopt at least six of the following measures:

(a) ~~[At the expense of the city or county, as applicable,]~~ *Reducing or* subsidizing in whole or in part impact fees , ~~[and]~~ fees for the issuance of building permits collected pursuant to NRS 278.580 ~~[.]~~ *and fees imposed for the purpose for which an enterprise fund was created.*

(b) Selling land owned by the city or county, as applicable, to developers exclusively for the development of affordable housing at not more than 10 percent of the appraised value of the land, and requiring that any such savings, subsidy or reduction in price be passed on to the purchaser of housing in such a development. Nothing in this paragraph authorizes a city or county to obtain land pursuant to the power of eminent domain for the purposes set forth in this paragraph.

(c) Donating land owned by the city or county to a nonprofit organization to be used for affordable housing.

(d) Leasing land by the city or county to be used for affordable housing.

(e) Requesting to purchase land owned by the Federal Government at a discounted price for the creation of affordable housing pursuant to the provisions of section 7(b) of the Southern Nevada Public Land Management Act of 1998, Public Law 105-263.

(f) Establishing a trust fund for affordable housing that must be used for the acquisition, construction or rehabilitation of affordable housing.

(g) Establishing a process that expedites the approval of plans and specifications relating to maintaining and developing affordable housing.

(h) Providing money, support or density bonuses for affordable housing developments that are financed, wholly or in part, with low-income housing tax credits, private activity bonds or money from a governmental entity for affordable housing, including, without limitation, money received pursuant to 12 U.S.C. § 1701q and 42 U.S.C. § 8013.

(i) Providing financial incentives or density bonuses to promote appropriate transit-oriented housing developments that would include an affordable housing component.

(j) Offering density bonuses or other incentives to encourage the development of affordable housing.

(k) Providing direct financial assistance to qualified applicants for the purchase or rental of affordable housing.

(l) Providing money for supportive services necessary to enable persons with supportive housing needs to reside in affordable housing in accordance with a need for supportive housing identified in the 5-year consolidated plan adopted by the United States Department of Housing and Urban Development for the city or county pursuant to 42 U.S.C. § 12705 and described in 24 C.F.R. Part 91.

2. ~~*[Before a]*~~ *A governing body* ~~*[reduces or subsidizes]*~~ *may reduce or subsidize impact fees, fees for the issuance of building permits or fees imposed for the purpose for which an enterprise fund was created* ~~*[,]*~~ *to assist in maintaining or developing a project for affordable housing, pursuant to paragraph (a) of subsection 1,* ~~*[the governing body shall:]*~~ *only if:*

(a) ~~*[Make]*~~ *When the incomes of all the residents of the project for affordable housing are averaged, the housing would be affordable on average for a family with a total gross income that does not exceed 60 percent of the median gross income for the county concerned based upon the estimates of the United States Department of Housing and Urban Development of the most current median gross family income for the county.*

(b) The governing body has adopted an ordinance that establishes the criteria that a project for affordable housing must satisfy to receive assistance in maintaining or developing the project for affordable housing. Such criteria must be designed to put into effect all relevant elements of the master plan adopted by the governing body pursuant to NRS 278.150.

(c) The project for affordable housing satisfies the criteria set forth in the ordinance adopted pursuant to paragraph (b).

(d) The governing body makes a determination that reducing or subsidizing such fees will not impair adversely the ability of the governing body to pay, when due, all interest and principal on any outstanding bonds or any other obligations for which revenue from such fees was pledged . ~~[; and~~

~~(b) Hold]~~

(e) The governing body holds a public hearing concerning the effect of the reduction or subsidization of such fees on the economic viability of the general fund of the city or county, as applicable, and , if applicable, the economic viability of any affected enterprise fund.

3. On or before January 15 of each year, the governing body shall submit to the Housing Division of the Department of Business and Industry a report, in the form prescribed by the Division, of how the measures adopted pursuant to subsection 1 assisted the city or county in maintaining and developing affordable housing to meet the needs of the community for the preceding year. The report must include an analysis of the need for affordable housing within the city or county that exists at the end of the reporting period.

~~[3.]~~ *4.* On or before February 15 of each year, the Housing Division shall compile the reports submitted pursuant to subsection ~~[2]~~ *3* and post the compilation on the Internet website of the Housing Division.

Sec. 2. This act becomes effective on July 1, 2019.

Senator Parks moved the adoption of the amendment.

Remarks by Senator Parks.

Amendment No. 228 relates to development and maintenance of affordable housing. The amendment adds the following three criteria to Senate Bill No. 103 that must be satisfied before the governing body of certain cities or counties may reduce or subsidize certain fees to assist in maintaining or developing a project for affordable housing. First, the project must meet certain requirements relating to the affordability of the housing. Next, the governing body must adopt an ordinance setting forth criteria for a project to qualify for such assistance. Finally, the affordable housing project must satisfy the criteria set forth in the adopted ordinance.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 106.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 271.

SUMMARY—Revises provisions relating to required expenditures by schools on certain school supplies. (BDR 34-243)

AN ACT relating to education; authorizing a school district, charter school or university school for profoundly gifted pupils to request a reduction in the required minimum amount that the district or school is required to expend on certain supplies in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Department of Education, in consultation with the Budget Division of the Office of Finance and the Fiscal Analysis Division of

the Legislative Counsel Bureau, to develop or revise, as applicable, a formula for determining the minimum amount of money that each school district, charter school and university school for profoundly gifted pupils is required to expend each fiscal year for textbooks, instructional supplies, instructional software and instructional hardware. (NRS 387.206) Section 1 of this bill authorizes a school district, charter school or university school for profoundly gifted pupils to request from the Department a reduction of that required minimum amount when it obtains textbooks, instructional supplies, instructional software or instructional hardware that is available free of charge. If the amount of the request is reasonable, the Department is required to provide the reduction. Section 2 of this bill requires the Department to provide notice to a school district, charter school or university school for which such a reduction in expenditures is approved of the revised amount of money that the school district, charter school or university school is required to expend for textbooks, instructional supplies, instructional software and instructional hardware for the fiscal year.

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

Section 1. Chapter 387 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The board of trustees of a school district, the governing body of a charter school or the governing body of a university school for profoundly gifted pupils that obtains textbooks, instructional supplies, instructional software or instructional hardware free of charge may submit to the Department a written request on a form prescribed by the Department to reduce the amount of money that the school district, charter school or university school is required to expend for textbooks, instructional supplies, instructional software and instructional hardware pursuant to NRS 387.206 for the fiscal year. The request must include, without limitation, the amount of the requested reduction in expenditures as determined by the board of trustees or governing body based on the amount that the school district, charter school or university school would otherwise pay to purchase comparable textbooks, instructional supplies, instructional software or instructional hardware.

2. Upon receipt of a written request pursuant to subsection 1, the Department shall determine whether the amount of the reduced expenditure is reasonable. The Department may request any additional information it deems necessary from the applicant to determine whether the request is reasonable. If the Department determines that the amount of the request:

(a) Is reasonable, the Department shall reduce the amount that the school district or school is required to expend on textbooks, instructional supplies, instructional software or instructional hardware pursuant to NRS 387.2062 for the fiscal year by the requested amount.

(b) Is not reasonable, the Department shall deny the request and inform the board of trustees of the school district, the governing body of the charter

school or the governing body of the university school for profoundly gifted pupils of its determination as soon as practicable.

3. Any textbooks, instructional supplies, instructional software or instructional hardware obtained free of charge that are the subject of a request pursuant to subsection 1 must be:

(a) Aligned with any applicable standards of content and performance established by the Council to Establish Academic Standards for Public Schools pursuant to NRS 389.520; and

(b) Selected in accordance with any requirements of state law or regulation, including, without limitation, NRS 389.850, if applicable, and any policies established by the board of trustees of the school district, the governing body of the charter school or the governing body of the university school for profoundly gifted pupils, as applicable.

Sec. 2. NRS 387.206 is hereby amended to read as follows:

387.206 1. On or before July 1 of each year, the Department, in consultation with the Budget Division of the Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau, shall determine the combined minimum amount of money required to be expended during that fiscal year for textbooks, instructional supplies, instructional software and instructional hardware by all school districts, charter schools and university schools for profoundly gifted pupils. The amount must be determined by increasing the amount that was established for the Fiscal Year 2004-2005 by the percentage of the change in enrollment between Fiscal Year 2004-2005 and the fiscal year for which the amount is being established, plus any inflationary adjustment approved by the Legislature after Fiscal Year 2004-2005.

2. The Department, in consultation with the Budget Division of the Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau, shall develop or revise, as applicable, a formula for determining the minimum amount of money that each school district, charter school and university school for profoundly gifted pupils is required to expend each fiscal year for textbooks, instructional supplies, instructional software and instructional hardware. The sum of all of the minimum amounts determined pursuant to this subsection must be equal to the combined minimum amount determined pursuant to subsection 1. The formula must be used only to develop expenditure requirements and must not be used to alter the distribution of money for basic support to school districts, charter schools or university schools for profoundly gifted pupils.

3. Upon approval of the formula pursuant to subsection 2, the Department shall provide written notice to each school district, charter school and university school for profoundly gifted pupils within the first 30 days of each fiscal year that sets forth the required minimum combined amount of money that the school district, charter school and university school for profoundly gifted pupils must expend for textbooks, instructional supplies, instructional software and instructional hardware for that fiscal year. If a school district,

charter school or university school for profoundly gifted pupils is granted a waiver pursuant to NRS 387.2065 ~~[,]~~ *or is allowed to reduce its expenditures pursuant to section 1 of this act,* the Department shall provide written notice to the school district, charter school or university school within 30 days after the Interim Finance Committee grants the waiver *or the Department approves the reduction, as applicable,* setting forth the revised amount of money that the school district, charter school or university school must expend for textbooks, instructional supplies, instructional software and instructional hardware for the fiscal year.

Sec. 3. This act becomes effective on July 1, 2019.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 271 to Senate Bill No. 106 requires any textbooks and instructional supplies, software and hardware acquired free of charge that prompt the Minimum Expenditure Requirement (MER) waiver request, be aligned with the Nevada Academic Content Standards and be reviewed by any existing district adoption procedures.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 131.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 512.

SUMMARY—Revises provisions relating to the resale of tickets to an athletic contest or live entertainment event. (BDR 52-64)

AN ACT relating to trade practices; establishing additional requirements related to the resale of tickets to an athletic contest or live entertainment event; revising provisions governing the recovery which a plaintiff may be awarded in a civil action for a violation of certain requirements related to the resale of tickets to an athletic contest or live entertainment event; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits a number of deceptive trade practices, including, without limitation, knowing violations of requirements related to the resale of tickets to athletic contests and live entertainment events. (NRS 598.09223, 598.397-598.3984) Under existing law, the Attorney General, the Commissioner of Consumer Affairs and the Director of the Department of Business and Industry are authorized to investigate deceptive trade practices and take certain actions to penalize persons who commit a deceptive trade practice, which may include, without limitation, criminal prosecution and the imposition of civil penalties. (NRS 598.0903-598.0999) This bill imposes additional requirements related to the sale of tickets to athletic contests and live entertainment events and makes a knowing violation of those requirements a deceptive trade practice.

Section 3 of this bill prohibits a reseller, a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange from reselling a ticket without ~~[providing a statement of]~~ disclosing the total amount to be charged for the ticket, including a ~~[separate statement of each tax and fee]~~ disclosure of the fees to be charged.

Section 6 of this bill requires a reseller, a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange to display ~~[at]~~ within the top 20 percent of each page of his or her website a notice that the website belongs to a reseller, a secondary ticket exchange or an affiliate of a reseller or secondary ticket exchange. Section 6 also prohibits a reseller, a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange from advertising or representing on its Internet website that the reseller, secondary ticket exchange or affiliate of the reseller or secondary ticket exchange is a person who has the initial ownership rights to a ticket before its public sale ~~[.]~~ , without contractual authorization to do so from the person or entity who has the initial ownership rights to the ticket before its public sale.

Section 7 of this bill prohibits a reseller , a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange from reselling a ticket without first disclosing to the purchaser the location of the seat or the general admission area to which the ticket corresponds. Section 7 also prohibits a reseller , a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange from reselling a ticket or advertising a ticket for resale unless the reseller has the ticket in his or her possession or has a written contract to obtain the ticket from a person who has the initial rights to a ticket prior to its public sale. Section 7 also prohibits a primary ticket provider, a reseller, a secondary ticket exchange or any affiliate of a primary ticket provider, a reseller or a secondary ticket exchange from reselling a ticket before the ticket has been made available to the public by the person who has the initial ownership rights to the ticket before its public sale without first obtaining authorization to do so from the person or entity who has initial ownership rights to the ticket before its public sale.

Existing law prohibits a person from using an Internet robot to circumvent any portion of the process for purchasing a ticket on an Internet website or to disguise the identity of a ticket purchaser so as to purchase a number of tickets exceeding the maximum number of tickets allowed for purchase by a person. (NRS 598.398) Section 8 of this bill prohibits a person from reselling or offering for resale a ticket that was obtained in violation of these provisions on the misuse of Internet robots if the person participated in or had the ability to control the conduct which constituted the violation or knew or reasonably should have known that the ticket was acquired in violation of the prohibition on the misuse of Internet robots.

Existing law authorizes a person injured by any violation of the requirements related to ticket resales to bring a civil action to seek: (1) declaratory and injunctive relief; and (2) actual damages or $100, whichever is greater.

(NRS 598.3982) Section 10 of this bill increases the amount of damages that a person can seek for a first violation of the requirements related to ticket resales and provides for increasing damages and penalties for each subsequent violation.

Existing law requires the Bureau of Consumer Protection in the Office of the Attorney General to establish a statewide hotline and Internet website by which a person can file a complaint related to a deceptive trade practice involving ticket resellers and secondary ticket exchanges. (NRS 598.3981) Section 9 of this bill requires the statewide hotline and Internet website to provide information and directions regarding the preferred method for filing such a complaint. Section 9 also requires that any form made available by the Bureau of Consumer Protection for receiving such complaints be no longer than two pages and be designed specifically for receiving such complaints.

Sections 1.5, 2, 4, 5, 11 and 12 of this bill define terms and make conforming changes.

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

Section 1. Chapter 598 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.5, 2 and 3 of this act.

Sec. 1.5. "Primary ticket provider" means any person or entity who is authorized by a written contract with a rights holder to make the initial sale to a consumer of a ticket to an athletic contest or live entertainment event.

Sec. 2. ~~["Primary rights ticket]~~ *"Rights holder"* ~~[means]~~ *:*

1. Means any person or entity who has the initial ownership rights to sell a ticket ~~[prior to the initial sale of the ticket to the public.]~~ *to an athletic contest or live entertainment event for which tickets for entry by the public are required.*

2. Does not include a primary ticket provider, unless the primary ticket provider is also the rights holder.

Sec. 3. *A reseller, a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange shall not resell a ticket, in person or remotely, without first* ~~[providing]~~ *disclosing to the purchaser* ~~[with a statement of]~~ *the total amount that the purchaser will be charged for the ticket, including* ~~[a separate statement of each tax and fee]~~ *any fees which* ~~[represents]~~ *represent a portion of the total amount to be charged.*

Sec. 4. NRS 598.09223 is hereby amended to read as follows:

598.09223 A person engages in a "deceptive trade practice" when, in the course of his or her business or occupation, he or she knowingly violates a provision of NRS 598.397 to 598.3984, inclusive ~~[.]~~ *, and sections 1.5, 2 and 3 of this act.*

Sec. 5. NRS 598.397 is hereby amended to read as follows:

598.397 As used in NRS 598.397 to 598.3984, inclusive, *and sections 1.5, 2 and 3 of this act,* unless the context otherwise requires, the words and terms defined in NRS 598.3971 to 598.3977, inclusive, *and* ~~[section]~~ *sections 1.5 and 2 of this act* have the meanings ascribed to them in those sections.

Sec. 6. NRS 598.3978 is hereby amended to read as follows:

598.3978 1. The Internet website of a reseller, a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange must not display a trademarked or copyrighted URL, title, designation, image or mark or other symbol without the written consent of the trademark or copyright holder.

2. The Internet website of a reseller, a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange must not use any combination of text, images, web designs or Internet addresses, or any combination thereof, which is substantially similar to the Internet website of an entertainment facility, athletic contest or live entertainment event without permission.

3. *The Internet website of a reseller, a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange must prominently display a notice identifying the Internet website as belonging to a reseller, a secondary ticket exchange or an affiliate of a reseller or secondary ticket exchange and must not* , *without contractual authorization from the rights holder*, *advertise or represent that the reseller, secondary ticket exchange or affiliate of the reseller or secondary ticket exchange is a* ~~*[primary]*~~ *rights* ~~*[ticket]*~~ *holder* ~~*[.]*~~ *or primary ticket provider. The notice required by this subsection must be displayed* ~~*[at]*~~ *within the top 20 percent of each page of the Internet website in a font size that is not smaller than the font size used for the majority of text on that page.*

4. This section does not prohibit the use of text containing the name of the venue, artist, athletic contest or live entertainment event if such use is necessary to describe the athletic contest, the live entertainment event or the location of the athletic contest or live entertainment event.

~~[4.]~~ *5.* As used in this section:

(a) "Substantially similar" means that a reasonable person would believe that the Internet website is that of the entertainment facility, athletic contest or live entertainment event.

(b) "URL" means the Uniform Resource Locator associated with an Internet website.

Sec. 7. NRS 598.3979 is hereby amended to read as follows:

598.3979 ~~[A]~~

1. In addition to any other restrictions imposed by the rights holder, a reseller *, a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange* shall not:

~~[1.]~~ *(a)* Resell more than one copy of the same ticket to an athletic contest or live entertainment event.

~~[2.]~~ *(b)* Employ another person directly or indirectly to wait in line to purchase tickets for the purpose of reselling the tickets if the practice is prohibited by the sponsor, organizer or promoter of the athletic contest or live entertainment event or if the venue at which the athletic contest or live entertainment event will occur has posted a policy prohibiting the practice.

~~[3.]~~ *(c) Resell a ticket without first informing the purchaser of the location in the entertainment facility of the seat or, if there is no assigned seat, the general admission area to which the ticket corresponds, including, without limitation, the seat, row and section number of the ticket, as applicable.*

~~[4.]~~ *(d) Resell a ticket or advertise a ticket for resale, unless:*

~~[(a)]~~ *(1) The ticket is in the possession of the reseller; or*

~~[(b)]~~ *(2) The reseller has a written contract with the ~~[primary]~~ rights ~~[ticket]~~ holder to obtain the ticket.*

2. A primary ticket provider, a reseller, a secondary ticket exchange or any affiliate of a primary ticket provider, reseller or secondary ticket exchange shall not resell a ticket before the ticket has been made available to the public by the rights holder without first obtaining permission from the rights holder to do so.

Sec. 8. NRS 598.398 is hereby amended to read as follows:

598.398 *1.* A person shall not use an Internet robot to:

~~[1.]~~ *(a)* Circumvent any portion of the process for purchasing a ticket on an Internet website, including, without limitation, any security or identity validation measures or an access control system; or

~~[2.]~~ *(b)* Disguise the identity of a ticket purchaser for the purpose of purchasing a number of tickets for admission to an athletic contest or live entertainment event which exceeds the maximum number of tickets allowed for purchase by a person.

2. A person shall not resell or offer for resale a ticket obtained in violation of subsection 1 if the person:

(a) Participated in or had the ability to control the conduct committed in violation of subsection 1; or

(b) Knew or reasonably should have known that the ticket was acquired in violation of subsection 1.

Sec. 9. NRS 598.3981 is hereby amended to read as follows:

598.3981 *1.* The Bureau of Consumer Protection in the Office of the Attorney General shall establish a toll-free statewide hotline and an Internet website by which a person may file a complaint relating to a suspected violation of NRS 598.397 to 598.3984, inclusive ~~[.]~~ *, and sections 1.5, 2 and 3 of this act, and obtain information and directions regarding the preferred method for filing such a complaint.*

2. Any form made available by the Bureau of Consumer Protection for receiving complaints relating to a suspected violation of NRS 598.397 to 598.3984, inclusive, and sections 1.5, 2 and 3 of this act must be not longer than two pages and designed specifically for receiving such complaints.

Sec. 10. NRS 598.3982 is hereby amended to read as follows:

598.3982 1. A person injured by a violation of any provision of NRS 598.397 to 598.3984, inclusive, *and sections 1.5, 2 and 3 of this act* may bring a civil action in a court of competent jurisdiction against a reseller, a secondary ticket exchange or any affiliate of a reseller or secondary ticket

exchange who committed the violation . ~~[to seek:]~~ *If the person bringing the action is the prevailing party, the court shall award that person:*

(a) Declaratory and injunctive relief.

(b) ~~[Actual]~~ *For the first violation, $1,000 or actual* damages , ~~[or $100,]~~ whichever is greater.

(c) For the second violation, $2,500, treble the amount of actual damages and reasonable attorney's fees and costs, if any.

(d) For the third and all subsequent violations, $5,000, treble the amount of actual damages, reasonable attorney's fees and costs, if any, and punitive damages, which are subject to the provisions of NRS 42.005.

2. An action may not be brought pursuant to this section against a natural person employed by a reseller, a secondary ticket exchange or any affiliate of a reseller or secondary ticket exchange.

Sec. 11. NRS 598.3983 is hereby amended to read as follows:

598.3983 Unless a greater penalty is provided in NRS 598.0999 or 598.3984, a person who knowingly violates the provisions of NRS 598.397 to 598.3984, inclusive, *and sections 1.5, 2 and 3 of this act* is guilty of a misdemeanor.

Sec. 12. NRS 598.3984 is hereby amended to read as follows:

598.3984 1. A person who willfully and knowingly violates the provisions of NRS 598.397 to 598.3984, inclusive, *and sections 1.5, 2 and 3 of this act* relating to the sale of a ticket to an entertainment facility which is operated by a governmental entity or a public-private partnership is guilty of a gross misdemeanor.

2. As used in this section:

(a) "Governmental entity" means:

(1) The government of this State;

(2) An agency of the government of this State;

(3) A political subdivision of this State; and

(4) An agency of a political subdivision of this State.

(b) "Public-private partnership" means a contract entered into by a person and a governmental entity for the support of an entertainment facility.

Sec. 13. This act becomes effective on July 1, 2019.

Senator Spearman moved the adoption of the amendment.

Remarks by Senator Spearman.

Amendment No. 512 to Senate Bill No. 131 removes the term "primary rights ticket holder" from the bill and replaces it with "rights holder." It clarifies the definition of "rights holder" and defines "primary ticket provider." The bill amends section 3 and prohibits a reseller, a secondary ticket exchange or an affiliate from selling a ticket without first disclosing certain information to the purchaser. It amends section 6 to require a reseller, secondary ticket exchange or any affiliate to obtain contractual authorization from the rights holder before advertising or representing the sales as a rights-holder primary provider. It amends section 7 to authorize the rights holder to impose further restrictions on a reseller and amends section 8 to prohibit the resale of a ticket if a person has reasonable knowledge that the ticket was acquired with the use of an Internet robot.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 140.

Bill read second time.

The following amendment was proposed by the Committee on Natural Resources:

Amendment No. 340.

SUMMARY—Revises provisions relating to the ~~[appropriation]~~ use of ~~[water]~~ groundwater in certain basins. (BDR 48-541)

AN ACT relating to ~~[water;]~~ groundwater; requiring the State Engineer to reserve a certain percentage of the remaining ~~[water]~~ groundwater available for ~~[appropriation]~~ use in certain basins; prohibiting the ~~[appropriation]~~ use of such ~~[water;]~~ groundwater; authorizing the use of such ~~[water]~~ groundwater in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, any person who wishes to appropriate any waters of this State must apply to the State Engineer for a permit to do so and the State Engineer must reject an application under certain circumstances, including when there is no unappropriated water available in the proposed source of supply. (NRS 533.325, 533.370, 533.371) Section 1 of this bill requires the State Engineer, in any basin in which there is ~~[water available]~~ groundwater that has not been committed for ~~[appropriation]~~ use on ~~[July 1, 2019,]~~ the effective date of this bill, to reserve 10 percent of the total remaining ~~[water.]~~ groundwater in the basin. The ~~[water]~~ groundwater reserved by the State Engineer may only be used on a temporary basis in an emergency ~~[, including]~~ if the basin is under a declaration of drought. Consistent with this requirement, sections 3 and 4 of this bill require the State Engineer to reject an application for a permit to appropriate water if the ~~[water]~~ groundwater from the proposed source of supply has been reserved under section 1. Section 2 of this bill makes conforming changes.

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

Section 1. Chapter 533 of NRS is hereby amended by adding thereto a new section to read as follows:

1. For each basin in which there is ~~[water available for appropriation]~~ groundwater that has not been committed for use, including, without limitation, pursuant to a permit, certificate or by any other water user in the basin, as of ~~[July 1, 2019,]~~ the effective date of this act, the State Engineer shall reserve 10 percent of the total remaining ~~[water available for appropriation]~~ groundwater that has not been committed for use in the basin.

2. Except as otherwise provided in subsection ~~[2, such reserved water]~~ 3, the groundwater in the basin from the reserve created pursuant to ~~[this section]~~ subsection 1 is not available for ~~[appropriation.]~~ any use.

~~[2.]~~ 3. The State Engineer may allow the temporary use of ~~[water]~~ groundwater from the reserve created pursuant to subsection 1 in an emergency ~~[, including, without limitation,]~~ if the basin is located within a

county under a declaration of drought by the Governor, the United States Secretary of Agriculture or the President of the United States. Any such use is subject to all other relevant rules, regulations and statutes.

Sec. 2. NRS 533.030 is hereby amended to read as follows:

533.030 1. Subject to existing rights, and except as otherwise provided in this section and NRS 533.027, *and section 1 of this act*, all water may be appropriated for beneficial use as provided in this chapter and not otherwise.

2. The use of water, from any stream system as provided in this chapter and from underground water as provided in NRS 534.080, for any recreational purpose, or the use of water from the Muddy River or the Virgin River to create any developed shortage supply or intentionally created surplus, is hereby declared to be a beneficial use. As used in this subsection:

(a) "Developed shortage supply" has the meaning ascribed to it in Volume 73 of the Federal Register at page 19884, April 11, 2008, and any subsequent amendment thereto.

(b) "Intentionally created surplus" has the meaning ascribed to it in Volume 73 of the Federal Register at page 19884, April 11, 2008, and any subsequent amendment thereto.

3. Except as otherwise provided in subsection 4, in any county whose population is 700,000 or more:

(a) The board of county commissioners may prohibit or restrict by ordinance the use of water and effluent for recreational purposes in any artificially created lake or stream located within the unincorporated areas of the county.

(b) The governing body of a city may prohibit or restrict by ordinance the use of water and effluent for recreational purposes in any artificially created lake or stream located within the boundaries of the city.

4. In any county whose population is 700,000 or more, the provisions of subsection 1 and of any ordinance adopted pursuant to subsection 3 do not apply to:

(a) Water stored in an artificially created reservoir for use in flood control, in meeting peak water demands or for purposes relating to the treatment of sewage;

(b) Water used in a mining reclamation project; or

(c) A body of water located in a recreational facility that is open to the public and owned or operated by the United States or the State of Nevada.

Sec. 3. NRS 533.370 is hereby amended to read as follows:

533.370 1. Except as otherwise provided in this section and NRS 533.345, 533.371, 533.372 and 533.503, *and section 1 of this act,* the State Engineer shall approve an application submitted in proper form which contemplates the application of water to beneficial use if:

(a) The application is accompanied by the prescribed fees;

(b) The proposed use or change, if within an irrigation district, does not adversely affect the cost of water for other holders of water rights in the district or lessen the efficiency of the district in its delivery or use of water; and

(c) The applicant provides proof satisfactory to the State Engineer of the applicant's:

(1) Intention in good faith to construct any work necessary to apply the water to the intended beneficial use with reasonable diligence; and

(2) Financial ability and reasonable expectation actually to construct the work and apply the water to the intended beneficial use with reasonable diligence.

2. Except as otherwise provided in subsection 10, where there is no unappropriated water in the proposed source of supply, *where the ~~[unappropriated water]~~ groundwater that has not been committed for use has been reserved pursuant to section 1 of this act* or where its proposed use or change conflicts with existing rights or with protectable interests in existing domestic wells as set forth in NRS 533.024, or threatens to prove detrimental to the public interest, the State Engineer shall reject the application and refuse to issue the requested permit. If a previous application for a similar use of water within the same basin has been rejected on those grounds, the new application may be denied without publication.

3. In addition to the criteria set forth in subsections 1 and 2, in determining whether an application for an interbasin transfer of groundwater must be rejected pursuant to this section, the State Engineer shall consider:

(a) Whether the applicant has justified the need to import the water from another basin;

(b) If the State Engineer determines that a plan for conservation of water is advisable for the basin into which the water is to be imported, whether the applicant has demonstrated that such a plan has been adopted and is being effectively carried out;

(c) Whether the proposed action is environmentally sound as it relates to the basin from which the water is exported;

(d) Whether the proposed action is an appropriate long-term use which will not unduly limit the future growth and development in the basin from which the water is exported; and

(e) Any other factor the State Engineer determines to be relevant.

4. Except as otherwise provided in this subsection and subsections 6 and 10 and NRS 533.365, the State Engineer shall approve or reject each application within 2 years after the final date for filing a protest. The State Engineer may postpone action:

(a) Upon written authorization to do so by the applicant.

(b) If an application is protested.

(c) If the purpose for which the application was made is municipal use.

(d) In areas where studies of water supplies have been determined to be necessary by the State Engineer pursuant to NRS 533.368.

(e) Where court actions or adjudications are pending, which may affect the outcome of the application.

(f) In areas in which adjudication of vested water rights is deemed necessary by the State Engineer.

(g) On an application for a permit to change a vested water right in a basin where vested water rights have not been adjudicated.

(h) Where authorized entry to any land needed to use the water for which the application is submitted is required from a governmental agency.

(i) On an application for which the State Engineer has required additional information pursuant to NRS 533.375.

5. If the State Engineer does not act upon an application in accordance with subsections 4 and 6, the application remains active until approved or rejected by the State Engineer.

6. Except as otherwise provided in this subsection and subsection 10, the State Engineer shall approve or reject, within 6 months after the final date for filing a protest, an application filed to change the point of diversion of water already appropriated when the existing and proposed points of diversion are on the same property for which the water has already been appropriated under the existing water right or the proposed point of diversion is on real property that is proven to be owned by the applicant and is contiguous to the place of use of the existing water right. The State Engineer may postpone action on the application pursuant to subsection 4.

7. If the State Engineer has not approved, rejected or held a hearing on an application within 7 years after the final date for filing a protest, the State Engineer shall cause notice of the application to be republished pursuant to NRS 533.360 immediately preceding the time at which the State Engineer is ready to approve or reject the application. The cost of the republication must be paid by the applicant. After such republication, a protest may be filed in accordance with NRS 533.365.

8. If a hearing is held regarding an application, the decision of the State Engineer must be in writing and include findings of fact, conclusions of law and a statement of the underlying facts supporting the findings of fact. The written decision may take the form of a transcription of an oral ruling. The rejection or approval of an application must be endorsed on a copy of the original application, and a record must be made of the endorsement in the records of the State Engineer. The copy of the application so endorsed must be returned to the applicant. Except as otherwise provided in subsection 11, if the application is approved, the applicant may, on receipt thereof, proceed with the construction of the necessary works and take all steps required to apply the water to beneficial use and to perfect the proposed appropriation. If the application is rejected, the applicant may take no steps toward the prosecution of the proposed work or the diversion and use of the public water while the rejection continues in force.

9. If a person is the successor in interest of an owner of a water right or an owner of real property upon which a domestic well is located and if the former owner of the water right or real property on which a domestic well is located had previously filed a written protest against the granting of an application, the successor in interest must be allowed to pursue that protest in the same manner as if the successor in interest were the former owner whose interest he or she

succeeded. If the successor in interest wishes to pursue the protest, the successor in interest must notify the State Engineer in a timely manner on a form provided by the State Engineer.

10. The provisions of subsections 1 to 9, inclusive, do not apply to an application for an environmental permit or a temporary permit issued pursuant to NRS 533.436 or 533.504.

11. The provisions of subsection 8 do not authorize the recipient of an approved application to use any state land administered by the Division of State Lands of the State Department of Conservation and Natural Resources without the appropriate authorization for that use from the State Land Registrar.

12. As used in this section, "domestic well" has the meaning ascribed to it in NRS 534.350.

Sec. 4. NRS 533.371 is hereby amended to read as follows:

533.371 The State Engineer shall reject the application and refuse to issue a permit to appropriate water for a specified period if the State Engineer determines that:

1. The application is incomplete;
2. The prescribed fees have not been paid;
3. The proposed use is not temporary;
4. There is no water available from the proposed source of supply without exceeding the perennial yield or safe yield of that source;
5. *The ~~[water]~~ groundwater that has not been committed for use from the proposed source of supply has been reserved pursuant to section 1 of this act;*
6. The proposed use conflicts with existing rights; or

~~[6.]~~ *7.* The proposed use threatens to prove detrimental to the public interest.

Sec. 5. The amendatory provisions of this act apply to any application for a permit to appropriate water that has been submitted to the State Engineer on or after March 1, 2019, but not approved before ~~[July 1, 2019.]~~ the effective date of this act.

Sec. 6. This act becomes effective ~~[on July 1, 2019.]~~ upon passage and approval.

Senator Scheible moved the adoption of the amendment.

Remarks by Senator Scheible.

Amendment No. 340 to Senate Bill No. 140 changes the term "water" to "groundwater" throughout the bill. It changes the term "water available for appropriation" to "groundwater that has not been committed." It changes "July 1, 2019," to "the effective date of this act" to provide that for each basin with groundwater that has not been committed on "the effective date of the act," the State Engineer shall reserve 10 percent of the total remaining groundwater in the basin. The bill provides that the provisions of the bill only apply to applications to appropriate water that are submitted on or after March 1, 2019, and removes the term "including, without limitation" to provide that the State Engineer may allow the temporary use of groundwater from the reserve in an emergency if the basin is located within a county under a declaration of drought. It also changes the effective date to "upon passage and approval."

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 147.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 24.

SUMMARY—Revises provisions relating to the education of pupils who are experiencing homelessness or who are in foster care. (BDR 34-394)

AN ACT relating to education; requiring certain actions to be taken to assist homeless pupils, unaccompanied pupils and pupils in foster care to receive full or partial credit for coursework in certain circumstances; revising provisions relating to the development of an academic plan for such pupils; revising provisions relating to awarding a high school diploma to such pupils; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law generally requires the board of trustees of each school district to prescribe a minimum number of days that a pupil must be in attendance for the pupil to obtain credit or be promoted to the next grade. (NRS 392.122) Existing law also requires the State Board of Education to adopt regulations that prescribe the criteria for a pupil to receive a high school diploma. (NRS 390.600, 390.605) Existing regulations: (1) establish the number of units of credit in various subjects required for a pupil to receive a high school diploma; and (2) require the successful completion of 120 hours of instruction or the equivalent to receive a unit of credit. (NAC 389.040, 390.430, 390.440) Existing federal law requires each state to have procedures which: (1) ensure that homeless children and youths and unaccompanied youths are accorded equal access to appropriate secondary education and support services; and (2) remove barriers that prevent such youths from receiving credit for coursework previously completed. (42 U.S.C. § 11432(g)(1)(F))

Section 1 of this bill requires each public school to identify whether a pupil is a homeless pupil, unaccompanied pupil or pupil who lives in foster care. If such a pupil is identified, section 1 requires the public school to review and adjust the pupil's academic plan as appropriate to maximize accrual of credits and progress towards graduation. Section 2 of this bill establishes similar requirements for the sponsor of each charter school that enrolls pupils at the high school grade level.

Section 4 of this bill authorizes a public school to award a homeless pupil, unaccompanied pupil or pupil who lives in foster care full or partial credit for a course of study regardless of the attendance of the pupil or the hours of classroom instruction received by the pupil. Section 5 of this bill requires a school district or sponsor of a charter school, as applicable, to award the appropriate high school diploma to a homeless pupil, unaccompanied pupil or pupil who lives in foster care who transfers into a public school during the pupil's 11th or 12th grade year and satisfies the requirements prescribed by the

State Board for a high school diploma, regardless of whether the pupil also completes any additional requirements prescribed by the school district or sponsor. If a homeless pupil, unaccompanied pupil or pupil who lives in foster care transfers into a public school during the pupil's 11th or 12th grade year and will not be able to receive a high school diploma within 5 years of his or her initial enrollment in 9th grade, section 5 requires the school district or sponsor of a charter school, the pupil and the pupil's parent or legal guardian, if applicable, to agree on a modified course of instruction which leads to the pupil receiving a high school diploma as quickly as possible. Section 6 of this bill makes a conforming change.

WHEREAS, Pupils who experience homelessness or live in foster care confront monumental challenges to academic achievement; and

WHEREAS, Requiring pupils to spend a certain amount of time in the classroom before receiving credit for a course disproportionately harms pupils who experience homelessness or live in foster care without considering whether such pupils have actually learned the material; and

WHEREAS, The federal McKinney-Vento Act, as amended by the Every Student Succeeds Act, requires states to establish procedures to identify and remove barriers that prevent pupils experiencing homelessness or living in foster care from receiving appropriate credit for the coursework they complete and to ensure such pupils have equal access to education; and

WHEREAS, It is in the best interests of this State and of pupils experiencing homelessness or living in foster care to eliminate any unnecessary barriers to academic achievement and allow such pupils to achieve their greatest possible academic success; now, therefore,

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

Section 1. NRS 388.205 is hereby amended to read as follows:

388.205 1. The board of trustees of each school district shall adopt a policy for each public school in the school district in which ninth grade pupils are enrolled to develop a 4-year academic plan for each of those pupils. Except as otherwise provided in subsection 4, the policy must require each public school to provide each pupil with an academic plan at the beginning of the pupil's ninth grade year. The academic plan must set forth the specific educational goals established pursuant to subsection 7 each year and the steps that the pupil intends to take in order to achieve those goals. The plan may include, without limitation, the designation of a career pathway and enrollment in dual credit courses, career and technical education courses, advanced placement courses and honors courses.

2. The policy must ensure that each pupil enrolled in ninth grade and the pupil's parent or legal guardian are provided with, to the extent practicable, information regarding:

(a) The advanced placement courses, honors courses, international baccalaureate courses, dual credit courses, career and technical education courses, including, without limitation, career and technical skills-building

programs, and any other educational programs, pathways or courses available to the pupil which will assist the pupil in the advancement of his or her education;

(b) The requirements for graduation from high school with a diploma and the types of diplomas available;

(c) The requirements for admission to the Nevada System of Higher Education, including, without limitation, the average score on the college and career readiness assessment administered pursuant to NRS 390.610 of students admitted to each community college, state college or university in the Nevada System of Higher Education, and the eligibility requirements for a Governor Guinn Millennium Scholarship;

(d) The Free Application for Federal Student Aid and advice concerning how to finance enrollment in an institution that provides postsecondary and vocational education; and

(e) The charter schools within the school district.

3. The policy required by subsection 1 must require each pupil enrolled in ninth grade and the pupil's parent or legal guardian to:

(a) Be notified of opportunities to work in consultation with a school counselor to develop and review an academic plan for the pupil;

(b) Sign the academic plan; and

(c) Review the academic plan at least once each school year in consultation with a school counselor and revise the plan if necessary.

4. If a pupil enrolls in a high school after ninth grade, an academic plan must be developed for that pupil as soon as reasonably practicable with appropriate modifications for the grade level of the pupil.

5. If an academic plan for a pupil includes enrollment in a dual credit course, the plan must address how the dual credit course will enable the pupil to achieve his or her postgraduation goals.

6. An academic plan for a pupil must be used as a guide for the pupil and the parent or legal guardian of the pupil to plan, monitor and manage the pupil's educational and occupational development and make determinations of the appropriate courses of study for the pupil. If a pupil does not satisfy all the goals set forth in the academic plan, the pupil is eligible to graduate and receive a high school diploma if the pupil otherwise satisfies the requirements for a diploma.

7. Except as otherwise provided in subsection 4, a school counselor shall establish specific educational goals for each pupil in consultation with the pupil and the parent or legal guardian of the pupil, to the extent practicable, at the beginning of each pupil's ninth grade year and as a part of the review conducted pursuant to paragraph (c) of subsection 3.

8. The policy adopted pursuant to subsection 1 must require each public school in the school district to:

(a) Develop a procedure to identify a homeless pupil, unaccompanied pupil or pupil who lives in foster care; and

(b) Review the academic plan for each such pupil and adjust the plan as appropriate to maximize the accrual of credits by the pupil and the progress of the pupil towards graduation.

9. As used in this section:

(a) "Foster care" has the meaning ascribed to it in 45 C.F.R. § 1355.20.

(b) "Homeless pupil" has the meaning ascribed to the term "homeless children and youths" in 42 U.S.C. § 11434a(2).

(c) "Unaccompanied pupil" has the meaning ascribed to the term "unaccompanied youth" in 42 U.S.C. § 11434a(6).

Sec. 2. Chapter 388A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The sponsor of each charter school that enrolls pupils at the high school grade level shall develop:

(a) A procedure for the charter school to identify a homeless pupil, unaccompanied pupil or pupil who lives in foster care; and

(b) A plan for each such pupil that maximizes the accrual of credits by the pupil and the progress of the pupil towards graduation.

2. As used in this section:

(a) "Foster care" has the meaning ascribed to it in 45 C.F.R. § 1355.20.

(b) "Homeless pupil" has the meaning ascribed to the term "homeless children and youths" in 42 U.S.C. § 11434a(2).

(c) "Unaccompanied pupil" has the meaning ascribed to the term "unaccompanied youth" in 42 U.S.C. § 11434a(6).

Sec. 3. Chapter 389 of NRS is hereby amended by adding thereto the provisions set forth as sections 4 and 5 of this act.

Sec. 4. *1. In addition to any other means by which a homeless pupil, unaccompanied pupil or pupil who lives in foster care may receive full or partial credit for a specific course of study, such a pupil may receive full or partial credit for a specific course of study from a public school without satisfying any attendance requirement for the course or requirement for hours of classroom instruction if the pupil completes the coursework in compliance with procedures adopted by the board of trustees of a school district or the sponsor of a charter school pursuant to subsection 2.*

2. The board of trustees of each school district and the sponsor of each charter school that enrolls pupils at the high school grade level shall develop and carry out procedures to award and accept full or partial credit for coursework that is satisfactorily completed by a homeless pupil, unaccompanied pupil or pupil who lives in foster care regardless of the time, place or pace at which the pupil progresses or the number of hours of classroom instruction the pupil receives. The board of trustees or sponsor may consider as evidence in determining whether coursework has been satisfactorily completed and the amount of credit to award and accept for the coursework:

(a) Demonstration of competency by a pupil;

(b) Performance by a pupil on an examination;

(c) Successful completion of a program of independent study, or any part of such a program, by the pupil;

(d) Full or partial credit for coursework completed by a pupil at an accredited public or private school located within or outside of this State that is sought to be transferred;

(e) Full or partial credit for coursework completed by a pupil at a summer school conducted by an accredited public or private school or institution of higher learning located within or outside of this State that is sought to be transferred;

(f) Completion by a pupil of a correspondence or distance education course provided by a high school which is nationally accredited or by an entity which appears on the list published by the Department pursuant to NRS 388.834;

(g) Completion of an apprenticeship program by a pupil;

(h) Completion of a program by a pupil at a trade or vocational school which is accredited;

(i) Work experience of a pupil;

(j) Community service performed by a pupil; and

(k) Any other evidence or method which is determined to be appropriate by the board of trustees of a school district or sponsor of a charter school, as applicable, and approved by the Department.

3. A pupil who receives partial credit for coursework or a course of study pursuant to subsection 1 or 2 must be allowed to appropriately combine the partial credit, including, without limitation, for the purposes of the total number of credits required for graduation from high school or the minimum number of units of credit required in a core academic subject pursuant to NRS 389.018.

4. As used in this section:

(a) "Foster care" has the meaning ascribed to it in 45 C.F.R. § 1355.20.

(b) "Homeless pupil" has the meaning ascribed to the term "homeless children and youths" in 42 U.S.C. § 11434a(2).

(c) "Unaccompanied pupil" has the meaning ascribed to the term "unaccompanied youth" in 42 U.S.C. § 11434a(6).

Sec. 5. *1. A school district or sponsor of a charter school shall award the appropriate high school diploma to a homeless pupil, unaccompanied pupil or pupil who lives in foster care who:*

(a) Transfers to a public school operated by the school district or sponsor while the pupil is enrolled in grade 11 or grade 12; and

(b) Satisfies the requirements prescribed by the State Board to receive the high school diploma pursuant to NRS 390.600 or 390.605, regardless of whether the pupil satisfies any requirement imposed by the school district or sponsor of a charter school which is in addition to the requirements established pursuant to NRS 390.600 or 390.605.

2. If a homeless pupil, unaccompanied pupil or pupil who lives in foster care who transfers to a public school while the pupil is enrolled in grade 11 or grade 12 is not able to receive a high school diploma within 5 years from

the date on which the pupil enrolled in grade 9, the school district or sponsor of the charter school, the pupil and the pupil's parent or legal guardian, if applicable, shall mutually agree on a modified course of study for the pupil that will assist the pupil to satisfy the requirements for a standard high school diploma, adjusted diploma, alternative diploma or an adult standard diploma as quickly as possible.

3. As used in this section:

(a) "Foster care" has the meaning ascribed to it in 45 C.F.R. § 1355.20.

(b) "Homeless pupil" has the meaning ascribed to the term "homeless children and youths" in 42 U.S.C. § 11434a(2).

(c) "Unaccompanied pupil" has the meaning ascribed to the term "unaccompanied youth" in 42 U.S.C. § 11434a(6).

Sec. 6. NRS 392.122 is hereby amended to read as follows:

392.122 1. ~~[The]~~ *Except as otherwise provided in section 4 of this act, the* board of trustees of each school district shall prescribe a minimum number of days that a pupil who is subject to compulsory attendance and enrolled in a school in the district must be in attendance for the pupil to obtain credit or to be promoted to the next higher grade. The board of trustees of a school district may adopt a policy prescribing a minimum number of days that a pupil who is enrolled in kindergarten or first grade in the school district must be in attendance for the pupil to obtain credit or to be promoted to the next higher grade.

2. For the purposes of this section, the days on which a pupil is not in attendance because the pupil is absent for up to 10 days within 1 school year with the approval of the teacher or principal of the school pursuant to NRS 392.130, must be credited towards the required days of attendance if the pupil has completed course-work requirements. The teacher or principal of the school may approve the absence of a pupil for deployment activities of the parent or legal guardian of the pupil, as defined in NRS 388F.010. If the board of trustees of a school district has adopted a policy pursuant to subsection 5, the 10-day limitation on absences does not apply to absences that are excused pursuant to that policy.

3. Except as otherwise provided in subsection 5, before a pupil is denied credit or promotion to the next higher grade for failure to comply with the attendance requirements prescribed pursuant to subsection 1, the principal of the school in which the pupil is enrolled or the principal's designee shall provide written notice of the intended denial to the parent or legal guardian of the pupil. The notice must include a statement indicating that the pupil and the pupil's parent or legal guardian may request a review of the absences of the pupil and a statement of the procedure for requesting such a review. Upon the request for a review by the pupil and the pupil's parent or legal guardian, the principal or the principal's designee shall review the reason for each absence of the pupil upon which the intended denial of credit or promotion is based. After the review, the principal or the principal's designee shall credit towards the required days of attendance each day of absence for which:

(a) There is evidence or a written affirmation by the parent or legal guardian of the pupil that the pupil was physically or mentally unable to attend school on the day of the absence; and

(b) The pupil has completed course-work requirements.

4. A pupil and the pupil's parent or legal guardian may appeal a decision of a principal or the principal's designee pursuant to subsection 3 to the board of trustees of the school district in which the pupil is enrolled.

5. The board of trustees of a school district may adopt a policy to exempt pupils who are physically or mentally unable to attend school from the limitations on absences set forth in subsection 1. If a board of trustees adopts a policy pursuant to this subsection:

(a) A pupil who receives an exemption pursuant to this subsection is not exempt from the minimum number of days of attendance prescribed pursuant to subsection 1.

(b) The days on which a pupil is physically or mentally unable to attend school must be credited towards the required days of attendance if the pupil has completed course-work requirements.

(c) The procedure for review of absences set forth in subsection 3 does not apply to days on which the pupil is absent because the pupil is physically or mentally unable to attend school.

6. A school shall inform the parents or legal guardian of each pupil who is enrolled in the school that the parents or legal guardian and the pupil are required to comply with the provisions governing the attendance and truancy of pupils set forth in NRS 392.040 to 392.160, inclusive, and any other rules concerning attendance and truancy adopted by the board of trustees of the school district.

Sec. 7. 1. Any regulation adopted by the State Board of Education which conflicts with any provision of this act is void and must not be given effect to the extent of the conflict.

2. The State Board of Education shall, on or before January 1, 2020, adopt any regulations which are required by or necessary to carry out the provisions of this act.

Sec. 8. This act becomes effective upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and on July 1, 2019, for all other purposes.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 24 to Senate Bill No. 147 ensures a school district has the ability to combine similar coursework or courses for full or partial credit required for graduation from high school or the minimum number of credits required in core academic subjects.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 158.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 262.

SUMMARY—Revises the definition of the term "supervisory employee" for purposes of provisions relating to collective bargaining. (BDR 23-789)

AN ACT relating to collective bargaining; revising the definition of "supervisory employee" for the purposes of provisions relating to collective bargaining; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law generally requires a local government to engage in collective bargaining with the recognized employee organization, if any, for each bargaining unit among its employees. (NRS 288.150) A supervisory employee is prohibited under existing law from being a member of the same bargaining unit as the employees under his or her direction. (NRS 288.170) Existing law defines "supervisory employee" to include any person who, on behalf of his or her employer, engages in various employment actions when such actions are not just routine and require the use of independent judgment. (NRS 288.075) Existing law further provides that an employee organization which is negotiating on behalf of two or more bargaining units consisting of firefighters or police officers may select members of the units to negotiate jointly on behalf of each other, even if one of the units consists of supervisory employees and the other unit does not. (NRS 288.170) This bill revises the definition of "supervisory employee" to prohibit a police officer , ~~[or]~~ firefighter or certain other persons who have the powers of a peace officer from being deemed a supervisory employee solely because he or she engages in some, but not all, of the employment actions of a supervisory employee under a paramilitary command structure.

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

Section 1. NRS 288.075 is hereby amended to read as follows:

288.075 1. "Supervisory employee" ~~[means:]~~ *includes:*

(a) Any individual having authority in the interest of the employer to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward or discipline other employees or responsibility to direct them, to adjust their grievances or effectively to recommend such action, if in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment. The exercise of such authority shall not be deemed to place the employee in supervisory employee status unless the exercise of such authority occupies a significant portion of the employee's workday . ~~[~~; or ~~*With respect to police officers and firefighters, as those terms are defined in NRS 288.215, a police officer or firefighter who]*~~ *If any of the following persons* ~~*[performs]*~~ *perform some, but not all, of the*

foregoing duties under a paramilitary command structure , such a person shall not be deemed a supervisory employee solely because of such duties ~~[.]~~ :

(1) A police officer, as defined in NRS 288.215;

(2) A firefighter, as defined in NRS 288.215; or

(3) A person who:

(I) Has the powers of a peace officer pursuant to NRS 289.150, 289.170, 289.180 or 289.190; and

(II) Is a local government employee who is authorized to be in a bargaining unit pursuant to the provisions of this chapter.

(b) Any individual or class of individuals appointed by the employer and having authority on behalf of the employer to:

(1) Hire, transfer, suspend, lay off, recall, terminate, promote, discharge, assign, reward or discipline other employees or responsibility to direct them, to adjust their grievances or to effectively recommend such action;

(2) Make budgetary decisions; and

(3) Be consulted on decisions relating to collective bargaining,

➥ if, in connection with the foregoing, the exercise of such authority is not of a merely routine or clerical nature, but requires the use of independent judgment. The exercise of such authority shall not be deemed to place the employee in supervisory employee status unless the exercise of such authority occupies a significant portion of the employee's workday.

2. Nothing in this section shall be construed to mean that an employee who has been given incidental administrative duties shall be classified as a supervisory employee.

Sec. 2. This act becomes effective on July 1, 2019.

Senator Parks moved the adoption of the amendment.

Remarks by Senator Parks.

Amendment No. 262 to Senate Bill No. 158 adds, for purposes of collective bargaining, other persons who have the powers of a peace officer to those who shall not be deemed a supervisory employee solely because they perform some but not all of certain duties.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 161.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 204.

SUMMARY— ~~[Provides for the establishment of the Regulatory Experimentation Program for Product Innovation.]~~ Revises provisions relating to certain financial businesses, products and services. (BDR 52-875)

AN ACT relating to financial businesses; requiring the ~~[Attorney General]~~ Director of the Department of Business and Industry to establish and administer the Regulatory Experimentation Program for Product Innovation; setting forth the requirements for the operation of the Program; providing for

a temporary exemption from certain statutory and regulatory requirements related to financial products and services for a participant in the Program under certain circumstances; requiring the ~~[Attorney General]~~ Director to submit to the Legislature an annual report on the Program; revising provisions relating to persons who make loans exclusively via the Internet; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The existing provisions of chapters ~~[90, 604A, 604B, 628A,]~~ 645A, 645B, 645F and 645G of NRS, titles 55 and 56 of NRS and the various regulations adopted pursuant to those statutes impose licensing and other regulatory requirements on the provision of certain financial products and services, ranging from ~~[investment advice and]~~ consumer lending to banking and debt counseling. This bill, modeled after similar legislation from Arizona, generally provides for the establishment and administration of a program by the ~~[Attorney General]~~ Director of the Department of Business and Industry under which persons offering or providing such a product or service in a technically innovative way may seek a temporary exemption from some or all of the statutory and regulatory provisions that otherwise apply to the product or service. (Ariz. Rev. Stat. Ann. §§ 41-5601 et seq.) At the end of the period of exemption, a participant in the program must cease to provide the product or service or continue operations in accordance with applicable licensing and other requirements.

Section 11 of this bill requires the ~~[Attorney General]~~ Director to establish and administer the Regulatory Experimentation Program for Product Innovation. A person who desires to become a participant in the Program is required by section 12 of this bill to submit an application to the ~~[Attorney General.]~~ Director. If the ~~[Attorney General]~~ Director approves the application, section 15 of this bill provides that the product or service of the participant is generally exempt from any provision of chapter ~~[90, 604A, 604B, 628A,]~~ 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant to any of those statutes, except as the ~~[Attorney General]~~ Director may otherwise require.

Sections 16 ~~[, 18]~~ and 17 of this bill establish requirements and limitations on the provisions of a product or service under the Program. Section 16 of this bill limits the number of consumers in this State to whom a product or service may be provided by a participant, while ~~[sections]~~ section 17 ~~[and 18]~~ of this bill ~~[impose]~~ imposes certain specific requirements and limitations applicable to participants who are transmitters of money. ~~[, financial planners, investment advisers or representatives of investment advisers.]~~ Section 19 of this bill authorizes the ~~[Attorney General]~~ Director to grant relief from some of these requirements and limitations under certain circumstances.

Sections 20-24 of this bill govern the operation of the Program. Section 20 of this bill sets forth certain disclosures that must be made before a product or service is provided to a recipient of the product or service. Section 21 of this bill requires the ~~[Attorney General]~~ Director to establish a system for the

submission of complaints. Sections 22 and 23 of this bill contain provisions relating to recordkeeping and the confidentiality of records relating to the Program.

Pursuant to sections 25 and 26 of this bill, the period of participation in the Program is generally limited to 2 years, at which time a participant must cease to offer or provide a product or service under the Program. A participant may seek an extension of this period to apply for any license or other authorization otherwise required for the product or service.

Section 27 of this bill authorizes the ~~[Attorney General]~~ Director to act to enjoin or otherwise prevent any violation of the provisions governing the Program. Section 30 of this bill ~~[authorizes]~~ : (1) requires the ~~[Attorney General]~~ Director, in consultation with the Consumer's Advocate of the Bureau of Consumer Protection in the Office of the Attorney General, to adopt certain regulations for the protection of consumers of financial products or services through the Program; and (2) authorizes the Director to adopt any other regulations necessary to carry out the Program. Section 31 of this bill requires the ~~[Attorney General]~~ Director to report annually to the Legislature on the status of the Program. Sections ~~[32-46]~~ 32-42, 43 and 44-47 of this bill make conforming changes.

Existing law prohibits a person from engaging in the business of lending in this State without having first obtained a license from the Commissioner of Financial Institutions for each office or other place of business in which the person engages in the business of lending. (NRS 675.060) Under existing law, a person who wishes to obtain a license for an office or place of business located outside of this State is required, among other requirements, to have a license for an office or place of business located inside this State. (NRS 675.090) Section 43.3 of this bill authorizes persons who make loans exclusively via the Internet, who are designated by section 42.5 of this act as "Internet lenders," to apply for a license to engage in the business of lending for an office or place of business located outside of this State without having a license for an office or place of business located inside this State. Section 43.7 exempts Internet lenders from provisions of existing law which prohibit persons from conducting the business of making loans in the same office or place of business as any other business. (NRS 675.230)

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

Section 1. Chapter 597 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 31, inclusive, of this act.

Sec. 2. *As used in sections 2 to 31, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 10, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *"Applicable regulator" means an official or agency of this State, as identified by the ~~[Attorney General,]~~ Director, responsible for regulating a financial product or service.*

Sec. 4. ~~[*"Attorney General" means the Attorney General of the State of Nevada or his or her designee.*]~~ (Deleted by amendment.)

Sec. 5. *"Consumer" means any person who purchases or otherwise enters into a transaction or agreement to receive a financial product or service.*

Sec. 5.5. *"Director" means the Director of the Department of Business and Industry.*

Sec. 6. *"Financial product or service" or "product or service" means any product, service, activity, business model, mechanism for delivery or element of any of these that:*

1. Includes an innovation; and

2. But for the provisions of sections 2 to 31, inclusive, of this act, is governed by the provisions of chapter ~~[90, 604A, 604B, 628A,]~~ 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto.

Sec. 7. *"Innovation" means any use of a new or emerging technology, or any novel use of an existing technology, to address a problem, provide a benefit or otherwise offer or provide a financial product or service that is determined by the ~~[Attorney General]~~ Director not to be widely available in this State.*

Sec. 8. *"Participant" means a person whose application to participate in the Program has been approved by the ~~[Attorney General]~~ Director pursuant to section 14 of this act.*

Sec. 9. *"Program" means the Regulatory Experimentation Program for Product Innovation established and administered by the ~~[Attorney General]~~ Director pursuant to sections 2 to 31, inclusive, of this act.*

Sec. 10. *"Test" means to offer or provide a financial product or service through the Program.*

Sec. 11. *In consultation with each applicable regulator, the ~~[Attorney General]~~ Director shall establish and administer the Regulatory Experimentation Program for Product Innovation to enable a person to obtain limited access to markets in this State to test a financial product or service without:*

1. Applying for or obtaining any license or other authorization otherwise required by any provision of chapter ~~[90, 604A, 604B, 628A,]~~ 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto; or

2. Otherwise complying with any provision of chapter ~~[90, 604A, 604B, 628A,]~~ 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto, except as otherwise required by the ~~[Attorney General]~~ Director pursuant to section 15 of this act.

Sec. 12. *1. A person who desires to participate in the Program to test a financial product or service must submit a written application in accordance with this section, in the form prescribed by the ~~[Attorney General.]~~ Director. A separate application must be filed for each product or service proposed for testing.*

2. The application must show that the applicant will at all times during the test:

(a) Be subject to the exercise of personal jurisdiction by the courts of this State; and

(b) Establish and maintain a physical or virtual location that is reasonably accessible to the ~~[Attorney General,]~~ Director, from which testing will occur and at which all records, documents and data required by sections 2 to 31, inclusive, of this act will be maintained.

3. The application must include:

(a) A description of the product or service proposed for testing and an explanation of:

(1) The innovation included in the product or service;

(2) The regulatory scheme otherwise applicable to the product or service outside the Program;

(3) Any benefit of the product or service to consumers;

(4) Any risk of financial loss or other harm to consumers associated with the product or service;

(5) The nature or features of the product or service that distinguish it from any similar product or service available in this State; and

(6) The manner in which participation in the Program will facilitate a successful test of the product or service;

(b) A statement of the proposed plan for testing the product or service, including:

(1) An estimate of the dates or periods of time anticipated for entry into and exit from the relevant market in this State;

(2) Measures to protect consumers from financial loss or other harm caused by a failure of the test; and

(3) The plan to wind up and terminate the test;

(c) The full legal name, address, telephone number, electronic mail address and website address of the applicant and, if the applicant is not a natural person, each officer, director or other principal of the applicant;

(d) A description of any criminal conviction and any final administrative suspension, revocation or termination of a professional or occupational license of the applicant and any other person described in paragraph (c) if such a conviction or suspension, revocation or termination occurred in this State or another jurisdiction within the 5 years immediately preceding the date of the application;

(e) The consent of the applicant to the provisions for choice of law and provisions for the selection of a forum as prescribed by the ~~[Attorney General;]~~ Director; and

(f) Any other information deemed necessary by the ~~[Attorney General.]~~ Director.

4. The application must be submitted to the ~~[Attorney General]~~ Director and be accompanied by a nonrefundable fee of not more than $1,000. ~~[Any]~~ The Director shall account separately for the money received from fees

collected pursuant to this section ~~[must be deposited in the Attorney General's Administration Budget Account and used]~~ and use that money solely to pay the expenses of administering the Program. ~~[Those expenses which are in excess of the amount available in the Account for that purpose must be paid out of the legislative appropriation for the support of the Office of the Attorney General.]~~

Sec. 13. *1. The ~~[Attorney General]~~ Director may refuse to consider any application submitted pursuant to section 12 of this act if the application does not include the information required by section 12 of this act or any other information deemed necessary by the ~~[Attorney General.]~~ Director. The applicant shall provide, within the period directed by the ~~[Attorney General,]~~ Director, any additional information required in connection with the application. If the required information is not provided, the application may be denied by the ~~[Attorney General]~~ Director as incomplete.*

2. Upon receipt of a completed application and payment of the required fee, the ~~[Attorney General]~~ Director shall identify and consult with each applicable regulator having an interest in the subject of the application. The consultation is advisory only and not binding on the ~~[Attorney General.]~~ Director. The consultation may relate to any matter deemed by the ~~[Attorney General]~~ Director to be relevant to the application, including, without limitation:

(a) Any license or other authorization previously issued by the applicable regulator, or the corresponding regulator in another jurisdiction, to the applicant or any other person described in paragraph (c) of subsection 3 of section 12 of this act;

(b) Any criminal, civil, administrative or other proceeding previously brought by or on behalf of the applicable regulator, or the corresponding regulator in any other jurisdiction, against the applicant or any other person described in paragraph (c) of subsection 3 of section 12 of this act; and

(c) The ability of the applicant or any other person described in paragraph (c) of subsection 3 of section 12 of this act to qualify for a license or other authorization from the applicable regulator upon the completion of testing.

3. Unless the ~~[Attorney General]~~ Director and the applicant mutually agree to extend this period, the ~~[Attorney General]~~ Director shall approve or deny an application within 90 days after the completed application is received.

Sec. 14. *1. Except as otherwise provided in this subsection, the ~~[Attorney General]~~ Director may approve or deny any application or request submitted pursuant to sections 2 to 31, inclusive, of this act. The ~~[Attorney General]~~ Director may not approve an application or request if provision of the relevant financial product or service to consumers in this State would exceed the applicable limitation provided by subsection 2 or 3 of section 16 of this act.*

2. The ~~[Attorney General]~~ Director shall give the applicant or participant written notice of the approval or denial of the application or request within 5 business days after the date of approval or denial.

3. The approval or denial of an application or request is final and not subject to administrative or judicial review.

Sec. 15. *1. If the ~~[Attorney General]~~ Director approves an application to participate in the Program:*

(a) The applicant shall be deemed a participant.

(b) The ~~[Attorney General]~~ Director shall issue a registration number unique to the approval.

(c) Except as otherwise required by the ~~[Attorney General]~~ Director pursuant to subsection 2 , ~~[or as provided in section 18 of this act,]~~ a product or service offered or provided within the scope of the Program is exempt from any provision of chapter ~~[90, 604A, 604B, 628A,]~~ 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto.

2. In addition to any other requirements or limitations of section 16 ~~[,]~~ or 17 ~~[or 18]~~ of this act that apply to a product or service, the ~~[Attorney General]~~ Director may condition approval of an application upon compliance by the participant with one or more provisions of chapter ~~[90, 604A, 604B, 628A,]~~ 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto.

3. A notice of approval of an application given pursuant to section 14 of this act must be accompanied by a copy of the provisions of sections 2 to 31, inclusive, of this act and any applicable regulations of the ~~[Attorney General]~~ Director then in effect, and set forth:

(a) The registration number applicable to the approval;

(b) The period of testing prescribed by section 25 of this act;

(c) The general limitations of section 16 of this act, any additional requirements or limitations applicable specifically to the product or service pursuant to section 17 ~~[or 18]~~ of this act and any conditions imposed pursuant to subsection 2; and

(d) Any additional information required by the ~~[Attorney General]~~ Director to be disclosed to consumers pursuant to subsection 2 of section 20 of this act.

Sec. 16. *Any financial product or service provided within the scope of the Program is subject to the following requirements and limitations:*

1. Any consumer of the product or service must be a resident of this State on the date that the product or service is first provided to the consumer.

2. Except as otherwise provided in subsection 3, not more than 5,000 consumers may be provided a given product or service by a participant during the period of testing.

3. If the ~~[Attorney General]~~ Director approves a request for relief by a participant pursuant to section 19 of this act, not more than 7,500 consumers may be provided a given product or service by the participant during the period of testing.

Sec. 17. *1. Except as otherwise provided in subsection 2, in addition to complying with any other applicable requirements and limitations, a participant who is testing a financial product or service within the scope of the*

Program for which a license is otherwise required pursuant to chapter 671 of NRS shall not receive for transmission or transmit during the period of testing:

(a) More than $2,500 in any single transaction for a consumer.

(b) More than $25,000 in any series of transactions for a consumer.

2. If the ~~[Attorney General]~~ Director approves a request for relief by a participant pursuant to section 19 of this act, the participant shall not receive for transmission or transmit during the period of testing:

(a) More than $15,000 in any single transaction for a consumer.

(b) More than $50,000 in any series of transactions for a consumer.

Sec. 18. ~~*[1. In addition to complying with any other applicable requirements and limitations, a participant who is testing a financial product or service within the scope of the Program as a financial planner, investment adviser or a representative of an investment adviser shall:*~~

~~*(a) File with the applicable regulator a copy of any notice or written undertaking filed by the participant with the Securities and Exchange Commission pursuant to 17 C.F.R. § 275.204-2.*~~

~~*(b) Comply with:*~~

~~*(1) Any provision of chapter 90 or 628A of NRS, as applicable; and*~~

~~*(2) Any regulation of the applicable regulator,*~~

~~*→ relating to unethical and dishonest practices, information required to be furnished to consumers, the custody of money or securities belonging to consumers and the disclosure of financial and disciplinary information to consumers.*~~

~~*2. As used in this section:*~~

~~*(a) "Financial planner" has the meaning ascribed to it in NRS 628A.010.*~~

~~*(b) "Investment adviser" has the meaning ascribed to it in NRS 90.250.*~~

~~*(c) "Representative of an investment adviser" has the meaning ascribed to it in NRS 90.278]*~~ (Deleted by amendment.)

Sec. 19. *1. At any time during the period of testing a financial product or service, a participant may submit to the ~~[Attorney General]~~ Director a written request for relief from the limitations of subsection 2 of section 16 of this act or subsection 1 of section 17 of this act, or both, as they otherwise apply to the participant.*

2. In accordance with any regulations adopted pursuant to section 30 of this act, the ~~[Attorney General]~~ Director may:

(a) Approve a request for relief if the ~~[Attorney General]~~ Director determines that the participant has adequate capitalization and satisfactory procedures and processes in place for the oversight of its operations and the management of risk.

(b) Rescind or modify at any time his or her approval of a request for relief.

3. The approval, denial, rescission or modification of approval of a request for relief is final and not subject to administrative or judicial review.

Sec. 20. *1. Before providing any financial product or service to a consumer, a participant shall disclose to the consumer:*

(a) The name and contact information of the participant;

(b) The registration number applicable to the product or service, as issued by the ~~[Attorney General]~~ Director pursuant to section 15 of this act;

(c) The fact that the product or service is generally exempt from any provisions of chapter ~~[90, 604A, 604B, 628A,]~~ 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto, except as otherwise required by the ~~[Attorney General]~~ Director pursuant to section 15 of this act ; ~~[or as provided in section 18 of this act;]~~

(d) If applicable, the fact that the participant is not the holder of a license or other authorization in this State to provide any product or service outside the scope of the Program;

(e) The fact that the participant has been approved to provide the product or service pursuant to sections 2 to 31, inclusive, of this act, but that the product or service is not endorsed or recommended by the ~~[Attorney General]~~ Director or any governmental agency;

(f) The fact that the product or service is provided as part of a test and may be discontinued at or before the end of the test, with the date on which the test is expected to end; and

(g) The fact that the consumer may submit a complaint to the ~~[Attorney General]~~ Director relating to the product or service, with the telephone number and Internet address of the Internet website maintained by the ~~[Attorney General]~~ Director pursuant to section 21 of this act.

2. The ~~[Attorney General]~~ Director may condition approval of an application to participate in the Program on, or require at any time thereafter, the disclosure by a participant of information relating to a product or service in addition to the disclosures required by subsection 1. The ~~[Attorney General]~~ Director shall give written notice to the participant of any additional disclosures required pursuant to this subsection.

3. The disclosures required by subsections 1 and 2, as applicable, must be clear and conspicuous and must be provided in English and Spanish. If a product or service is provided through an Internet website or mobile application, the consumer must acknowledge receipt of the disclosures before the completion of any transaction.

Sec. 21. *The ~~[Attorney General]~~ Director shall establish and maintain a toll-free telephone number and Internet website through which a consumer may submit a complaint relating to any financial product or service provided by a participant.*

Sec. 22. *1. The ~~[Attorney General]~~ Director may establish by regulation periodic reporting requirements for participants in the Program.*

2. On request by the ~~[Attorney General,]~~ Director, a participant shall make any requested record, information or data available for inspection and copying by the ~~[Attorney General.]~~ Director.

3. Each participant shall retain, for not less than 2 years after the end of the prescribed period of testing or for such longer period as the ~~[Attorney General]~~ Director requires by order or regulation, all records and data

produced in the ordinary course of business relating to a financial product or service tested in the Program.

4. If a product or service fails before the end of the period of testing, the participant shall:

(a) Give written notice of the failure to the ~~[Attorney General.]~~ Director.

(b) Include in the notice a description of any action taken by the participant to protect consumers from financial loss or other harm caused by the failure.

5. In addition to providing any other disclosure or notice of the unauthorized acquisition of computerized data required by any applicable statute or regulation, a participant shall promptly notify the ~~[Attorney General]~~ Director of any unauthorized acquisition of computerized data constituting a breach of the security of the system data as that term is defined in NRS 603A.020.

Sec. 23. *1. Any record or information in a record submitted to or obtained by the ~~[Attorney General]~~ Director or an applicable regulator pursuant to sections 2 to 31, inclusive, of this act:*

(a) Except as otherwise provided in this section, is confidential and not a public book or record within the meaning of NRS 239.010.

(b) May be disclosed by the ~~[Attorney General]~~ Director or an applicable regulator to:

(1) Any governmental agency or official; or

(2) A federal, state or county grand jury in response to a lawful subpoena.

2. Any disclosure pursuant to subsection 1 of a complaint relating to a financial product or service or the results of an examination, inquiry or investigation relating to a participant or product or service does not make the relevant record or information in a record a public record within the meaning of NRS 239.010, and a participant shall not disclose any such record or information to the general public except in connection with any disclosure required by law. A participant shall not disclose, use or refer to any comments, conclusions or results of an examination, inquiry or investigation in any communication to a consumer or potential consumer.

3. The ~~[Attorney General]~~ Director and any applicable regulator are immune from civil liability for any damages sustained because of a disclosure of any record or information in a record that is received or obtained pursuant to sections 2 to 31, inclusive, of this act.

4. Nothing contained in this section shall be deemed to preclude the disclosure of any record or information in a record that is admissible in evidence in any civil or criminal proceeding brought by a state or federal law enforcement agency to enforce or prosecute a civil or criminal violation of any law.

Sec. 24. *Any information, writing, signature, record or disclosure required by the provisions of sections 2 to 31, inclusive, of this act or any regulation adopted pursuant thereto, may:*

1. Be obtained, recorded, provided or maintained by a participant in electronic form.

2. With the approval of the ~~[Attorney General,]~~ Director, be substituted by a participant with any substantially equivalent information, writing, signature, record or disclosure.

Sec. 25. *Unless a timely request for an extension of the period of testing is made and approved pursuant to section 26 of this act:*

1. The period of testing for a financial product or service ends 2 years after the date of the notice given pursuant to section 14 of this act.

2. Except as otherwise provided in this subsection, the participant shall, within 60 days after the end of the period of testing, wind down the test and cease offering or providing the product or service. If the product or service entails the performance of any ongoing duty or function, such as the servicing of a loan, the participant shall continue to perform or contract with another person for the continued performance of the duty or function.

Sec. 26. *1. A participant may request an extension of the period of testing to apply for any license or other authorization required for the financial product or service by any statute or regulation of this State. A participant who desires such an extension must submit a written request to the ~~[Attorney General]~~ Director not less than 30 days before the end of the period of testing.*

2. The ~~[Attorney General]~~ Director shall:

(a) Approve or deny the requested extension before the end of the prescribed period of testing; and

(b) Give written notice of the approval or denial as provided in section 14 of this act.

3. Only one extension of the period of testing may be granted pursuant to this section. Any such extension must not exceed 1 year in duration.

4. A participant who obtains an extension shall report periodically to the ~~[Attorney General,]~~ Director, in writing, on the status of the efforts of the participant to obtain a license or other authorization. The first such report must be submitted within 90 days after the date of the notice described in subsection 2, and subsequent reports must be submitted at intervals of not more than 90 days until the application of the participant for a license or other authorization is finally approved or finally denied by the applicable regulator.

Sec. 27. *1. If the ~~[Attorney General]~~ Director has reasonable cause to believe that a participant has engaged in, is engaging in or threatens to engage in any act or omission in violation of any provision of sections 2 to 31, inclusive, of this act or any other applicable statute or regulation for which a civil or criminal penalty is prescribed, the ~~[Attorney General]~~ Director may:*

(a) ~~[Bring]~~ Request that the Attorney General bring an action in any court of competent jurisdiction to enjoin the violation;

(b) Remove the participant from the Program or order the participant to exit the Program; or

(c) Take any combination of those actions.

2. A removal of or compelled exit of a participant from the Program is final and not subject to administrative or judicial review.

Sec. 28. *1. Nothing contained in sections 2 to 31, inclusive, of this act shall be deemed to prohibit a participant who holds a license or other authorization in another jurisdiction from acting in accordance with that license or authorization.*

2. The ~~[Attorney General]~~ Director may enter into an agreement with any governmental agency or official of any other jurisdiction to authorize:

(a) A participant to operate in such a jurisdiction; or

(b) A person who is authorized to operate in such a jurisdiction to be a participant.

Sec. 29. *For the purposes of any federal statute or regulation requiring a participant to hold a license or other authorization from this State in connection with a financial product or service, a participant shall be deemed to hold such a license or other authorization.*

Sec. 30. *1. The ~~[Attorney General may]~~ Director shall, in consultation with the Consumer's Advocate of the Bureau of Consumer Protection in the Office of the Attorney General, adopt ~~[such]~~ regulations that establish protections for consumers of financial products or services provided through the Program.*

2. The Director may adopt such other regulations as he or she deems necessary to carry out the provisions of sections 2 to 31, inclusive, of this act.

Sec. 31. *1. On or before March 1 of each year, the ~~[Attorney General]~~ Director of the Department of Business and Industry shall prepare and submit to the Director of the Legislative Counsel Bureau, for transmittal to the Legislature, a report on the operation and status of the Program.*

2. The report must include, for the immediately preceding calendar year:

(a) The number of applications submitted to participate in the Program, and the number of applications that were approved or denied;

(b) With respect to the applications that were denied, a description of the reasons for denial; and

(c) With respect to the applications that were approved:

(1) A description of each financial product or service provided by each participant in the Program;

(2) A statement of the number of participants providing each product or service; and

(3) An estimate of the number of consumers using each product or service.

3. The report may include any recommendations for legislation relating to the Program and any other information that the ~~[Attorney General]~~ Director of the Department of Business and Industry deems relevant.

Sec. 32. ~~[NRS 604A.250 is hereby amended to read as follows:~~

~~604A.250 The provisions of this chapter do not apply to:~~

~~1. Except as otherwise provided in NRS 604A.200, a person doing business pursuant to the authority of any law of this State or of the~~

~~United States relating to banks, national banking associations, savings banks, trust companies, savings and loan associations, credit unions, mortgage brokers, mortgage bankers, thrift companies or insurance companies, including, without limitation, any affiliate or subsidiary of such a person regardless of whether the affiliate or subsidiary is a bank.~~

~~2. A person who is primarily engaged in the retail sale of goods or services who:~~

~~(a) As an incident to or independently of a retail sale or service, from time to time cashes checks for a fee or other consideration of not more than $2; and~~

~~(b) Does not hold himself or herself out as a check-cashing service.~~

~~3. A person while performing any act authorized by a license issued pursuant to chapter 671 of NRS.~~

~~4. A person who holds a nonrestricted gaming license issued pursuant to chapter 463 of NRS while performing any act in the course of that licensed operation.~~

~~5. A person who is exclusively engaged in a check-cashing service relating to out-of-state checks.~~

~~6. A corporation organized pursuant to the laws of this State that has been continuously and exclusively engaged in a check-cashing service in this State since July 1, 1973.~~

~~7. A pawnbroker, unless the pawnbroker operates a check-cashing service, deferred deposit loan service, high-interest loan service or title loan service.~~

~~8. A real estate investment trust, as defined in 26 U.S.C. § 856.~~

~~9. An employee benefit plan, as defined in 29 U.S.C. § 1002(3), if the loan is made directly from money in the plan by the plan's trustee.~~

~~10. An attorney at law rendering services in the performance of his or her duties as an attorney at law if the loan is secured by real property.~~

~~11. A real estate broker rendering services in the performance of his or her duties as a real estate broker if the loan is secured by real property.~~

~~12. Any firm or corporation:~~

~~(a) Whose principal purpose or activity is lending money on real property which is secured by a mortgage;~~

~~(b) Approved by the Federal National Mortgage Association as a seller or servicer; and~~

~~(c) Approved by the Department of Housing and Urban Development and the Department of Veterans Affairs.~~

~~13. A person who provides money for investment in loans secured by a lien on real property, on his or her own account.~~

~~14. A seller of real property who offers credit secured by a mortgage of the property sold.~~

~~15. A person who makes a refund anticipation loan, unless the person operates a check-cashing service, deferred deposit loan service, high-interest loan service or title loan service.~~

~~— 16. A person who exclusively extends credit to any person who is not a resident of this State for any business, commercial or agricultural purpose that is located outside of this State.~~

~~— 17. *Except as otherwise required by the Attorney General pursuant to section 15 of this act, a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.]*~~ (Deleted by amendment.)

Sec. 33. ~~[Chapter 604B of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~— *Except as otherwise required by the Attorney General pursuant to section 15 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.]*~~ (Deleted by amendment.)

Sec. 34. ~~[Chapter 90 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~— *Except as otherwise required by the Attorney General pursuant to section 15 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.]*~~ (Deleted by amendment.)

Sec. 35. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044, 159A.044, 172.075, 172.245, 176.01249, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300, 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 247.540, 247.550, 247.560, 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 286.110, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.906,

293.908, 293.910, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300, 379.008, 379.1495, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.035, 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317, 392.325, 392.327, 392.335, 392.850, 394.167, 394.1698, 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535, 396.9685, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484, 412.153, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.028, 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 432B.5902, 433.534, 433A.360, 437.145, 439.840, 439B.420, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735, 445A.665, 445B.570, 449.209, 449.245, 449A.112, 450.140, 453.164, 453.720, 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.365, 480.940, 481.063, 481.091, 481.093, 482.170, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484E.070, 485.316, 501.344, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110, 599B.090, 603.070, 603A.210, 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047, 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.055, 634.214, 634A.185, 635.158, 636.107, 637.085, 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075, 640A.220, 640B.730, 640C.400, 640C.600, 640C.620, 640C.745, 640C.760, 640D.190, 640E.340, 641.090, 641.325, 641A.191, 641A.289, 641B.170, 641B.460, 641C.760, 641C.800, 642.524, 643.189, 644A.870, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135, 645E.300, 645E.375, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110, 656.105, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450, 673.480, 675.380, 676A.340, 676A.370, 677.243, 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 687C.010, 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.320, 704B.325, 706.1725, 706A.230, 710.159, 711.600, *and section 23 of this act*, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a governmental entity must

be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity can redact, delete, conceal or separate the confidential information from the information included in the public book or record that is not otherwise confidential.

4. A person may request a copy of a public record in any medium in which the public record is readily available. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in a readily available medium because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

Sec. 36. ~~[Chapter 628A of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~*— Except as otherwise required by the Attorney General pursuant to section 15 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.]*~~ (Deleted by amendment.)

Sec. 37. Chapter 645A of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the ~~[Attorney General]~~ Director of the Department of Business and Industry pursuant to section 15 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 38. NRS 645B.015 is hereby amended to read as follows:

645B.015 Except as otherwise provided in NRS 645B.016, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. §§ 5101

et seq., and any regulations adopted pursuant thereto and other applicable law, the provisions of this chapter do not apply to:

1. Any person doing business under the laws of this State, any other state or the United States relating to banks, savings banks, trust companies, savings and loan associations, industrial loan companies, credit unions, thrift companies or insurance companies, including, without limitation, a subsidiary or a holding company of such a bank, company, association or union.

2. A real estate investment trust, as defined in 26 U.S.C. § 856, unless the business conducted in this State is not subject to supervision by the regulatory authority of the other jurisdiction, in which case licensing pursuant to this chapter is required.

3. An employee benefit plan, as defined in 29 U.S.C. § 1002(3), if the loan is made directly from money in the plan by the plan's trustee.

4. An attorney at law rendering services in the performance of his or her duties as an attorney at law.

5. A real estate broker rendering services in the performance of his or her duties as a real estate broker.

6. Any person doing any act under an order of any court.

7. Any one natural person, or married couple, who provides money for investment in commercial loans secured by a lien on real property, on his or her own account, unless such a person makes a loan secured by a lien on real property using his or her own money and assigns all or a part of his or her interest in the loan to another person, other than his or her spouse or child, within 3 years after the date on which the loan is made or the deed of trust is recorded, whichever occurs later.

8. A natural person who only offers or negotiates terms of a residential mortgage loan:

(a) With or on behalf of an immediate family member of the person;

(b) Secured by a dwelling that served as the person's residence; or

(c) If:

(1) The residential mortgage loan is for a manufactured home, as defined in NRS 118B.015;

(2) The residential mortgage loan is financed by the seller; and

(3) The seller has not engaged in more than five such loans in this State during the immediately preceding 12 consecutive months.

9. Agencies of the United States and of this State and its political subdivisions, including the Public Employees' Retirement System.

10. A seller of real property who offers credit secured by a mortgage of the property sold.

11. A nonprofit agency or organization:

(a) Which provides self-help housing for a borrower who has provided part of the labor to construct the dwelling securing the borrower's loan;

(b) Which does not charge or collect origination fees in connection with the origination of residential mortgage loans;

(c) Which only makes residential mortgage loans at an interest rate of 0 percent per annum;

(d) Whose volunteers, if any, do not receive compensation for their services in the construction of a dwelling;

(e) Which does not profit from the sale of a dwelling to a borrower; and

(f) Which maintains tax-exempt status under section 501(c)(3) of the Internal Revenue Code of 1986, 26 U.S.C. § 501(c)(3).

12. A housing counseling agency approved by the United States Department of Housing and Urban Development.

13. Except as otherwise required by the ~~[Attorney General]~~ Director of the Department of Business and Industry pursuant to section 15 of this act, a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 39. Chapter 645F of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the ~~[Attorney General]~~ Director of the Department of Business and Industry pursuant to section 15 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 40. Chapter 645G of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the ~~[Attorney General]~~ Director of the Department of Business and Industry pursuant to section 15 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 41. Chapter 657 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the ~~[Attorney General]~~ Director of the Department of Business and Industry pursuant to section 15 of this act, the provisions of this title do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 42. Chapter 673 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the ~~[Attorney General]~~ Director of the Department of Business and Industry pursuant to section 15 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 42.5. NRS 675.020 is hereby amended to read as follows:

675.020 As used in this chapter, unless the context otherwise requires:

1. "Amount of cash advance" means the amount of cash or its equivalent actually received by a borrower or paid out at his or her direction or on his or her behalf.

2. "Amount of loan obligation" means the amount of cash advance plus the aggregate of charges added thereto pursuant to authority of this chapter.

3. "Commissioner" means the Commissioner of Financial Institutions.

4. "Community" means a contiguous area of the same economic unit or metropolitan area as determined by the Commissioner, and may include all or part of a city or several towns or cities.

5. *"Internet lender" means a person who makes loans exclusively through the Internet.*

6. "License" means a license, issued under the authority of this chapter, to make loans in accordance with the provisions of this chapter, at a single place of business.

~~*[6.]*~~ *7.* "Licensee" means a person to whom one or more licenses have been issued.

Sec. 43. NRS 675.040 is hereby amended to read as follows:

675.040 This chapter does not apply to:

1. Except as otherwise provided in NRS 675.035, a person doing business under the authority of any law of this State or of the United States relating to banks, national banking associations, savings banks, trust companies, savings and loan associations, credit unions, mortgage companies, thrift companies, pawnbrokers or insurance companies.

2. A real estate investment trust, as defined in 26 U.S.C. § 856.

3. An employee benefit plan, as defined in 29 U.S.C. § 1002(3), if the loan is made directly from money in the plan by the plan's trustee.

4. An attorney at law rendering services in the performance of his or her duties as an attorney at law if the loan is secured by real property.

5. A real estate broker rendering services in the performance of his or her duties as a real estate broker if the loan is secured by real property.

6. Except as otherwise provided in this subsection, any firm or corporation:

(a) Whose principal purpose or activity is lending money on real property which is secured by a mortgage;

(b) Approved by the Federal National Mortgage Association as a seller or servicer; and

(c) Approved by the Department of Housing and Urban Development and the Department of Veterans Affairs.

7. A person who provides money for investment in loans secured by a lien on real property, on his or her own account.

8. A seller of real property who offers credit secured by a mortgage of the property sold.

9. A person holding a nonrestricted state gaming license issued pursuant to the provisions of chapter 463 of NRS.

10. A person licensed to do business pursuant to chapter 604A of NRS with regard to those services regulated pursuant to chapter 604A of NRS.

11. A person who exclusively extends credit to any person who is not a resident of this State for any business, commercial or agricultural purpose that is located outside of this State.

12. Except as otherwise required by the ~~[Attorney General]~~ Director of the Department of Business and Industry pursuant to section 15 of this act, a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 43.3. NRS 675.090 is hereby amended to read as follows:

675.090 1. Application for a license must be in writing, under oath, and in the form prescribed by the Commissioner.

2. The application must:

(a) Provide the address of the office or other place of business for which the application is submitted.

(b) Contain such further relevant information as the Commissioner may require, including the names and addresses of the partners, officers, directors or trustees, and of such of the principal owners or members as will provide the basis for the investigations and findings contemplated by NRS 675.110 and 675.120.

3. A person may apply for a license for an office or other place of business located outside this State from which the applicant will conduct business in this State if ~~[the applicant]~~ *:*

(a) The applicant is an Internet lender; or

(b) The applicant or a subsidiary or affiliate of the applicant has a license issued pursuant to this chapter for an office or other place of business located in this State *.* ~~[and if the applicant submits]~~

4. A person who wishes to apply for a license pursuant to subsection 3 must submit with the application for a license a statement signed by the applicant which states that the applicant agrees to:

(a) Make available at a location within this State the books, accounts, papers, records and files of the office or place of business located outside this State to the Commissioner or a representative of the Commissioner; or

(b) Pay the reasonable expenses for travel, meals and lodging of the Commissioner or a representative of the Commissioner incurred during any investigation or examination made at the office or place of business located outside this State.

➥ The person must be allowed to choose between paragraph (a) or (b) in complying with the provisions of this subsection.

~~[4.]~~ *5.* The Commissioner shall consider an application to be withdrawn if the Commissioner has not received all information and fees required to complete the application within 6 months after the date the application is first submitted to the Commissioner or within such later period as the Commissioner determines in accordance with any existing policies of joint

regulatory partners. If an application is deemed to be withdrawn pursuant to this subsection or if an applicant otherwise withdraws an application, the Commissioner may not issue a license to the applicant unless the applicant submits a new application and pays any required fees.

Sec. 43.7. NRS 675.230 is hereby amended to read as follows:

675.230 1. Except as otherwise provided in ~~[subsection]~~ *subsections* 2 ~~[,]~~ *and 3,* a licensee may not conduct the business of making loans under this chapter within any office, suite, room or place of business in which any other business is solicited or engaged in, except an insurance agency or notary public, or in association or conjunction with any other business, unless authority to do so is given by the Commissioner.

2. A licensee may conduct the business of making loans pursuant to this chapter in the same office or place of business as a mortgage company if:

(a) The licensee and the mortgage company:

(1) Operate as separate legal entities;

(2) Maintain separate accounts, books and records;

(3) Are subsidiaries of the same parent corporation; and

(4) Maintain separate licenses; and

(b) The mortgage company is licensed by this state pursuant to chapter 645B of NRS and does not receive money to acquire or repay loans or maintain trust accounts as provided by NRS 645B.175.

3. A licensee who is an Internet lender may conduct the business of making loans pursuant to this chapter within any office, suite, room or place of business in which any other business is solicited or engaged in.

Sec. 44. NRS 676A.270 is hereby amended to read as follows:

676A.270 1. This chapter does not apply to an agreement with an individual who the provider has no reason to know resides in this State at the time of the agreement.

2. This chapter does not apply to a provider to the extent that the provider:

(a) Provides or agrees to provide debt-management, educational or counseling services to an individual who the provider has no reason to know resides in this State at the time the provider agrees to provide the services; or

(b) Receives no compensation for debt-management services from or on behalf of the individuals to whom it provides the services or from their creditors.

3. This chapter does not apply to the following persons or their employees when the person or the employee is engaged in the regular course of the person's business or profession:

(a) A judicial officer, a person acting under an order of a court or an administrative agency or an assignee for the benefit of creditors;

(b) A bank;

(c) An affiliate, as defined in paragraph (a) of subsection 2 of NRS 676A.030, of a bank if the affiliate is regulated by a federal or state banking regulatory authority; or

(d) A title insurer, escrow company or other person that provides bill-paying services if the provision of debt-management services is incidental to the bill-paying services.

4. Except as otherwise required by the ~~[Attorney General]~~ Director of the Department of Business and Industry pursuant to section 15 of this act, this chapter does not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 45. Chapter 677 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the ~~[Attorney General]~~ Director of the Department of Business and Industry pursuant to section 15 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 46. Chapter 678 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the ~~[Attorney General]~~ Director of the Department of Business and Industry pursuant to section 15 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 47. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 48. This act becomes effective:

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of this act; and

2. On January 1, 2020, for all other purposes.

Senator Spearman moved the adoption of the amendment.

Remarks by Senator Spearman.

Amendment No. 204 makes four changes to Senate Bill No. 161. The amendment moves the Regulatory Experimentation Program for Product Innovation from the Office of the Attorney General to the Department of Business and Industry. It removes the ability of businesses that are governed by chapters 90, 604A, 604B and 628A of *Nevada Revised Statutes* from participating in the Program. The bill requires the Department of Business and Industry to consult with the consumer's advocate of the Bureau of Consumer Protection, Office of the Attorney General, to develop and adopt regulations that would provide appropriate parameters relating to consumer protections for businesses that participate in the Program. It authorizes an Internet lender to obtain a license from the Commissioner of the Division of Financial Institutions, Business and Industry, to engage in the business of lending in this State.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 191.

Bill read second time

The following amendment was proposed by the Committee on Education:

Amendment No. 289.

~~[SENATOR]~~ SENATORS WOODHOUSE ; AND DONDERO LOOP

SUMMARY—Requires each public school in a school district to establish and maintain a school library. (BDR 34-562)

AN ACT relating to education; requiring each public school in a school district, including a charter school, to establish and maintain a school library that meets certain standards; requiring the State Board of Education to adopt regulations prescribing the minimum standards for a school library; prescribing requirements and exceptions for employing a ~~[school]~~ teacher librarian; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the board of trustees of a school district to purchase all new library books which are necessary and have been approved by the State Board of Education to carry out the mandates of the school curriculum. (NRS 393.170) With certain exceptions, existing law also requires a school district to spend in each school year a certain amount of money on library books. (NRS 387.207)

Section 7 of this bill requires each public school in a school district, including each charter school, to establish and maintain a school library that provides library services to the pupils, teachers and administrators of the school. Section 2.5 of this bill defines "charter school" as a charter school that enrolls 500 or more pupils and excludes a charter school that only offers a full-time program of distance education. Section 7 also requires the State Board of Education to adopt regulations that prescribe the minimum requirements of a school library.

With certain exceptions provided in section 9 of this bill, section 8 of this bill requires each public school and each charter school to employ a ~~[school]~~ teacher librarian. Section ~~[5]~~ 6.7 of this bill defines ~~["school]~~ "teacher librarian" as a person ~~[employed by a school district to provide]~~ who provides library services in a school library and ~~[includes a person: (1) who holds an endorsement as a school library media specialist; (2) employed as a paraprofessional to provide support in a school library; or (3) who holds an associate's degree in library science. Section 8 requires the governing body of a charter school to determine whether to employ a school librarian.]~~ who: (1) holds a license to teach; and (2) may hold a certification as a professional school library media specialist issued by the National Board for Professional Teaching Standards. Section 8 prohibits the board of trustees of a school district and the governing body of a charter school from giving preference to certain employees who provide library services. Section 9 provides that a school is not required to employ a ~~[school]~~ teacher librarian if: (1) the school is unable to employ a ~~[school]~~ teacher librarian and is granted permission by the superintendent of schools of the school district or the sponsor of the charter school, as applicable, to jointly employ a ~~[school]~~ teacher librarian with another such school; or (2) the school is located in a county whose population

is less than 100,000 (currently all counties other than Clark and Washoe Counties), is unable to employ certain persons to provide library services and is granted ~~[permission]~~ a waiver by the ~~[superintendent of schools of the school district for the school district to employ a school librarian to provide library services for the school. If the superintendent of schools of a school district located in a county whose population is less than 100,000 (currently all counties other than Clark and Washoe Counties) approves an application for the school district to employ a school librarian to provide library services to a public school but is unable to employ a school librarian, the superintendent of schools of the school district may apply to the Department of Education for assistance in providing library services to the pupils in that public school.]~~ State Board of Education.

Section 9.5 of this bill grandfathers in current school library assistants until July 1, 2025, so that those school library assistants may perform the duties assigned to a teacher librarian set forth in this bill without obtaining a license to teach or any other credentials or endorsements until that date.

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

Section 1. Chapter 388 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this act.

Sec. 2. *As used in sections 2 to 9, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections ~~[3]~~ 2.5 to ~~[6,]~~ 6.7, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 2.5. "Charter school" means a charter school that enrolls 500 or more pupils. The term does not include a charter school that only offers a full-time program of distance education.

Sec. 3. *"Library services" means lending library books and other materials for use inside and outside of a school for a reasonable period of time at no charge ~~[.]~~ , providing instruction on access and use of library materials, teaching the proper and effective use of information technology and providing reference services and assistance to pupils.*

Sec. 4. *"Program of distance education" has the meaning ascribed to it in NRS 388.829.*

Sec. 5. ~~*["School librarian" means a person employed by a school district to provide library services in a school library established and maintained pursuant to section 7 of this act and includes a person:*~~

~~*1. Who holds an endorsement as a school library media specialist;*~~

~~*2. Employed as a paraprofessional to provide support in a school library; or*~~

~~*3. Who holds an associate's degree in library science.]*~~ (Deleted by amendment.)

Sec. 6. *"School library" means an area or group of areas inside a school containing library books and other materials, including, without limitation, paperback and hardcover books.*

Sec. 6.3. *"School library assistant" means a person who provides library services in a school library established and maintained pursuant to section 7 of this act and includes a person:*

1. Employed as a paraprofessional to provide support in a school library; or

2. Who holds an associate's degree or higher in library science.

Sec. 6.7. *"Teacher librarian" means a person who provides library services in a school library established and maintained pursuant to section 7 of this act and who:*

1. Holds a current license to teach issued pursuant to chapter 391 of NRS; and

2. May hold a certification as a professional school library media specialist issued by the National Board for Professional Teaching Standards as described in NRS 391.163.

Sec. 7. *1. Each public school in a school district, including, without limitation, each charter school, shall establish and maintain a school library that:*

(a) Provides library services to the pupils, teachers and administrators of the school; and

(b) Meets or exceeds any minimum requirements established by regulation by the State Board pursuant to subsection 2.

2. The State Board shall adopt regulations that prescribe the minimum requirements for a school library established pursuant to subsection 1. The regulations must include, without limitation:

(a) The minimum number of books, computers and other equipment that must be maintained at each school library;

(b) The type of facilities and the minimum amount of space that must be reserved for each school library; and

(c) Methods for providing library services, to the greatest extent possible, to pupils in a public school for which physical space for such a school library may be impracticable, including, without limitation, a school with a limited number of rooms, substantially all of which are used for instruction, or a school which provides instruction through programs of distance education.

Sec. 8. *1. Except as otherwise provided in this section or section 9 of this act, each public school in a school district , including, without limitation, a charter school, shall employ a ~~[school]~~ teacher librarian.*

2. ~~[The governing body of each charter school shall determine whether to employ a school librarian.~~

~~3.]~~ The board of trustees of a school district or the governing body of a charter school, as applicable, shall provide professional development to assist employees interested in obtaining ~~[an associate's degree in library science.~~

~~4. The]~~ the qualifications necessary to become a teacher librarian.

3. Until July 1, 2025, the board of trustees of a school district or the governing body of a charter school, as applicable, shall not make a decision to lay off, dismiss, refuse to reemploy or otherwise terminate the employment

of any person employed as a ~~[paraprofessional]~~ school library assistant to provide support in a school library only to give preference to employing a ~~[person who holds an endorsement as a school library media specialist.]~~ teacher librarian.

Sec. 9. *1. If two public schools within a school district , including, without limitation, two charter schools with the same sponsor, are unable to employ a ~~[school]~~ teacher librarian as required by section 8 of this act, the public schools may apply to the superintendent of schools of the school district or the sponsor of the charter schools, as applicable, to jointly employ one ~~[school]~~ teacher librarian to provide library services for each of the public schools. Such an application must identify the reasons each public school is unable to employ a ~~[school]~~ teacher librarian. The superintendent of schools of the school district or the sponsor of the charter schools, as applicable, may approve such an application if ~~[he or she determines]~~ it is determined that each public school made a good faith effort to employ a ~~[school]~~ teacher librarian, but was unable to do so because of:*

(a) ~~[Budgetary constraints;~~

~~(b)]~~ Inability to obtain qualified applicants; or

~~[(c)]~~ (b) Any other reason determined to be valid by the superintendent of schools of the school district ~~[.]~~ or the sponsor of the charter schools, as applicable.

2. If a public school , including, without limitation, a charter school, located in a county whose population is less than 100,000 is unable to employ a ~~[school]~~ teacher librarian as required by section 8 of this act, the public school may apply to the ~~[superintendent of schools of the school district for the school district to employ a school librarian to provide library services for the school.]~~ State Board for a waiver. Such an application must ~~[identify]~~ :

(a) Identify the reasons the public school is unable to employ a ~~[school]~~ teacher librarian ~~[. The superintendent of schools of the school district may approve such an application if he or she determines that the public school made a good faith effort to employ a school librarian, but was unable to do so because of:~~

~~(a) Budgetary constraints;~~

~~(b) Inability to obtain qualified applicants; or~~

~~(c) Any other reason determined to be valid by the superintendent of schools of the school district.~~

~~3. If the superintendent of schools of a school district located in a county whose population is less than 100,000 approves an application pursuant to subsection 2, but is unable to employ a school librarian to provide library services for a public school within the school district, the superintendent of schools of the school district may apply to the Department for assistance to ensure that the pupils in such a public school receive, to the greatest extent possible, library services provided by a school librarian. Such an application must identify the reasons the superintendent of schools of the school district is unable to employ a school librarian. The Department may approve such an~~

~~*application if it determines that the superintendent of schools of the school district made a good faith effort to employ a school librarian, but was unable to do so because of:*~~

~~*(a) Budgetary constraints;*~~

~~*(b) Inability to obtain qualified applicants; or*~~

~~*(c) Any other reason determined to be valid by the Department.*~~

~~*4. If the Department approves an application submitted pursuant to subsection 3, the Department shall determine the necessary actions to ensure that the pupils in the public school which is the subject of the application receive, to the greatest extent possible, library services provided by a school librarian and provide such assistance to the school district. Such actions may include, without limitation:*~~

~~*(a) Imposing conditions or requirements upon the school district;*~~

~~*(b) The employment of a school librarian by the Department to provide library services to the school district; or*~~

~~*(c) Any other action the Department determines is necessary and appropriate.*~~

~~*5. An application granted by the superintendent of schools of a school district]*~~ *; and*

(b) Explain in detail the manner in which the public school will provide library services to all pupils enrolled at the school.

3. A waiver granted pursuant to subsection 1 or 2 ~~*[or by the Department pursuant to subsection 3]*~~ *expires on June 30 of the following odd-numbered year.*

Sec. 9.5. 1. A school library assistant who is employed at a school in a school district or a charter school on July 1, 2019, shall be deemed to be a teacher librarian for purposes of sections 8 and 9 of this act at that school and any school within that school district or any charter school which has the same sponsor, as applicable, without obtaining a license to teach or any additional credentials or endorsements until July 1, 2025.

2. As used in this section:

(a) "Charter school" means a charter school that enrolls 500 or more pupils. The term does not include a charter school that only offers a full-time program of distance education.

(b) "School library assistant" means a person who provides library services in a school library established and maintained pursuant to section 7 of this act and includes a person:

(1) Employed as a paraprofessional to provide support in a school library; or

(2) Who holds an associate's degree or higher in library science.

(c) "Teacher librarian" means a person who provides library services in a school library established and maintained pursuant to section 7 of this act and includes a person who:

(1) Holds a current license to teach issued pursuant to chapter 391 of NRS; and

(2) May hold a certification as a professional school library media specialist issued by the National Board for Professional Teaching Standards as described in NRS 391.163.

Sec. 10. The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 11. This act becomes effective:

1. Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On July 1, 2019, for all other purposes.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 289 to Senate Bill No. 191 revises the definition of library services, teacher librarian, school library assistant and charter school. It replaces the definition of school librarian with teacher librarian throughout the bill and includes large charter schools within the provisions of the bill. It adds a new section to clarify that a school library assistant currently employed at a school or charter school continue to act as a librarian without obtaining additional credentials until 2025.

Additionally, it adds Senator Dondero Loop as a sponsor of the bill and adds provisions of Senate Bill No. 249 into this bill.

Amendment adopted.

Senator Woodhouse moved that the bill be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

Bill ordered reprinted, engrossed and to the Committee on Finance.

Senate Bill No. 201.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 156.

SUMMARY—Revises provisions governing loans. (BDR 52-568)

AN ACT relating to financial services; adopting certain provisions of the federal Military Lending Act; requiring the Commissioner of Financial Institutions to develop, implement and maintain a database storing certain information relating to deferred deposit loans, title loans and high-interest loans made to customers in this State; providing that information in such a database is confidential under certain circumstances; authorizing a person who operates a deposit loan service, title loan service or high-interest loan service to distribute certain information and materials concerning public assistance and services; authorizing the Department of Business and Industry and the Bureau of Consumer Protection in the Office of the Attorney General to inform the public regarding certain information; revising provisions that prohibit the making of a deposit loan or high-interest loan that exceeds or requires payments that exceed a certain percentage of the customer's expected gross monthly income; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes standards and procedures governing the licensing and regulation of certain short-term loans, commonly referred to as "payday loans," high-interest loans, title loans and installment loans. (Chapters 604A and 675 of NRS)

The federal Military Lending Act imposes limitations on the terms of consumer credit that is extended to members of the Armed Forces of the United States who are on active duty and their dependents, including, without limitation, a prohibition against a lender charging an interest rate greater than 36 percent. (10 U.S.C. § 987) Existing law adopts the provisions of the federal Military Lending Act by referring to the federal law creating the Act. (NRS 99.050, 604A.411, 675.292) Sections 15 and 24 of this bill eliminate these provisions and, instead, sections 2-7, 15 and 17-21 of this bill adopt the language of certain provisions of the Military Lending Act, including language: (1) prohibiting a lender from charging an annual percentage rate greater than 36 percent to a covered service member or a dependent of a covered service member; (2) requiring a lender to make certain disclosures before extending certain consumer credit to a covered service member or a dependent of a covered service member; and (3) prohibiting certain additional loan terms in a transaction with a covered service member or a dependent of a covered service member. Sections 11 and 22 of this bill require the Commissioner to adopt regulations to administer, carry out and enforce these provisions.

Section 8 of this bill requires the Commissioner of Financial Institutions to develop, implement and maintain, by contract with a vendor or service provider or otherwise, a database of all deferred deposit loans, title loans and high-interest loans in this State, for the purposes of ensuring compliance with existing law governing these types of loans. Under section 8, a licensee who makes such loans must report and update certain information concerning each deferred deposit loan, title loan and high-interest loan made by the licensee. Section 8 further requires the Commissioner to establish a fee which must be charged and collected by the vendor or service provider from a licensee who is required to report the information using the database. The fee is required to be used to pay for the administration and operation of the database. Finally, sections 8 and 16 of this bill provide that information in the database or obtained by the Commissioner from the database is confidential, except that the Commissioner may use such information for statistical purposes if the identity of a person is not discernible from the information disclosed.

Section 9 of this bill authorizes a person who operates a deferred deposit loan service, high-interest loan service or title loan service to distribute information and materials provided by the Department of Health and Human Services concerning public assistance and services provided by public agencies.

Section 9.5 of this bill authorizes the Department of Business and Industry and the Bureau of Consumer Protection in the Office of the Attorney General

to use reasonable means to inform the public regarding certain requirements for persons who offer deferred deposit loan services, high-interest loan services or title loan services through an Internet website to customers in this State.

Existing law prohibits a person who operates a deferred deposit loan service from making a deferred deposit loan that exceeds 25 percent of the expected gross monthly income of the customer when the loan is made. (NRS 604A.5017) Similarly, existing law prohibits a person who operates a high-interest loan service from making a high-interest loan which requires any monthly payment that exceeds 25 percent of the expected gross monthly income of the customer. (NRS 604A.5045) Sections 12 and 13 of this bill eliminate the ability of a person making a deferred deposit loan or high-interest loan to be deemed in compliance with these limitations if the customer receiving the loan presents evidence of his or her gross monthly income and represents in writing that the loan does not violate these limitations.

Section 23 of this bill provides that the provisions of this bill do not apply to any loan made before October 1, 2019. Sections 10 and 14 of this bill make conforming changes.

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

Section 1. Chapter 604A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to ~~[9,]~~ 9.5, inclusive, of this act.

Sec. 2. *"Consumer credit" means a loan made to a natural person to finance the purchase of goods that directly satisfy human wants or to defray personal or family expenses, not including:*

1. A residential mortgage; or

2. A loan procured in the course of purchasing a car or other personal property, when that loan is offered for the express purpose of financing the purchase and is secured by the car or personal property procured.

Sec. 3. *"Covered service member" means a member of the Armed Forces of the United States who is:*

1. On active duty under a call or order to deploy with a military unit, or as an individual in support of a military operation, for a period of not less than 30 days; or

2. A member of the National Guard and Reserve on active duty orders.

Sec. 4. *"Dependent" means:*

1. The spouse of a covered service member;

2. A child of a covered service member who:

(a) Is less than 21 years of age;

(b) Is less than 23 years of age and is enrolled in a full-time course of study at an institution of higher learning and is in fact dependent on the covered service member for over one-half of the child's support; or

(c) Is incapable of self-support because of a mental or physical incapacity that occurred while the child was a person described by paragraph (a) or (b);

3. A parent or parent-in-law of a covered service member who is in fact dependent on the covered service member for over one-half of his or her support and who resides in the household of the covered service member;

4. An unmarried person who:

(a) Is placed in the legal custody of the covered service member as a result of an order of a court of competent jurisdiction for a period of at least 12 consecutive months;

(b) Is:

(1) Less than 21 years of age;

(2) Less than 23 years of age and is enrolled in a full-time course of study at an institution of higher learning and is in fact dependent on the covered service member for over one-half of the person's support; or

(3) Incapable of self-support because of a mental or physical incapacity that occurred while the person was a person described by subparagraph (1) or (2);

(c) Is dependent on the covered service member for over one-half of the person's support;

(d) Resides with the covered service member unless separated by the necessity of military service or to receive institutional care as a result of disability or incapacitation or under such other circumstances as the Commissioner may prescribe; and

(e) Is not a dependent of a covered service member under subsection 1, 2 or 3.

Sec. 5. *A licensee who makes a loan that constitutes consumer credit to a covered service member or his or her dependent shall not charge the covered service member or dependent an annual percentage rate with respect to the loan except as:*

1. Agreed to under the terms of the written loan agreement entered into pursuant to NRS 604A.5012, 604A.504 or 604A.5067, as applicable;

2. Authorized by applicable state and federal law; and

3. Not specifically prohibited by NRS 99.050 and sections 6 and 7 of this act.

Sec. 6. *1. Before making a loan that constitutes consumer credit to a covered service member or a dependent of a covered service member, a licensee shall provide the following information to the covered service member or the dependent of a covered service member, as applicable, both orally and in writing:*

(a) A statement of the annual percentage rate of interest applicable to the loan;

(b) Any disclosures required by the provisions of the Truth in Lending Act and any regulations adopted pursuant thereto; and

(c) A clear description of the payment obligations of the covered service member or dependent, as applicable.

2. A licensee shall present the disclosures required by subsection 1 in accordance with the provisions of Regulation Z.

Sec. 7. *A licensee shall not make a loan that constitutes consumer credit to a covered service member or a dependent of a covered service member with respect to which:*

1. The licensee extends, rolls over, renews, repays, refinances or consolidates any consumer credit extended to the customer by the same licensee with the proceeds of the other consumer credit extended to the same covered service member or dependent;

2. The customer is required to waive the customer's right to legal recourse under any otherwise applicable provision of state or federal law, including, without limitation, any provision of the Servicemembers Civil Relief Act, 50 U.S.C. §§ 3901 et seq.;

3. The licensee imposes onerous legal notice provisions in the case of a dispute or demands unreasonable notice from the customer as a condition for legal action;

4. The licensee uses a check or other method of access to a deposit, savings or other financial account maintained by the customer, or the title of a vehicle as security for the obligation;

5. The licensee requires as a condition for the extension of consumer credit that the customer establish an allotment to repay an obligation; or

6. The customer is prohibited from prepaying the loan or is charged a penalty or fee for prepaying all or part of the loan.

Sec. 8. *1. The Commissioner shall, by contract with a vendor or service provider or otherwise, develop, implement and maintain a database by which the Commissioner and licensees may obtain information related to deferred deposit loans, title loans and high-interest loans made by licensees to customers in this State to ensure compliance with the provisions of this chapter. The information the Commissioner and licensees may obtain includes, without limitation:*

(a) Whether a customer has a deferred deposit loan, title loan or high-interest loan outstanding with more than one licensee;

(b) Whether a customer has had such a loan outstanding with one or more licensees within the 30 days immediately preceding the making of a loan;

(c) Whether a customer has had a total of three or more such loans outstanding with one or more licensees within the 6 months immediately preceding the making of the loan; and

(d) Any other information necessary to determine whether a licensee has complied with the provisions of this chapter.

2. After the development and implementation of the database created pursuant to subsection 1, a licensee who makes a deferred deposit loan, title loan or high-interest loan shall enter or update the following information in the database for each such loan made to a customer at the time a transaction takes place:

(a) The date on which the loan was made;

(b) The type of loan made;

(c) The principal amount of the loan;

(d) The fees charged for the loan;

(e) The annual percentage rate of the loan;

(f) The total finance charge associated with the loan;

(g) If the customer defaults on the loan, the date of default;

(h) If the customer enters into a repayment plan pursuant to NRS 604A.5027, 604A.5055 or 604A.5083, as applicable, the date on which the customer enters into the repayment plan; and

(i) The date on which the customer pays the loan in full.

3. The Commissioner shall establish, and cause the vendor or service provider administering the database created pursuant to subsection 1 to charge and collect, a fee for each loan entered into the database by the licensee. The money collected pursuant to this subsection must be used to pay for the operation and administration of the database.

4. Except as otherwise provided in this subsection, any information in the database created pursuant to subsection 1 is confidential and shall not be considered a public book or record pursuant to NRS 239.010. The information may be used by the Commissioner for statistical purposes if the identity of the persons is not discernible from the information disclosed.

5. The Commissioner shall adopt regulations that:

(a) Prescribe the specifications for the information entered into the database created pursuant to subsection 1;

(b) Establish standards for the retention, access, reporting, archiving and deletion of information entered into or stored by the database;

(c) Establish the amount of the fee required pursuant to subsection 3; and

(d) Are necessary for the administration of the database.

Sec. 9. *A person who operates a deferred deposit loan service, high-interest loan service or title loan service may, in consultation with the Department of Health and Human Services, distribute in a location at which the person conducts business under his or her license information and materials provided by the Department concerning public assistance and services provided by an agency or political subdivision of this State or the United States, including, without limitation, programs for debt reduction or relief, Medicaid, Supplemental Nutrition Assistance and Temporary Assistance for Needy Families.*

Sec. 9.5. *1. To the extent of available funding, the Department of Business and Industry and the Bureau of Consumer Protection in the Office of the Attorney General may use reasonable means to inform the public that, pursuant to NRS 604A.579, 604A.589 and 604A.598, a person who offers deferred deposit loan services, high-interest loan services or title loan services through an Internet website to customers in this State must be licensed to perform such services pursuant to this chapter and must comply with any state or federal law or regulation applicable to this State.*

2. As used in this section, "reasonable means" includes, without limitation, advertising through any medium, including, without limitation, radio, television, Internet, banner ads, social media, public service announcements,

community education, publishing and such other means of distributing information as are reasonably calculated to inform the public of the information set forth in subsection 1.

Sec. 10. NRS 604A.010 is hereby amended to read as follows:

604A.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 604A.015 to 604A.125, inclusive, *and sections 2, 3 and 4 of this act* have the meanings ascribed to them in those sections.

Sec. 11. NRS 604A.300 is hereby amended to read as follows:

604A.300 1. The Commissioner may establish by regulation the fees that a licensee who provides check-cashing services may impose for cashing checks.

2. The Commissioner shall adopt ~~[any]~~ *:*

(a) Regulations to administer, carry out and enforce the provisions of sections 5, 6 and 7 of this act.

(b) Any other regulations as are necessary to carry out the provisions of this chapter.

Sec. 12. NRS 604A.5017 is hereby amended to read as follows:

604A.5017 ~~[1.]~~ A licensee who operates a deferred deposit loan service shall not make a deferred deposit loan that exceeds 25 percent of the expected gross monthly income of the customer when the loan is made.

~~[2. A licensee who operates a deferred deposit loan service is not in violation of the provisions of this section if the customer presents evidence of his or her gross monthly income to the licensee and represents to the licensee in writing that the deferred deposit loan does not exceed 25 percent of the customer's expected gross monthly income when the loan is made.]~~

Sec. 13. NRS 604A.5045 is hereby amended to read as follows:

604A.5045 ~~[1.]~~ A licensee who operates a high-interest loan service shall not make a high-interest loan which, under the terms of the loan agreement, requires any monthly payment that exceeds 25 percent of the expected gross monthly income of the customer.

~~[2. A licensee who operates a high-interest loan service is not in violation of the provisions of this section if the customer presents evidence of his or her gross monthly income to the licensee and represents to the licensee in writing that the monthly payment required under the terms of the loan agreement for the high-interest loan does not exceed 25 percent of the customer's expected gross monthly income.]~~

Sec. 14. NRS 604A.930 is hereby amended to read as follows:

604A.930 1. Subject to the affirmative defense set forth in subsection 3, in addition to any other remedy or penalty, if a person violates any provision of NRS 604A.400, ~~[604A.411,]~~ 604A.5011 to 604A.5034, inclusive, and 604A.5038 to 604A.5094, inclusive, 604A.610, 604A.615, 604A.650 , ~~[or]~~ 604A.655 *or section 5, 6 or 7 of this act* or any regulation adopted pursuant thereto, the customer may bring a civil action against the person for:

(a) Actual and consequential damages;

(b) Punitive damages, which are subject to the provisions of NRS 42.005;

(c) Reasonable attorney's fees and costs; and

(d) Any other legal or equitable relief that the court deems appropriate.

2. Subject to the affirmative defense set forth in subsection 3, in addition to any other remedy or penalty, the customer may bring a civil action against a person pursuant to subsection 1 to recover an additional amount, as statutory damages, which is equal to $1,000 for each violation if the person knowingly:

(a) Operates a check-cashing service, deferred deposit loan service, high-interest loan service or title loan service without a license, in violation of NRS 604A.400;

(b) Fails to include in a loan agreement a disclosure of the right of the customer to rescind the loan, in violation of NRS 604A.5012, 604A.504 or 604A.5067, as applicable;

(c) Violates any provision of NRS 604A.5015, 604A.5043, 604A.507 or 604A.509, as applicable;

(d) Accepts collateral or security for a deferred deposit loan, in violation of NRS 604A.502, except that a check or written authorization for an electronic transfer of money shall not be deemed to be collateral or security for a deferred deposit loan;

(e) Uses or threatens to use the criminal process in this State or any other state to collect on a loan made to the customer, in violation of NRS 604A.5021, 604A.5049 or 604A.5072, as applicable;

(f) Includes in any written agreement a promise by the customer to hold the person harmless, a confession of judgment by the customer or an assignment or order for the payment of wages or other compensation due the customer, in violation of NRS 604A.5021, 604A.5049, 604A.5072 or 604A.5092, as applicable;

(g) Violates any provision of NRS 604A.503, 604A.5058 or 604A.5085, as applicable;

(h) Violates any provision of NRS 604A.5031, 604A.5061, 604A.5086 or 604A.5094, as applicable; or

(i) Violates any provision of ~~[NRS 604A.411.]~~ *section 5, 6 or 7 of this act.*

3. A person may not be held liable in any civil action brought pursuant to this section if the person proves, by a preponderance of evidence, that the violation:

(a) Was not intentional;

(b) Was technical in nature; and

(c) Resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

4. For the purposes of subsection 3, a bona fide error includes, without limitation, clerical errors, calculation errors, computer malfunction and programming errors and printing errors, except that an error of legal judgment with respect to the person's obligations under this chapter is not a bona fide error.

Sec. 15. NRS 99.050 is hereby amended to read as follows:

99.050 *1.* Except as otherwise provided in ~~[section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007, Public Law 109-364, or any regulation adopted pursuant thereto,]~~ *subsection 2,* parties may agree for the payment of any rate of interest on money due or to become due on any contract, for the compounding of interest if they choose, and for any other charges or fees. The parties shall specify in writing the rate upon which they agree, that interest is to be compounded if so agreed, and any other charges or fees to which they have agreed.

2. A creditor shall not charge an annual percentage rate of greater than 36 percent with respect to the consumer credit extended to a covered service member or a dependent of a covered service member. Any contract or agreement in violation of this subsection is void and unenforceable.

3. As used in this section:

(a) "Annual percentage rate" has the meaning ascribed to it in the federal Truth in Lending Act, as amended, 15 U.S.C. §§ 1601 et seq., and the federal regulations adopted pursuant thereto.

(b) "Consumer credit" has the meaning ascribed to it in section 2 of this act.

(c) "Covered service member" has the meaning ascribed to it in section 3 of this act.

(d) "Dependent" has the meaning ascribed to it in section 4 of this act.

Sec. 16. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044, 159A.044, 172.075, 172.245, 176.01249, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300, 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 247.540, 247.550, 247.560, 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 286.110, 287.0438, 289.025, 289.080,

289.387, 289.830, 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.906, 293.908, 293.910, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300, 379.008, 379.1495, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.035, 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317, 392.325, 392.327, 392.335, 392.850, 394.167, 394.1698, 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535, 396.9685, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484, 412.153, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.028, 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 432B.5902, 433.534, 433A.360, 437.145, 439.840, 439B.420, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735, 445A.665, 445B.570, 449.209, 449.245, 449A.112, 450.140, 453.164, 453.720, 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.365, 480.940, 481.063, 481.091, 481.093, 482.170, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484E.070, 485.316, 501.344, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110, 599B.090, 603.070, 603A.210, 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047, 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.055, 634.214, 634A.185, 635.158, 636.107, 637.085, 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075, 640A.220, 640B.730, 640C.400, 640C.600, 640C.620, 640C.745, 640C.760, 640D.190, 640E.340, 641.090, 641.325, 641A.191, 641A.289, 641B.170, 641B.460, 641C.760, 641C.800, 642.524, 643.189, 644A.870, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135, 645E.300, 645E.375, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110, 656.105, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450, 673.480, 675.380, 676A.340, 676A.370, 677.243, 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 687C.010, 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.320, 704B.325, 706.1725, 706A.230, 710.159, 711.600, *and section 8 of this act*, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be

confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity can redact, delete, conceal or separate the confidential information from the information included in the public book or record that is not otherwise confidential.

4. A person may request a copy of a public record in any medium in which the public record is readily available. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in a readily available medium because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

Sec. 17. Chapter 675 of NRS is hereby amended by adding thereto the provisions set forth as sections 18, 19 and 20 of this act.

Sec. 18. *A licensee who makes a loan under this chapter that constitutes consumer credit to a covered service member or his or her dependent shall not charge the covered service member or dependent an annual percentage rate with respect to the loan except as:*

1. Agreed to under the terms of the loan agreement;

2. Authorized by applicable state and federal law; and

3. Not specifically prohibited by NRS 99.050 and sections 19 and 20 of this act.

Sec. 19. *1. Before making a loan under this chapter that constitutes consumer credit to a covered service member or a dependent of a covered service member, a licensee shall provide the following information to the covered service member or the dependent of a covered service member, as applicable, both orally and in writing:*

(a) A statement of the annual percentage rate applicable to the loan;

(b) Any disclosures required by the provisions of the Truth in Lending Act and any regulations adopted pursuant thereto; and

(c) A clear description of the payment obligations of the covered service member or dependent, as applicable.

2. A licensee shall present the disclosures required by subsection 1 in accordance with the provisions of Regulation Z.

3. As used in this section:

(a) "Regulation Z" has the meaning ascribed to it in NRS 604A.090.

(b) "Truth in Lending Act" has the meaning ascribed to it in NRS 604A.120.

Sec. 20. *A licensee shall not make a loan under this chapter that constitutes consumer credit to a covered service member or a dependent of a covered service member with respect to which:*

1. ~~[The licensee extends, rolls over, renews, repays, refinances or consolidates any consumer credit extended to the borrower by the same licensee with the proceeds of the other consumer credit extended to the same covered service member or dependent;~~

~~2.]~~ The borrower is required to waive the borrower's right to legal recourse under any otherwise applicable provision of state or federal law, including, without limitation, any provision of the Servicemembers Civil Relief Act, 50 U.S.C. §§ 3901 et seq.;

~~[3.]~~ 2. The licensee imposes onerous legal notice provisions in the case of a dispute or demands unreasonable notice from the borrower as a condition for legal action;

~~[4.]~~ 3. The licensee uses a check or other method of access to a deposit, savings or other financial account maintained by the borrower, or the title of a vehicle as security for the obligation;

~~[5.]~~ 4. The licensee requires as a condition for the extension of consumer credit that the borrower establish an allotment to repay an obligation; or

~~[6.]~~ 5. The borrower is prohibited from prepaying the loan or is charged a penalty or fee for prepaying all or part of the loan.

Sec. 21. NRS 675.020 is hereby amended to read as follows:

675.020 As used in this chapter, unless the context otherwise requires:

1. "Amount of cash advance" means the amount of cash or its equivalent actually received by a borrower or paid out at his or her direction or on his or her behalf.

2. "Amount of loan obligation" means the amount of cash advance plus the aggregate of charges added thereto pursuant to authority of this chapter.

3. "Commissioner" means the Commissioner of Financial Institutions.

4. "Community" means a contiguous area of the same economic unit or metropolitan area as determined by the Commissioner, and may include all or part of a city or several towns or cities.

5. *"Consumer credit" has the meaning ascribed to it in section 2 of this act.*

6. "Covered service member" has the meaning ascribed to it in section 3 of this act.

7. "Dependent" has the meaning ascribed to it in section 4 of this act.

8. "License" means a license, issued under the authority of this chapter, to make loans in accordance with the provisions of this chapter, at a single place of business.

~~[6.]~~ *9.* "Licensee" means a person to whom one or more licenses have been issued.

Sec. 22. NRS 675.170 is hereby amended to read as follows:

675.170 1. The Commissioner ~~[may]~~

(a) May adopt regulations and make orders for the administration and enforcement of this chapter, in addition hereto and not inconsistent herewith.

(b) Shall adopt regulations to administer, carry out and enforce the provisions of sections 18, 19 and 20 of this act.

2. Every regulation must be promulgated by an order, and any ruling, demand, requirement or similar administrative act may be promulgated by an order.

3. Every order must be in writing, must state its effective date and the date of its promulgation, and must be entered in an indexed permanent book which is a public record.

4. A copy of every order promulgating a regulation and of every other order containing a requirement of general application must be mailed to each licensee at least 20 days before the effective date thereof.

Sec. 23. The amendatory provisions of this act do not apply to any contract or agreement for the extension of credit entered into before October 1, 2019, and any such contract or agreement remains in effect in accordance with the provisions of the contract or agreement.

Sec. 24. NRS 604A.411 and 675.292 are hereby repealed.

Sec. 25. This act becomes effective:

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On October 1, 2019, for all other purposes.

TEXT OF REPEALED SECTIONS

604A.411 Violation of provision of federal Warner Act constitutes violation of chapter. Notwithstanding any other provision of law, a violation of any provision of section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007, Public Law 109-364, or any regulation adopted pursuant thereto shall be deemed to be a violation of this chapter.

675.292 Violation of federal law constitutes violation of chapter. Notwithstanding any other provision of law, a violation of any provision of section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007, Public Law 109-364, or any regulation adopted pursuant thereto shall be deemed to be a violation of this chapter.

Senator Spearman moved the adoption of the amendment.

Remarks by Senator Spearman.

Amendment No. 156 makes two changes to Senate Bill No. 201. The amendment authorizes the Department of Business and Industry and the Bureau of Consumer Protection of the Office of the Attorney General to utilize available funds to inform the public that any loan offered through an Internet website must comply with State and federal laws when offered to customers that reside in this State. It deletes subsection 1 of section 20, which prohibits a licensee that makes installment loans from making a loan that constitutes consumer credit to a covered service member or a dependent where "the licensee extends, rolls over, repays, refinances or consolidates any consumer credit extended to the borrower by the same licensee with the proceeds of the other consumer credit extended to the same covered service member or dependent." This prohibition is covered in the federal Military Lending Act.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 204.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 285.

SUMMARY—Revises provisions relating to the mental health of pupils. (BDR 34-551)

AN ACT relating to mental health; requiring a policy for the prevention of suicide to be adopted for each public and private school in this State; requiring certain plans and outreach to address the needs of pupils who are at a high risk of suicide; requiring the Department of Education to adopt a model policy for responding to suicides; requiring a plan for response to a crisis, emergency or suicide at a school to include certain provisions related to suicide response and intervention; requiring all pupils and school staff to receive training in the prevention of suicide; requiring a course in health to include instruction concerning mental health; revising the contents of certain suicide prevention training provided to certain law enforcement agencies; authorizing the denial or revocation of a license to operate a private school for failure to adopt such a policy; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Department of Education to develop a model plan for the management of a suicide, crisis or emergency. (NRS 388.253) Existing law requires: (1) the board of trustees of a school district or the governing body of a charter school or private school to establish a development committee; and (2) the development committee to develop a plan to be used by the public schools in the district or the charter or private school, as applicable, in responding to a crisis, emergency or suicide. (NRS 388.241, 388.243, 394.1685, 394.1687) Existing law requires such a plan to include the plans, procedures and information included in the model plan developed by the Department. (NRS 388.243, 394.1687) Section 7 of this bill requires the model plan to include procedures for: (1) responding to a suicide or attempted suicide; (2) providing counseling and other appropriate resources to pupils and school staff who have contemplated or attempted suicide; (3) outreach to persons and

organizations in the community that may be able to assist with response to a suicide; and (4) addressing the needs of pupils at high risk of suicide.

Sections 2 and 10 of this bill require the board of trustees of a school district, the governing body of each university school for profoundly gifted pupils and the governing body of each charter school or private school that provides instruction to pupils in grades 7-12 to adopt a policy for the prevention of suicide. Sections 2 and 10 require each such policy to include: (1) procedures for the prevention of suicide and intervention with a pupil who is at risk of suicide; (2) procedures for outreach to persons and organizations in the community that may be able to assist with such prevention and intervention; and (3) required training for teachers and pupils concerning the prevention of suicide. ~~[Sections:]~~ Section 2 ~~[and 10 require]~~ requires such a policy established for a public school to address the needs of groups of pupils at high risk of suicide. Section 10 makes it optional in the policy of a private school. Section 4 of this bill requires outreach provided by the Office for a Safe and Respectful Learning Environment concerning suicide to also address the needs of such pupils.

Sections 11 and 12 of this bill authorize the State Board of Education to deny or revoke a license to operate a private school if the holder has failed to adopt a policy for the prevention of suicide. Section 13 of this bill authorizes a person aggrieved by the failure of a private school to adopt such a policy to file a complaint with the Superintendent of Public Instruction. Section 6 of this bill makes a conforming change.

Existing law defines the term "school resource officer" to mean a peace officer who is assigned to duty at one or more schools, interacts directly with pupils and whose responsibilities include providing guidance and information to pupils, families and educational personnel concerning the avoidance and prevention of crime. (NRS 388.2358) Existing law authorizes the board of trustees of a school district to employ, appoint or contract for the provision of school police officers. (NRS 391.281) Sections 3 and 9 of this bill require school resource officers and school police officers to receive training in the prevention of suicide.

Existing law requires the Department to establish a program of training for administrators in the prevention of violence and suicide. (NRS 388.1342) Section 5 of this bill: (1) requires such training to be available to all school district and school personnel; and (2) broadens the scope of such training to include the prevention of all violence and suicide, regardless of whether the violence or suicide is associated with bullying or cyber-bullying.

Existing law requires the Council to Establish Academic Standards for Public Schools to establish standards of content and performance for courses of study in health. (NRS 389.520) Section 8 of this bill requires the standards established for such courses to include mental health and the relationship between mental health and physical health.

Existing law creates the Statewide Program for Suicide Prevention. (NRS 439.511) Existing law requires the Program to employ at least one

person to act as a trainer for suicide prevention and facilitator for networking for Southern Nevada. Existing law requires such a trainer to provide information and training relating to suicide prevention to law enforcement agencies. (NRS 439.513) Section 14 of this bill requires such training to include training concerning the prevention of suicide by pupils in schools and other educational settings.

WHEREAS, According to 2016 data from the United States Centers for Disease Control and Prevention of the United States Department of Health and Human Services, suicide is the second leading cause of death for youth and young adults between the ages of 10 and 24 years; and

WHEREAS, School personnel, who interact with children and teenagers on a daily basis, are well-situated to identify the warning signs of suicide and make appropriate referrals for help; and

WHEREAS, There are resources available to help persons, including lesbian, gay, bisexual, transgender or questioning youth, who are experiencing suicidal ideation; and

WHEREAS, Having at least one supportive adult in the life of a child or teenager, including a lesbian, gay, bisexual, transgender or questioning child or teenager, can reduce the risk of suicide for that child or teenager; and

WHEREAS, It is important to ensure that a child or teenager at risk of suicide has the support of his or her community, including churches or other religious institutions, clubs and nonprofit organizations; now, therefore,

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

Section 1. Chapter 388 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *1. The board of trustees of each school district, the governing body of each charter school that provides instruction to pupils in grades 7 to 12, inclusive, and the governing body of each university school for profoundly gifted pupils shall, in consultation with pupils, parents or guardians of pupils, school employees, persons who provide mental health services to pupils, persons and organizations with expertise in the prevention of suicide and other interested persons and entities:*

(a) Adopt a policy for the prevention of suicide in grades 7 to 12, inclusive; and

(b) Review the policy at least once every 5 years and update the policy as necessary.

2. The policy adopted pursuant to subsection 1 must include, without limitation:

(a) Procedures for the prevention of suicide and intervention with a pupil who is at risk of suicide;

(b) Procedures for outreach to persons and organizations in the community in which the school is located, including, without limitation, religious and other nonprofit organizations, that may be able to assist with the prevention of suicide or intervention with a pupil who is at risk of suicide; and

(c) Required training for teachers and pupils concerning the prevention of suicide. Such training:

(1) Must include, without limitation, instruction concerning the identification of:

(I) Appropriate mental health services at the school and in the community in which the school is located and when and how to refer pupils and their families for such services; and

(II) Other persons and organizations in the community in which the school is located, including, without limitation, religious and other nonprofit organizations, that may be able to assist with the response to a suicide.

(2) May include, without limitation, the review of appropriate materials concerning the prevention of suicide or participation in the program of training established pursuant to paragraph (d) of subsection 1 of NRS 388.1342.

3. The policy adopted pursuant to subsection 1 must address the needs of groups of pupils at a high risk of suicide, including, without limitation:

(a) Pupils affected by a suicide;

(b) Pupils with disabilities, mental illness or substance use disorders;

(c) Pupils who reside in settings other than a traditional home, including, without limitation, foster care and homelessness;

(d) Lesbian, gay, bisexual, transgender or questioning pupils; and

(e) Any other group that scientific research indicates to be at a high risk of suicide.

4. The policy adopted pursuant to subsection 1 must not require or authorize a school employee to provide services which he or she is not licensed to provide, including, without limitation, services related to the diagnosis and treatment of mental illness.

5. The Department, in consultation with the Office for a Safe and Respectful Learning Environment created by NRS 388.1323 and the Statewide Program for Suicide Prevention created by NRS 439.511, shall develop a model policy on the prevention of suicide in grades 7 to 12, inclusive, to provide guidance to:

(a) Boards of trustees of school districts and governing bodies of charter schools and university schools for profoundly gifted pupils in the adoption of policies pursuant to subsection 1; and

(b) Governing bodies of private schools in the adoption of policies pursuant to section 10 of this act.

6. The Department, each school district and each public school that maintains an Internet website shall post on the Internet website maintained by the Department, school district or public school, as applicable, a link to the Internet or network site maintained by the Coordinator of the Statewide Program for Suicide Prevention pursuant to NRS 439.511.

Sec. 3. *The board of trustees of a school district, governing body of a charter school or governing body of a university school for profoundly gifted pupils shall:*

1. Ensure that each school resource officer receives training in the prevention of suicide; and

2. Allow a school resource officer to complete the training required by subsection 1 electronically and during working hours.

Sec. 4. NRS 388.1323 is hereby amended to read as follows:

388.1323 1. The Office for a Safe and Respectful Learning Environment is hereby created within the Department.

2. The Superintendent of Public Instruction shall appoint a Director of the Office, who shall serve at the pleasure of the Superintendent.

3. The Director of the Office shall ensure that the Office:

(a) Maintains a 24-hour, toll-free statewide hotline and Internet website by which any person can report a violation of the provisions of NRS 388.121 to 388.1395, inclusive, and obtain information about anti-bullying efforts and organizations; and

(b) Provides outreach and anti-bullying education and training for pupils, parents and guardians, teachers, administrators, coaches and other staff members and the members of a governing body. The outreach and training must include, without limitation:

(1) Training regarding methods, procedures and practice for recognizing bullying and cyber-bullying behaviors;

(2) Training regarding effective intervention and remediation strategies regarding bullying and cyber-bullying;

(3) Training regarding methods for reporting violations of NRS 388.135; and

(4) Information on and referral to available resources regarding suicide prevention and the relationship between bullying or cyber-bullying and suicide ~~[.]~~ *, including, without limitation, resources for pupils who are members of groups at a high risk of suicide. Such groups include, without limitation, the groups described in subsection 3 of section 2 of this act.*

4. The Director of the Office shall establish procedures by which the Office may receive reports of bullying and cyber-bullying and complaints regarding violations of the provisions of NRS 388.121 to 388.1395, inclusive.

5. The Director of the Office or his or her designee shall investigate any complaint that a teacher, administrator, coach or other staff member or member of a governing body has violated a provision of NRS 388.121 to 388.1395, inclusive. If a complaint alleges criminal conduct or an investigation leads the Director of the Office or his or her designee to suspect criminal conduct, the Director of the Office may request assistance from the Investigation Division of the Department of Public Safety.

Sec. 5. NRS 388.1342 is hereby amended to read as follows:

388.1342 1. The Department, in consultation with persons who possess knowledge and expertise in bullying and cyber-bullying, shall establish a program of training:

(a) On methods to prevent, identify and report incidents of bullying and cyber-bullying for members of the State Board.

(b) On methods to prevent, identify and report incidents of bullying and cyber-bullying for the members of a governing body.

(c) For school district and school personnel to assist those persons with carrying out their powers and duties pursuant to NRS 388.121 to 388.1395, inclusive.

(d) For ~~[administrators]~~ *school district and school personnel* in the prevention of violence and suicide , *including, without limitation, violence and suicide* associated with bullying and cyber-bullying , and appropriate methods to respond to incidents of violence or suicide. *Such training must include, without limitation, instruction concerning the identification of:*

(1) Appropriate mental health services at the school and in the community in which the school is located and how and when to refer pupils and their families for such services; and

(2) Other persons and organizations in the community in which the school is located, including, without limitation, religious and other nonprofit organizations, that may be able to assist with the response to a suicide.

(e) For school district and school personnel concerning the needs of persons with diverse gender identities or expressions.

(f) For school district and school personnel concerning the needs of pupils with disabilities and pupils with autism spectrum disorder.

2. Each member of the State Board shall, within 1 year after the member is elected or appointed to the State Board, complete the program of training on bullying and cyber-bullying established pursuant to paragraph (a) of subsection 1 and undergo the training at least one additional time while the person is a member of the State Board.

3. Except as otherwise provided in NRS 388.134, each member of a governing body shall, within 1 year after the member begins his or her service on the governing body, complete the program of training on bullying and cyber-bullying established pursuant to paragraph (b) of subsection 1 and undergo the training at least one additional time while the person is a member of the governing body.

4. Each administrator of a school shall complete the program of training established pursuant to paragraphs (d), (e) and (f) of subsection 1:

(a) Within 90 days after becoming an administrator;

(b) Except as otherwise provided in paragraph (c), at least once every 3 years thereafter; and

(c) At least once during any school year within which the program of training is revised or updated.

5. Each program of training established pursuant to subsection 1 must, to the extent money is available, be made available on the Internet website maintained by the Department or through another provider on the Internet.

6. The governing body may allow school personnel to attend the program established pursuant to paragraph (c), (d), (e) or (f) of subsection 1 during regular school hours.

7. The Department shall review each program of training established pursuant to subsection 1 on an annual basis to ensure that the program contains current information.

Sec. 6. NRS 388.229 is hereby amended to read as follows:

388.229 As used in NRS 388.229 to 388.266, inclusive, unless the context otherwise requires, the words and terms defined in NRS 388.231 to 388.2359, inclusive, *and sections 2 and 3 of this act* have the meanings ascribed to them in those sections.

Sec. 7. NRS 388.253 is hereby amended to read as follows:

388.253 1. The Department shall, with assistance from other state agencies, including, without limitation, the Division of Emergency Management, the Investigation Division, and the Nevada Highway Patrol Division of the Department of Public Safety, develop a model plan for the management of:

(a) A suicide; or

(b) A crisis or emergency that involves a public school or a private school and that requires immediate action.

2. The model plan must include, without limitation, a procedure for:

(a) In response to a crisis or emergency:

(1) Coordinating the resources of local, state and federal agencies, officers and employees, as appropriate;

(2) Accounting for all persons within a school;

(3) Assisting persons within a school in a school district, a charter school or a private school to communicate with each other;

(4) Assisting persons within a school in a school district, a charter school or a private school to communicate with persons located outside the school, including, without limitation, relatives of pupils and relatives of employees of such a school, the news media and persons from local, state or federal agencies that are responding to a crisis or an emergency;

(5) Assisting pupils of a school in the school district, a charter school or a private school, employees of such a school and relatives of such pupils and employees to move safely within and away from the school, including, without limitation, a procedure for evacuating the school and a procedure for securing the school;

(6) Reunifying a pupil with his or her parent or legal guardian;

(7) Providing any necessary medical assistance;

(8) Recovering from a crisis or emergency;

(9) Carrying out a lockdown at a school; and

(10) Providing shelter in specific areas of a school;

(b) Providing specific information relating to managing a crisis or emergency that is a result of:

(1) An incident involving hazardous materials;

(2) An incident involving mass casualties;

(3) An incident involving an active shooter;

(4) An outbreak of disease;

(5) Any threat or hazard identified in the hazard mitigation plan of the county in which the school district is located, if such a plan exists; or

(6) Any other situation, threat or hazard deemed appropriate;

(c) Providing pupils and staff at a school that has experienced a crisis ~~[,]~~ *or* emergency ~~[or suicide]~~ with access to counseling and other resources to assist in recovering from the crisis ~~[,]~~ *or* emergency *;* ~~[or suicide; and]~~

(d) Evacuating pupils and employees of a charter school to a designated space within an identified public middle school, junior high school or high school in a school district that is separate from the general population of the school and large enough to accommodate the charter school, and such a space may include, without limitation, a gymnasium or multipurpose room of the public school ~~[.]~~ *;*

(e) Responding to a suicide or attempted suicide to mitigate the effects of the suicide or attempted suicide on pupils and staff at the school, including, without limitation, by making counseling and other appropriate resources to assist in recovering from the suicide or attempted suicide available to pupils and staff;

(f) Providing counseling and other appropriate resources to pupils and school staff who have contemplated or attempted suicide;

(g) Outreach to persons and organizations located in the community in which a school that has had a suicide by a pupil, including, without limitation, religious and other nonprofit organizations, that may be able to assist with the response to the suicide; and

(h) Addressing the needs of pupils at a school that has experienced a crisis, emergency or suicide who are at a high risk of suicide, including, without limitation, pupils who are members of the groups described in subsection 3 of section 2 of this act.

3. In developing the model plan, the Department shall consider the plans developed pursuant to NRS 388.243 and 394.1687 and updated pursuant to NRS 388.245 and 394.1688.

4. The Department shall require a school district to ensure that each public school in the school district identified pursuant to paragraph (d) of subsection 2 is prepared to allow a charter school to evacuate to the school when necessary in accordance with the procedure included in the model plan developed pursuant to subsection 1. A charter school shall hold harmless, indemnify and defend the school district to which it evacuates during a crisis or an emergency against any claim or liability arising from an act or omission by the school district or an employee or officer of the school district.

5. The Department may disseminate to any appropriate local, state or federal agency, officer or employee, as the Department determines is necessary:

(a) The model plan developed by the Department pursuant to subsection 1;

(b) A plan developed pursuant to NRS 388.243 or updated pursuant to NRS 388.245;

(c) A plan developed pursuant to NRS 394.1687 or updated pursuant to NRS 394.1688; and

(d) A deviation approved pursuant to NRS 388.251 or 394.1692.

6. The Department shall, at least once each year, review and update as appropriate the model plan developed pursuant to subsection 1.

Sec. 8. NRS 389.520 is hereby amended to read as follows:

389.520 1. The Council shall:

(a) Establish standards of content and performance, including, without limitation, a prescription of the resulting level of achievement, for the grade levels set forth in subsection 4, based upon the content of each course, that is expected of pupils for the following courses of study:

(1) English language arts;

(2) Mathematics;

(3) Science;

(4) Social studies, which includes only the subjects of history, geography, economics and government;

(5) The arts;

(6) Computer education and technology, which includes computer science and computational thinking;

(7) Health;

(8) Physical education; and

(9) A foreign or world language.

(b) Establish a schedule for the periodic review and, if necessary, revision of the standards of content and performance. The review must include, without limitation, the review required pursuant to NRS 390.115 of the results of pupils on the examinations administered pursuant to NRS 390.105.

(c) Assign priorities to the standards of content and performance relative to importance and degree of emphasis and revise the standards, if necessary, based upon the priorities.

2. The standards for computer education and technology must include a policy for the ethical, safe and secure use of computers and other electronic devices. The policy must include, without limitation:

(a) The ethical use of computers and other electronic devices, including, without limitation:

(1) Rules of conduct for the acceptable use of the Internet and other electronic devices; and

(2) Methods to ensure the prevention of:

(I) Cyber-bullying;

(II) Plagiarism; and

(III) The theft of information or data in an electronic form;

(b) The safe use of computers and other electronic devices, including, without limitation, methods to:

(1) Avoid cyber-bullying and other unwanted electronic communication, including, without limitation, communication with on-line predators;

(2) Recognize when an on-line electronic communication is dangerous or potentially dangerous; and

(3) Report a dangerous or potentially dangerous on-line electronic communication to the appropriate school personnel;

(c) The secure use of computers and other electronic devices, including, without limitation:

(1) Methods to maintain the security of personal identifying information and financial information, including, without limitation, identifying unsolicited electronic communication which is sent for the purpose of obtaining such personal and financial information for an unlawful purpose;

(2) The necessity for secure passwords or other unique identifiers;

(3) The effects of a computer contaminant;

(4) Methods to identify unsolicited commercial material; and

(5) The dangers associated with social networking Internet sites; and

(d) A designation of the level of detail of instruction as appropriate for the grade level of pupils who receive the instruction.

3. The standards for social studies must include multicultural education, including, without limitation, information relating to contributions made by men and women from various racial and ethnic backgrounds. The Council shall consult with members of the community who represent the racial and ethnic diversity of this State in developing such standards.

4. *The standards for health must include mental health and the relationship between mental health and physical health.*

5. The Council shall establish standards of content and performance for each grade level in kindergarten and grades 1 to 8, inclusive, for English language arts and mathematics. The Council shall establish standards of content and performance for the grade levels selected by the Council for the other courses of study prescribed in subsection 1.

~~[5.]~~ *6.* The Council shall forward to the State Board the standards of content and performance established by the Council for each course of study. The State Board shall:

(a) Adopt the standards for each course of study, as submitted by the Council; or

(b) If the State Board objects to the standards for a course of study or a particular grade level for a course of study, return those standards to the Council with a written explanation setting forth the reason for the objection.

~~[6.]~~ *7.* If the State Board returns to the Council the standards of content and performance for a course of study or a grade level, the Council shall:

(a) Consider the objection provided by the State Board and determine whether to revise the standards based upon the objection; and

(b) Return the standards or the revised standards, as applicable, to the State Board.

➥ The State Board shall adopt the standards of content and performance or the revised standards, as applicable.

~~[7.]~~ *8.* The Council shall work in cooperation with the State Board to prescribe the examinations required by NRS 390.105.

~~[8.]~~ *9.* As used in this section:

(a) "Computer contaminant" has the meaning ascribed to it in NRS 205.4737.

(b) "Cyber-bullying" has the meaning ascribed to it in NRS 388.123.

(c) "Electronic communication" has the meaning ascribed to it in NRS 388.124.

Sec. 9. NRS 391.281 is hereby amended to read as follows:

391.281 1. Each applicant for employment or appointment pursuant to this section or employee, except a teacher or other person licensed by the Superintendent of Public Instruction, must, before beginning his or her employment or appointment and at least once every 5 years thereafter, submit to the school district:

(a) A full set of the applicant's or employee's fingerprints and written permission authorizing the school district to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for its report on the criminal history of the applicant or employee and for submission to the Federal Bureau of Investigation for its report on the criminal history of the applicant or employee.

(b) Written authorization for the board of trustees of the school district to obtain any information concerning the applicant or employee that may be available from the Statewide Central Registry and any equivalent registry maintained by a governmental entity in a jurisdiction in which the applicant or employee has resided within the immediately preceding 5 years.

2. In conducting an investigation into the background of an applicant or employee, a school district may cooperate with any appropriate law enforcement agency to obtain information relating to the criminal history of the applicant or employee, including, without limitation, any record of warrants for the arrest of or applications for protective orders against the applicant or employee.

3. The board of trustees of a school district may use a substantiated report of the abuse or neglect of a child, as defined in NRS 392.281, or a violation of NRS 201.540, 201.560, 392.4633 or 394.366 obtained from the Statewide Central Registry or an equivalent registry maintained by a governmental agency in another jurisdiction:

(a) In making determinations concerning assignments, requiring retraining, imposing discipline, hiring or termination; and

(b) In any proceedings to which the report is relevant, including, without limitation, an action for trespass or a restraining order.

4. The board of trustees of a school district:

(a) May accept any gifts, grants and donations to carry out the provisions of subsections 1 and 2.

(b) May not be held liable for damages resulting from any action of the board of trustees authorized by subsection 2 or 3.

5. The board of trustees of a school district may employ or appoint persons to serve as school police officers. If the board of trustees of a school district employs or appoints persons to serve as school police officers, the board of trustees shall employ a law enforcement officer to serve as the chief of school police who is supervised by the superintendent of schools of the school district. The chief of school police shall supervise each person appointed or employed by the board of trustees as a school police officer, including any school police officer that provides services to a charter school pursuant to a contract entered into with the board of trustees pursuant to NRS 388A.384. In addition, persons who provide police services pursuant to subsection 6 or 7 shall be deemed school police officers.

6. The board of trustees of a school district in a county that has a metropolitan police department created pursuant to chapter 280 of NRS may contract with the metropolitan police department for the provision and supervision of police services in the public schools within the jurisdiction of the metropolitan police department and on property therein that is owned by the school district and on property therein that is owned or occupied by a charter school if the board of trustees has entered into a contract with the charter school for the provision of school police officers pursuant to NRS 388A.384. If a contract is entered into pursuant to this subsection, the contract must make provision for the transfer of each school police officer employed by the board of trustees to the metropolitan police department. If the board of trustees of a school district contracts with a metropolitan police department pursuant to this subsection, the board of trustees shall, if applicable, cooperate with appropriate local law enforcement agencies within the school district for the provision and supervision of police services in the public schools within the school district, including, without limitation, any charter school with which the school district has entered into a contract for the provision of school police officers pursuant to NRS 388A.384, and on property owned by the school district and, if applicable, the property owned or occupied by the charter school, but outside the jurisdiction of the metropolitan police department.

7. The board of trustees of a school district in a county that does not have a metropolitan police department created pursuant to chapter 280 of NRS may contract with the sheriff of that county for the provision of police services in the public schools within the school district, including, without limitation, in any charter school with which the board of trustees has entered into a contract for the provision of school police officers pursuant to NRS 388A.384, and on property therein that is owned by the school district and, if applicable, the property owned or occupied by the charter school.

8. The board of trustees of a school district shall ensure that each school police officer receives training in the prevention of suicide before beginning his or her service as a school police officer.

Sec. 10. Chapter 394 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The governing body of each private school that provides instruction to pupils in grades 7 to 12, inclusive, shall, in consultation with pupils, parents or guardians of pupils, school employees, persons who provide mental health services to pupils, persons and organizations with expertise in the prevention of suicide and other interested persons and entities:

(a) Adopt a policy for the prevention of suicide in grades 7 to 12, inclusive; and

(b) Review the policy at least once every 5 years and update the policy as necessary.

2. The policy adopted pursuant to subsection 1 must include, without limitation:

(a) Procedures for the prevention of suicide, intervention with a pupil who is at risk of suicide and responding to a suicide or attempted suicide to mitigate the effects of the suicide or attempted suicide on pupils and staff at the school;

(b) Procedures for outreach to persons and organizations in the community in which the school is located, including, without limitation, religious and other nonprofit organizations, that may be able to assist with the prevention of suicide, intervention with a pupil who is at risk of suicide or response to a suicide or attempted suicide; and

(c) Required training for teachers and pupils concerning the prevention of suicide. Such training:

(1) Must include, without limitation, instruction concerning the identification of:

(I) Appropriate mental health services at the school and in the community in which the school is located and when and how to refer pupils and their families for such services; and

(II) Other persons and organizations in the community in which the school is located, including, without limitation, religious and other nonprofit organizations, that may be able to assist with the response to a suicide.

(2) May include, without limitation, the review of appropriate materials concerning the prevention of suicide.

3. The policy adopted pursuant to subsection 1 ~~[must]~~ may address the needs of groups of pupils at a high risk of suicide, including, without limitation:

(a) Pupils affected by a suicide;

(b) Pupils with disabilities, mental illness or substance use disorders;

(c) Pupils who reside in settings other than a traditional home, including, without limitation, foster care and homelessness;

(d) Lesbian, gay, bisexual, transgender or questioning pupils; and

(e) Any other group that scientific research indicates to be at a high risk of suicide.

4. The policy adopted pursuant to subsection 1 must not require or authorize a school employee to provide services which he or she is not licensed

to provide, including, without limitation, services related to the diagnosis and treatment of mental illness.

5. Each private school that maintains an Internet website shall post on the Internet website a link to the Internet or network site maintained by the Coordinator of the Statewide Program for Suicide Prevention pursuant to NRS 439.511.

Sec. 11. NRS 394.251 is hereby amended to read as follows:

394.251 1. Each elementary or secondary educational institution desiring to operate in this State must apply to the Superintendent upon forms provided by the Department. The application must be accompanied by the catalog or brochure published or proposed to be published by the institution. The application must also be accompanied by:

(a) Evidence of the required surety bond or certificate of deposit and payment of the fees required by law; and

(b) Documentation of the actions the institution has taken to comply with the requirements prescribed in NRS 394.16065, 394.1607 and 394.16075 ~~[.]~~ *and section 10 of this act.*

2. After review of the application and any further information required by the Superintendent, and an investigation of the applicant if necessary, the Board shall either grant or deny a license to operate to the applicant. The Board must deny a license to operate to an applicant who does not provide the documentation required by paragraph (b) of subsection 1.

3. The license must state in a 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. Except as otherwise provided in this subsection, the term for which authorization is given must 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 by NRS 394.241. Authorization may be given for a term of not more than 4 years if:

(a) The institution has been licensed to operate for not less than 4 years preceding the authorization; and

(b) The institution has operated during that period without the filing of a verified complaint against it and without violating any provision of NRS 394.201 to 394.351, inclusive, or any regulation adopted pursuant to those sections.

5. The license must 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 terminates. Application for a new license because of a

change in ownership of the institution is, for purposes of NRS 394.281, an application for renewal of the institution's license.

6. At least 60 days before the expiration of a license, the institution must complete and file with the Superintendent an application form for renewal of its license. The renewal application must:

(a) Be reviewed and acted upon as provided in this section; and

(b) Include documentation of the actions the institution has taken to comply with the requirements prescribed in NRS 394.16065, 394.1607 and 394.16075 ~~[.]~~ *and section 10 of this act.*

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. 12. NRS 394.301 is hereby amended to read as follows:

394.301 1. The Board may revoke or make conditional a license to operate or an agent's permit after its issuance if it reasonably believes that the holder of the license or permit has violated the Private Elementary and Secondary Education Authorization Act or any regulations adopted under it ~~[.]~~ *or has failed to comply with the requirements of section 10 of this act.* Prior to the revocation or imposition of conditions, the Superintendent 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 notice letter.

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

Sec. 13. NRS 394.311 is hereby amended to read as follows:

394.311 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 it ~~[,]~~ *or section 10 of this act,* may file with the Superintendent a verified complaint against the institution, its agent or both. The complaint must set forth the alleged violation and contain other information as required by regulations of the Board. A complaint may also be filed by the Superintendent on his or her own motion or by the Attorney General.

2. The Superintendent shall investigate any verified complaint and may, as part of the investigation, cause an inspection of the elementary or secondary educational institution to be conducted. The Superintendent may attempt to effectuate a settlement by persuasion and conciliation. The Board 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 ~~[.]~~ *or section 10 of this act*, the Board shall issue and the Superintendent shall 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 the Superintendent's 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. 14. NRS 439.513 is hereby amended to read as follows:

439.513 1. The Coordinator of the Statewide Program for Suicide Prevention shall employ at least one person to act as a trainer for suicide prevention and facilitator for networking for Southern Nevada.

2. Each trainer for suicide prevention:

(a) Must have at least the following education and experience:

(1) Three years or more of experience in providing education and training relating to suicide prevention to diverse community groups; or

(2) A bachelor's degree, master's degree or doctoral degree in social work, public health, psychology, sociology, counseling or a closely related field and 2 years or more of experience in providing education and training relating to suicide prevention.

(b) Should have as many of the following characteristics as possible:

(1) Significant knowledge and experience relating to suicide and suicide prevention;

(2) Knowledge of methods of facilitation, networking and community-based suicide prevention programs;

(3) Experience in working with diverse community groups and constituents; and

(4) Experience in providing suicide awareness information and suicide prevention training.

3. At least one trainer for suicide prevention must be based in a county whose population is 700,000 or more.

4. Each trainer for suicide prevention shall:

(a) Assist the Coordinator of the Statewide Program for Suicide Prevention in disseminating and carrying out the Statewide Program in the county in which the trainer for suicide prevention is based;

(b) Provide information and training relating to suicide prevention to emergency medical personnel, providers of health care, mental health agencies, social service agencies, churches, public health clinics, school districts, law enforcement agencies and other similar community organizations in the county in which the trainer for suicide prevention is based;

(c) Assist the Coordinator of the Statewide Program for Suicide Prevention in developing and carrying out public awareness and media campaigns targeting groups of persons who are at risk of suicide in the county in which the trainer for suicide prevention is based;

(d) Assist in developing a network of community-based programs for suicide prevention in the county in which the trainer for suicide prevention is based, including, without limitation, establishing one or more local advisory groups for suicide prevention; and

(e) Facilitate the sharing of information and the building of consensuses among multiple constituent groups in the county in which the trainer for suicide prevention is based, including, without limitation, public agencies, community organizations, advocacy groups for suicide prevention, mental health providers and representatives of the various groups that are at risk for suicide.

5. Training provided to law enforcement agencies pursuant to paragraph (b) of subsection 4 must include, without limitation, training concerning prevention of suicide by pupils in schools and other educational settings.

Sec. 15. The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government which are related to the provisions of this act.

Sec. 16. 1. This section and sections 1 to 9, inclusive, 14 and 15 of this act become effective on July 1, 2019.

2. Sections 10 to 13, inclusive, of this act become effective on July 1, 2021.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 285 to Senate Bill No. 204 provides when a private school adopts its policy for the prevention of suicide, the school may use its discretion to decide whether or not the policy will address the needs of high-risk pupils of suicide.

Amendment adopted.

Senator Woodhouse moved that the bill be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

Bill ordered reprinted, engrossed and to the Committee on Finance.

Senate Bill No. 231.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 361.

SUMMARY—Revises provisions relating to certain construction. (BDR 28-910)

AN ACT relating to construction; ~~[revising provisions governing the payment of prevailing wages;]~~ revising provisions governing certain records pertaining to workers of a contractor and a subcontractor on a public works project; eliminating certain prohibitions relating to agreements with labor organizations concerning contracts with a public body for a public work or

with an awardee of certain grants, tax abatements, tax credits or tax exemptions from a public body; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[Under existing law, with certain exceptions, the prevailing wage in a county for each craft or type of work, as determined by the Labor Commissioner, is required to be paid on a project in the county involving new construction, repair or reconstruction that is financed in whole or in part with public money and for which the estimated cost is $250,000 or more. (NRS 338.010, 338.020-338.080) Sections 1, 3 and 4 of this bill decrease the minimum threshold for the applicability of the prevailing wage requirements from $250,000 to $100,000.~~

~~To determine the prevailing wages in each county under existing law, the Labor Commissioner is required to annually survey contractors who have performed work in the county. If, based on the survey, the rate of wages is the same for more than 50 percent of the total hours worked by a specific craft or type of work on similar construction, the Labor Commissioner is required to determine that rate as the prevailing wage. Where no such rate can be determined, the Labor Commissioner is required to determine the rate as the average rate of wages paid per hour based on the number of hours worked per rate. (NRS 338.030) Section 2 of this bill eliminates these provisions to now require the Labor Commissioner to determine the prevailing wage by conducting an annual survey of contractors who have performed work in the county according to each craft or type of work performed.~~

~~Additionally, under existing law, school districts and the Nevada System of Higher Education are required to pay on their public works and certain other construction projects 90 percent of the prevailing wage rates that are otherwise required to be paid by other public bodies. (NRS 338.030) Section 2 eliminates this exception and therefore requires school districts and the Nevada System of Higher Education to pay the same prevailing wage rates on their public works and other construction projects as other public bodies are required to pay.~~

~~Under existing law, charter schools are exempt from the requirement in existing law to pay prevailing wage rates on their public works and certain other construction projects. (NRS 338.080) Section 4 eliminates this exemption and therefore requires charter schools to pay prevailing wage rates on their public works and other construction projects.]~~

Existing law requires a contractor and each subcontractor engaged on a public work in this State to keep or cause to be kept certain records about the workers who are employed by the contractor or subcontractor in connection with the public work, including, the name, occupation and wages of each worker. Existing law also requires the contractor or subcontractor to provide such records monthly to the public body that awarded the contract. (NRS 338.070) Section 2.5 of this bill requires the Labor Commissioner to adopt regulations authorizing a contractor or subcontractor to file the copies of

such records with the public body electronically and prescribing the process to do so.

Existing law, with certain exceptions, prohibits a public body, in any solicitation, contract or other document related to a contract for a public work, from: (1) requiring or prohibiting a bidder, contractor or subcontractor from entering into or adhering to any agreement with one or more labor organizations in regard to the public work; or (2) discriminating against a bidder, contractor or subcontractor for entering or not entering into, or adhering or refusing to adhere to, any agreement with one or more labor organizations in regard to the public work. Existing law further prohibits a public body, with certain exceptions, from awarding a grant, tax abatement, tax credit or tax exemption that is conditioned upon a requirement that the awardee include in a contract for a project that is the subject of the grant, tax abatement, tax credit or tax exemption a term that: (1) requires or prohibits a bidder, contractor or subcontractor from entering into or adhering to any agreement with one or more labor organizations in regard to the project; or (2) discriminates against a bidder, contractor or subcontractor for entering or not entering into, or adhering or refusing to adhere to, any agreement with one or more labor organizations in regard to the project. (NRS 338.1405) Section 7 of this bill eliminates these prohibitions.

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

Section 1. ~~[NRS 338.018 is hereby amended to read as follows:~~

~~338.018 The provisions of NRS 338.013 to 338.018, inclusive, apply to any contract for construction work of the Nevada System of Higher Education for which the estimated cost exceeds [$250,000] *$100,000* even if the construction work does not qualify as a public work, as defined in [subsection 17 of] NRS 338.010.]~~ (Deleted by amendment.)

Sec. 2. ~~[NRS 338.030 is hereby amended to read as follows:~~

~~338.030 1. The public body awarding any contract for public work, or otherwise undertaking any public work, shall ascertain from the Labor Commissioner the prevailing wage in the county in which the public work is to be performed for each craft or type of work.~~

~~2. [The] *To determine a* prevailing wage in each county, including Carson City, [must be established as follows:~~

~~(a) The] *the* Labor Commissioner shall, annually, survey contractors who have performed work in the county.~~

~~[(b) Based on the survey conducted pursuant to paragraph (a), where the rate of wages is the same for more than 50 percent of the total hours worked by each craft or type of work in that county on construction similar to the proposed construction, that rate will be determined as the prevailing wage.~~

~~(c) Where no such rate can be determined, the prevailing wage for a craft or type of work will be determined as the average rate of wages paid per hour based on the number of hours worked per rate, to that craft or type of work.~~

~~(d) The Labor Commissioner shall determine the prevailing wage to be 90 percent of the rate determined pursuant to paragraphs (a), (b) and (c) for:~~

~~(1) Any contract for a public work or any other construction, alteration, repair, remodeling or reconstruction of an improvement or property to which a school district or the Nevada System of Higher Education is a party; and~~

~~(2) A public work of, or constructed by, a school district or the Nevada System of Higher Education, or any other construction, alteration, repair, remodeling or reconstruction of an improvement or property of or constructed by a school district or the Nevada System of Higher Education.]~~

~~3. Within 30 days after the determination is issued:~~

~~(a) A public body or person entitled under subsection 6 to be heard may submit an objection to the Labor Commissioner with evidence to substantiate that a different wage prevails; and~~

~~(b) Any person may submit information to the Labor Commissioner that would support a change in the prevailing wage of a craft or type of work by 50 cents or more per hour in any county.~~

~~4. The Labor Commissioner shall hold a hearing in the locality in which the work is to be executed if the Labor Commissioner:~~

~~(a) Is in doubt as to the prevailing wage; or~~

~~(b) Receives an objection or information pursuant to subsection 3.~~

~~➥ The Labor Commissioner may hold only one hearing a year on the prevailing wage of any craft or type of work in any county.~~

~~5. Notice of the hearing must be advertised in a newspaper nearest to the locality of the work once a week for 2 weeks before the time of the hearing.~~

~~6. At the hearing, any public body, the crafts affiliated with the State Federation of Labor or other recognized national labor organizations, and the contractors of the locality or their representatives must be heard. From the evidence presented, the Labor Commissioner shall determine the prevailing wage.~~

~~7. The wages so determined must be filed by the Labor Commissioner and must be available to any public body which awards a contract for any public work.~~

~~8. Nothing contained in NRS 338.020 to 338.090, inclusive, may be construed to authorize the fixing of any wage below any rate which may now or hereafter be established as a minimum wage for any person employed upon any public work, or employed by any officer or agent of any public body.]~~ (Deleted by amendment.)

Sec. 2.5. NRS 338.070 is hereby amended to read as follows:

338.070 1. Any public body awarding a contract shall:

(a) Investigate possible violations of the provisions of NRS 338.010 to 338.090, inclusive, committed in the course of the execution of the contract, and determine whether a violation has been committed and inform the Labor Commissioner of any such violations; and

(b) When making payments to the contractor engaged on the public work of money becoming due under the contract, withhold and retain all sums forfeited pursuant to the provisions of NRS 338.010 to 338.090, inclusive.

2. No sum may be withheld, retained or forfeited, except from the final payment, without a full investigation being made by the awarding public body.

3. Except as otherwise provided in subsection 7, it is lawful for any contractor engaged on a public work to withhold from any subcontractor engaged on the public work sufficient sums to cover any penalties withheld from the contractor by the awarding public body on account of the failure of the subcontractor to comply with the terms of NRS 338.010 to 338.090, inclusive. If payment has already been made to the subcontractor, the contractor may recover from the subcontractor the amount of the penalty or forfeiture in a suit at law.

4. A contractor engaged on a public work and each subcontractor engaged on the public work shall:

(a) Inquire of each worker employed by the contractor or subcontractor in connection with the public work:

(1) Whether the worker wishes to specify voluntarily his or her gender; and

(2) Whether the worker wishes to specify voluntarily his or her ethnicity; and

(b) For each response the contractor or subcontractor receives pursuant to paragraph (a):

(1) If the worker chose voluntarily to specify his or her gender or ethnicity, or both, record the worker's responses; and

(2) If the worker declined to specify his or her gender or ethnicity, or both, record that the worker declined to specify such information.

➥ A contractor or subcontractor shall not compel or coerce a worker to specify his or her gender or ethnicity and shall not penalize or otherwise take any adverse action against a worker who declines to specify his or her gender or ethnicity. Before inquiring as to whether a worker wishes to specify voluntarily his or her gender or ethnicity, the applicable contractor or subcontractor must inform the worker that such information, if provided, will be open to public inspection as set forth in subsection 6.

5. A contractor engaged on a public work and each subcontractor engaged on the public work shall keep or cause to be kept:

(a) An accurate record showing, for each worker employed by the contractor or subcontractor in connection with the public work:

(1) The name of the worker;

(2) The occupation of the worker;

(3) The gender of the worker, if the worker voluntarily agreed to specify that information pursuant to subsection 4, or an entry indicating that the worker declined to specify such information;

(4) The ethnicity of the worker, if the worker voluntarily agreed to specify that information pursuant to subsection 4, or an entry indicating that the worker declined to specify such information;

(5) If the worker has a driver's license or identification card, an indication of the state or other jurisdiction that issued the license or card; and

(6) The actual per diem, wages and benefits paid to the worker; and

(b) An additional accurate record showing, for each worker employed by the contractor or subcontractor in connection with the public work who has a driver's license or identification card:

(1) The name of the worker;

(2) The driver's license number or identification card number of the worker; and

(3) The state or other jurisdiction that issued the license or card.

6. The records maintained pursuant to subsection 5 must be open at all reasonable hours to the inspection of the public body awarding the contract. The contractor engaged on the public work or subcontractor engaged on the public work shall ensure that a copy of each record for each calendar month is received by the public body awarding the contract no later than 15 days after the end of the month. The copy of the record maintained pursuant to paragraph (a) of subsection 5 must be open to public inspection as provided in NRS 239.010. The copy of the record maintained pursuant to paragraph (b) of subsection 5 is confidential and not open to public inspection. The records in the possession of the public body awarding the contract may be discarded by the public body 2 years after final payment is made by the public body for the public work.

7. A contractor engaged on a public work shall not withhold from a subcontractor engaged on the public work the sums necessary to cover any penalties provided pursuant to subsection 3 of NRS 338.060 that may be withheld from the contractor by the public body awarding the contract because the public body did not receive a copy of the record maintained by the subcontractor pursuant to subsection 5 for a calendar month by the time specified in subsection 6 if:

(a) The subcontractor provided to the contractor, for submission to the public body by the contractor, a copy of the record not later than the later of:

(1) Ten days after the end of the month; or

(2) A date agreed upon by the contractor and subcontractor; and

(b) The contractor failed to submit the copy of the record to the public body by the time specified in subsection 6.

➥ Nothing in this subsection prohibits a subcontractor from submitting a copy of a record for a calendar month directly to the public body by the time specified in subsection 6.

8. Any contractor or subcontractor, or agent or representative thereof, performing work for a public work who neglects to comply with the provisions of this section is guilty of a misdemeanor.

9. The Labor Commissioner shall adopt regulations authorizing and prescribing the procedures for the electronic filing of the copies of the records required to be provided monthly by a contractor or subcontractor to a public body pursuant to subsection 6.

Sec. 3. ~~[NRS 338.075 is hereby amended to read as follows:~~

~~338.075 The provisions of NRS 338.020 to 338.090, inclusive, apply to any contract for construction work of the Nevada System of Higher Education for which the estimated cost exceeds [$250,000] *$100,000* even if the construction work does not qualify as a public work, as defined in [subsection 17 of] NRS 338.010.]~~ (Deleted by amendment.)

Sec. 4. ~~[NRS 338.080 is hereby amended to read as follows:~~

~~338.080 None of the provisions of NRS 338.020 to 338.090, inclusive, apply to:~~

~~1. Any work, construction, alteration, repair or other employment performed, undertaken or carried out, by or for any railroad company or any person operating the same, whether such work, construction, alteration or repair is incident to or in conjunction with a contract to which a public body is a party, or otherwise.~~

~~2. Apprentices recorded under the provisions of chapter 610 of NRS.~~

~~3. Any contract for a public work whose cost is less than [$250,000.] *$100,000*. A unit of the project must not be separated from the total project, even if that unit is to be completed at a later time, in order to lower the cost of the project below [$250,000.~~

~~4. Any contract for a public work or any other construction, alteration, repair, remodeling or reconstruction of an improvement or property to which a charter school is a party, notwithstanding any other provision of law.~~

~~5. A public work of, or constructed by, a charter school, or any other construction, alteration, repair, remodeling or reconstruction of an improvement or property of or constructed by a charter school, notwithstanding any other provision of law.] *$100,000.]*~~ (Deleted by amendment.)

Sec. 5. ~~[1. The provisions of NRS 338.018, 338.030, 338.075 and 338.080, as amended by sections 1, 2, 3 and 4, respectively of this act do not apply to a contract for a public work or other project of construction, alteration, repair, remodeling or reconstruction of an improvement or property of a public body that is awarded before July 1, 2019.~~

~~2. As used in this section:~~

~~(a) "Public body" has the meaning ascribed to it in NRS 338.010.~~

~~(b) "Public work" has the meaning ascribed to it in NRS 338.010.]~~ (Deleted by amendment.)

Sec. 6. ~~[The provisions of NRS 338.030, as amended by section 2 of this act, apply to any rates of prevailing wages determined by the Labor Commissioner pursuant to that section on or after July 1, 2019.]~~ (Deleted by amendment.)

Sec. 7. NRS 338.1405 is hereby repealed.

Sec. 8. This act becomes effective on July 1, 2019.

TEXT OF REPEALED SECTION

338.1405 Requirements regarding agreements with labor organizations prohibited; exceptions.

1. The Legislature hereby finds and declares that the provisions of this section prohibiting requirements for certain terms in contracts entered into by a public body for a public work or entered into by the awardee of a grant, tax abatement, tax credit or tax exemption from a public body are:

(a) Intended to provide:

(1) More economical, nondiscriminatory, neutral and efficient contracts for public works by public bodies in this State as market participants; and

(2) Fair and open competition in awarding contracts, grants, tax abatements, tax credits and tax exemptions.

(b) The best method for effectuating the intent of paragraph (a).

2. Except as otherwise provided in subsection 5 or 6, a public body, in any advertisement, solicitation, specification, contract or any other document related to a contract for a public work, shall not:

(a) Require or prohibit an eligible bidder, contractor or subcontractor from entering into or adhering to an agreement with one or more labor organizations in regard to the public work or any construction project integrated into the public work.

(b) Discriminate against an eligible bidder, contractor or subcontractor for becoming or remaining or refusing to become or remain a signatory to, or for adhering or refusing to adhere to, an agreement with one or more labor organizations in regard to the public work or any construction project integrated into the public work.

3. Except as otherwise provided in subsection 5 or 6, a public body shall not award a grant, tax abatement, tax credit or tax exemption that is conditioned upon a requirement that the awardee include a term described in paragraph (a) or (b) of subsection 2 in a contract for any construction, improvement, maintenance or renovation to real property that is the subject of the grant, tax abatement, tax credit or tax exemption.

4. The provisions of subsections 2 and 3 do not:

(a) Prohibit a public body from awarding a contract for a public work or a grant, tax abatement, tax credit or tax exemption to an owner who is not a public body, an eligible bidder, a contractor or a subcontractor who enters into, who is a party to or who adheres to an agreement with a labor organization if:

(1) Entering into, being or becoming a party to or adhering to an agreement with a labor organization is not a condition for awarding the contract, grant, tax abatement, tax credit or tax exemption; and

(2) The public body does not discriminate against an owner who is not a public body, an eligible bidder, a contractor or a subcontractor in the awarding of the contract, grant, tax abatement, tax credit or tax exemption based upon the status of entering into, being or becoming a party to or adhering to an agreement with a labor organization;

(b) Prohibit an eligible bidder, contractor or subcontractor from voluntarily entering into or complying with an agreement entered into with one or more labor organizations in regard to a contract:

(1) With a public body for a public work; or

(2) Funded in whole or in part by a grant, tax abatement, tax credit or tax exemption from a public body;

(c) Prohibit employers or other parties from entering into agreements or engaging in any other activity protected by the Labor Management Relations Act of 1947, 29 U.S.C. §§ 151 et seq.;

(d) Interfere with labor relations of parties that are left unregulated by the Labor Management Relations Act of 1947, 29 U.S.C. §§ 151 et seq.; or

(e) Affect any provision of NRS 338.020 to 338.090, inclusive.

5. A public body may exempt a particular public work or a grant, tax abatement, tax credit or tax exemption from the provisions of subsection 2 if the public body makes a finding, after notice and a hearing, that a special circumstance requires such an exemption to avert an imminent threat to the public health or safety. A finding of a special circumstance pursuant to this subsection must not be based on the possibility or presence of a labor dispute concerning:

(a) The use of a contractor or subcontractor who is not a signatory to or does not adhere to an agreement with one or more labor organizations; or

(b) Employees on the public work who are not members of or affiliated with a labor organization.

6. A public body may exempt a particular public work or a grant, tax abatement, tax credit or tax exemption from the provisions of subsection 2 if the public body makes a finding, after notice and a hearing, that the public work or construction, improvement, maintenance or renovation to real property that is the subject of the grant, tax abatement, tax credit or tax exemption, as applicable, is a part of critical infrastructure for:

(a) An airport, including, without limitation, a runway, taxiway, air traffic control tower or project to improve airport security; or

(b) A water system.

7. As used in this section, "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work.

Senator Parks moved the adoption of the amendment.

Remarks by Senator Parks.

Amendment No. 361 to Senate Bill No. 231 deletes most of the provisions of the bill. It requires the Labor Commissioner to adopt regulations authorizing a contractor or subcontractor to file copies of certain records about workers employed by the contractor or subcontractor in connection with the public work with the public body electronically and prescribing the process to do so.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 239.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 213.

SUMMARY—Revises provisions relating to bullying in schools. (BDR 34-641)

AN ACT relating to education; requiring the interests of a victim of reported bullying or cyber-bullying to be given priority in certain circumstances; authorizing the extension of the time required to conduct an investigation into reported cyber-bullying in certain circumstances; making various other changes to provisions relating to bullying in schools; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Upon receiving a report of bullying or cyber-bullying, existing law requires the administrator of a school or his or her designee to immediately: (1) take any necessary action to stop the bullying or cyber-bullying and ensure the safety and well-being of the reported victim or victims of the bullying or cyber-bullying; and (2) begin an investigation into the reported bullying or cyber-bullying. Existing law requires such an investigation to be completed not less than 2 school days after the receipt of the report in most circumstances. If extenuating circumstances exist, 1 additional school day may be used to complete the investigation. (NRS 388.1351) Existing law also authorizes the administrator or his or her designee to defer such an investigation until after the completion of a criminal investigation of the reported bullying or cyber-bullying by a law enforcement agency. If the investigation is deferred, the administrator or designee is required to immediately develop a plan to protect the safety of each pupil directly involved in the reported bullying or cyber-bullying. (NRS 388.13535)

Section 1 of this bill authorizes an administrator or his or her designee, with the consent of each reported victim or perpetrator or their parents or guardians, as applicable, to extend the 2 or 3 school day period for conducting an investigation into cyber-bullying. Sections 1 and 2 of this bill require the administrator or his or her designee to give priority to protecting a victim of reported bullying or cyber-bullying over any interest of an alleged perpetrator when: (1) taking actions to stop bullying or cyber-bullying and ensure the safety of the victim; and (2) making any determination concerning a plan to protect the safety of a pupil directly involved in an incident of bullying or cyber-bullying during a criminal investigation. Section 2 also requires an administrator or his or her designee to carry out such a plan immediately upon development of the plan.

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

Section 1. NRS 388.1351 is hereby amended to read as follows:

388.1351 1. Except as otherwise provided in NRS 388.13535, a teacher, administrator, coach or other staff member who witnesses a violation of

NRS 388.135 or receives information that a violation of NRS 388.135 has occurred shall report the violation to the administrator or his or her designee as soon as practicable, but not later than a time during the same day on which the teacher, administrator, coach or other staff member witnessed the violation or received information regarding the occurrence of a violation.

2. Except as otherwise provided in this subsection, upon receiving a report required by subsection 1, the administrator or designee shall immediately take any necessary action to stop the bullying or cyber-bullying and ensure the safety and well-being of the reported victim or victims of the bullying or cyber-bullying and shall begin an investigation into the report. If the administrator or designee does not have access to the reported victim of the alleged violation of NRS 388.135, the administrator or designee may wait until the next school day when he or she has such access to take the action required by this subsection.

3. ~~*[Any action taken pursuant to subsection 2 to stop the bullying or cyber-bullying and ensure the safety and well-being of the reported victim or victims of the bullying or cyber-bullying must be carried out in a manner that causes the least possible disruption for the reported victim or victims. When necessary, the administrator or his or her designee shall give priority to ensuring the safety and well-being of the reported victim or victims over any interest of the reported perpetrator or perpetrators when determining the actions to take.*~~

~~*—4.]*~~ The investigation conducted pursuant to subsection 2 must include, without limitation:

(a) Except as otherwise provided in subsection 4. ~~*[5.]*~~ notification provided by telephone, electronic mail or other electronic means or provided in person, of the parents or guardians of all pupils directly involved in the reported bullying or cyber-bullying, as applicable, either as a reported aggressor or a reported victim of the bullying or cyber-bullying. The notification must be provided:

(1) If the bullying or cyber-bullying is reported before the end of school hours on a school day, before the school's administrative office closes on the day on which the bullying or cyber-bullying is reported; or

(2) If the bullying or cyber-bullying was reported on a day that is not a school day, or after school hours on a school day, before the school's administrative office closes on the school day following the day on which the bullying or cyber-bullying is reported.

(b) Interviews with all pupils whose parents or guardians must be notified pursuant to paragraph (a) and with all such parents and guardians.

4. ~~*[5.]*~~ If the contact information for the parent or guardian of a pupil in the records of the school is not correct, a good faith effort to notify the parent or guardian shall be deemed sufficient to meet the requirement for notification pursuant to paragraph (a) of subsection 3. ~~*[4.]*~~

5. ~~*[6.]*~~ Except as otherwise provided in this subsection, an investigation required by this section must be completed not later than 2 school days after

the administrator or designee receives a report required by subsection 1. If extenuating circumstances prevent the administrator or designee from completing the investigation required by this section within 2 school days after making a good faith effort, 1 additional school day may be used to complete the investigation. *The time for completing an investigation into a report of cyber-bullying may also be extended to not more than ~~[10]~~ 5 school days after the report is received with the consent of ~~[each reported perpetrator and]~~ each reported victim of the cyber-bullying or, if a reported ~~[perpetrator or]~~ victim is under 18 years of age and is not emancipated, the parent or guardian of the reported ~~[perpetrator or]~~ victim.*

6. ~~*[7.]*~~ An administrator or designee who conducts an investigation required by this section shall complete a written report of the findings and conclusions of the investigation. If a violation is found to have occurred ~~[, the]~~ :

(a) The report must include recommendations concerning the imposition of disciplinary action or other measures to be imposed as a result of the violation, in accordance with the policy governing disciplinary action adopted by the governing body. Subject to the provisions of the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, the report must be made available, not later than 24 hours after the completion of the written report, to all parents or guardians who must be notified pursuant to paragraph (a) of subsection 3 ~~*[4]*~~ as part of the investigation ~~[.]~~ *; and*

(b) Any action taken after the completion of the investigation to address the bullying or cyber-bullying must be carried out in a manner that causes the least possible disruption for the victim or victims. When necessary, the administrator or his or her designee shall give priority to ensuring the safety and well-being of the victim or victims over any interest of the perpetrator or perpetrators when determining the actions to take.

7. ~~*[8.]*~~ If a violation is found not to have occurred, information concerning the incident must not be included in the record of the reported aggressor.

8. ~~*[9.]*~~ Not later than 10 school days after receiving a report required by subsection 1, the administrator or designee shall meet with each reported victim of the bullying or cyber-bullying to inquire about the well-being of the reported victim and to ensure that the reported bullying or cyber-bullying, as applicable, is not continuing.

9. ~~*[10.]*~~ To the extent that information is available, the administrator or his or her designee shall provide a list of any resources that may be available in the community to assist a pupil to each parent or guardian of a pupil to whom notice was provided pursuant to this section as soon as practicable. Such a list may include, without limitation, resources available at no charge or at a reduced cost and may be provided in person or by electronic or regular mail. If such a list is provided, the administrator, his or her designee, or any

employee of the school or the school district is not responsible for providing such resources to the pupil or ensuring the pupil receives such resources.

10. ~~[11.]~~ The parent or guardian of a pupil involved in the reported violation of NRS 388.135 may appeal a disciplinary decision of the administrator or his or her designee, made against the pupil as a result of the violation, in accordance with the policy governing disciplinary action adopted by the governing body. Not later than 30 days after receiving a response provided in accordance with such a policy, the parent or guardian may submit a complaint to the Department. The Department shall consider and respond to the complaint pursuant to procedures and standards prescribed in regulations adopted by the Department.

11. ~~[12.]~~ If a violation of NRS 388.135 is found to have occurred, the parent or guardian of a pupil who is a victim of bullying or cyber-bullying may request that the board of trustees of the school district in which the pupil is enrolled to assign the pupil to a different school in the school district. Upon receiving such a request, the board of trustees shall, in consultation with the parent or guardian of the pupil, assign the pupil to a different school.

12. ~~[13.]~~ A principal or his or her designee shall submit a monthly report to the direct supervisor of the principal that includes for the school the number of:

(a) Reports received pursuant to subsection 1;

(b) Times in which a violation of NRS 388.135 is found to have occurred; and

(c) Times in which no violation of NRS 388.135 is found to have occurred.

13. ~~[14.]~~ A direct supervisor who receives a monthly report pursuant to subsection 12 ~~[13]~~ shall, each calendar quarter, submit a report to the Office for a Safe and Respectful Learning Environment that includes, for the schools for which the direct supervisor has received a monthly report in the calendar quarter, the:

(a) Total number of reports received pursuant to subsection 1;

(b) Number of times in which a violation of NRS 388.135 is found to have occurred; and

(c) Number of times in which no violation of NRS 388.135 is found to have occurred.

14. ~~[15.]~~ School hours and school days are determined for the purposes of this section by the schedule established by the governing body for the school.

Sec. 2. NRS 388.13535 is hereby amended to read as follows:

388.13535 1. If a law enforcement agency is investigating a potential crime involving an alleged violation of NRS 388.135, the administrator or his or her designee may, after providing the notification required by paragraph (a) of subsection 3 ~~[4]~~ of NRS 388.1351, defer the investigation required by that section until the completion of the criminal investigation by the law enforcement agency. If the administrator or his or her designee defers an investigation pursuant to this subsection, the administrator or designee shall:

(a) Immediately develop *and carry out* a plan to protect the safety of each pupil directly involved in the alleged violation of NRS 388.135; and

(b) To the extent that the law enforcement agency has provided the administrator or designee with information about the projected date for completion of its investigation, provide the parents or guardians of each pupil directly involved in the alleged violation of NRS 388.135 with that information.

2. Except as otherwise provided in this section, the deferral authorized by subsection 1 does not affect the obligations of the administrator or designee pursuant to NRS 388.121 to 388.1395, inclusive.

3. *Any plan developed pursuant to subsection 1 must be carried out in a manner that causes the least possible disruption for the reported victim or victims of bullying or cyber-bullying. When necessary, the administrator or his or her designee shall give priority to protecting the reported victim or victims over any interest of the reported perpetrator or perpetrators when determining how to carry out the plan.*

4. If the administrator or designee determines that a violation of NRS 388.135 was caused by the disability of the pupil who committed the violation:

(a) The provisions of NRS 388.1351 do not apply to the same or similar behavior if the behavior is addressed in the pupil's individualized education program; and

(b) The administrator or designee shall take any measures necessary to protect the safety of the victim of the violation.

~~[4.]~~ *5.* The provisions of NRS 388.1351 do not apply to a violation of NRS 388.135 committed by:

(a) A pupil who is enrolled in prekindergarten if the behavior is addressed through measures intended to modify the behavior of the pupil.

(b) An employee of a school or school district against another employee of a school or school district.

(c) An adult who is not a pupil or employee of a school or school district against another such adult.

Sec. 3. This act becomes effective on July 1, 2019.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 213 to Senate Bill No. 239 provides that the duties of the administrator or designee to take actions that cause the least possible disruption to the victim and to give priority to protecting the victim over any interest of the perpetrator, apply after the administrator or designee completes the investigation. The amendment further provides that the time for completing an investigation into a report of cyber-bullying may be extended to not more than five school days rather than not more than ten school days if each reported victim or the parent or guardian of each reported victim consents to the extension.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 296.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 287.

SUMMARY—Provides for the issuance of a license by endorsement to certain teachers who have a license or equivalent issued in another country. (BDR 34-607)

AN ACT relating to education; providing for the issuance of a license by endorsement to teach to certain applicants who have an equivalent license or authorization issued in another country; authorizing the Superintendent of Public Instruction to enter into reciprocal agreements with appropriate officials of other countries concerning the licensing of teachers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Commission on Professional Standards in Education to adopt regulations prescribing the qualifications for licensing teachers and other educational personnel. (NRS 391.019) Section 1 of this bill requires the Commission to adopt regulations that authorize the Superintendent of Public Instruction to issue a license by endorsement to an applicant who holds an equivalent license or authorization issued by a governmental entity in another country if the Superintendent determines that the qualifications for the equivalent license or authorization are substantially similar to those prescribed for an applicant for a state license. ~~[Section 3 of this bill requires the fee for the issuance of such a license by endorsement to be in an amount that is less than the fee for the initial issuance of a license.]~~ Section 2 of this bill authorizes the Superintendent to enter into reciprocal agreements with appropriate officials of other countries concerning the licensing of teachers.

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

Section 1. NRS 391.019 is hereby amended to read as follows:

391.019 1. Except as otherwise provided in NRS 391.027, the Commission shall adopt regulations:

(a) Prescribing the qualifications for licensing teachers and other educational personnel, including, without limitation, the qualifications for a license to teach middle school or junior high school education, and the procedures for the issuance and renewal of those licenses. The regulations:

(1) Must include, without limitation, the qualifications for licensing teachers and administrators pursuant to an alternative route to licensure which provides that the required education and training may be provided by any qualified provider which has been approved by the Commission, including, without limitation, institutions of higher education and other providers that operate independently of an institution of higher education. The regulations adopted pursuant to this subparagraph must:

(I) Establish the requirements for approval as a qualified provider;

(II) Require a qualified provider to be selective in its acceptance of students;

(III) Require a qualified provider to provide supervised, school-based experiences and ongoing support for its students, such as mentoring and coaching;

(IV) Significantly limit the amount of course work required or provide for the waiver of required course work for students who achieve certain scores on tests;

(V) Allow for the completion in 2 years or less of the education and training required under the alternative route to licensure;

(VI) Provide that a person who has completed the education and training required under the alternative route to licensure and who has satisfied all other requirements for licensure may apply for a regular license pursuant to sub-subparagraph (VII) regardless of whether the person has received an offer of employment from a school district, charter school or private school; and

(VII) Upon the completion by a person of the education and training required under the alternative route to licensure and the satisfaction of all other requirements for licensure, provide for the issuance of a regular license to the person pursuant to the provisions of this chapter and the regulations adopted pursuant to this chapter.

(2) Must require an applicant for a license to teach middle school or junior high school education or secondary education to demonstrate proficiency in a field of specialization or area of concentration by successfully completing course work prescribed by the Department or completing a subject matter competency examination prescribed by the Department with a score deemed satisfactory.

(3) Must not prescribe qualifications which are more stringent than the qualifications set forth in NRS 391.0315 for a licensed teacher who applies for an additional license in accordance with that section.

(b) Identifying fields of specialization in teaching which require the specialized training of teachers.

(c) Except as otherwise provided in NRS 391.125, requiring teachers to obtain from the Department an endorsement in a field of specialization to be eligible to teach in that field of specialization, including, without limitation, an endorsement to teach English as a second language.

(d) Setting forth the educational requirements a teacher must satisfy to qualify for an endorsement in each field of specialization.

(e) Setting forth the qualifications and requirements for obtaining a license or endorsement to teach American Sign Language, including, without limitation, being registered with the Aging and Disability Services Division of the Department of Health and Human Services pursuant to NRS 656A.100 to engage in the practice of interpreting in an educational setting.

(f) Requiring teachers and other educational personnel to be registered with the Aging and Disability Services Division pursuant to NRS 656A.100 to engage in the practice of interpreting in an educational setting if they:

(1) Provide instruction or other educational services; and

(2) Concurrently engage in the practice of interpreting, as defined in NRS 656A.060.

(g) Providing for the issuance and renewal of a special qualifications license to an applicant who holds a bachelor's degree, a master's degree or a doctoral degree from an accredited degree-granting postsecondary educational institution in a field for which the applicant will provide instruction in a classroom and who has:

(1) At least 2 years of experience teaching at an accredited degree-granting postsecondary educational institution in a field for which the applicant will provide instruction in a classroom and at least 3 years of experience working in that field; or

(2) At least 5 years of experience working in a field for which the applicant will provide instruction in a classroom.

➥ An applicant for licensure pursuant to this paragraph who holds a bachelor's degree must submit proof of participation in a program of student teaching or mentoring or agree to participate in a program of mentoring or courses of pedagogy for the first 2 years of the applicant's employment as a teacher with a school district or charter school.

(h) Requiring an applicant for a special qualifications license to:

(1) Pass each examination required by NRS 391.021 for the specific subject or subjects in which the applicant will provide instruction; or

(2) Hold a valid license issued by a professional licensing board of any state that is directly related to the subject area of the bachelor's degree, master's degree or doctoral degree held by the applicant.

(i) Setting forth the subject areas that may be taught by a person who holds a special qualifications license, based upon the subject area of the bachelor's degree, master's degree or doctoral degree held by that person.

(j) Providing for the issuance and renewal of a special qualifications license to an applicant who:

(1) Holds a bachelor's degree or a graduate degree from an accredited college or university in the field for which the applicant will be providing instruction;

(2) Is not licensed to teach public school in another state;

(3) Has at least 5 years of experience teaching with satisfactory evaluations at a school that is accredited by a national or regional accrediting agency recognized by the United States Department of Education; and

(4) Submits proof of participation in a program of student teaching or mentoring or agrees to participate in a program of mentoring for the first year of the applicant's employment as a teacher with a school district or charter school if the applicant holds a graduate degree or, if the applicant holds a bachelor's degree, submits proof of participation in a program of student

teaching or mentoring or agrees to participate in a program of mentoring or courses of pedagogy for the first 2 years of his or her employment as a teacher with a school district or charter school.

➥ An applicant for licensure pursuant to this paragraph is exempt from each examination required by NRS 391.021 if the applicant successfully passed the examination in another state.

(k) Prescribing course work on parental involvement and family engagement. The Commission shall work in cooperation with the Office of Parental Involvement and Family Engagement created by NRS 385.630 in developing the regulations required by this paragraph.

(l) Establishing the requirements for obtaining an endorsement on the license of a teacher, administrator or other educational personnel in cultural competency.

(m) Authorizing the Superintendent of Public Instruction to issue a license by endorsement to an applicant who holds an equivalent license or authorization issued by a governmental entity in another country if the Superintendent determines that the qualifications for the equivalent license or authorization are substantially similar to those prescribed pursuant to paragraph (a).

2. Except as otherwise provided in NRS 391.027, the Commission may adopt such other regulations as it deems necessary for its own government or to carry out its duties.

3. Any regulation which increases the amount of education, training or experience required for licensing:

(a) Must, in addition to the requirements for publication in chapter 233B of NRS, be publicized before its adoption in a manner reasonably calculated to inform those persons affected by the change.

(b) Must not become effective until at least 1 year after the date it is adopted by the Commission.

(c) Is not applicable to a license in effect on the date the regulation becomes effective.

4. A person who is licensed pursuant to paragraph (g) , ~~[or]~~ (j) *or (m)* of subsection 1:

(a) Shall comply with all applicable statutes and regulations.

(b) Except as otherwise provided by specific statute, is entitled to all benefits, rights and privileges conferred by statutes and regulations on licensed teachers.

(c) Except as otherwise provided by specific statute, if the person is employed as a teacher by the board of trustees of a school district or the governing body of a charter school, is entitled to all benefits, rights and privileges conferred by statutes and regulations on the licensed employees of a school district or charter school, as applicable.

Sec. 2. NRS 391.033 is hereby amended to read as follows:

391.033 1. All licenses for teachers and other educational personnel are granted by the Superintendent of Public Instruction pursuant to regulations

adopted by the Commission and as otherwise provided by law.

2. An application for the issuance of a license must include the social security number of the applicant.

3. Every applicant for a license must submit with his or her application:

(a) A complete set of his or her fingerprints and written permission authorizing the Superintendent to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for its initial report on the criminal history of the applicant and for reports thereafter upon renewal of the license pursuant to subsection 8 of NRS 179A.075, and for submission to the Federal Bureau of Investigation for its report on the criminal history of the applicant; and

(b) Written authorization for the Superintendent to obtain any information concerning the applicant that may be available from the Statewide Central Registry and any equivalent registry maintained by a governmental entity in a jurisdiction in which the applicant has resided within the immediately preceding 5 years.

4. In conducting an investigation into the background of an applicant for a license, the Superintendent may cooperate with any appropriate law enforcement agency to obtain information relating to the criminal history of the applicant, including, without limitation, any record of warrants for the arrest of or applications for protective orders against the applicant.

5. The Superintendent may issue a provisional license pending receipt of the reports of the Federal Bureau of Investigation and the Central Repository for Nevada Records of Criminal History if the Superintendent determines that the applicant is otherwise qualified.

6. Except as otherwise provided in subsection 7, a license must be issued to, or renewed for, as applicable, an applicant if:

(a) The Superintendent determines that the applicant is qualified;

(b) The information obtained by the Superintendent pursuant to subsections 3 and 4:

(1) Does not indicate that the applicant has been convicted of a felony or any offense involving moral turpitude; or

(2) Indicates that the applicant has been convicted of a felony or an offense involving moral turpitude but the Superintendent determines that the conviction is unrelated to the position within the county school district or charter school for which the applicant applied or for which he or she is currently employed, as applicable; and

(c) For initial licensure, the applicant submits the statement required pursuant to NRS 391.034.

7. The Superintendent may deny an application for a license pursuant to this section if a report on the criminal history of the applicant from the Federal Bureau of Investigation or the Central Repository for Nevada Records of Criminal History indicates that the applicant has been arrested for or charged with a sexual offense involving a minor or pupil, including, without limitation, any attempt, solicitation or conspiracy to commit such an offense.

8. The Superintendent or his or her designee may deny the application for a license after providing written notice of his or her intent to deny the application to the applicant and providing an opportunity for the applicant to have a hearing.

9. To request a hearing pursuant to subsection 8, an applicant must submit a written request to the Superintendent within 15 days after receipt of the notice by the applicant. Such a hearing must be conducted in accordance with regulations adopted by the State Board. If no request for a hearing is filed within that time, the Superintendent may deny the license.

10. If the Superintendent denies an application for a license pursuant to this section, the Superintendent must, within 15 days after the date on which the application is denied, provide notice of the denial to the school district or charter school that employs the applicant if the applicant is employed by a school district or charter school. Such a notice must not state the reasons for denial.

11. The Department shall:

(a) Maintain a list of the names of persons whose applications for a license are denied due to conviction of a sexual offense involving a minor;

(b) Update the list maintained pursuant to paragraph (a) monthly; and

(c) Provide this list to the board of trustees of a school district or the governing body of a charter school upon request.

12. The Superintendent shall forward all information obtained from an investigation of an applicant pursuant to subsections 3 and 4 to the board of trustees of a school district, the governing body of a charter school or university school for profoundly gifted pupils or the administrator of a private school where the applicant is employed or seeking employment. The board of trustees, governing body or administrator, as applicable, may use a substantiated report of the abuse or neglect of a child, as defined in NRS 392.281, or a violation of NRS 201.540, 201.560, 392.4633 or 394.366 obtained from the Statewide Central Registry or an equivalent registry maintained by a governmental agency in another jurisdiction:

(a) In making determinations concerning assignments, requiring retraining, imposing discipline, hiring or termination; and

(b) In any proceedings to which the report is relevant, including, without limitation, an action for trespass or a restraining order.

13. The Superintendent, the board of trustees of a school district, the governing body of a charter school or university school for profoundly gifted pupils or the administrator of a private school may not be held liable for damages resulting from any action of the Superintendent, board of trustees, governing body or administrator, as applicable, authorized by subsection 4 or 12.

14. *The Superintendent may enter into reciprocal agreements with appropriate officials of other countries concerning the licensing of teachers.*

15. As used in this section, "sexual offense" has the meaning ascribed to it in NRS 179D.097.

Sec. 3. ~~[NRS 391.040 is hereby amended to read as follows:~~

~~391.040 1. The Commission shall fix fees of not less than $100 for the:~~

~~(a) Initial issuance of a license, which must include the fees for processing the fingerprints of the applicant by the Central Repository for Nevada Records of Criminal History and the Federal Bureau of Investigation; and~~

~~(b) Renewal of a license, which must include the fees for processing the fingerprints of the applicant for renewal by the Central Repository for Nevada Records of Criminal History and the Federal Bureau of Investigation.~~

~~2. The fee for issuing a duplicate license is the same as for issuing the original.~~

~~3. The portion of each fee which represents the amount charged by the Federal Bureau of Investigation for processing the fingerprints of the applicant must be deposited with the State Treasurer for credit to the appropriate account of the Department of Public Safety. The remaining portion of the money received from the fees must be deposited with the State Treasurer for credit to the appropriate account of the Department of Education.~~

~~4. The Department of Education may waive any fee for the initial issuance of a license, the renewal of a license or the issuance of a duplicate license for an applicant or licensee who is a veteran of the Armed Forces of the United States, an applicant or licensee who is a member of the Armed Forces of the United States who is on active duty or an applicant or licensee who is the spouse of such a veteran or member of the Armed Forces of the United States.~~

~~*5. The fee for the issuance of a license by endorsement pursuant to paragraph (m) of subsection 1 of NRS 391.019 must be in an amount which is less than the fee for the initial issuance of a license prescribed pursuant to paragraph (a) of subsection 1.*~~ (Deleted by amendment.)

Sec. 4. This act becomes effective on July 1, 2019.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 287 to Senate Bill No. 296 removes subsection 5 of section 3 of the bill, which removes the requirement issuance fees of such a license by endorsement be less than the fee for the initial issuance of State license.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 314.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 169.

SUMMARY—Revises provisions relating to education. (BDR 34-730)

AN ACT relating to education; requiring certain boards of trustees of a school district to include in a program of career and technical education the area of business and marketing education; establishing a State Seal of Financial Literacy; requiring the Department of Education to establish a

Financial Literacy Month; establishing the State Financial Literacy Advisory Council; establishing provisions relating to obtaining an endorsement to teach courses relating to financial literacy; making ~~[an appropriation;]~~ appropriations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the boards of trustees of certain school districts, and authorizes the boards of trustees of all other school districts, to establish and maintain a program of career and technical education in certain subjects. (NRS 388.380) Section 2 of this bill requires a board of trustees that has established a program of career and technical education to include in the program the area of business and marketing education. ~~[Section 2 also requires the area to include certain courses relating to financial literacy.]~~

Existing law establishes the State Seal of STEM and the State Seal of STEAM. (NRS 388.594-388.5975) Section 3 of this bill similarly establishes a State Seal of Financial Literacy. Section 4 of this bill establishes the requirements for earning a State Seal of Financial Literacy.

Section 5 of this bill requires the Department of Education to establish a Financial Literacy Month, to be held once each school year. Section 5 further requires certain activities to be included in the Financial Literacy Month. Section 7 of this bill requires the governing body of each regional training program for the professional development of teachers and administrators to coordinate with the Department of Education to provide an annual summit at the beginning of Financial Literacy Month.

Section 5.5 of this bill establishes the State Financial Literacy Advisory Council. Section 5.7 of this bill outlines the responsibilities of the Council.

Section 6 of this bill requires teachers to obtain an endorsement in teaching courses relating to financial literacy to teach such a course. Existing law also requires a regional training program for the professional development of teachers and administrators to provide certain training for educational personnel. (NRS 391A.125) Section 8 of this bill requires such a regional training program to provide training and professional development for teachers who obtain an endorsement to teach courses relating to financial literacy.

Existing law authorizes the Board of Regents of the University of Nevada to prescribe courses of study for the Nevada System of Higher Education. (NRS 396.440) Section 9 of this bill requires that a program of study offered by the System to obtain an endorsement to teach courses relating to financial literacy include certain requirements. Section 9 also authorizes students to apply for certain scholarships to offset the costs of the program of study. Existing law requires the Commission on Professional Standards in Education to adopt regulations that require teachers to obtain an endorsement to teach in certain subject areas. (NRS 391.019)

~~[Section]~~ Sections 10 and 10.5 of this bill ~~[makes]~~ make appropriations to carry out the provisions of this bill.

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

Section 1. Chapter 388 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to ~~[5,]~~ 5.7, inclusive, of this act.

Sec. 2. *If the board of trustees of a school district has established a program of career and technical education pursuant to NRS 388.380, the program must include the area of business and marketing education.* ~~*[The business and marketing education program area must include courses of study relating to financial literacy, including, without limitation, a course in mortgages or underwriting, a course in realty and a course in accounting.]*~~

Sec. 3. *1. The Superintendent of Public Instruction shall establish a State Seal of Financial Literacy Program to recognize pupils who graduate from a public high school, including, without limitation, a charter school and a university school for profoundly gifted pupils, who have attained a high level of proficiency in financial literacy.*

2. The Superintendent of Public Instruction shall:

(a) Create a State Seal of Financial Literacy that may be affixed to the diploma and noted on the transcript of a pupil to recognize that the pupil has met the requirements of section 4 of this act; and

(b) Deliver the State Seal of Financial Literacy to each school district, charter school and university school for profoundly gifted pupils that participates in the State Seal of Financial Literacy Program.

3. Any school district, charter school and university school for profoundly gifted pupils may participate in the State Seal of Financial Literacy Program by notifying the Superintendent of Public Instruction of its intent to participate in the Program.

4. Each board of trustees of a school district and governing body of a charter school or university school for profoundly gifted pupils that participates in the State Seal of Financial Literacy Program shall:

(a) Identify the pupils who have met the requirements to be awarded the State Seal of Financial Literacy; and

(b) Affix the state Seal of Financial Literacy to the diploma and note the receipt of the State Seal of Financial Literacy on the transcript of each pupil who meets those requirements.

5. The Superintendent of Public Instruction may adopt regulations as necessary to carry out the provisions of this section and section 4 of this act.

Sec. 4. *A school district, charter school and university school for profoundly gifted pupils that participates in the State Seal of Financial Literacy Program established pursuant to section 3 of this act must award a pupil, upon graduation from high school, a high school diploma with a State Seal of Financial Literacy if the pupil:*

1. Earns at least a 3.25 grade point average, on a 4.0 grading scale, or a 3.85 weighted grade point average, on a grading scale approved by the Superintendent of Public Instruction if a different grading scale is used.

2. Demonstrates proficiency in financial literacy by earning:

(a) At least ~~*[4]*~~ *3 credits in a subject area in which instruction on financial literacy is provided; and*

(b) Either of the following:

(1) A grade of B or higher in a college-level course in which instruction on financial literacy is provided; or

(2) A score of gold or higher on the ACT National Career Readiness Certificate.

Sec. 5. *1. The Department of Education shall establish a Financial Literacy Month to be held once each school year. The Financial Literacy Month must include, without limitation:*

(a) A parent and family engagement summit, including, without limitation, programs related to saving and spending, employability skills, applying to and attending college, applying for and receiving financial aid, retirement and investments; and

(b) A Student Smart Week and a Money Week.

2. The Department may adopt regulations as necessary to carry out the provisions of this section and section 7 of this act.

Sec. 5.5. 1. The State Financial Literacy Advisory Council is hereby created. The Council consists of:

(a) The following ex officio members:

(1) The Superintendent of Public Instruction or his or her designee; and

(2) The Chancellor of the Nevada System of Higher Education or his or her designee;

(b) Three members appointed by the Governor;

(c) Two members appointed by the Majority Leader of the Senate;

(d) Two members appointed by the Speaker of the Assembly;

(e) One member appointed by the Minority Leader of the Senate;

(f) One member appointed by the Minority Leader of the Assembly; and

(g) One member appointed by the Chancellor of the Nevada System of Higher Education who has a background in economics or financial literacy.

2. The Governor, the Majority Leader and the Minority Leader of the Senate, the Speaker and Minority Leader of the Assembly and the Chancellor of the Nevada System of Higher Education shall coordinate their respective appointments of members to the Council to ensure that, to the extent practicable, the members appointed to the Council reflect the gender, ethnic and geographic diversity of this State and that:

(a) Three members of the Council are members of the business community with a background in economics;

(b) One member of the Council is a member of the business community who is employed in the banking industry;

(c) One member of the Council is a member of the business community who is employed by a credit union;

(d) Three members of the Council are teachers who hold a license to teach elementary, middle or junior high school or secondary education, respectively, and who:

(1) Teach in an elementary, middle or junior high or high school, respectively;

(2) Have received training in financial literacy; and

(3) Are responsible for teaching courses relating to financial literacy;

(e) One member of the Council is an administrator of a public school; and

(f) One member of the Council is an administrator of a school district.

3. Any vacancy occurring in the membership of the Council must be filled in the same manner as the original appointment not later than 30 days after the vacancy occurs.

4. The Council shall elect a Chair and Vice Chair from among its members at the first meeting of the Council and at the first meeting of the calendar year each year thereafter. The Chair and Vice Chair serve a term of 1 year.

5. Each member of the Council serves a term of 2 years and may be reappointed.

6. The Council shall meet at least four times a year at the call of the Chair. One meeting of the Council must be held in person and any other meeting may be held by videoconference.

7. A majority of the members of the Council constitutes a quorum for the transaction of business, and a majority of those members present at any meeting is sufficient for any official action taken by the Council.

8. The Chair may appoint such subcommittees of the Council as the Chair determines necessary to carry out the duties of the Council.

9. The members of the Council serve without compensation, except that each member is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally while engaged in the official business of the Council.

10. Each member of the Council who is an officer or employee of the State or a local government must be relieved from his or her duties without loss of his or her regular compensation so that the member may prepare for and attend meetings of the Council and perform any work necessary to carry out the duties of the Council in the most timely manner practicable. A state agency or local government shall not require an officer or employee who is a member of the Council to make up the time the member is absent from work to carry out his or her duties as a member, and shall not require the member to take annual vacation or compensatory time for the absence.

11. Any costs associated with employing a substitute teacher while a member of the Council who is a teacher attends a meeting of the Council must be paid by the school district that employs the member.

12. The Department shall provide administrative support to the Council.

Sec. 5.7. The State Financial Literacy Advisory Council created pursuant to section 5.5 of this act shall:

1. Develop a strategic plan for the development of educational resources in financial literacy to serve as a foundation for professional development for pupils;

2. Identify learning activities targeted toward the standards and criteria of a curriculum in financial literacy;

3. Develop and facilitate, in coordination with the Department:

(a) The Financial Literacy Month, including, without limitation, Student Smart Week, Money Week and the parent and family engagement summit established pursuant to section 5 of this act; and

(b) The annual summit for educators established pursuant to section 7 of this act;

4. In accordance with section 4 of this act, develop the criteria a pupil must meet to be awarded the State Seal of Financial Literacy;

5. Apply for grants, gifts and donations of money to carry out the objectives of the Council; and

6. Prepare a written report which includes, without limitation, recommendations concerning the instruction and curriculum in financial literacy and the activities of the Council and, on or before January 31 of each even-numbered year, submit a copy of the report to the Superintendent of Public Instruction, the Chancellor of the Nevada System of Higher Education, the Legislative Committee on Education and the Governor.

Sec. 6. NRS 391.019 is hereby amended to read as follows:

391.019 1. Except as otherwise provided in NRS 391.027, the Commission shall adopt regulations:

(a) Prescribing the qualifications for licensing teachers and other educational personnel, including, without limitation, the qualifications for a license to teach middle school or junior high school education, and the procedures for the issuance and renewal of those licenses. The regulations:

(1) Must include, without limitation, the qualifications for licensing teachers and administrators pursuant to an alternative route to licensure which provides that the required education and training may be provided by any qualified provider which has been approved by the Commission, including, without limitation, institutions of higher education and other providers that operate independently of an institution of higher education. The regulations adopted pursuant to this subparagraph must:

(I) Establish the requirements for approval as a qualified provider;

(II) Require a qualified provider to be selective in its acceptance of students;

(III) Require a qualified provider to provide supervised, school-based experiences and ongoing support for its students, such as mentoring and coaching;

(IV) Significantly limit the amount of course work required or provide for the waiver of required course work for students who achieve certain scores on tests;

(V) Allow for the completion in 2 years or less of the education and training required under the alternative route to licensure;

(VI) Provide that a person who has completed the education and training required under the alternative route to licensure and who has satisfied all other requirements for licensure may apply for a regular license pursuant to sub-subparagraph (VII) regardless of whether the person has received an offer of employment from a school district, charter school or private school; and

(VII) Upon the completion by a person of the education and training required under the alternative route to licensure and the satisfaction of all other requirements for licensure, provide for the issuance of a regular license to the person pursuant to the provisions of this chapter and the regulations adopted pursuant to this chapter.

(2) Must require an applicant for a license to teach middle school or junior high school education or secondary education to demonstrate proficiency in a field of specialization or area of concentration by successfully completing course work prescribed by the Department or completing a subject matter competency examination prescribed by the Department with a score deemed satisfactory.

(3) Must not prescribe qualifications which are more stringent than the qualifications set forth in NRS 391.0315 for a licensed teacher who applies for an additional license in accordance with that section.

(b) Identifying fields of specialization in teaching which require the specialized training of teachers.

(c) Except as otherwise provided in NRS 391.125, requiring teachers to obtain from the Department an endorsement in a field of specialization to be eligible to teach in that field of specialization, including, without limitation, *an endorsement to teach courses relating to financial literacy and* an endorsement to teach English as a second language.

(d) Setting forth the educational requirements a teacher must satisfy to qualify for an endorsement in each field of specialization.

(e) Setting forth the qualifications and requirements for obtaining a license or endorsement to teach American Sign Language, including, without limitation, being registered with the Aging and Disability Services Division of the Department of Health and Human Services pursuant to NRS 656A.100 to engage in the practice of interpreting in an educational setting.

(f) Requiring teachers and other educational personnel to be registered with the Aging and Disability Services Division pursuant to NRS 656A.100 to engage in the practice of interpreting in an educational setting if they:

(1) Provide instruction or other educational services; and

(2) Concurrently engage in the practice of interpreting, as defined in NRS 656A.060.

(g) Providing for the issuance and renewal of a special qualifications license to an applicant who holds a bachelor's degree, a master's degree or a doctoral degree from an accredited degree-granting postsecondary educational institution in a field for which the applicant will provide instruction in a classroom and who has:

(1) At least 2 years of experience teaching at an accredited degree-granting postsecondary educational institution in a field for which the applicant will provide instruction in a classroom and at least 3 years of experience working in that field; or

(2) At least 5 years of experience working in a field for which the applicant will provide instruction in a classroom.

➥ An applicant for licensure pursuant to this paragraph who holds a bachelor's degree must submit proof of participation in a program of student teaching or mentoring or agree to participate in a program of mentoring or courses of pedagogy for the first 2 years of the applicant's employment as a teacher with a school district or charter school.

(h) Requiring an applicant for a special qualifications license to:

(1) Pass each examination required by NRS 391.021 for the specific subject or subjects in which the applicant will provide instruction; or

(2) Hold a valid license issued by a professional licensing board of any state that is directly related to the subject area of the bachelor's degree, master's degree or doctoral degree held by the applicant.

(i) Setting forth the subject areas that may be taught by a person who holds a special qualifications license, based upon the subject area of the bachelor's degree, master's degree or doctoral degree held by that person.

(j) Providing for the issuance and renewal of a special qualifications license to an applicant who:

(1) Holds a bachelor's degree or a graduate degree from an accredited college or university in the field for which the applicant will be providing instruction;

(2) Is not licensed to teach public school in another state;

(3) Has at least 5 years of experience teaching with satisfactory evaluations at a school that is accredited by a national or regional accrediting agency recognized by the United States Department of Education; and

(4) Submits proof of participation in a program of student teaching or mentoring or agrees to participate in a program of mentoring for the first year of the applicant's employment as a teacher with a school district or charter school if the applicant holds a graduate degree or, if the applicant holds a bachelor's degree, submits proof of participation in a program of student teaching or mentoring or agrees to participate in a program of mentoring or courses of pedagogy for the first 2 years of his or her employment as a teacher with a school district or charter school.

➥ An applicant for licensure pursuant to this paragraph is exempt from each examination required by NRS 391.021 if the applicant successfully passed the examination in another state.

(k) Prescribing course work on parental involvement and family engagement. The Commission shall work in cooperation with the Office of Parental Involvement and Family Engagement created by NRS 385.630 in developing the regulations required by this paragraph.

(l) Establishing the requirements for obtaining an endorsement on the license of a teacher, administrator or other educational personnel in cultural competency.

2. Except as otherwise provided in NRS 391.027, the Commission may adopt such other regulations as it deems necessary for its own government or to carry out its duties.

3. Any regulation which increases the amount of education, training or experience required for licensing:

(a) Must, in addition to the requirements for publication in chapter 233B of NRS, be publicized before its adoption in a manner reasonably calculated to inform those persons affected by the change.

(b) Must not become effective until at least 1 year after the date it is adopted by the Commission.

(c) Is not applicable to a license in effect on the date the regulation becomes effective.

4. A person who is licensed pursuant to paragraph (g) or (j) of subsection 1:

(a) Shall comply with all applicable statutes and regulations.

(b) Except as otherwise provided by specific statute, is entitled to all benefits, rights and privileges conferred by statutes and regulations on licensed teachers.

(c) Except as otherwise provided by specific statute, if the person is employed as a teacher by the board of trustees of a school district or the governing body of a charter school, is entitled to all benefits, rights and privileges conferred by statutes and regulations on the licensed employees of a school district or charter school, as applicable.

Sec. 7. Chapter 391A of NRS is hereby amended by adding thereto a new section to read as follows:

The governing body of each regional training program shall coordinate with the Department to provide an annual summit at the beginning of the Financial Literacy Month established pursuant to section 5 of this act.

Sec. 8. NRS 391A.125 is hereby amended to read as follows:

391A.125 1. Based upon the priorities of programs prescribed by the State Board pursuant to subsection 4 of NRS 391A.505 and the assessment of needs for training within the region and priorities of training adopted by the governing body pursuant to NRS 391A.175, each regional training program shall provide:

(a) Training for teachers and other licensed educational personnel in the:

(1) Standards established by the Council to Establish Academic Standards for Public Schools pursuant to NRS 389.520;

(2) Curriculum and instruction required for the standards adopted by the State Board;

(3) Curriculum and instruction recommended by the Teachers and Leaders Council of Nevada; and

(4) Culturally relevant pedagogy, taking into account cultural diversity and demographic differences throughout this State.

(b) Through the Nevada Early Literacy Intervention Program established for the regional training program, training for teachers who teach kindergarten and grades 1, 2 or 3 on methods to teach fundamental reading skills, including, without limitation:

(1) Phonemic awareness;

(2) Phonics;
(3) Vocabulary;
(4) Fluency;
(5) Comprehension; and
(6) Motivation.

(c) Training for administrators who conduct the evaluations required pursuant to NRS 391.685, 391.690, 391.705 and 391.710 relating to the manner in which such evaluations are conducted. Such training must be developed in consultation with the Teachers and Leaders Council of Nevada created by NRS 391.455.

(d) Training for teachers, administrators and other licensed educational personnel relating to correcting deficiencies and addressing recommendations for improvement in performance that are identified in the evaluations conducted pursuant to NRS 391.685, 391.690, 391.705 or 391.710.

(e) At least one of the following types of training:

(1) Training for teachers and school administrators in the assessment and measurement of pupil achievement and the effective methods to analyze the test results and scores of pupils to improve the achievement and proficiency of pupils.

(2) Training for teachers in specific content areas to enable the teachers to provide a higher level of instruction in their respective fields of teaching. Such training must include instruction in effective methods to teach in a content area provided by teachers who are considered masters in that content area.

(3) In addition to the training provided pursuant to paragraph (b), training for teachers in the methods to teach basic skills to pupils, such as providing instruction in reading with the use of phonics and providing instruction in basic skills of mathematics computation.

(f) In accordance with the program established by the Statewide Council pursuant to paragraph (b) of subsection 2 of NRS 391A.135 training for:

(1) Teachers on how to engage parents and families, including, without limitation, disengaged families, in the education of their children and to build the capacity of parents and families to support the learning and academic achievement of their children.

(2) Training for teachers and paraprofessionals on working with parent liaisons in public schools to carry out strategies and practices for effective parental involvement and family engagement.

(g) Training and continuing professional development for teachers who receive an endorsement to teach courses relating to financial literacy pursuant to NRS 391.019 and section 9 of this act.

2. The training required pursuant to subsection 1 must:

(a) Include the activities set forth in 20 U.S.C. § 7801(42), as deemed appropriate by the governing body for the type of training offered.

(b) Include appropriate procedures to ensure follow-up training for teachers and administrators who have received training through the program.

(c) Incorporate training that addresses the educational needs of:

(1) Pupils with disabilities who participate in programs of special education; and

(2) Pupils who are English learners.

3. The governing body of each regional training program shall prepare and maintain a list that identifies programs for the professional development of teachers and administrators that successfully incorporate:

(a) The standards of content and performance established by the Council to Establish Academic Standards for Public Schools pursuant to NRS 389.520;

(b) Fundamental reading skills; and

(c) Other training listed in subsection 1.

➥ The governing body shall provide a copy of the list on an annual basis to school districts for dissemination to teachers and administrators.

4. A regional training program may include model classrooms that demonstrate the use of educational technology for teaching and learning.

5. A regional training program may contract with the board of trustees of a school district that is served by the regional training program as set forth in NRS 391A.120 to provide professional development to the teachers and administrators employed by the school district that is in addition to the training required by this section. Any training provided pursuant to this subsection must include the activities set forth in 20 U.S.C. § 7801(42), as deemed appropriate by the governing body for the type of training offered.

6. To the extent money is available from legislative appropriation or otherwise, a regional training program may provide training to paraprofessionals.

7. As used in this section, "paraprofessional" has the meaning ascribed to it in NRS 391.008.

Sec. 9. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If the System offers a course of study for obtaining an endorsement to teach courses relating to financial literacy, the course must require students in the course of study to create a personal finance portfolio or transition plan, which must include, without limitation, details relating to housing, health insurance and postsecondary education and financial aid resources.

2. A student in a course of study offered pursuant to subsection 1 may apply for a Teach Nevada Scholarship from a university, college or other provider of an alternative licensure program that receives a grant from the Teach Nevada Scholarship Program Account created pursuant to NRS 391A.575 to offset the costs of completing a course of study offered pursuant to subsection 1.

3. The System may award a student money received from a grant provided to a university, college or other provider of an alternative licensure program pursuant to NRS 391A.510 to offset the costs of completing a course of study offered pursuant to subsection 1.

Sec. 10. 1. There is hereby appropriated from the State General Fund to the Clark County School District to carry out the provisions of this act the following sums:

For the Fiscal Year 2019-2020.....~~[$700,000]~~ $500,000

For the Fiscal Year 2020-2021.....~~[$1,000,000]~~ $500,000

2. There is hereby appropriated from the State General Fund to the Washoe County School District to carry out the provisions of this act the following sums:

For the Fiscal Year 2019-2020.....[$200,000] $150,000

For the Fiscal Year 2020-2021.....[$300,000] $150,000

3. There is hereby appropriated from the State General Fund to the Department of Education to carry out the provisions of this act the following sums:

For the Fiscal Year 2019-2020..... $100,000

For the Fiscal Year 2020-2021.....[$200,000] $100,000

4. Any balance of the sums appropriated by subsections 1, 2 and 3 that is unencumbered or unexpended at the end of the respective fiscal years does not revert to the State General Fund, must be carried forward to the next fiscal year and is hereby authorized for use in the next fiscal year for the purposes specified in subsection 5 or 6, as applicable.

5. Money appropriated by subsection 1 or 2 must be used to support instruction in financial literacy, including, without limitation, by providing technical assistance, monitoring, support and professional development training regarding financial literacy to teachers who teach in a subject area in which instruction in financial literacy is provided.

6. Money appropriated by subsection 3 must be used to award grants of money to school districts, other than the Clark County School District and Washoe County School District, and to the sponsors of charter schools that submit an application to the Department of Education. The amount granted to each school district and charter school must be based upon the number of pupils enrolled in each such school district or charter school, as applicable, who are enrolled in a subject area in which instruction in financial literacy is provided, and not on a competitive basis.

7. The sums appropriated by this section must be accounted for separately from any other money and used only for the purposes specified in this section.

Sec. 10.5. 1. There is hereby appropriated from the State General Fund to the Department of Education the sum of $2,000 to administer the State Seal of Financial Literacy Program established pursuant to sections 3 and 4 of this act.

2. There is hereby appropriated from the State General Fund to the Department of Education the sum of $4,500 to administer the Financial Literacy Month established pursuant to section 5 of this act.

3. There is hereby appropriated from the State General Fund to the Department of Education the sum of $120,000 to administer the training

required pursuant to paragraph (g) of subsection 1 of NRS 391A.125, as amended by section 8 of this act.

4. There is hereby appropriated from the State General Fund to the Department of Education the sum of $15,000 to administer and monitor the programs established pursuant to this act.

5. There is hereby appropriated from the State General Fund to the Department of Education to provide for administrative support to the State Financial Literacy Advisory Council established pursuant to section 5.5 of this act the following sums:

For the Fiscal Year 2019-2020..... $5,000

For the Fiscal Year 2020-2021..... $5,000

6. There is hereby appropriated from the State General Fund to the Department of Education to administer the parent and family engagement summit established pursuant to paragraph (a) of subsection 1 of section 5 of this act the following sums:

For the Fiscal Year 2019-2020..... $5,000

For the Fiscal Year 2020-2021..... $5,000

7. There is hereby appropriated from the State General Fund to the Department of Education to administer the annual summit established pursuant to section 7 of this act the following sums:

For the Fiscal Year 2019-2020..... $5,000

For the Fiscal Year 2020-2021..... $5,000

8. Any balance of the sums appropriated by subsections 5, 6 and 7 that is unencumbered or unexpended at the end of the respective fiscal years does not revert to the State General Fund, must be carried forward to the next fiscal year and is hereby authorized for use in the next fiscal year for the purposes specified in subsection 5, 6 or 7, as applicable.

9. Any remaining balance of the appropriations made by subsections 1 to 4, inclusive, must not be committed for expenditure after June 30, 2021, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 17, 2021, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 17, 2021.

10. The sums appropriated by this section must be accounted for separately from any other money and used only for the purposes specified in this section.

Sec. 10.7. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 11. This act becomes effective on July 1, 2019.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 169 to Senate Bill No. 314 eliminates the business and marketing education program area coursework identified in section 2 of the bill. It revises the criteria in section 4 requiring a student to earn at least three credits rather than four credits to earn the financial literacy seal. It also establishes the State Financial Literacy Advisory Council with members to include educators and business leaders and revises appropriations in section 10 reducing the funding allocated for the districts to carry out provisions of the bill. It adds appropriations for related activities, which include the Advisory Council.

Amendment adopted.

Senator Woodhouse moved that the bill be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

Bill ordered reprinted, engrossed and to the Committee on Finance.

Senate Bill No. 320.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 170.

SUMMARY—Makes various changes concerning the placement of pupils in certain more rigorous courses. (BDR 34-681)

AN ACT relating to education; providing for the identification of pupils for placement in more rigorous courses in certain core academic subjects; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law designates mathematics, English language arts and social studies as core academic subjects. (NRS 389.018) This bill requires the State Board of Education to adopt regulations that require each public school to establish and carry out a plan to identify pupils in grades 3 to 12, inclusive, for placement in more rigorous courses in those academic subjects. This bill requires a public school to place a pupil who is so identified in such a course unless the parent or guardian of the pupil submits to the principal of the school written notice of his or her objection to such placement. This bill also requires the board of trustees of a school district or the governing body of a charter school to establish a more rigorous course in mathematics, English language arts or social studies if: (1) there are sufficient numbers of pupils enrolled in the highest level of course in that subject area offered in the school district or charter school who are identified for placement in a more rigorous course to warrant the establishment of such a course; and (2) the school district or charter school has sufficient financial resources to establish the more rigorous course.

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

Section 1. Chapter 389 of NRS is hereby amended by adding thereto a new section to read as follows:

Section 1. Chapter 389 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The State Board shall adopt regulations that require each public school

to establish and carry out a plan to identify pupils in grades 3 to 12, inclusive, for placement in more rigorous courses in mathematics, English language arts and social studies. The regulations must require a school to use the criterion-referenced examinations administered pursuant to NRS 390.105 or norm-referenced, nationally recognized examinations and any other methods determined appropriate by the State Board to identify pupils for such placement.

2. If a pupil is identified for placement in a more rigorous course pursuant to subsection 1 and such a course is offered at the public school in which the pupil is enrolled:

(a) The principal of the public school in which the pupil is enrolled shall provide to the parent or guardian of the pupil written notice that the pupil has been identified for such placement which must include, without limitation:

(1) The subject area for which the pupil has been identified for such placement; and

(2) A statement that the pupil will be placed in a more rigorous course in that subject area unless the parent or guardian submits to the principal a written notice of his or her objection to such placement.

(b) The pupil must be placed in the more rigorous course unless the parent or guardian submits to the principal a written notice of his or her objection to such placement.

3. The board of trustees of a school district or the governing body of a charter school shall establish a more rigorous course in mathematics, English language arts or social studies if:

(a) There are sufficient numbers of pupils enrolled in the highest level of a course in that subject area offered in the school district or charter school who are identified for placement in a more rigorous course pursuant to subsection 1 to warrant the establishment of such a more rigorous course; and

(b) The school district or charter school has sufficient financial resources to establish the course.

4. The provisions of this section must not be construed to require a school district or charter school to establish a course for which sufficient financial resources are not available.

Sec. 2. ~~[The provisions of subsection 1 of NRS 354.599 do not apply to any additional expenses of a local government which are related to the provisions of this act.]~~ (Deleted by amendment.)

Sec. 3. This act becomes effective:

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On January 1, 2020, for all other purposes.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 170 to Senate Bill No. 320 adds norm-referenced and nationally recognized assessments to the list of tools used to identify students who show potential to succeed in rigorous coursework. The amendment also removes the unfunded mandate provision.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 395.

Bill read second time.

The following amendment was proposed by the Committee on Growth and Infrastructure:

Amendment No. 173.

SUMMARY—Revises provisions relating to ~~[the towing of motor vehicles.]~~ public safety. (BDR 43-822)

AN ACT relating to ~~[tow cars;]~~ public safety; authorizing a tow car and certain other vehicles owned by contractors of the Department of Transportation to display nonflashing blue lights in certain circumstances; removing certain provisions regarding notification of nonconsensual tows in certain circumstances; authorizing certain agreements and payments between property owners and tow car operators in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a tow car used to tow disabled vehicles is required to be equipped with flashing amber warning lights which must be displayed to warn approaching drivers under certain circumstances. (NRS 484D.475) The driver of a vehicle approaching any traffic incident where such flashing amber warning lights are being displayed must take certain precautions for the purposes of traffic safety. (NRS 484B.607) Section 3 of this bill authorizes a tow car to also be equipped with rear facing lamps that emit nonflashing blue light. Such lamps may only be displayed at the scene of a traffic incident or when the tow car is otherwise preparing to tow a disabled vehicle. Section 2 of this bill requires that any such lamps must comply with standards approved by the Department of Motor Vehicles. (NRS 484B.748) Section 2.5 of this bill similarly authorizes certain vehicles owned by persons who contract with the Department of Transportation to aid motorists or mitigate traffic incidents to be equipped with rear facing lamps that emit nonflashing blue light. Section 1 of this bill adds the display of nonflashing blue lights to the circumstances under which a driver approaching a traffic incident must take certain precautions.

Existing law requires the owner or person in lawful possession of any real property to orally notify local law enforcement if the owner or person in lawful possession has directed the towing of a vehicle from the property without the consent of the owner of the vehicle. (NRS 487.038) Section 4 of this bill provides that such notification is only required if the tow operator has not already made such a notification. Existing law also provides that the costs of

towing and storage of such a vehicle must be borne by the owner of the vehicle. Section 4 provides that such costs include, if applicable, the disposition of the vehicle. Section 4 further provides that, if the tow operator and the owner or person in lawful possession of the property agree that the vehicle is likely to be ultimately disposed of as an abandoned vehicle and that the estimated disposition value of the vehicle to be towed is less than the estimated cost for towing, storage and disposition of the vehicle, the tow operator and owner or person in lawful possession may enter into an agreement whereby the owner or person in lawful possession makes a voluntary payment to the tow operator. Such a payment does not reduce the amount of the costs incurred that are to be borne by the owner of the vehicle, and may not be a condition for the towing of the vehicle.

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

Section 1. NRS 484B.607 is hereby amended to read as follows:

484B.607 1. Upon approaching any traffic incident, the driver of the approaching vehicle shall, in the absence of other direction given by a law enforcement officer:

(a) Decrease the speed of the vehicle to a speed that is reasonable and proper, pursuant to the criteria set forth in subsection 1 of NRS 484B.600;

(b) Proceed with caution;

(c) Be prepared to stop; and

(d) If possible, drive in a lane that is not adjacent to the lane or lanes where the traffic incident is located unless roadway, traffic, weather or other conditions make doing so unsafe or impossible.

2. A person who violates subsection 1 is guilty of a misdemeanor.

3. As used in this section, "traffic incident" means any vehicle, person, condition or other traffic hazard which is located on or near a roadway and which poses a danger to the flow of traffic or to a person involved in, responding to or assisting with the traffic hazard. The term includes, without limitation:

(a) An authorized emergency vehicle which is stopped and is making use of flashing lights meeting the requirements of subsection 3 of NRS 484A.480;

(b) A tow car which is stopped and is making use of flashing amber warning lights meeting the requirements of NRS 484B.748 ~~[,]~~ *or lamps that emit nonflashing blue light meeting the requirements of NRS 484D.475, or both;*

(c) An authorized vehicle used by the Department of Transportation which is stopped or moving at a speed slower than the normal flow of traffic and which is making use of flashing amber warning lights meeting the requirements of subsection 1 of NRS 484D.185 or lamps that emit nonflashing blue light meeting the requirements of NRS 484D.200;

(d) *A vehicle, owned or operated by a person who contracts with the Department of Transportation to provide aid to motorists or to mitigate traffic incidents, which is stopped or moving at a speed slower than the normal flow*

of traffic and making use of lamps that emit nonflashing blue light meeting the requirements of NRS 484D.200;

(e) A public utility vehicle which is stopped or moving at a speed slower than the normal flow of traffic and is making use of flashing amber warning lights meeting the requirements of NRS 484D.195;

~~[(e)]~~ *(f)* An authorized vehicle of a local governmental agency which is stopped or moving at a speed slower than the normal flow of traffic and is making use of flashing amber warning lights meeting the requirements of NRS 484D.185;

~~[(f)]~~ *(g)* Any vehicle which is stopped or moving at a speed slower than the normal flow of traffic and is making use of flashing amber warning lights meeting the requirements of NRS 484D.185;

~~[(g)]~~ *(h)* A crash scene;

~~[(h)]~~ *(i)* A stalled vehicle;

~~[(i)]~~ *(j)* Debris on the roadway; or

~~[(j)]~~ *(k)* A person who is out of his or her vehicle attending to a repair of the vehicle.

Sec. 2. NRS 484B.748 is hereby amended to read as follows:

484B.748 1. A tow car which is equipped with flashing amber warning lights pursuant to NRS 484D.185 may display flashing amber warning lights to the front, sides or rear of the tow car when at the scene of a traffic hazard.

2. *A tow car which is equipped with lamps that emit nonflashing blue light pursuant to NRS 484D.475 may display nonflashing blue light to the rear of the tow car when at the scene of a traffic hazard.*

3. Any flashing amber warning light *or lamps that emit nonflashing blue light* used pursuant to this section must comply with the standards approved by the Department.

Sec. 2.5. NRS 484D.200 is hereby amended to read as follows:

484D.200 *1.* An authorized vehicle used by the Department of Transportation for the construction, maintenance or repair of highways *or a vehicle owned by a person who contracts with the Department to aid motorists or mitigate traffic incidents* may be equipped with lamps located toward the rear of the vehicle that emit nonflashing blue light which may be used:

~~[1.]~~ *(a)* For vehicles that perform construction, maintenance or repair of highways, including, without limitation, vehicles used for the removal of snow, when the vehicle is engaged in such construction, maintenance or repair; ~~[and~~

~~2.]~~ *(b)* For ~~[all]~~ other authorized vehicles of the Department of Transportation used in the construction, maintenance or repair of highways:

~~[(a)]~~ *(1)* In an area designated as a temporary traffic control zone in which construction, maintenance or repair of a highway is conducted; and

~~[(b)]~~ *(2)* At a time when the workers who are performing the construction, maintenance or repair of the highway are present ~~[.]~~ *; and*

(c) For a vehicle owned by a person who contracts with the Department to aid motorists or mitigate traffic incidents, at a time when the vehicles or the workers who are performing the aid or mitigation are present.

2. As used in this section, "traffic incident" has the meaning ascribed to it in NRS 484B.607.

Sec. 3. NRS 484D.475 is hereby amended to read as follows:

484D.475 *1.* Tow cars used to tow disabled vehicles must be equipped with:

~~[1.]~~ *(a)* Flashing amber warning lamps which must be displayed as may be advisable to warn approaching drivers during the period of preparation at the location from which a disabled vehicle is to be towed. A flashing amber warning lamp upon a tow car may be displayed to the rear when the tow car is towing a vehicle and moving at a speed slower than the normal flow of traffic.

~~[2.]~~ *(b)* At least two red flares, two red lanterns or two warning lights or reflectors which may be used in conjunction with the flashing amber warning lamps *or lamps that emit nonflashing blue light, or both,* or in place of those lamps if the lamps are obstructed or damaged at the location from which a disabled vehicle is to be towed.

2. A tow car used to tow disabled vehicles may be equipped with rear facing lamps that emit nonflashing blue light. Lamps that emit nonflashing blue light to the rear of the tow car may only be displayed when the tow car is at the scene of a traffic hazard or during the period of preparation at the location from which a disabled vehicle is to be towed, and must not be displayed when the tow car is being operated on a highway.

Sec. 4. NRS 487.038 is hereby amended to read as follows:

487.038 1. Except as otherwise provided in subsections 3 and 4, the owner or person in lawful possession of any real property may, after giving notice pursuant to subsection 2, utilize the services of any tow car operator subject to the jurisdiction of the Nevada Transportation Authority to remove any vehicle parked in an unauthorized manner on that property to the nearest public garage or storage yard if:

(a) A sign is displayed in plain view on the property declaring public parking to be prohibited or restricted in a certain manner; and

(b) The sign shows the telephone number of the police department or sheriff's office.

2. ~~[Oral]~~ *Unless notice has been provided pursuant to NRS 706.4477, oral* notice must be given to the police department or sheriff's office, whichever is appropriate, indicating:

(a) The time the vehicle was removed;

(b) The location from which the vehicle was removed; and

(c) The location to which the vehicle was taken.

3. Any vehicle which is parked in a space designated for persons with disabilities and is not properly marked for such parking may be removed if notice is given to the police department or sheriff's office pursuant to subsection 2, whether or not a sign is displayed pursuant to subsection 1.

4. The owner or person in lawful possession of residential real property upon which a single-family dwelling is located may, after giving notice pursuant to subsection 2, utilize the services of any tow car operator subject to the jurisdiction of the Nevada Transportation Authority to remove any vehicle parked in an unauthorized manner on that property to the nearest public garage or storage yard, whether or not a sign is displayed pursuant to subsection 1.

5. All costs incurred under the provisions of this section for *the* towing *,* ~~[and]~~ storage *and disposition of the vehicle, as applicable,* must be borne by the owner of the vehicle, as that term is defined in NRS 484A.150.

6. The provisions of this section do not limit or affect any rights or remedies which the owner or person in lawful possession of real property may have by virtue of other provisions of the law authorizing the removal of a vehicle parked on that property.

7. If the owner or person in lawful possession of real property and the tow operator agree that the vehicle is likely to be ultimately disposed of as an abandoned vehicle and that the estimated disposition value of a vehicle to be towed pursuant to this section is less than the estimated cost for the towing, storage and disposal of the vehicle, the owner or person in lawful possession of real property and the tow operator may enter into an agreement whereby the owner or person in lawful possession of real property makes a voluntary payment to the tow operator. Such a payment:

(a) Does not reduce the costs incurred by the owner of the vehicle pursuant to subsection 5.

(b) May not be a condition for the towing of the vehicle.

Sec. 5. This act becomes effective on July 1, 2019.

Senator Cancela moved the adoption of the amendment.

Remarks by Senator Cancela.

Amendment No. 173 makes one change to Senate Bill No. 395. The amendment authorizes a person who contracts with Nevada's Department of Transportation to aid motorists or mitigate traffic incidents to equip his or her vehicle with rear-facing lamps that emit nonflashing blue lights.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 403.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 434.

SUMMARY—Revises provisions relating to data privacy for pupils. (BDR 34-309)

AN ACT relating to education; requiring each public and private school to provide certain information to a pupil or the parent or legal guardian of a pupil before providing technology to a pupil or allowing a pupil to use a school service; ~~[requiring a pupil or parent or legal guardian of a pupil to consent before providing technology to the pupil or allowing the pupil to use a school~~

~~service;]~~ revising provisions relating to school service providers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law generally controls the manner in which a school service provider may use the personally identifiable information of a pupil and prohibits a school service provider from engaging in targeted advertising. (NRS 388.292) "School service provider" is defined in existing law as a provider of certain Internet services, online services or mobile applications. (NRS 388.283, 388.284) Section 1 of this bill requires a public school, including a charter school and a university school for profoundly gifted pupils, to post certain information on the Internet website of the school before a pupil uses a school service of a school service provider. Such information must include a description of the laws governing school service providers, a list of the school service providers for the school, a copy of the plan for the security of data established by the school service provider, any other actions taken by the public school, the school district, or the applicable governing body to protect the data of the pupils and the manner in which a person may report suspicious activity related to the use of a school service. Each school must also communicate the manner in which to locate the information at the beginning of each school year.

Section 2 of this bill revises the prohibition on targeted advertising by a school service provider to prohibit the school service provider from engaging in targeted advertising within its school service or on any other Internet website, online service or mobile application if the targeted advertising is based upon information gathered from its school service. Section 2 also authorizes a school service provider to use the personally identifiable information of a pupil to perform certain research which is required or authorized by federal or state law. Section 3 of this bill authorizes a school service provider to use aggregated, deidentified information derived from the personally identifiable information of pupils to develop and improve the products of the school service provider.

~~[Section 1 of this bill requires a public school to provide information regarding the risks associated with the collection of covered information of a pupil to a pupil or the parent or legal guardian of a pupil before the public school allows the pupil to use any school service or provides any item of technology to the pupil. Section 1 also requires the written consent of a pupil or the parent or legal guardian of a pupil before the public school allows the pupil to use any school service or provides any item of technology to the pupil. If written consent is not received, section 1 requires the public school to withhold the school service or item of technology from the pupil and provide an alternative method for the pupil to receive the same educational benefit.]~~ Existing law requires a school service provider to establish a plan for the security of any data concerning pupils that is collected or maintained by the school service provider. (NRS 388.293) Section 2.5 of this bill requires the school service provider to inform a school district, charter school or university

school for profoundly gifted pupils or a private school if there is a breach of the plan for the security of the data. Section 2.5 further requires a school that receives such notice to provide the notice to the pupils and the parents and legal guardians of pupils who are less than 18 years of age.

Sections 5-10 of this bill establish similar provisions for private schools.

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

Section 1. Chapter 388 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before a public school , including, without limitation, a charter school and a university school for profoundly gifted pupils, allows a pupil to use any school service or provides a pupil with any technology, the public school must ~~[:~~

~~(a) Provide]~~ post on the Internet website of the public school information ~~[to the pupil or, if the pupil is less than 18 years of age, the parent or legal guardian of the pupil, which fully describes the risks associated with the collection of covered information as a result of the use of a school service or any technology provided by the public school; and~~

~~(b) Request the pupil or, if the pupil is less than 18 years of age, the parent or legal guardian of the pupil, to consent in writing to the use of each school service or item of technology provided by the public school.~~

~~2. If a pupil or, if the pupil is less than 18 years of age, the parent or legal guardian of a pupil, does not provide the consent required by paragraph (b) of subsection 1 for the use of a school service or item of technology, the public school:~~

~~(a) Shall not allow the pupil to use the school service or item of technology;~~

~~(b) Shall not penalize or in any way discriminate against the pupil because the pupil does not use the school service or item of technology; and~~

~~(c) Shall provide an alternative method for the pupil to receive the same educational benefit as would have been provided by use of the school service or item of technology.~~

~~3. Nothing in this section shall be construed to require the consent of a pupil or the parent or legal guardian of a pupil before information relating to the pupil is entered into or used as part of the automated system of accountability information for Nevada established pursuant to NRS 385A.800 or the statewide longitudinal data system maintained pursuant to paragraph (c) of subsection 4 of NRS 223.820.~~

~~4.]~~ that :

(a) Summarizes the laws governing school service providers set forth in this section and NRS 388.281 to 388.296, inclusive:

(b) Lists each school service provider for the school and the plan for the security of any data concerning pupils, including, without limitation, covered information and personally identifiable information, that is established by the school service provider pursuant to NRS 388.293;

(c) Describes any other actions taken by the public school, the school district or the governing body of the charter school or university school for profoundly gifted pupils, as applicable, to protect the security of any data collected by a school service provider, including, without limitation, covered information and personally identifiable information, concerning pupils; and

(d) Describes the manner in which a pupil or the parent or legal guardian of a pupil may report any suspicious activity relating to the use of a school service by a pupil.

2. At the beginning of each school year, each public school, including, without limitation, a charter school and a university school for profoundly gifted pupils, shall communicate to the pupils enrolled at the school and the parents and legal guardians of such pupils the availability of the information described in subsection 1 and the manner in which to locate the information.

3. As used in this section:

(a) "Covered information" means the personally identifiable information of a pupil or any information that is linked to the personally identifiable information of a pupil which is:

(1) Created by or provided to a school service provider by a pupil or the parent or legal guardian of a pupil through the use of a school service;

(2) Created by or provided to a school service provider by an employee of a public school, a school district or the governing body of a charter school; or

(3) Gathered by a school service provider from any other source and associated with the identity of a pupil.

(b) "Personally identifiable information" has the meaning ascribed to it in 34 C.F.R. § 99.3.

(c) "School service" has the meaning ascribed to it in NRS 388.283.

(d) "School service provider" has the meaning ascribed to it in NRS 388.284.

Sec. 2. NRS 388.292 is hereby amended to read as follows:

388.292 1. Except as otherwise provided in subsections 2 and 5, a school service provider may collect, use, allow access to or transfer personally identifiable information concerning a pupil only:

(a) For purposes inherent to the use of a school service by a teacher in a classroom or for the purposes authorized by the board of trustees of the school district in which the school that the pupil attends is located, the governing body of the charter school that the pupil attends or the governing body of the university school for profoundly gifted pupils that the pupil attends, as applicable, so long as it is authorized by federal and state law;

(b) If required by federal or state law;

(c) In response to a subpoena issued by a court of competent jurisdiction;

(d) To protect the safety of a user of the school service; or

(e) With the consent of any person required in a policy of the school district, charter school or university school for profoundly gifted pupils, as applicable, or, if none, with the consent of the pupil, if the pupil is at least 18 years of age,

or the parent or legal guardian of the pupil if the pupil is less than 18 years of age.

2. A school service provider may transfer personally identifiable information concerning a pupil to a third-party service provider if the school service provider provides notice to any person designated in a policy of the school district, charter school or university school for profoundly gifted pupils, as applicable, to receive such notice or, if none, to the pupil, if the pupil is at least 18 years of age, or the parent or guardian of the pupil and:

(a) Contractually prohibits the third-party service provider from using any such information for any purpose other than providing the contracted school services to, or on behalf of, the school service provider;

(b) Prohibits the third-party service provider from disclosing any personally identifiable information concerning a pupil unless the disclosure is authorized pursuant to subsection 1; and

(c) Requires the third-party service provider to comply with the requirements of NRS 388.281 to 388.296, inclusive ~~[.]~~ *, and section 1 of this act.*

3. A school service provider shall delete any personally identifiable information concerning a pupil that is collected or maintained by the school service provider and that is under the control of the school service provider within a reasonable time not to exceed 30 days after receiving a request from the board of trustees of the school district in which the school that the pupil attends is located, the governing body of the charter school that the pupil attends or the governing body of the university school for profoundly gifted pupils that the pupil attends, as applicable. The board of trustees or the governing body, as applicable, must have a policy which allows a pupil who is at least 18 years of age or the parent or legal guardian of any pupil to review such information and request that such information about the pupil be deleted. The school service provider shall delete such information upon the request of the parent or legal guardian of a pupil if no such policy exists.

4. Any agreement entered into by a school service provider that provides for the disclosure of personally identifiable information must require that the person or governmental entity to whom the information will be disclosed abide by the requirements imposed pursuant to this section.

5. A school service provider shall not:

(a) Use personally identifiable information to engage in targeted advertising ~~[.]~~ *within the school service or on any other Internet website, online service or mobile application if the targeted advertising is based upon any information acquired from use of the school service.*

(b) Except as otherwise provided in this paragraph, sell personally identifiable information concerning a pupil. A school service provider may transfer personally identifiable information concerning pupils to an entity that purchases, merges with or otherwise acquires the school service and the acquiring entity becomes subject to the requirements of NRS 388.281 to 388.296, inclusive, *and section 1 of this act,* and any contractual provisions

between the school service provider and the board of trustees of a school district, the governing body of a charter school or the governing body of a university school for profoundly gifted pupils, as applicable, governing such information.

(c) Use personally identifiable information concerning a pupil to create a profile of the pupil for any purpose not related to the instruction of the pupil provided by the school without the consent of the appropriate person described in paragraph (e) of subsection 1.

(d) Use personally identifiable information concerning a pupil in a manner that is inconsistent with any contract governing the activities of the school service provider for the school service in effect at the time the information is collected or in a manner that violates any of the provisions of NRS 388.281 to 388.296, inclusive ~~[.]~~ *, and section 1 of this act.*

(e) Knowingly retain, without the consent of the appropriate person described in paragraph (e) of subsection 1, personally identifiable information concerning a pupil beyond the period authorized by the contract governing the activities of the school service provider.

6. This section does not prohibit the use of personally identifiable information concerning a pupil that is collected or maintained by a school service provider for the purposes of:

(a) Adaptive learning or providing personalized or customized education;

(b) Maintaining or improving the school service;

(c) Recommending additional content or services within a school service;

(d) Responding to a request for information by a pupil;

(e) Soliciting feedback regarding a school service; ~~[or]~~

(f) *Performing research which:*

(1) Is required by federal or state law; or

(2) Is authorized by federal or state law, is performed under the direction of a public school, school district or the Department and does not use any personally identifiable information concerning a pupil for any purpose relating to advertising or creating a profile of the pupil for any purpose not related to the instruction of the pupil; or

(g) Allowing a pupil who is at least 18 years of age or the parent or legal guardian of any pupil to download, transfer, or otherwise maintain data concerning a pupil.

7. A school service provider that violates the provisions of this section is subject to a civil penalty in an amount not to exceed $5,000 per violation. The Attorney General may recover the penalty in a civil action brought in the name of the State of Nevada in any court of competent jurisdiction.

Sec. 2.5. NRS 388.293 is hereby amended to read as follows:

388.293 1. A school service provider shall establish and carry out a detailed plan for the security of any data concerning pupils that is collected or maintained by the school service provider. The plan must include, without limitation:

(a) Procedures for protecting the security, privacy, confidentiality and integrity of personally identifiable information concerning a pupil; and

(b) Appropriate administrative, technological and physical safeguards to ensure the security of data concerning pupils.

2. A school service provider shall ensure that any successor entity understands that it is subject to the provisions of NRS 388.281 to 388.296, inclusive, *and section 1 of this act* and agrees to abide by all privacy and security commitments related to personally identifiable information concerning a pupil collected and maintained by the school service provider before allowing a successor entity to access such personally identifiable information.

3. A school service provider shall provide notice to a school district, charter school or university school for profoundly gifted pupils, as applicable, or a private school pursuant to section 10 of this act, of any breach of the plan for the security of any data concerning pupils and any actions taken or being taken by the school service provider to address the breach. The notice must be provided as soon as practicable and without unreasonable delay.

4. A school district, charter school, university school for profoundly gifted pupils or private school that receives a notice pursuant to subsection 3, shall provide the notice to each pupil affected by the breach or, if a pupil is less than 18 years of age, the parent or legal guardian of the pupil. The notice must be provided as soon as practicable and without unreasonable delay.

Sec. 3. NRS 388.295 is hereby amended to read as follows:

388.295 A school service provider may use and disclose information derived from personally identifiable information concerning a pupil to demonstrate the effectiveness of the products or services of the school service provider, including, without limitation, for use in advertising or marketing regarding the school service *, and to develop and improve a school service or any other Internet website, online service or mobile application of the school service provider* so long as the information is aggregated or is presented in a manner which does not disclose the identity of the pupil about whom the information relates.

Sec. 4. Chapter 394 of NRS is hereby amended by adding thereto the provisions set forth as sections 5 to 10, inclusive, of this act.

Sec. 5. *As used in sections 5 to 10, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 6 to 9, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 6. *"Covered information" means the personally identifiable information of a pupil or any information that is linked to the personally identifiable information of a pupil which is:*

1. Created by or provided to a school service provider by a pupil or the parent or legal guardian of a pupil through the use of a school service;

2. Created by or provided to a school service provider by an employee of a private school or the governing body of a private school; or

3. Gathered by a school service provider from any other source and associated with the identity of a pupil.

Sec. 7. *"Personally identifiable information" has the meaning ascribed to it in 34 C.F.R. § 99.3.*

Sec. 8. *1. "School service" means an Internet website, online service or mobile application that:*

(a) Collects or maintains personally identifiable information concerning a pupil;

(b) Is used primarily for educational purposes; and

(c) Is designed and marketed for use in private schools and is used at the direction of teachers and other educational personnel.

2. The term does not include:

(a) An Internet website, online service or mobile application that is designed or marketed for use by a general audience, even if the school service is also marketed to private schools;

(b) An internal database, system or program maintained or operated by a private school or the governing body of a private school;

(c) A school service for which a school service provider has:

(1) Been designated by the governing body of a private school as a school official pursuant to the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g;

(2) Entered into a contract with the governing body of a private school; and

(3) Agreed to comply with and be subject to the provisions of the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, relating to personally identifiable information; or

(d) Any instructional programs purchased by the governing body of a private school.

Sec. 9. *"School service provider" means a person that operates a school service, to the extent the provider is operating in that capacity.*

Sec. 10. *1. Before a private school allows a pupil to use any school service or provides a pupil with any technology, the private school must* ~~[:~~

~~*(a) Provide]*~~ *post on the Internet website of the school information* ~~*[to the pupil or, if the pupil is less than 18 years of age, the parent or legal guardian of the pupil, which fully describes the risks associated with the collection of covered information as a result of the use of a school service or any technology provided by the private school; and*~~

~~*(b) Request the pupil or, if the pupil is less than 18 years of age, the parent or legal guardian of the pupil, to consent in writing to the use of each school service or item of technology provided by the private school.*~~

~~*2. If a pupil or, if the pupil is less than 18 years of age, the parent or legal guardian of a pupil, does not provide the consent required by paragraph (b) of subsection 1 for the use of a school service or item of technology, the private school:*~~

~~*(a) Shall not allow the pupil to use the school service or item of technology;*~~

~~*(b) Shall not penalize or in any way discriminate against the pupil because the pupil does not use the school service or item of technology; and*~~

~~*(c) Shall provide an alternative method for the pupil to receive the same educational benefit as would have been provided by use of the school service or item of technology.]*~~ *that:*

(a) Summarizes the laws governing school service providers;

(b) Lists each school service provider for the private school and the plan for the security of any data concerning pupils, including, without limitation, covered information and personally identifiable information, that is established by the school service provider;

(c) Describes any other actions taken by the private school to protect the security of any data collected by a school service provider, including, without limitation, covered information and personally identifiable information, concerning pupils; and

(d) Describes the manner in which a pupil or the parent or legal guardian of a pupil may report any suspicious activity relating to the use of a school service by a pupil.

2. At the beginning of each school year, each private school shall communicate to the pupils enrolled at the school and the parents and legal guardians of such pupils the availability of the information described in subsection 1 and the manner in which to locate the information.

Sec. 11. This act becomes effective upon passage and approval for the purpose of adopting regulations and performing any other administrative tasks that are necessary to carry out the provisions of this act; and on January 1, 2020, for all other purposes.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 434 to Senate Bill No. 403 removes the requirement that a school provides certain information and requests written consent before allowing a student to use a school service or providing the student with technology. It requires a public school to post certain information on its website prior to a school allowing a student to use the service or technology. The information includes a description of the laws governing school-service providers, a list of such providers for the school, a copy of the data-security plan established by the service provider, other actions taken to protect student data and the manner in which a person may report suspicious activity related to the use of a school service. The bill requires a school to communicate with students, parents and guardians on how to locate this information on its website and requires the school-service provider to inform a charter school, private school, school district or university school for the gifted if there is a breach of the data-security plan. A school that receives such notice must then provide notice to each student or the parents or guardians of students who are less than 18 years of age.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 465.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 257.

SUMMARY—Revises provisions relating to redevelopment areas. (BDR 22-1159)

AN ACT relating to redevelopment; revising provisions governing the amount of the proceeds of certain taxes levied in a redevelopment area that must be allocated to the redevelopment agency and used for certain purposes related to redevelopment; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Community Redevelopment Law authorizes the city council, board of county commissioners or other legislative body of a city or county to declare the need for a redevelopment agency to function in the community. The Community Redevelopment Law grants a redevelopment agency certain powers and duties with regard to the elimination of blight in a redevelopment area in the community. (Chapter 279 of NRS)

Under existing law, the property taxes levied on taxable property located in a redevelopment area that exceed a certain amount are required to be allocated to the redevelopment agency to pay certain costs related to redevelopment in the redevelopment area. (NRS 279.676) This bill authorizes a redevelopment agency to adopt a resolution requiring that property taxes attributable to certain tax rates levied for the public schools in the county be allocated to the county school district such that the redevelopment agency would not receive any portion of the property taxes attributable to such tax rates.

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

Section 1. NRS 279.676 is hereby amended to read as follows:

279.676 1. Any redevelopment plan may contain a provision that taxes, if any, levied upon taxable property in the redevelopment area each year by or for the benefit of the State, any city, county, district or other public corporation, after the effective date of the ordinance approving the redevelopment plan, must be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment area as shown upon the assessment roll used in connection with the taxation of the property by the taxing agency, last equalized before the effective date of the ordinance, must be allocated to and when collected must be paid into the funds of the respective taxing agencies as taxes by or for such taxing agencies on all other property are paid. To allocate taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment area on the effective date of the ordinance but to which the territory has been annexed or otherwise included after the effective date, the assessment roll of the county last equalized on the effective date of the ordinance must be used in determining the assessed valuation of the taxable property in the redevelopment area on the effective date. If property which was shown on the assessment roll used to determine the amount of taxes allocated to the taxing

agencies is transferred to the State and becomes exempt from taxation, the assessed valuation of the exempt property as shown on the assessment roll last equalized before the date on which the property was transferred to the State must be subtracted from the assessed valuation used to determine the amount of revenue allocated to the taxing agencies.

(b) Except as otherwise provided in paragraphs (c) , ~~[and]~~ (d) *and (e)* and NRS 540A.265, that portion of the levied taxes each year in excess of the amount set forth in paragraph (a) must be allocated to and when collected must be paid into a special fund of the redevelopment agency to pay the costs of redevelopment and to pay the principal of and interest on loans, money advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, incurred by the redevelopment agency to finance or refinance, in whole or in part, redevelopment. Unless the total assessed valuation of the taxable property in a redevelopment area exceeds the total assessed value of the taxable property in the redevelopment area as shown by:

(1) The assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan; or

(2) The assessment roll last equalized before the effective date of an ordinance adopted pursuant to subsection 5,

➥ whichever occurs later, less the assessed valuation of any exempt property subtracted pursuant to paragraph (a), all of the taxes levied and collected upon the taxable property in the redevelopment area must be paid into the funds of the respective taxing agencies. When the redevelopment plan is terminated pursuant to the provisions of NRS 279.438 and 279.439 and all loans, advances and indebtedness, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the redevelopment area must be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

(c) That portion of the taxes in excess of the amount set forth in paragraph (a) that is attributable to a tax rate levied by a taxing agency to produce revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness that was approved by the voters of the taxing agency on or after November 5, 1996, must be allocated to and when collected must be paid into the debt service fund of that taxing agency.

(d) That portion of the taxes in excess of the amount set forth in paragraph (a) that is attributable to a new or increased tax rate levied by a taxing agency and was approved by the voters of the taxing agency on or after November 5, 1996, must be allocated to and when collected must be paid into the appropriate fund of the taxing agency.

(e) If an agency has adopted a resolution pursuant to subsection 8, that portion of the taxes in excess of the amount set forth in paragraph (a) that is attributable to a tax rate levied by a taxing agency:

(1) Pursuant to NRS 387.3285 or 387.3287, if that rate was approved by a majority of the registered voters within the area of the taxing agency voting

upon the question, must be allocated to, and when collected paid into, the appropriate fund of that taxing agency.

(2) For the support of public schools within a county school district pursuant to NRS 387.195, must be allocated to, and when collected paid into, the appropriate fund of that taxing agency.

2. Except as otherwise provided in subsection 3, in any fiscal year, the total revenue paid to a redevelopment agency must not exceed:

(a) In a county whose population is 100,000 or more or a city whose population is 150,000 or more, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 10 percent of the total assessed valuation of the municipality.

(b) In a county whose population is 30,000 or more but less than 100,000 or a city whose population is 25,000 or more but less than 150,000, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 15 percent of the total assessed valuation of the municipality.

(c) In a county whose population is less than 30,000 or a city whose population is less than 25,000, an amount equal to the combined tax rates of the taxing agencies for that fiscal year multiplied by 20 percent of the total assessed valuation of the municipality.

➥ If the revenue paid to a redevelopment agency must be limited pursuant to paragraph (a), (b) or (c) and the redevelopment agency has more than one redevelopment area, the redevelopment agency shall determine the allocation to each area. Any revenue which would be allocated to a redevelopment agency but for the provisions of this section must be paid into the funds of the respective taxing agencies.

3. The taxing agencies shall continue to pay to a redevelopment agency any amount which was being paid before July 1, 1987, and in anticipation of which the agency became obligated before July 1, 1987, to repay any bond, loan, money advanced or any other indebtedness, whether funded, refunded, assumed or otherwise incurred.

4. For the purposes of this section, the assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan is the assessment roll in existence on March 15 immediately preceding the effective date of the ordinance.

5. If in any year the assessed value of the taxable property in a redevelopment area located in a city in a county whose population is 700,000 or more as shown by the assessment roll most recently equalized has decreased by 10 percent or more from the assessed value of the taxable property in the redevelopment area as shown by the assessment roll last equalized before the effective date of the ordinance approving the redevelopment plan, the redevelopment agency may adopt an ordinance which provides that the total assessed value of the taxable property in the redevelopment area for the purposes of paragraphs (a) and (b) of subsection 1 is the total assessed value of the taxable property in the redevelopment area as shown by the assessment roll last equalized before the effective date of the ordinance adopted pursuant

to this subsection. A redevelopment agency may adopt an ordinance pursuant to this subsection only once, and the election to adopt such an ordinance is irrevocable.

6. An agency which adopts an ordinance pursuant to subsection 5 and which receives revenue pursuant to paragraph (b) of subsection 1 from taxes on the taxable property located in the redevelopment area affected by the ordinance shall set aside 18 percent of that revenue received on and after the effective date of the ordinance to:

(a) Increase, improve, preserve or enhance public educational facilities;

(b) Support public educational activities and programs; or

(c) Increase, improve, preserve or enhance public educational facilities and support public educational activities and programs,

➥ which are located in or within 1 mile of the redevelopment area or which serve pupils who reside in or within 1 mile of the redevelopment area. For each fiscal year, the agency shall prepare a written report concerning the amount of money expended for the purposes set forth in this subsection and shall, on or before November 30 of each year, submit a copy of the report to the Director of the Legislative Counsel Bureau for transmittal to the Legislative Commission, if the report is received during an odd-numbered year, or to the next session of the Legislature, if the report is received during an even-numbered year.

7. The obligation of an agency pursuant to subsection 6 to set aside 18 percent of the revenue allocated to and received by the agency pursuant to paragraph (b) of subsection 1 from taxes on the taxable property located in the redevelopment area affected by the ordinance adopted by the agency pursuant to subsection 5 is subordinate to any existing obligations of the agency. As used in this subsection, "existing obligations" means the principal and interest, when due, on any bonds, notes or other indebtedness whether funded, refunded, assumed or otherwise incurred by an agency before the effective date of an ordinance adopted by the agency pursuant to subsection 5, to finance or refinance in whole or in part, the redevelopment of a redevelopment area. For the purposes of this subsection, obligations incurred by an agency on or after the effective date of an ordinance adopted by the agency pursuant to subsection 5 shall be deemed existing obligations if the net proceeds are used to refinance existing obligations of the agency.

8. An agency may adopt a resolution providing that the portion of the taxes in excess of the amount set forth in paragraph (a) of subsection 1 that is attributable to any tax rate levied by a taxing agency:

(a) Pursuant to NRS 387.3285 or 387.3287, if that rate was approved by a majority of the registered voters within the area of the taxing agency voting upon the question, must be allocated to, and when collected paid into, the appropriate fund of that taxing agency.

(b) For the support of public schools within a county school district pursuant to NRS 387.195, must be allocated to, and when collected paid into, the appropriate fund of that taxing agency.

Sec. 2. The amendatory provisions of this act do not apply to the extent that the provisions would constitute an impairment of the rights of holders of bonds or similar obligations.

Sec. 3. This act becomes effective on July 1, 2019.

Senator Parks moved the adoption of the amendment.

Remarks by Senator Parks.

Amendment No. 257 to Senate Bill No. 465 clarifies the provisions of the bill do not apply to the extent the provisions would constitute an impairment of the rights of holders of bonds or similar obligations.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 468.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 280.

SUMMARY—Exempts certain private schools ~~[that provide a program of early childhood education]~~ from requirements relating to certain child care facilities. (BDR 38-815)

AN ACT relating to children; exempting a private school that provides a prekindergarten program ~~[of early childhood education]~~ and does not receive any public money from requirements relating to certain child care facilities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the licensure and regulation of the operation of certain child care facilities. (NRS 432A.131-432A.220) Unless exempt, private elementary and secondary schools are subject to licensure and regulation of their operation under the Private Elementary and Secondary Education Authorization Act. (NRS 394.201-394.351) This bill exempts a private school that provides ~~[a program of early childhood education, including, without limitation,]~~ a prekindergarten program ~~[,]~~ and does not receive any public money from the requirement that such a school be licensed as a child care facility and any other requirements for such facilities prescribed in existing law.

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

Section 1. NRS 432A.024 is hereby amended to read as follows:

432A.024 1. "Child care facility" means:

(a) An establishment operated and maintained for the purpose of furnishing care on a temporary or permanent basis, during the day or overnight, to five or more children under 18 years of age, if compensation is received for the care of any of those children;

(b) An on-site child care facility;

(c) A child care institution; or

(d) An outdoor youth program.

2. "Child care facility" does not include:

(a) The home of a natural parent or guardian, foster home as defined in NRS 424.014 or maternity home;

(b) A home in which the only children received, cared for and maintained are related within the third degree of consanguinity or affinity by blood, adoption or marriage to the person operating the facility;

(c) A home in which a person provides care for the children of a friend or neighbor for not more than 4 weeks if the person who provides the care does not regularly engage in that activity;

(d) A location at which an out-of-school-time program is operated;

(e) A seasonal or temporary recreation program; ~~[or]~~

(f) An out-of-school recreation program ~~[.]~~ *; or*

(g) A private school, as defined in NRS 394.103, that provides ~~[early childhood education, including, without limitation,]~~ a prekindergarten program ~~[.]~~ and does not receive any public money.

Sec. 2. This act becomes effective on July 1, 2019.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 280 to Senate Bill No. 468 clarifies the bill applies only to private schools providing a prekindergarten program that does not receive any public money.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 488.

Bill read second time.

The following amendment was proposed by the Committee on Growth and Infrastructure:

Amendment No. 330.

SUMMARY—Revises provisions relating to businesses engaged in the development of emerging technologies. (BDR 18-783)

AN ACT relating to technology; creating the Emerging Technologies Task Force within the Department of Business and Industry; prescribing the membership of the Task Force; setting forth the powers and duties of the Task Force; authorizing the Director of the Department of Business and Industry to create an Opportunity Center for Emerging Technology Businesses as part of the Office of Business Finance and Planning; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 5 of this bill creates the Emerging Technologies Task Force within the Department of Business and Industry and sets forth the composition of the Task Force. Section 6 of this bill generally requires the Task Force to develop certain strategies and make certain recommendations with regard to attracting to this State businesses that are engaged in the development of blockchain technology and other emerging technologies and encouraging the growth of such businesses. Section 6 also requires the Task Force to annually submit a

report of its findings and recommendations to the Governor, the Director of the Department of Business and Industry and the Legislature.

Existing law authorizes the Director of the Department of Business and Industry to create an Office of Business Finance and Planning for the general purposes of administering and coordinating programs to assist in the growth and retention of business and industry in this State and to provide information to entities engaged in business and industry about such programs. (NRS 232.522) Section 9 of this bill authorizes the Director to create an Opportunity Center for Emerging Technology Businesses as part of the Office of Business Finance and Planning for the general purposes of advocating for, assisting and supporting the growth of businesses engaged in the development of blockchain technology and other emerging technologies.

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

Section 1. Chapter 232 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 7, inclusive, of this act.

Sec. 2. *As used in sections 2 to 7, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 , 3.5 and 4 of this act have the meanings ascribed to them in those sections.*

Sec. 3. *"Blockchain" has the meaning ascribed to it in NRS 719.045.*

Sec. 3.5. "Emerging technologies" means any technologies that are of a unique type or that have a unique scope of application and would provide a benefit to the economy of this State if developed, used or produced by businesses in this State. The term includes, without limitation, blockchain technology, autonomous technology, the Internet of things, robotics and artificial intelligence.

Sec. 4. *"Task Force" means the Emerging Technologies Task Force created by section 5 of this act.*

Sec. 5. *1. The Emerging Technologies Task Force is hereby created within the Department.*

2. The Task Force consists of:

(a) The Director;

(b) The Commissioner of Financial Institutions or his or her designee;

(c) The Director of the Department of Employment, Training and Rehabilitation or his or her designee;

(d) One member who is a representative of the Office of the Attorney General, appointed by the Attorney General; ~~[and~~

~~(d)]~~ (e) One member who is a representative of the Office of Economic Development, appointed by the Executive Director of the Office of Economic Development ~~[.]~~ ; and

(f) At least one member who has knowledge, skill and experience in blockchain technology or other emerging technologies, appointed by the Director.

3. The Director is the Chair of the Task Force.

4. The Director may appoint as many additional members to the Task Force who have knowledge, skill and experience in blockchain technology or other emerging technologies as the Director deems necessary to carry out the duties of the Task Force.

5. The members of the Task Force shall meet at least once each quarter at the call of the Chair. The Task Force shall prescribe procedures for its own management and government.

~~[5.]~~ 6. *A majority of the members of the Task Force constitutes a quorum, and a quorum may exercise all the powers conferred on the Task Force.*

Sec. 6. *1. The Task Force shall:*

(a) Develop concrete strategies to ensure that this State remains a leader in technological innovation by attracting businesses engaged in the development of blockchain technology and other emerging technologies.

(b) Make recommendations for streamlining process, regulatory, structural and other barriers a business engaged in the development of blockchain technology or other emerging technologies may face in relocating to or expanding operations in this State.

(c) Identify opportunities to develop leading practices and standards that will support the growth of businesses engaged in the development of blockchain technology and other emerging technologies.

(d) Address methods to comprehensively incorporate blockchain technology into all levels of government.

(e) Make recommendations for concrete steps to develop a workforce with technical expertise in blockchain technology and other emerging technologies.

(f) Solicit input from persons and organizations with expertise in blockchain technology and other emerging technologies.

(g) On or before February 1 of each year, prepare and submit a report to the Governor, the Director and the Director of the Legislative Counsel Bureau for transmittal to the Legislature concerning its findings and recommendations.

2. The Task Force may apply for any available grants and accept any gifts, grants or donations to assist the Task Force in carrying out its duties pursuant to this section.

Sec. 7. *The Director shall provide the personnel, facilities, equipment and supplies required by the Task Force to carry out the provisions of sections 2 to 7, inclusive, of this act.*

Sec. 8. NRS 232.505 is hereby amended to read as follows:

232.505 As used in NRS 232.505 to 232.866, inclusive, *and sections 2 to 7, inclusive, of this act,* unless the context requires otherwise:

1. "Department" means the Department of Business and Industry.

2. "Director" means the Director of the Department.

Sec. 9. NRS 232.522 is hereby amended to read as follows:

232.522 The Director may:

1. Create within the Department, as part of the Office of the Director, an Office of Business Finance and Planning to:

(a) Administer and coordinate programs related to financing for the assistance of entities engaged in business and industry in this state;

(b) Provide information to the public concerning the regulatory programs, assistance programs, and other services and activities of the Department; and

(c) Interact with other public or private entities to coordinate and improve access to the Department's programs related to the growth and retention of business and industry in this state.

2. Create within the Department, as part of the Office of Business Finance and Planning, a Center for Business Advocacy and Services:

(a) To assist small businesses in obtaining information about financing and other basic resources which are necessary for success;

(b) In cooperation with the Executive Director of the Office of Economic Development, to increase public awareness of the importance of developing manufacturing as an industry and to assist in identifying and encouraging public support of businesses and industries that manufacture goods in this state;

(c) To serve as an advocate for small businesses, subject to the supervision of the Director or the Director's representative, both within and outside the Department;

(d) To assist the Office of Business Finance and Planning in establishing an information and referral service within the Department that is responsive to the inquiries of business and industry which are directed to the Department or any entity within the Department; and

(e) In cooperation with the Executive Director of the Office of Economic Development, to advise the Director and the Office of Business Finance and Planning in developing and improving programs of the Department to serve more effectively and support the growth, development and diversification of business and industry in this state.

3. *Create within the Department, as part of the Office of Business Finance and Planning, an Opportunity Center for Emerging Technology Businesses:*

(a) To assist businesses engaged in the development of blockchain technology or other emerging technologies in obtaining information about financing and other basic resources which are necessary for success;

(b) In cooperation with the Executive Director of the Office of Economic Development, to increase public awareness of the importance of developing blockchain technologies and other emerging technologies and to assist in identifying and encouraging public support for businesses that are engaged in the development of blockchain technology and other emerging technologies;

(c) To serve as an advocate for businesses engaged in the development of blockchain technology and other emerging technologies, subject to the supervision of the Director or the Director's representative, both within and outside the Department;

(d) To assist the Office of Business Finance and Planning in establishing an information and referral service within the Department that is responsive to the inquiries of businesses engaged in the development of blockchain

technology and other emerging technologies which are directed to the Department or any entity within the Department;

(e) To collaborate with businesses engaged in the development of blockchain technology and other emerging technologies, persons and organizations with expertise in blockchain technology and other emerging technologies, public and private entities and other interested stakeholders to promote the integration of blockchain technology and other emerging technologies in the private sector and at all levels of government; and

(f) In cooperation with the Executive Director of the Office of Economic Development, to advise the Director and the Office of Business Finance and Planning in developing and improving programs of the Department to serve more effectively and support the growth, development and diversification of businesses engaged in the development of blockchain technology and other emerging technologies in this State.

4. Require divisions, offices, commissions, boards, agencies or other entities of the Department to work together to carry out their statutory duties, to resolve or address particular issues or projects or otherwise to increase the efficiency of the operation of the Department as a whole and the level of communication and cooperation among the various entities within the Department.

5. As used in this section ~~[, "blockchain"]~~ :

(a) "Blockchain" has the meaning ascribed to it in NRS 719.045.

(b) "Emerging technologies" has the meaning ascribed to it in section 3.5 of this act.

Sec. 10. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 11. This act becomes effective on July 1, 2019.

Senator Cancela moved the adoption of the amendment.

Remarks by Senator Cancela.

Amendment No. 330 makes three changes to Senate Bill No. 488. It defines "emerging technologies" and adds the Director of the Department of Employment, Training and Rehabilitation as a member of the Task Force. It authorizes the Director of the Department of Business and Industry to appoint as many additional members to the Task Force who have knowledge, skill and experience in blockchain technology or other emerging technologies.

Amendment adopted.

Senator Woodhouse moved that the bill be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

Bill ordered reprinted, engrossed and to the Committee on Finance.

Senate Bill No. 496.

Bill read second time.

The following amendment was proposed by the Committee on Growth and Infrastructure:

Amendment No. 171.

SUMMARY—Revises provisions relating to limousines. (BDR 58-1086)

AN ACT relating to limousines; authorizing the holder of a certificate of public convenience and necessity to operate a limousine in certain counties to lease a limousine to an independent contractor; requiring a lease agreement be entered into between such a limousine operator and the independent contractor; imposing certain duties and responsibilities on such an independent contractor; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a person who holds a certificate of public convenience and necessity to operate a taxicab may lease a taxicab to an independent contractor. The independent contractor may operate the taxicab: (1) as a taxicab to the extent authorized by the certificate holder's certificate; and (2) to provide transportation services under an agreement with a transportation network company. (NRS 706.473, 706.88396) Section 1 of this bill authorizes, in a county whose population is over 700,000 (currently Clark County), an operator of a limousine who holds a certificate to similarly lease the limousine to an independent contractor who may operate the limousine ~~[: (1)]~~ as a limousine to the extent of the authority of the certificate holder . ~~[; and (2) to provide transportation services under an agreement with a transportation network company.]~~ Existing law makes a violation of section 1 a misdemeanor. (NRS 706.756) Sections ~~[2-8]~~ 2-5 of this bill make conforming changes.

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

Section 1. Chapter 706 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 8, a certificate holder who is an operator of a limousine in a county whose population is over 700,000 may, upon approval from the Authority, lease a limousine to an independent contractor who is not a certificate holder. A certificate holder may lease only one limousine to each independent contractor with whom the person enters into a lease agreement. The limousine may be used ~~[, without limitation:~~

~~(a) In~~ in a manner authorized by the certificate holder's certificate of public convenience and necessity . ~~[; or~~

~~(b) By the independent contractor to provide transportation services in accordance with an agreement with a transportation network company entered into pursuant to chapter 706A of NRS.]~~

2. A certificate holder who enters into a lease agreement with an independent contractor pursuant to this section shall submit a copy of the agreement to the Authority for its approval. The agreement is not effective until approved by the Authority.

3. Except as otherwise provided in subsection 8, the Authority may not limit the number of:

(a) Lease agreements entered into by a certificate holder; or

(b) Days for which a lease agreement remains in effect.

4. A certificate holder who leases a limousine to an independent contractor shall inspect the limousine not less than once each month.

5. An independent contractor may not operate more than one limousine pursuant to a lease agreement with a certificate holder during any one 24-hour period.

6. An independent contractor operating a limousine pursuant to this section must:

(a) Charge and collect the technology fee imposed pursuant to paragraph (a) of subsection 2 of NRS 706.465, if applicable; and

(b) Remit to the Authority, not later than the 10th day of each month, all technology fees collected for the immediately preceding month.

7. A certificate holder who leases a limousine to an independent contractor is jointly and severally liable with the independent contractor for any violation of the provisions of this chapter or the regulations adopted pursuant thereto ~~[or, if applicable, chapter 706A of NRS or the regulations adopted pursuant thereto,]~~ and shall ensure that the independent contractor complies with such provisions and regulations.

8. The Authority or any of its employees may intervene in a civil action involving a lease agreement entered into pursuant to this section.

9. A certificate holder may not have a number of unexpired leases that exceeds the number of limousines the Authority has authorized the certificate holder to operate.

Sec. 2. NRS 706.101 is hereby amended to read as follows:

706.101 "Operator" means a person, other than a lienholder, having a property interest in or title to a vehicle. Except as otherwise provided in this section, the term includes a person entitled to the use and possession of a vehicle under a lease or contract for the purpose of transporting persons or property. The term does not include a person who is the lessee of a taxicab pursuant to NRS 706.473 ~~[.]~~ *or the lessee of a limousine pursuant to section 1 of this act.*

Sec. 3. NRS 706.465 is hereby amended to read as follows:

706.465 1. An operator of a limousine shall, beginning on July 1, 2003, and on July 1 of each year thereafter, pay to the Authority a fee of $100 for each limousine that the Authority has authorized the operator to operate.

2. ~~[An]~~ *Except as otherwise provided in section 1 of this act, an* operator of a limousine shall:

(a) Charge and collect a technology fee in an amount set by the Authority for each compensable trip by a limousine that the Authority has authorized the operator to operate, if a computerized real-time data system is used for the purposes set forth in NRS 706.165; and

(b) Remit to the Authority, not later than the 10th day of each month, all technology fees collected by the operator pursuant to this subsection for the immediately preceding month.

➥ The fee charged pursuant to this subsection may only be charged within a county whose population is 700,000 or more, and may be included in the operator's tariff.

3. Any person who fails to pay any fee on or before the date provided in this section shall pay a penalty of 10 percent of the amount of the fee, plus interest on the amount of the fee at the rate of 1 percent per month or fraction of a month, from the date the fee is due until the date of payment.

4. As used in this section:

(a) "Computerized real-time data system" means the computerized real-time data system implemented by the Authority pursuant to subsection 3 of NRS 706.1516.

(b) "Limousine" includes:

(1) A livery limousine; and

(2) A traditional limousine.

Sec. 4. NRS 706.475 is hereby amended to read as follows:

706.475 1. The Authority shall adopt such regulations as are necessary to:

(a) Carry out the provisions of NRS 706.473 ~~[,]~~ *and section 1 of this act;* and

(b) Ensure that the taxicab ~~[business remains]~~ *and limousine businesses remain* safe, adequate and reliable.

2. Such regulations must include, without limitation:

(a) The minimum qualifications for an independent contractor;

(b) Requirements related to liability insurance;

(c) Minimum safety standards; and

(d) The procedure for approving a lease agreement and the provisions that must be included in a lease agreement concerning the grounds for the revocation of such approval.

Sec. 5. NRS 706.736 is hereby amended to read as follows:

706.736 1. Except as otherwise provided in subsection 2, the provisions of NRS 706.011 to 706.791, inclusive, *and section 1 of this act* do not apply to:

(a) The transportation by a contractor licensed by the State Contractors' Board of the contractor's own equipment in the contractor's own vehicles from job to job.

(b) Any person engaged in transporting the person's own personal effects in the person's own vehicle, but the provisions of this subsection do not apply to any person engaged in transportation by vehicle of property sold or to be sold, or used by the person in the furtherance of any commercial enterprise other than as provided in paragraph (d), or to the carriage of any property for compensation.

(c) Special mobile equipment.

(d) The vehicle of any person, when that vehicle is being used in the production of motion pictures, including films to be shown in theaters and on

television, industrial training and educational films, commercials for television and video discs and tapes.

(e) A private motor carrier of property which is used for any convention, show, exhibition, sporting event, carnival, circus or organized recreational activity.

(f) A private motor carrier of property which is used to attend livestock shows and sales.

(g) The transportation by a private school of persons or property in connection with the operation of the school or related school activities, so long as the vehicle that is used to transport the persons or property does not have a gross vehicle weight rating of 26,001 pounds or more and is not registered pursuant to NRS 706.801 to 706.861, inclusive.

2. Unless exempted by a specific state statute or a specific federal statute, regulation or rule, any person referred to in subsection 1 is subject to:

(a) The provisions of paragraph (d) of subsection 1 of NRS 706.171 and NRS 706.235 to 706.256, inclusive, 706.281, 706.457 and 706.458.

(b) All rules and regulations adopted by reference pursuant to paragraph (b) of subsection 1 of NRS 706.171 concerning the safety of drivers and vehicles.

(c) All standards adopted by regulation pursuant to NRS 706.173.

3. The provisions of NRS 706.311 to 706.453, inclusive, *and section 1 of this act*, 706.471, 706.473, 706.475 and 706.6411 which authorize the Authority to issue:

(a) Except as otherwise provided in paragraph (b), certificates of public convenience and necessity and contract carriers' permits and to regulate rates, routes and services apply only to fully regulated carriers.

(b) Certificates of public convenience and necessity to operators of tow cars and to regulate rates for towing services performed without the prior consent of the owner of the vehicle or the person authorized by the owner to operate the vehicle apply to operators of tow cars.

4. Any person who operates pursuant to a claim of an exemption provided by this section but who is found to be operating in a manner not covered by any of those exemptions immediately becomes liable, in addition to any other penalties provided in this chapter, for the fee appropriate to the person's actual operation as prescribed in this chapter, computed from the date when that operation began.

5. As used in this section, "private school" means a nonprofit private elementary or secondary educational institution that is licensed in this State.

Sec. 6. ~~[NRS 706A.075 is hereby amended to read as follows:~~

~~706A.075 1. Except as otherwise provided in subsection 2, the provisions of this chapter do not exempt any person from any law governing the operation of a motor vehicle upon the highways of this State.~~

~~2. A transportation network company which holds a valid permit issued by the Authority pursuant to this chapter, a driver who has entered into an agreement with such a company and a vehicle operated by such a driver are exempt from:~~

~~(a) The provisions of chapter 704 of NRS relating to public utilities; and~~

~~(b) Except as otherwise provided in NRS 706.88396 [,] *and section 1 of this act*, the provisions of chapter 706 of NRS,~~

~~to the extent that the services provided by the company or driver are within the scope of the permit.]~~ (Deleted by amendment.)

Sec. 7. ~~[NRS 706A.110 is hereby amended to read as follows:~~

~~706A.110 1. A transportation network company shall not engage in business in this State unless the company holds a valid permit issued by the Authority pursuant to this chapter.~~

~~2. A driver shall not provide transportation services unless the company with which the driver is affiliated holds a valid permit issued by the Authority pursuant to this chapter.~~

~~3. The Authority is authorized and empowered to regulate, pursuant to the provisions of this chapter, all transportation network companies and drivers who operate or wish to operate within this State. Except as otherwise provided in NRS 706.88396 [,] *and section 1 of this act*, the Authority shall not apply any provision of chapter 706 of NRS to a transportation network company or a driver who operates within the provisions of this chapter and the regulations adopted pursuant thereto.]~~ (Deleted by amendment.)

Sec. 8. ~~[NRS 706A.130 is hereby amended to read as follows:~~

~~706A.130 1. Upon receipt of a completed application and upon a determination by the Authority that an applicant meets the requirements for the issuance of a permit to operate a transportation network company, the Authority shall issue to the applicant within 30 days a permit to operate a transportation network company in this State.~~

~~2. In accordance with the provisions of this chapter, a permit issued pursuant to this section:~~

~~(a) Authorizes a transportation network company to connect one or more passengers through the use of a digital network or software application service to a driver who can provide transportation services.~~

~~(b) Authorizes a transportation network company to make its digital network or software application service available to one or more drivers to receive connections to potential passengers from the company in exchange for the payment of a fee by the driver to the company.~~

~~(c) Except as otherwise provided in NRS 706.88396 [,] *and section 1 of this act*, does not authorize a transportation network company or any driver to engage in any activity otherwise regulated pursuant to chapter 706 of NRS other than the activity authorized by this chapter.~~

~~3. Nothing in this chapter prohibits the issuance of a permit to operate a transportation network company to a person who is regulated pursuant to chapter 706 of NRS if the person submits an application pursuant to NRS 706A.120 and meets the requirements for the issuance of a permit.]~~ (Deleted by amendment.)

Senator Cancela moved the adoption of the amendment.

Remarks by Senator Cancela.

Amendment No. 171 makes one change to Senate Bill No. 496. The amendment removes agreements to provide transportation services with a transportation network company.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Joint Resolution No. 3.

Resolution read second time.

The following amendment was proposed by the Committee on Natural Resources:

Amendment No. 67.

SUMMARY—Urges Congress to oppose the expansion of the United States Air Force in the Desert National Wildlife Refuge in Nevada. (BDR R-745)

SENATE JOINT RESOLUTION—Urging Congress to oppose the expansion of the United States Air Force into the Desert National Wildlife Refuge in Nevada.

WHEREAS, In 1936, President Franklin D. Roosevelt signed Executive Order 7373 creating the Desert Game Range to provide habitat and protection for the desert bighorn sheep; and

WHEREAS, The Desert National Wildlife Refuge, as it is now called, is the largest wildlife refuge in the contiguous United States; and

WHEREAS, As part of a wilderness review required by the Wilderness Act of 1964, 16 U.S.C. §§ 1131 et seq., 1.3 million acres of the Desert National Wildlife Refuge were proposed as wilderness by the United States Fish and Wildlife Service of the United States Department of the Interior; and

WHEREAS, The proposed wilderness includes the Sheep Range, Las Vegas Range, Gass Peak, East Desert Range, Hole in the Rock Range, Desert-Pintwater Range and the Spotted Range; and

WHEREAS, The Desert National Wildlife Range contains six mountain ranges and seven distinct life zones, with elevations ranging from 2,200 to nearly 10,000 feet, which provide habitat for hundreds of species of native flora and fauna to live and flourish, including two species listed as endangered or threatened: the Pahrump poolfish and the desert tortoise; and

WHEREAS, The Nevada Test and Training Range, which was originally named the Las Vegas Bombing and Gunnery Range, was created in 1940 by Executive Order 8578; and

WHEREAS, The Nevada Test and Training Range is a military training area used by the United States Air Force Warfare Center primarily for aerial gunnery and bombing, as a proving ground and flight test area and for aircraft control and warning exercises; and

WHEREAS, The Nevada Test and Training Range consists of approximately 2.9 million acres of federal land that has been withdrawn from public use and reserved for military use and includes approximately 826,000 acres within the Desert National Wildlife Refuge whose boundaries overlap those of the Nevada Test and Training Range; and

WHEREAS, The Military Lands Withdrawal Act of 1999, Public Law 106-65, transferred primary jurisdiction of approximately 112,000 acres of bombing impact areas within the Desert National Wildlife Refuge from the United States Fish and Wildlife Service to the United States Department of Defense and such lands were reserved for use by the Secretary of the Air Force as an armament and high-hazard testing area; and

WHEREAS, Public Law 106-65 also extended the duration of the withdrawal of 2.9 million acres from public use for the military use of the Nevada Test and Training Range through November 6, 2021; and

WHEREAS, In August 2016, the United States Air Force provided public notice of its intent to prepare a legislative environmental impact statement to renew and expand the size of the Nevada Test and Training Range in anticipation of the termination of its existing scheduled withdrawal in 2021; and

WHEREAS, In December 2017, the public comment period began on the United States Air Force's draft legislative environmental impact statement, and 32,000 comments were submitted opposing the expansion; and

WHEREAS, In January 2018, the United States Air Force held public meetings throughout Nevada and accepted public comment on the draft legislative environmental impact statement; and

WHEREAS, In October 2018, the United States Air Force issued its final legislative environmental impact statement for the Nevada Test and Training Range Land Withdrawal; and

WHEREAS, The final legislative environmental impact statement from the United States Air Force includes alternatives that not only renew the withdrawal of the approximately 2.9 million acres of public lands which comprise the existing Nevada Test and Training Range, but also, under the designation "Alternative 2," removes significant protections for all land within the Desert National Wildlife Refuge that is co-managed by the United States Fish and Wildlife Service, either by giving the Air Force primary jurisdiction over all the co-managed land or by making other legislative changes to ensure that the Air Force has the same kind of "ready access" to all such land within the Refuge that it currently has throughout the rest of the Range; and

WHEREAS, An additional 227,000 acres that the United States Air Force also proposes to add to the Nevada Test and Training Range, and whose incorporation it designates as "Alternative 3C," includes portions of the Sheep Range, which the Nevada Department of Wildlife describes as the "heart of the Desert National Wildlife Refuge" whose importance to "wildlife resources and public access cannot be overstated"; and

WHEREAS, In 2018, the Nevada Department of Wildlife informed the Air Force that it opposes Alternative 2 because of the lack of specificity in the meaning of "ready access" and also that it "strongly opposes" the entirety of Alternative 3C because it would "reduce the Desert National Wildlife Refuge to a fraction of its original land mass and intent"; and

WHEREAS, The final legislative environmental impact statement also includes proposals that the United States Air Force designates as "Alternative 3A" and "Alternative 3A-1" to withdraw either 18,000 or 15,000 acres of land outside the Desert National Wildlife Refuge, but near the town of Beatty, for incorporation into the Nevada Test and Training Range, which would result in substantial encroachment on the town of Beatty and result in significant negative impacts to the local economy, including losses of revenue from existing and planned trails, ecotourism activities and mining; now, therefore, be it

RESOLVED by the Senate and Assembly of the State of Nevada, Jointly, That the members of the 80th Session of the Nevada Legislature strongly oppose the range of alternatives and sub-alternatives set forth in the final legislative environmental impact statement, especially Alternative 2 and Alternative 3C given that their approval by Congress would result in an unacceptable loss of public access to and in the degradation of the Desert National Wildlife Refuge; and be it further

RESOLVED, That the members of the 80th Session of the Nevada Legislature urge Congress to work collaboratively with all interested parties to develop a compromise alternative that would both enhance training opportunities for the United States Air Force and continue to provide essential protections for Nevada's wildlife and outdoor recreational experiences for Nevadans and visitors; and be it further

RESOLVED, That the Secretary of the Senate prepare and transmit a copy of this resolution to the Vice President of the United States, as the presiding officer of the United States Senate, the Speaker of the United States House of Representatives, the Chair and Ranking Member of the United States Senate Committee on Energy and Natural Resources, the Chairman and Ranking Member of the United States Senate Committee on Armed Services, the Chairman and Ranking Member of the United States House Committee on Natural Resources, the Chairman and Ranking Member of the United States House Committee on Armed Services, the Secretary of the Air Force, the Secretary of Energy and each member of the Nevada Congressional Delegation; and be it further

RESOLVED, That this resolution becomes effective upon passage.

Senator Scheible moved the adoption of the amendment.

Remarks by Senator Scheible.

Amendment No. 67 to Senate Joint Resolution No. 3 adds a clause providing that the final legislative environmental impact statement submitted by the United States Air Force for the expansion of the Nevada Test and Training Range includes proposals that would result in substantial encroachment on the town of Beatty and would significantly impact the local economy.

Amendment adopted.

Resolution ordered reprinted, engrossed and to third reading.

Madam President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 4:25 p.m.

SENATE IN SESSION

At 4:42 p.m.
President Marshall presiding.
Quorum present.

REPORTS OF COMMITTEE

Madam President:

Your Committee on Commerce and Labor, to which were referred Senate Bills Nos. 86, 87, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

PAT SPEARMAN, *Chair*

Madam President:

Your Committee on Growth and Infrastructure, to which were referred Senate Bills Nos. 181, 352, 356, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

YVANNA D. CANCELA, *Chair*

Madam President:

Your Committee on Health and Human Services, to which was referred Senate Bill No. 457, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JULIA RATTI, *Chair*

SECOND READING AND AMENDMENT

Senate Bill No. 430.

Bill read second time.

The following amendment was proposed by the Committee on Health and Human Services:

Amendment No. 277.

SUMMARY—Expanding the definition of "chronic or debilitating medical condition" for certain purposes related to the medical use of marijuana. (BDR 40-1152)

AN ACT relating to marijuana; expanding the definition of "chronic or debilitating medical condition" for certain purposes relating to the medical use of marijuana; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law generally exempts a person who holds a valid registry identification card or letter of approval from state prosecution for possession, delivery and production of marijuana. (NRS 453A.200, 453A.205) To obtain a registry identification card or letter of approval, an applicant must submit to the Division of Public and Behavioral Health of the Department of Health and Human Services, among other requirements, a signature from the applicant's attending provider of health care affirming that the applicant has been diagnosed with a chronic or debilitating medical condition. (NRS 453A.210) This bill expands the definition of "chronic or debilitating medical condition" to include certain additional medical conditions.

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

Section 1. NRS 453A.050 is hereby amended to read as follows:

453A.050 "Chronic or debilitating medical condition" means:

1. Acquired immune deficiency syndrome;

2. *An anxiety disorder;*

3. An autism spectrum disorder;

4. An autoimmune disease;

5. ~~*[Anorexia nervosa;*~~

~~*6.]*~~ Cancer;

~~*[7.]*~~ *6. Dependence upon or addiction to opioids;*

~~[3. *8.]*~~ *7.* Glaucoma;

~~[4. *9.]*~~ *8.* A medical condition or treatment for a medical condition that produces, for a specific patient, one or more of the following:

(a) ~~[Cachexia;]~~ *Anorexia or cachexia;*

(b) ~~[Persistent muscle]~~ *Muscle* spasms, including, without limitation, spasms caused by multiple sclerosis;

(c) Seizures, including, without limitation, seizures caused by epilepsy;

(d) ~~[Severe nausea;]~~ *Nausea;* or

(e) Severe *or chronic* pain; ~~[or~~

~~*10.]*~~ *9. A medical condition related to acquired immune deficiency syndrome or the human immunodeficiency virus;*

~~*[11.]*~~ *10. A neuropathic condition, whether or not such condition causes seizures; or*

~~[5. *12.]*~~ *11.* Any other medical condition or treatment for a medical condition that is:

(a) Classified as a chronic or debilitating medical condition by regulation of the Division; or

(b) Approved as a chronic or debilitating medical condition pursuant to a petition submitted in accordance with NRS 453A.710.

Sec. 2. This act becomes effective on July 1, 2019.

Senator Cannizzaro moved the adoption of the amendment.

Remarks by Senator Cannizzaro.

Amendment No. 277 to Senate Bill No. 430 further clarifies conditions that qualify as a "chronic or debilitating medical condition" as used for certain purposes relating to the medical use of marijuana.

Conflict of interest declared by Senator Ohrenschall.

Amendment adopted.

Senator Woodhouse moved that the bill be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

Bill ordered reprinted, engrossed and to the Committee on Finance.

GENERAL FILE AND THIRD READING

Senate Bill No. 358

Bill read third time.

Remarks by Senators Brooks and Hansen.

SENATOR BROOKS:

Senate Bill No. 358 declares it is the policy of Nevada to encourage and accelerate the development of new renewable-energy projects. The bill revises the portfolio standard for calendar year 2021 and each calendar year thereafter so that by calendar year 2030, and for each calendar year thereafter, each provider of electric service will be required to generate, acquire or save electricity from renewable-energy systems or efficiency measures in an amount not less than 50 percent of the total amount of electricity sold by the provider to its retail customers in Nevada.

The measure expands the definition of provider of electric service for the purposes of compliance with the portfolio standard and the definition of renewable energy with respect to the kinds of waterpower that are considered renewable energy. Further, a cooperative, nonprofit corporation and an association supplying utility services solely to its members have to comply with the renewable portfolio standard.

SENATOR HANSEN:

Does this bill include the power produced by Hoover Dam? Since 1934, Nevada has actually been a leader in green energy, if that is included in the statistics. Are we in this bill including the power produced by Hoover Dam that is utilized in Nevada?

SENATOR BROOKS:

This includes all of the power delivered into the State of Nevada from Hoover Dam.

Roll call on Senate Bill No. 358:

YEAS—21.

NAYS—None.

Senate Bill No. 358 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Woodhouse moved that the action whereby Senate Bill No. 430 was re-referred to Committee on Finance be rescinded.

Motion carried.

Madam President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 4:50 p.m.

SENATE IN SESSION

At 4:58 p.m.

President Marshall presiding.

Quorum present.

SECOND READING AND AMENDMENT

Senate Bill No. 86.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 4.

SUMMARY—Makes various changes relating to the regulation of insurers by the Division of Insurance of the Department of Business and Industry. (BDR 57-238)

AN ACT relating to insurance; revising provisions governing the payment of the expenses for an examination of an insurer; eliminating certain requirements relating to reporting of closed claims for medical liability insurance; eliminating the requirement that certain expired, suspended or terminated certificates be surrendered; requiring certain insurers to file quarterly statements; eliminating certain countersignature requirements; revising provisions governing the taxation of money received by a life insurer pursuant to an annuity agreement; revising certain requirements for an application for a certificate of registration as an administrator; revising provisions governing annual reports filed by an administrator; revising provisions requiring an adjuster to maintain in this State a place of business; authorizing the Commissioner of Insurance to designate certain insurers as domestic surplus lines insurers; revising provisions governing fees which may be charged by certain brokers; authorizing the Commissioner to assess against an insurer the actual cost for the actuarial review of a proposal to change the rate of a health plan; revising requirements relating to certificates of registration as a provider of service contracts; authorizing the Commissioner to issue a certificate of dormancy to certain captive insurers; revising provisions governing state-chartered risk retention groups for consistency with the accreditation standards of the National Association of Insurance Commissioners; revising provisions governing the suspension or revocation of a license of a captive insurer; revising certain requirements relating to certain financial transactions by a captive insurer; establishing or revising minimum capital requirements for certain insurers; making certain provisions governing rates and service organizations and portability and accountability of certain health benefit plans applicable to health maintenance organizations; revising provisions governing insurers in receivership; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Commissioner of Insurance to examine insurers and certain other persons to ensure compliance with the provisions of the Nevada Insurance Code (Title 57 of NRS). (NRS 679B.230, 679B.240) Existing law provides that the person examined shall, upon presentation of a bill by the Commissioner, pay to the Commissioner the expenses of the examiner and assistants of the Commissioner, including reasonable and proper hotel and travel expenses, expert assistance, reasonable compensation of the examiners and assistants and necessary incidental expenses. (NRS 679B.290) Sections 1, 57 and 62 of this bill revise the types of expenses which may be collected from examinees and their method of collection and eliminate

assistants of the Commissioner as persons whose expenses may be paid by examinees.

Existing law requires insurers providing medical liability insurance to physicians and osteopathic physicians to report to the Division of Insurance certain information regarding closed claims. (NRS 630.130, 630.3069, 630.318, 633.286, 633.528, 633.529, 679B.144, 679B.440, 679B.460, 690B.260, 690B.360) Sections 2, 3, 33 and 71-77 of this bill eliminate those reporting requirements.

Existing law requires certain certificates of licensure, authority or registration which are issued by the Commissioner to be surrendered or delivered to the Commissioner upon expiration, suspension or termination thereof. (NRS 680A.160, 683A.08526, 683A.480, 684A.210, 684A.220, 684B.110, 684B.120, 685A.220, 686A.520, 689.160, 689.595, 695J.260, 696A.330, 697.360) Sections 4, 13, 17-20, 27, 28, 30, 31, 64, 70 and 78 of this bill eliminate the requirement that such certificates be surrendered or delivered.

Existing law requires certain insurers to file certain annual reports and financial statements with the Commissioner of Insurance. (NRS 680A.270, 680A.280, 690B.150, 695B.160, 695C.210, 695D.260, 695F.320) Sections 5, 6, 32, 53, 56, 59 and 63 of this bill require certain insurers to also file quarterly statements with the Commissioner and the National Association of Insurance Commissioners.

In 2009, the Legislature eliminated certain countersignature provisions which the 9th Circuit Court of Appeals had found to be unconstitutional in discriminating against Nevada nonresident producers of insurance by denying them the same rights and privileges as resident producers. (*Council of Ins. Agents & Brokers v. Molasky-Arman*, 522 F.3d 925 (9th Cir. 2008); NRS 680A.300, 680A.310) Sections 7 and 78 of this bill eliminate certain remaining countersignature requirements and references thereto.

Existing law provides that money accepted by a life insurer pursuant to an annuity agreement may be considered income and taxable either upon receipt or at the time the money is applied to purchase annuities. (NRS 680B.025) Section 8 of this bill provides that, for such an agreement which is issued on or after January 1, 2020, the money is considered income and taxable upon receipt.

Section 10 of this bill revises the applicability of specified limitations on an insurer's investment in certain types of real estate.

Existing law requires an application for a certificate of registration as an administrator to be accompanied by a financial statement which includes an income statement and balance sheet. (NRS 683A.08522) Section 11 of this bill requires the financial statement, income statement and balance sheet to have been reviewed by an independent certified public accountant.

Existing law requires the Commissioner to submit certain information supplied by an applicant for a certificate of registration as an administrator to the Division of Industrial Relations of the Department of Business and

Industry for final approval. (NRS 683A.08524) Section 12 of this bill requires the Commissioner to submit the information to the Division only if the applicant seeks final approval by the Division in accordance with regulations governing industrial insurance as adopted by the Administrator of the Division.

Existing law requires an administrator who files an annual report which contains certain financial statements and other information to pay a filing fee in an amount determined by the Commissioner. Existing law also requires the Commissioner, after reviewing the annual report and accompanying financial statement, to identify any deficiency found in the annual report or submit certain information to an electronic database maintained by the National Association of Insurance Commissioners or its affiliate or subsidiary. (NRS 683A.08528) Section 14 of this bill eliminates these requirements.

Existing law requires every adjuster to have and maintain in this State a place of business. (NRS 684A.170) Section 15 of this bill limits this requirement to adjusters who are residents of this State.

Existing law requires an adjuster to retain records of all transactions under his or her license for at least 3 years. (NRS 684A.180) Section 16 of this bill revises this period of retention to at least 3 years after the closure of the claim to which the records apply.

Sections 21-26 of this bill: (1) authorize the Commissioner to designate an insurer which is domiciled in this State and meets certain requirements as a domestic surplus lines insurer; and (2) establish certain requirements and limitations on the transaction of the business of insurance by and with, a domestic surplus lines insurer.

Existing law: (1) authorizes a broker who places any insurance coverage which the Commissioner has made available for export to charge a fee for procuring surplus lines coverage; and (2) except under certain circumstances, prohibits that fee from exceeding 20 percent of the premium charged, after deducting any other commissions, fees and charges payable to the broker. (NRS 685A.155) Section 26.5 of this bill revises these provisions to: (1) provide that the fee is authorized to be charged by the licensed surplus lines broker who is first engaged by or on behalf of an applicant for insurance; and (2) clarify the calculation of the limit on the amount of the fee charged.

Existing law requires the Commissioner to consider each proposed increase or decrease in the rate of a health plan. (NRS 686B.112) Section 29 of this bill : (1) requires the Commissioner to perform an actuarial review of a proposal to increase or decrease a rate; and (2) authorizes the Commissioner to assess against an insurer the actual cost for the actuarial review of such a proposal to increase or decrease a rate.

Existing law establishes the requirements for the application for, and issuance and renewal of, a certificate of registration as a provider of service contracts. (NRS 690C.160) Section 34 of this bill: (1) increases from $1,000 to $2,000 the fee that must be paid at the time of application; (2) increases the term of a certificate of registration from 1 year to 2 years; (3) increases the fee

for the renewal of a certificate from $1,000 to $2,000; and (4) requires a provider to submit his or her application and fee for renewal not later than 60 days before his or her certificate expires.

Sections 36 and 37 of this bill authorize the Commissioner to issue a certificate of dormancy to a captive insurer which elects to cease transacting the business of insurance and complies with certain requirements and conditions.

Sections 39-44, 46 and 49-51 of this bill revise provisions governing captive insurers to distinguish between association captive insurers and state-chartered risk retention groups for consistency with the accreditation standards of the National Association of Insurance Commissioners.

Existing law authorizes the Commissioner to suspend or revoke the license of a captive insurer after an examination and hearing if the Commissioner makes certain determinations. (NRS 694C.270) Section 45 of this bill eliminates the requirement for an examination and clarifies that failure to pay required taxes on premiums is one of the grounds on which a license may be suspended or revoked.

Existing law prohibits a captive insurer from transacting insurance in this State unless the captive insurer has made adequate arrangements with a bank located in this State. (NRS 694C.310) Section 47 of this bill revises this provision to include a state-chartered bank, state-chartered credit union or state-licensed thrift company that is located in this State and a federally chartered bank that has a branch that is located in this State.

Existing law prohibits a captive insurer from paying certain dividends or certain other distributions unless the captive insurer has obtained the prior approval of the Commissioner. (NRS 694C.330) Section 48 of this bill requires the prior approval of the Commissioner for: (1) a captive insurer other than a state-chartered risk retention group to pay only certain extraordinary dividends or certain other extraordinary distributions; and (2) a state-chartered risk retention group to pay any dividends or distributions.

Sections 52, 54, 58 and 61 of this bill: (1) establish minimum capital requirements for nonprofit corporations for hospital, medical and dental services, health maintenance organizations, organizations that provide plans for dental care; and (2) revise such requirements for prepaid limited health service organizations.

Section 55 of this bill provides that provisions governing rates and service organizations apply to health maintenance organizations.

Section 55.5 of this bill provides that provisions governing portability and accountability of individual health benefit plans apply to health maintenance organizations.

Sections 66-69 of this bill: (1) require the receiver of an insurer in receivership and each guaranty association which is affected by the delinquency proceedings to file certain financial reports as established or specified by the National Association of Insurance Commissioners; and

(2) revise provisions to include references to the Insurer Receivership Model Act adopted by the National Association of Insurance Commissioners.

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

Section 1. NRS 679B.290 is hereby amended to read as follows:

679B.290 1. Except as otherwise provided in subsection 2:

(a) The expense of examination of an insurer, or of any person referred to in subsection 1, 2, 5 or 6 of NRS 679B.240, must be borne by the person examined. Such expense includes only the reasonable ~~[and proper hotel and travel expenses]~~ *compensation and per diem allowance* of the ~~[Commissioner and the]~~ examiners ~~[and assistants]~~ of the Commissioner, including expert assistance, ~~[reasonable compensation as to such examiners and assistants]~~ and incidental expenses as necessarily incurred in the examination. As to expense ~~[and compensation]~~ involved in any such examination, the Commissioner shall give due consideration to scales and limitations recommended by the National Association of Insurance Commissioners and outlined in the examination manual sponsored by that association.

(b) The person examined shall promptly pay ~~[to the Commissioner]~~ the expenses of the examination upon presentation by the Commissioner of a reasonably detailed written statement thereof.

2. The Commissioner may bill an insurer for the examination of any person referred to in subsection 1 of NRS 679B.240 and shall adopt regulations governing such billings.

Sec. 2. NRS 679B.440 is hereby amended to read as follows:

679B.440 1. The Commissioner may require that reports submitted pursuant to NRS 679B.430 include, without limitation, information regarding:

(a) Liability insurance provided to:

(1) Governmental agencies and political subdivisions of this State, reported separately for:

(I) Cities and towns;

(II) School districts; and

(III) Other political subdivisions;

(2) Public officers;

(3) Establishments where alcoholic beverages are sold;

(4) Facilities for the care of children;

(5) Labor, fraternal or religious organizations; and

(6) Officers or directors of organizations formed pursuant to title 7 of NRS, reported separately for nonprofit entities and entities organized for profit;

(b) Liability insurance for:

(1) Defective products;

(2) Medical or dental malpractice of:

(I) A practitioner licensed pursuant to chapter 630, 630A, 631, 632, 633, 634, 634A, 635, 636, 637, 637B, 639 or 640 of NRS;

(II) A hospital or other health care facility; or

(III) Any related corporate entity.

(3) Malpractice of attorneys;

(4) Malpractice of architects and engineers; and

(5) Errors and omissions by other professionally qualified persons;

(c) Vehicle insurance, reported separately for:

(1) Private vehicles;

(2) Commercial vehicles;

(3) Liability insurance; and

(4) Insurance for property damage; *and*

(d) Workers' compensation insurance . ~~[; and~~

~~(e) In addition to any information provided pursuant to subparagraph (2) of paragraph (b) or NRS 690B.260, a policy of insurance for medical malpractice. As used in this paragraph, "policy of insurance for medical malpractice" has the meaning ascribed to it in NRS 679B.144.]~~

2. The Commissioner may require that the report include, without limitation, information specifically pertaining to this State or to an insurer in its entirety, in the aggregate or by type of insurance, and for a previous or current year, regarding:

(a) Premiums directly written;

(b) Premiums directly earned;

(c) Number of policies issued;

(d) Net investment income, using appropriate estimates when necessary;

(e) Losses paid;

(f) Losses incurred;

(g) Loss reserves, including:

(1) Losses unpaid on reported claims; and

(2) Losses unpaid on incurred but not reported claims;

(h) Number of claims, including:

(1) Claims paid; and

(2) Claims that have arisen but are unpaid;

(i) Expenses for adjustment of losses, including allocated and unallocated losses;

(j) Net underwriting gain or loss;

(k) Net operation gain or loss, including net investment income; and

(l) Any other information requested by the Commissioner.

3. The Commissioner may also obtain, based upon an insurer in its entirety, information regarding:

(a) Recoverable federal income tax;

(b) Net unrealized capital gain or loss; and

(c) All other expenses not included in subsection 2.

Sec. 3. NRS 679B.460 is hereby amended to read as follows:

679B.460 1. An insurer who willfully or repeatedly violates or fails to comply with a provision of NRS 679B.400 to 679B.440, inclusive, ~~[or 690B.260]~~ or a regulation adopted pursuant to NRS 679B.430 is subject, after notice and a hearing held pursuant to NRS 679B.310 to 679B.370, inclusive,

to payment of an administrative fine of not more than $1,000 for each day of the violation or failure to comply, up to a maximum fine of $50,000.

2. An insurer who fails or refuses to comply with an order issued by the Commissioner pursuant to NRS 679B.430 is subject, after notice and a hearing held pursuant to NRS 679B.310 to 679B.370, inclusive, to suspension or revocation of the insurer's certificate of authority to transact insurance in this state.

3. The imposition of an administrative fine pursuant to this section must not be considered by the Commissioner in any other administrative proceeding unless the fine has been paid or a court order for payment of the fine has become final.

Sec. 4. NRS 680A.160 is hereby amended to read as follows:

680A.160 1. If upon completion of its application the Commissioner finds that the insurer has met the requirements therefor under this Code, the Commissioner may issue to the insurer a proper certificate of authority; if the Commissioner does not so find, the Commissioner shall issue an order refusing such certificate.

2. The certificate, if issued, shall state the insurer's name, home office address, state or country of organization, and the kinds of insurance the insurer is authorized to transact throughout Nevada. At the insurer's request, the Commissioner may issue a certificate of authority limited to particular types of insurance or coverages within a kind of insurance as defined in NRS 681A.010 to 681A.080, inclusive (kinds of insurance).

3. Although issued and delivered to the insurer, the certificate of authority at all times shall be the property of the State of Nevada. ~~[Upon any expiration, suspension or termination thereof the insurer shall promptly deliver the certificate to the Commissioner.]~~

Sec. 5. NRS 680A.270 is hereby amended to read as follows:

680A.270 1. Each authorized insurer shall annually on or before March 1, or within any reasonable extension of time therefor which the Commissioner for good cause may have granted on or before that date, file with the Commissioner a full and true statement of its financial condition, transactions and affairs as of December 31 preceding. The statement must be:

(a) In the general form and context of, and require information as called for by, an annual statement as is currently in general and customary use in the United States for the type of insurer and kinds of insurance to be reported upon, with any useful or necessary modification or adaptation thereof, supplemented by additional information required by the Commissioner;

(b) Prepared in accordance with:

(1) The Annual Statement Instructions for the type of insurer to be reported on as adopted by the National Association of Insurance Commissioners for the year in which the insurer files the statement; and

(2) The Accounting Practices and Procedures Manual adopted by the National Association of Insurance Commissioners and effective on

January 1, 2001, and as amended by the National Association of Insurance Commissioners after that date; and

(c) Verified by the oath of the insurer's president or vice president and secretary or actuary, as applicable, or, in the absence of the foregoing, by two other principal officers, or if a reciprocal insurer, by the oath of the attorney-in fact, or its like officers if a corporation.

2. The statement of an alien insurer must be verified by its United States manager or other officer who is authorized to do so, and may relate only to the insurer's transactions and affairs in the United States unless the Commissioner requires otherwise. If the Commissioner requires a statement as to the insurer's affairs throughout the world, the insurer shall file the statement with the Commissioner as soon as reasonably possible.

3. The Commissioner may refuse to continue, or may suspend or revoke, the certificate of authority of any insurer failing to file its annual statement when due.

4. At the time of filing ~~[,]~~ *its annual statement with the Commissioner,* the insurer shall pay the fee for filing its annual statement as prescribed by NRS 680B.010.

5. *Each domestic insurer shall file with the Commissioner and the National Association of Insurance Commissioners a quarterly statement in the form most recently adopted by the National Association of Insurance Commissioners for that type of insurer. The quarterly statement must be:*

(a) Prepared in accordance with the instructions which are applicable to that form, including, without limitation, the required date of submission for the form; and

(b) Filed by electronic means.

6. The Commissioner may adopt regulations requiring each domestic, foreign and alien insurer which is authorized to transact insurance in this state to file the insurer's annual statement with the National Association of Insurance Commissioners or its successor organization.

~~[6.]~~ *7.* Except as otherwise provided in NRS 239.0115, all work papers, documents and materials prepared pursuant to this section by or on behalf of the Division are confidential and must not be disclosed by the Division.

~~[7.]~~ *8.* To the extent that the Annual Statement Instructions referenced in subparagraph (1) of paragraph (b) of subsection 1 *or the instructions for the preparation of quarterly statements referenced in paragraph (a) of subsection 5* require the disclosure of compensation paid to or on behalf of an insurer's officers, directors or employees, the information may be filed with the Commissioner *and the National Association of Insurance Commissioners* as ~~[an exhibit]~~ *exhibits* separate from the ~~[statement]~~ *annual and quarterly statements* required by this section. Except as otherwise provided in NRS 239.0115, the compensation information described in this subsection is confidential and must not be disclosed by the Division.

Sec. 6. NRS 680A.280 is hereby amended to read as follows:

680A.280 1. Any insurer failing, without just cause beyond the reasonable control of the insurer, to file ~~[an annual]~~ *a* statement as required in NRS 680A.265 and 680A.270 shall be required to pay a penalty of $100 for each day's delay, but not to exceed $3,000 in aggregate amount, to be recovered in the name of the State of Nevada by the Attorney General.

2. Any director, officer, agent or employee of any insurer who subscribes to, makes or concurs in making or publishing, any annual or other statement required by law, knowing the same to contain any material statement which is false, is guilty of a gross misdemeanor.

Sec. 7. NRS 680A.300 is hereby amended to read as follows:

680A.300 1. ~~[Except as provided in NRS 680A.310, no]~~ *No* authorized insurer may make, write, place, renew or cause to be made, placed or renewed, any policy or duplicate policy, endorsement or contract of insurance of any kind upon persons, property or risks resident, located or to be performed in this State, except through its duly appointed and licensed agents . ~~[, any one of whom shall countersign the policy, endorsement or contract.]~~

2. ~~[Where two or more insurers jointly issue a single policy, the policy may be countersigned, on behalf of all insurers appearing thereon, by a duly appointed and licensed agent of any one insurer.~~

~~3.]~~ In any case where it is necessary to execute an emergency bond and a commissioned agent authorized to execute the bond is not present, a manager or other employee of the insurer having authority under a power of attorney may execute the bond in order to produce a valid contract between the insurer and the obligee. ~~[The bond must subsequently be countersigned by a commissioned agent who is authorized to execute the bond.]~~ The commissioned agent who executes the bond shall make and retain an adequate office record of the transaction.

~~[4. An insurer may use an endorsement to the policy for the sole purpose of countersigning the policy, as required in this section, only if:~~

~~(a) The endorsement is attached to the policy to which it applies; and~~

~~(b) The policy insures persons or property in this State and one or more other states.]~~

Sec. 8. NRS 680B.025 is hereby amended to read as follows:

680B.025 For the purposes of NRS 680B.025 to 680B.039, inclusive:

1. "Total income derived from direct premiums written":

(a) Does not include premiums written or considerations received from life insurance policies or annuity contracts issued in connection with the funding of a pension, annuity or profit-sharing plan qualified or exempt pursuant to sections 401, 403, 404, 408, 457 or 501 of the United States Internal Revenue Code as renumbered from time to time.

(b) Does not include payments received by an insurer from the Secretary of Health and Human Services pursuant to a contract entered into pursuant to section 1876 of the Social Security Act, 42 U.S.C. § 1395mm.

(c) As to title insurance, consists of the total amount charged by the company for the sale of policies of title insurance.

2. Money accepted by a life insurer pursuant to an agreement which provides for an accumulation of money to purchase annuities at future dates ~~[may]~~ *shall* be considered as "total income derived from direct premiums written" ~~[either]~~ *:*

(a) For such an agreement which is issued before January 1, 2020, either upon receipt or upon the actual application of the money to the purchase of annuities, but any interest credited to money accumulated while under the latter alternative must also be included in "total income derived from direct premiums written," and any money taxed upon receipt, including any interest later credited thereto, is not subject to taxation upon the purchase of annuities. Each life insurer shall signify on its return covering premiums for the calendar year 1971 or for the first calendar year it transacts business in this State, whichever is later, its election between those two alternatives. Thereafter an insurer shall not change his or her election without the consent of the Commissioner.

(b) For such an agreement which is issued on or after January 1, 2020, upon receipt.

➥ Any such money taxed as "total income derived from direct premiums written" is, in the event of withdrawal of the money before its actual application to the purchase of annuities, eligible to be included as "return premiums" pursuant to the provisions of NRS 680B.030.

Sec. 9. NRS 680C.110 is hereby amended to read as follows:

680C.110 1. In addition to any other fee or charge, the Commissioner shall collect in advance and receipt for, and persons so served must pay to the Commissioner, the fees required by this section.

2. A fee required by this section must be:

(a) If an initial fee, paid at the time of an initial application or issuance of a license, as applicable;

(b) Except as otherwise provided in NRS 680A.180, 683A.378, 686A.380, *690C.160,* 694C.230, 695A.080, 695B.135, 695D.150, 695H.090 and 696A.150, if an annual fee, paid on or before the date established by regulation of the Commissioner;

(c) If a triennial fee, paid on or before the time of continuation, renewal or other similar action in regard to a certificate, license, permit or other type of authorization, as applicable; and

(d) Deposited in the Fund for Insurance Administration and Enforcement created by NRS 680C.100.

3. The fees required pursuant to this section are not refundable.

4. The following fees must be paid by the following persons to the Commissioner:

(a) Associations of self-insured private employers, as defined in NRS 616A.050:

(1) Initial fee $1,300

(2) Annual fee $1,300

(b) Associations of self-insured public employers, as defined in NRS 616A.055:
(1) Initial fee $1,300
(2) Annual fee $1,300
(c) Independent review organizations, as provided for in NRS 616A.469 or 683A.3715, or both:
(1) Initial fee $60
(2) Annual fee $60
(d) Producers of insurance, as defined in NRS 679A.117:
(1) Initial fee $60
(2) Triennial fee $60
(e) Reinsurers, as provided for in NRS 681A.1551 or 681A.160, as applicable:
(1) Initial fee $1,300
(2) Annual fee $1,300
(f) Intermediaries, as defined in NRS 681A.330:
(1) Initial fee $60
(2) Triennial fee $60
(g) Reinsurers, as defined in NRS 681A.370:
(1) Initial fee $1,300
(2) Annual fee $1,300
(h) Administrators, as defined in NRS 683A.025:
(1) Initial fee $60
(2) Triennial fee $60
(i) Managing general agents, as defined in NRS 683A.060:
(1) Initial fee $60
(2) Triennial fee $60
(j) Agents who perform utilization reviews, as defined in NRS 683A.376:
(1) Initial fee $60
(2) Annual fee $60
(k) Insurance consultants, as defined in NRS 683C.010:
(1) Initial fee $60
(2) Triennial fee $60
(l) Independent adjusters, as defined in NRS 684A.030:
(1) Initial fee $60
(2) Triennial fee $60
(m) Public adjusters, as defined in NRS 684A.030:
(1) Initial fee $60
(2) Triennial fee $60
(n) Associate adjusters, as defined in NRS 684A.030:
(1) Initial fee $60
(2) Triennial fee $60
(o) Motor vehicle physical damage appraisers, as defined in NRS 684B.010:
(1) Initial fee $60

(2) Triennial fee $60
(p) Brokers, as defined in NRS 685A.031:
(1) Initial fee $60
(2) Triennial fee $60
(q) Companies, as defined in NRS 686A.330:
(1) Initial fee $1,300
(2) Annual fee $1,300
(r) Rate service organizations, as defined in NRS 686B.020:
(1) Initial fee $1,300
(2) Annual fee $1,300
(s) Brokers of viatical settlements, as defined in NRS 688C.030:
(1) Initial fee $60
(2) Annual fee $60
(t) Providers of viatical settlements, as defined in NRS 688C.080:
(1) Initial fee $60
(2) Annual fee $60
(u) Agents for prepaid burial contracts subject to the provisions of chapter 689 of NRS:
(1) Initial fee $60
(2) Triennial fee $60
(v) Agents for prepaid funeral contracts subject to the provisions of chapter 689 of NRS:
(1) Initial fee $60
(2) Triennial fee $60
(w) Sellers of prepaid burial contracts subject to the provisions of chapter 689 of NRS:
(1) Initial fee $60
(2) Triennial fee $60
(x) Sellers of prepaid funeral contracts subject to the provisions of chapter 689 of NRS:
(1) Initial fee $60
(2) Triennial fee $60
(y) Providers, as defined in NRS 690C.070:
(1) Initial fee $1,300
(2) Annual fee $1,300
(z) Escrow officers, as defined in NRS 692A.028:
(1) Initial fee $60
(2) Triennial fee $60
(aa) Title agents, as defined in NRS 692A.060:
(1) Initial fee $60
(2) Triennial fee $60
(bb) Captive insurers, as defined in NRS 694C.060:
(1) Initial fee $250
(2) Annual fee $250
(cc) Insurance agents for societies, as provided for in NRS 695A.330:

(1) Initial fee $60
(2) Triennial fee $60
(dd) Purchasing groups, as defined in NRS 695E.100:
(1) Initial fee $250
(2) Annual fee $250
(ee) Risk retention groups, as defined in NRS 695E.110:
(1) Initial fee $250
(2) Annual fee $250
(ff) Medical discount plans, as defined in NRS 695H.050:
(1) Initial fee $1,300
(2) Annual fee $1,300
(gg) Club agents, as defined in NRS 696A.040:
(1) Initial fee $60
(2) Triennial fee $60
(hh) Motor clubs, as defined in NRS 696A.050:
(1) Initial fee $1,300
(2) Annual fee $1,300
(ii) Bail agents, as defined in NRS 697.040:
(1) Initial fee $60
(2) Triennial fee $60
(jj) Bail enforcement agents, as defined in NRS 697.055:
(1) Initial fee $60
(2) Triennial fee $60
(kk) Bail solicitors, as defined in NRS 697.060:
(1) Initial fee $60
(2) Triennial fee $60
(ll) General agents, as defined in NRS 697.070:
(1) Initial fee $60
(2) Triennial fee $60
(mm) Exchange enrollment facilitators, as defined in NRS 695J.050:
(1) Initial fee $60
(2) Triennial fee $60

5. An initial fee of $1,000 must be paid to the Commissioner by each:

(a) Insurer who is authorized to transact casualty insurance, as defined in NRS 681A.020;

(b) Insurer who is authorized to transact health insurance, as defined in NRS 681A.030;

(c) Insurer who is authorized to transact life insurance, as defined in NRS 681A.040;

(d) Insurer who is authorized to transact property insurance, as defined in NRS 681A.060;

(e) Title insurer, as defined in NRS 692A.070;

(f) Fraternal benefit society, as defined in NRS 695A.010;

(g) Corporation subject to the provisions of chapter 695B of NRS;

(h) Health maintenance organization, as defined in NRS 695C.030;

(i) Organization for dental care, as defined in NRS 695D.060; and

(j) Prepaid limited health service organization, as defined in NRS 695F.050.

6. An insurer who is required to pay an initial fee of $1,000 pursuant to subsection 5 shall also pay to the Commissioner an annual fee in an amount determined by the Commissioner. When determining the amount of the annual fee, the Commissioner must consider:

(a) The direct written premiums reported to the Commissioner by the insurer during the previous year;

(b) The number of insurers who are required to pay an annual fee pursuant to this subsection;

(c) The direct written premiums reported during the previous year by all insurers paying such fees; and

(d) The budget of the Division.

7. An insurer who is not required to pay an initial or annual fee pursuant to subsection 4 or subsections 5 and 6 shall pay to the Commissioner an initial fee of $1,300 and an annual fee of $1,300.

Sec. 10. NRS 682A.436 is hereby amended to read as follows:

682A.436 1. An insurer shall not acquire an investment in accordance with the provisions of NRS 682A.430 if, as a result of and after giving effect to the investment, the aggregate amount of all investments held by the insurer pursuant to that section would exceed:

(a) One percent of its admitted assets in mortgage loans covering any one secured location;

(b) One-quarter of one percent of its admitted assets in construction loans covering any one secured location; or

(c) Two percent of its admitted assets in construction loans in the aggregate.

2. An insurer shall not acquire an investment under NRS 682A.432 if, as a result of and after giving effect to the investment and any outstanding guarantees made by the insurer in connection with the investment, the aggregate amount of investments held by the insurer under NRS 682A.432 plus the guarantees outstanding would exceed:

(a) One percent of its admitted assets in one parcel or group of contiguous parcels of real estate, except that this limitation does not apply to that portion of real estate used for the direct provision of health care services by an accident and health insurer for its insureds, such as hospitals, medical clinics, medical professional buildings or other health facilities used for the purpose of providing health services; or

(b) Fifteen percent of its admitted assets in the aggregate, but not more than 5 percent of its admitted assets as to properties that are to be improved or developed.

3. An insurer shall not acquire an investment pursuant to NRS 682A.430 or 682A.432 if, as a result of and after giving effect to the investment and any guarantees made by the insurer in connection with the investment, the aggregate amount of all investments held by the insurer in accordance with those sections plus the guarantees outstanding would exceed 45 percent of the

insurer's admitted assets. An insurer may exceed this limitation by not more than 30 percent of the insurer's admitted assets if:

(a) This increased amount is invested only in residential mortgage loans;

(b) The insurer has not more than 10 percent of the insurer's admitted assets invested in mortgage loans other than residential mortgage loans;

(c) The loan-to-value ratio of each residential mortgage loan does not exceed 60 percent at the time the mortgage loan is qualified pursuant to this increased authority, and the fair market value is supported by an appraisal that is not more than 2 years old and prepared by an independent appraiser;

(d) A single mortgage loan qualified pursuant to this increased authority does not exceed 0.5 percent of the insurer's admitted assets;

(e) The insurer files with the Commissioner, and receives approval from the Commissioner for, a plan that is designed to result in a portfolio of residential mortgage loans that is sufficiently geographically diversified; and

(f) The insurer agrees to file annually with the Commissioner records which demonstrate that the insurer's portfolio of residential mortgage loans is geographically diversified in accordance with the plan.

4. The limitations of NRS 682A.402, 682A.404 and 682A.406 do not apply to an insurer's acquisition of real estate under NRS ~~[682A.432.]~~ *682A.434*. An insurer shall not acquire real estate under NRS ~~[682A.432]~~ *682A.434* if, as a result of and after giving effect to the acquisition, the aggregate amount of real estate held by the insurer in accordance with that section would exceed 10 percent of its admitted assets. With the approval of the Commissioner, additional amounts of real estate may be acquired under NRS ~~[682A.432.]~~ *682A.434*.

Sec. 11. NRS 683A.08522 is hereby amended to read as follows:

683A.08522 Each application for a certificate of registration as an administrator must include or be accompanied by:

1. A financial statement ~~[that is certified by an officer]~~ of the applicant *that has been reviewed by an independent certified public* ~~*[account]*~~ *accountant* and ~~[must include:]~~ *which includes:*

(a) ~~[The]~~ *A statement regarding the* amount of money that the applicant expects to collect from or disburse to residents of this state during the next calendar year . ~~[;]~~

(b) Financial information for the 90 days immediately preceding the date the application was filed with the Commissioner . ~~[; and]~~

(c) An income statement and balance sheet for the 2 years immediately preceding the application that are ~~[prepared]~~ *:*

(1) Prepared in accordance with generally accepted accounting principles ~~[. The submission by the applicant of his or her consolidated income statement and balance sheet does not constitute compliance with the provisions of this paragraph.]~~ *; and*

(2) Reviewed by an independent certified public accountant.

(d) A certification of the financial statement by an officer of the applicant.

2. The documents used to create the business association of the administrator, including articles of incorporation, articles of association, a partnership agreement, a trust agreement and a shareholders' agreement.

3. The documents used to regulate the internal affairs of the administrator, including the bylaws, rules or regulations of the administrator.

4. A certificate of registration issued pursuant to NRS 600.350 for a trade name or trademark used by the administrator ~~[.]~~ *, if applicable.*

5. An organizational chart that identifies each person who directly or indirectly controls the administrator and each affiliate of the administrator.

6. A notarized affidavit from each person who manages or controls the administrator, including each member of the board of directors or board of trustees, each officer, partner and member of the business association of the administrator, and each shareholder of the administrator who holds not less than 10 percent of the voting stock of the administrator. The affidavit must include:

(a) The personal history, business record and insurance experience of the affiant;

(b) Whether the affiant has been investigated by any regulatory authority or has had any license or certificate denied, suspended or revoked in any state; and

(c) Any other information that the Commissioner may require.

7. The complete name and address of each office of the administrator, including offices located outside this state.

8. A statement that sets forth whether the administrator has:

(a) Held a license or certificate to transact any kind of insurance in this state or any other state and whether that license or certificate has been refused, suspended or revoked;

(b) Been indebted to any person and, if so, the circumstances of that debt; and

(c) Had an administrative agreement cancelled and, if so, the circumstances of that cancellation.

9. A statement that describes the business plan of the administrator. The statement must include information:

(a) Concerning the number of persons on the staff of the administrator and the activities proposed in this state or in any other state.

(b) That demonstrates the capability of the administrator to provide a sufficient number of experienced and qualified persons for the processing of claims, the keeping of records and, if applicable, underwriting.

10. If the applicant intends to solicit new or renewal business, proof that the applicant employs or has contracted with a producer of insurance licensed in this state to solicit and take applications. An applicant who intends to solicit insurance contracts directly or to act as a producer must provide proof that the applicant is licensed as a producer in this state.

Sec. 12. NRS 683A.08524 is hereby amended to read as follows:

683A.08524 1. Except as otherwise provided in subsection 2 or 3, the Commissioner shall issue a certificate of registration as an administrator to an applicant who:

(a) Submits an application on a form prescribed by the Commissioner;

(b) Has complied with the provisions of NRS 683A.08522; and

(c) Pays the fee for the issuance of a certificate of registration prescribed in NRS 680B.010 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.

2. The Commissioner may refuse to issue a certificate of registration as an administrator to an applicant if the Commissioner determines that the applicant or any person who has completed an affidavit pursuant to subsection 6 of NRS 683A.08522:

(a) Is not competent to act as an administrator;

(b) Is not trustworthy or financially responsible;

(c) Does not have a good personal or business reputation;

(d) Has had a license or certificate to transact insurance denied for cause, suspended or revoked in this state or any other state;

(e) Has failed to comply with any provision of this chapter; or

(f) Is financially unsound.

3. ~~[The Commissioner shall submit the information supplied by an applicant pursuant to subsection 1 to]~~ *If an applicant seeks final approval by* the Division of Industrial Relations of the Department of Business and Industry ~~[for final approval]~~ in accordance with ~~[the]~~ regulations adopted pursuant to subsection 8 of NRS 616A.400 ~~[.]~~ *, the Commissioner shall submit to the Division the information supplied by the applicant pursuant to subsection 1*. Unless the Division provides final approval for the applicant to the Commissioner, the Commissioner shall not issue a certificate of registration as an administrator to the applicant.

Sec. 13. NRS 683A.08526 is hereby amended to read as follows:

683A.08526 1. A certificate of registration as an administrator is valid for 3 years after the date the Commissioner issues the certificate to the administrator.

2. An administrator may renew a certificate of registration if the administrator submits to the Commissioner:

(a) An application on a form prescribed by the Commissioner; and

(b) The fee for the renewal of the certificate of registration prescribed in NRS 680B.010 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.

~~[3. A certificate of registration that is suspended or revoked must be surrendered immediately to the Commissioner.]~~

Sec. 14. NRS 683A.08528 is hereby amended to read as follows:

683A.08528 1. Not later than 90 days after the expiration of the fiscal year of the administrator, or within such other period as the Commissioner may allow, each holder of a certificate of registration as an administrator shall file

with the Commissioner an annual report for that fiscal year. Each annual report must be verified by at least two officers of the administrator.

2. Each annual report filed pursuant to this section must include all the following:

(a) A financial statement of the administrator that has been reviewed by an independent certified public accountant.

(b) The complete name and address of each person, if any, for whom the administrator agreed to act as an administrator during the fiscal year.

(c) A statement regarding the total money handled by the administrator on behalf of contracted entities in connection with his or her activities as an administrator. The statement must be on a form prescribed or approved by the Commissioner for the purpose of calculating the amount of the bond required by NRS 683A.0857.

(d) Any other information required by the Commissioner.

3. Except as otherwise provided in subsection 4, in addition to the information required pursuant to subsection 2, if an annual report is prepared on a consolidated basis, the annual report must include supplemental exhibits that:

(a) Have been reviewed by an independent certified public accountant; and

(b) Include a balance sheet and income statement for each holder of a certificate of registration as an administrator in this State.

4. In lieu of complying with the requirements set forth in paragraphs (a) and (b) of subsection 3, an administrator who is a wholly owned subsidiary of a parent company may submit to the Commissioner:

(a) The financial statement of the parent company that has been audited by an independent certified public accountant; and

(b) A parental guaranty that is signed by an officer of the parent company and which guarantees the financial solvency of the administrator.

5. ~~[Each administrator who files an annual report pursuant to this section shall, at the time of filing the annual report, pay a filing fee in an amount determined by the Commissioner.~~

~~6.]~~ The Commissioner shall, for each administrator, review the annual report that is most recently filed by the administrator. As soon as practicable after reviewing the report, the Commissioner shall ~~[:~~

~~(a) Issue]~~ *issue* a certificate to the administrator ~~[:~~

~~(1) Indicating]~~ *indicating* that, based on the annual report and accompanying financial statement, the administrator ~~[has a positive net worth and]~~ is currently licensed and in good standing in this State . ~~[; or~~

~~(2) Setting forth any deficiency found by the Commissioner in the annual report and accompanying financial statement; or~~

~~(b) Submit a statement to any electronic database maintained by the National Association of Insurance Commissioners or any affiliate or subsidiary of the Association:~~

~~(1) Indicating that, based on the annual report and accompanying financial statement, the administrator has a positive net worth and is in compliance with existing law; or~~

~~(2) Setting forth any deficiency found by the Commissioner in the annual report and accompanying financial statement.]~~

Sec. 15. NRS 684A.170 is hereby amended to read as follows:

684A.170 1. Every adjuster *who is a resident of this State* shall have and maintain in this state a place of business accessible to the public and from which the licensee principally conducts transactions under his or her license. The address of such place shall appear upon the application for a license and upon the license, when issued, and the licensee shall promptly notify the Commissioner in writing of any change thereof. Nothing in this section shall prohibit the maintenance of such place in the licensee's residence in this state.

2. The license of the licensee and those of associate adjusters employed by the licensee shall be conspicuously displayed in such place of business in a part thereof customarily open to the public.

Sec. 16. NRS 684A.180 is hereby amended to read as follows:

684A.180 1. Each adjuster shall keep at his or her business address shown on the adjuster's license a record of all transactions under the license.

2. The record shall include:

(a) A copy of each contract between an independent adjuster and an insurer or self-insurer.

(b) A copy of all investigations or adjustments undertaken.

(c) A statement of any fee, commission or other compensation received or to be received by the adjuster on account of such investigation or adjustment.

3. The adjuster shall make such records available for examination by the Commissioner at all times, and shall retain the records for at least 3 years ~~[.]~~ *after the closure of the claim to which the records apply.*

4. An independent adjuster shall comply with any record retention policy agreed to in a contract between the independent adjuster and an insurer or self-insurer to the extent that such a policy imposes a requirement to retain records for a longer period than the period required by this section.

Sec. 17. NRS 684A.210 is hereby amended to read as follows:

684A.210 1. The Commissioner may suspend, revoke, limit or refuse to continue any adjuster's license or associate adjuster's license:

(a) For any cause specified in any other provision of this chapter;

(b) For any applicable cause for revocation of the license of a producer of insurance under NRS 683A.451; or

(c) If the licensee has for compensation represented or attempted to represent both the insurer and the insured in the same transaction.

2. The license of a business entity may be suspended, revoked, limited or continuation refused for any cause which relates to any individual designated with respect to the license to exercise its powers.

~~[3. The holder of any license which has been suspended or revoked shall forthwith surrender the license to the Commissioner.]~~

Sec. 18. NRS 684A.220 is hereby amended to read as follows:

684A.220 NRS 683A.451 ~~[,]~~ *and* 683A.461 ~~[and 683A.480]~~ also apply to suspension, revocation, limitation or refusal to continue adjusters' licenses and associate adjusters' licenses, except where in conflict with the express provisions of this chapter.

Sec. 19. NRS 684B.110 is hereby amended to read as follows:

684B.110 1. The Commissioner may suspend, revoke, limit or refuse to continue any motor vehicle physical damage appraiser's license:

(a) For any cause specified in any other provision of this chapter;

(b) For any such applicable cause as for revocation of the license of a producer of insurance under NRS 683A.451; or

(c) If the licensee has for compensation represented or attempted to represent both the insurer and the insured in the same transaction.

2. The license of a business organization may be suspended, revoked, limited or continuation refused for any cause which relates to any individual designated in or with respect to the license to exercise its powers.

~~[3. The holder of any license which has been suspended or revoked shall forthwith surrender the license to the Commissioner.]~~

Sec. 20. NRS 684B.120 is hereby amended to read as follows:

684B.120 NRS 683A.451 ~~[,]~~ *and* 683A.461 ~~[and 683A.480]~~ also apply to suspension, revocation, limitation or refusal to continue motor vehicle physical damage appraiser's licenses, except where in conflict with the express provisions of this chapter.

Sec. 21. Chapter 685A of NRS is hereby amended by adding thereto the provisions set forth as sections 22 and 23 of this act.

Sec. 22. *"Domestic surplus lines insurer" means an insurer which is authorized by the Commissioner to accept surplus lines insurance pursuant to section 23 of this act.*

Sec. 23. *1. An insurer which is domiciled in this State may be designated as a domestic surplus lines insurer by the Commissioner if:*

(a) The insurer possesses capital and surplus of not less than $15,000,000; or

(b) The Commissioner makes an affirmative finding of acceptability pursuant to subsection 3 of NRS 685A.070.

2. A designation by the Commissioner of an insurer as a domestic surplus lines insurer must be in writing.

3. A domestic surplus lines insurer may accept surplus lines insurance in any jurisdiction in which it is eligible.

4. A broker who places surplus lines insurance with a domestic surplus lines insurer shall comply with:

(a) The provisions of NRS 685A.175 and 685A.180; and

(b) All other provisions of this chapter which apply to the export of nonadmitted insurance for an insured for which this State is the home state.

5. Except as otherwise provided by specific statute, the provisions of this Code regarding financial and solvency requirements apply to a domestic surplus lines insurer.

6. The provisions of chapter 686C and 687A of NRS do not apply to a domestic surplus lines insurer.

Sec. 24. NRS 685A.030 is hereby amended to read as follows:

685A.030 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 685A.031 to 685A.039, inclusive, *and section 22 of this act* have the meanings ascribed to them in those sections.

Sec. 25. NRS 685A.0375 is hereby amended to read as follows:

685A.0375 *1.* "Nonadmitted insurer" means an insurer not authorized to engage in the business of insurance in this State.

2. The term includes a domestic surplus lines insurer.

3. The term does not include a risk retention group as that term is defined in 15 U.S.C. § 3901(a)(4).

Sec. 26. NRS 685A.070 is hereby amended to read as follows:

685A.070 1. A broker shall not knowingly place surplus lines insurance with an insurer which is unsound financially or ineligible pursuant to this section.

2. With respect to nonadmitted insurance for insureds for which this State is the home state, except as otherwise provided in this section, an insurer is not eligible to accept surplus lines or independently procured risks pursuant to this chapter unless it has capital and surplus or its equivalent in an amount of not less than $15,000,000 or the minimum capital and surplus requirements pursuant to NRS 680A.120, whichever is greater.

3. The requirements of ~~[subsection]~~ *subsections* 2 *and 4 and of subsection 1 of section 23 of this act* may be satisfied by an insurer possessing less than the minimum capital and surplus upon an affirmative finding of acceptability by the Commissioner. The finding must be based upon such factors as quality of management, capital and surplus of any parent company, company underwriting profit and investment income trends, market availability and company record and reputation within the industry. The Commissioner shall not make an affirmative finding of acceptability when the ~~[nonadmitted]~~ insurer's capital and surplus is less than $4,500,000.

4. *A broker shall not place surplus lines insurance with a domestic surplus lines insurer, and a domestic surplus lines insurer is not eligible to accept surplus lines, unless:*

(a) The domestic surplus lines insurer possesses capital and surplus of not less than $15,000,000; or

(b) The Commissioner has made an affirmative finding of acceptability pursuant to subsection 3.

5. A broker shall not place surplus lines insurance with an alien insurer, unless the alien insurer is listed on the Quarterly Listing of Alien Insurers maintained by the International Insurers Department of the National Association of Insurance Commissioners or, if the alien insurer is not listed on

the Quarterly Listing of Alien Insurers, it has and maintains in a bank or trust company which is a member of the United States Federal Reserve System a trust fund established pursuant to terms that are reasonably adequate to protect all of its policyholders in the United States. Such a trust fund must not have an expiration date which is at any time less than 5 years in the future, on a continuing basis. In the case of:

(a) A single alien insurer, such a trust fund must not be less than the greater of $5,400,000 or 30 percent of the gross liabilities of the alien insurer for surplus lines in the United States, excluding any liabilities for aviation, wet marine and transportation insurance, not to exceed $60,000,000, to be determined annually on the basis of accounting practices and procedures that are substantially equivalent to the accounting practices and procedures applicable in this State as of December 31 of the year immediately preceding the date of the determination where:

(1) The liabilities are maintained in an irrevocable trust account in a qualified financial institution in the United States, on behalf of policyholders in the United States, consisting of cash, securities, letters of credit or any other investments of substantially the same character and quality as investments that are eligible investments pursuant to chapter 682A of NRS for the capital and statutory reserves of admitted insurers to write like kinds of insurance in this State. The trust fund, which must be included in any calculation of capital and surplus or its equivalent, must comply with the requirements set forth in the Standard Trust Agreement required for listing with the International Insurers Department of the National Association of Insurance Commissioners;

(2) The alien insurer may request approval by the Commissioner to use the trust fund to pay any valid claim against a surplus line if the balance of the trust fund is not, during any period, less than $5,400,000 or 30 percent of the alien insurer's current gross liabilities for surplus lines in the United States, excluding any liabilities for aviation, wet marine and transportation insurance; and

(3) In calculating the amount of the trust fund required by this subsection, credit must be given for any deposits for any surplus lines that are separately required and maintained within a state or territory of the United States, not to exceed the amount of the alien insurer's loss and loss adjustment reserves maintained in that state or territory.

(b) A group of insurers which includes individual unincorporated insurers, such a trust fund must not be less than $100,000,000.

(c) A group of incorporated insurers under common administration, such a trust fund must not be less than $100,000,000. Each insurer within the group must individually maintain capital and surplus of not less than $25,000,000. The group of incorporated insurers must:

(1) Operate under the supervision of the Department of Trade and Industry of the United Kingdom ~~[;]~~ *or its successor agency;*

(2) Possess aggregate policyholders surplus of $10,000,000,000, which must consist of money in trust in an amount not less than the assuming insurers' liabilities attributable to insurance written in the United States; and

(3) Maintain a joint trusteed surplus of which $100,000,000 must be held jointly for the benefit of United States ceding insurers of any member of the group.

~~[5.]~~ *6.* A foreign insurer must be ~~[authorized]~~ *:*

(a) Authorized in the state of its domicile to write the kinds of insurance which it intends to write in Nevada and for which this State is the home state of the insured ~~[.]~~ *; or*

(b) A domestic surplus lines insurer in the state of its domicile.

Sec. 26.5. NRS 685A.155 is hereby amended to read as follows:

685A.155 ~~[A]~~ *The licensed surplus lines* broker who ~~[places any]~~ *is first engaged by or on behalf of an applicant for* insurance ~~[coverage with an authorized insurer pursuant to subsection 3 of NRS 685A.060]~~ may charge a fee for procuring surplus lines coverage. Except as otherwise provided by agreement between the insurer and *that* broker, *the sum of* the fee *and any other commissions, fees and charges payable to that broker* must not exceed 20 percent of the premium ~~[charged, after deduction of any other commissions, fees and charges payable to the broker.]~~ *paid by the insured.*

Sec. 27. NRS 685A.220 is hereby amended to read as follows:

685A.220 In addition to those referred to in other provisions of this chapter, the following provisions of chapter 683A of NRS, to the extent applicable and not inconsistent with the express provisions of this chapter, also apply to surplus lines brokers:

1. NRS 683A.341;
2. NRS 683A.361;
3. NRS 683A.400;
4. NRS 683A.451;
5. NRS 683A.461;
6. ~~[NRS 683A.480;~~

~~7.]~~ NRS 683A.490; and

~~[8.]~~ *7.* NRS 683A.520.

Sec. 28. NRS 686A.520 is hereby amended to read as follows:

686A.520 1. The provisions of NRS 683A.341, 683A.451, 683A.461 ~~[, 683A.480]~~ and 686A.010 to 686A.310, inclusive, apply to companies.

2. For the purposes of subsection 1, unless the context requires that a section apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "company."

Sec. 29. NRS 686B.112 is hereby amended to read as follows:

686B.112 1. The Commissioner shall *perform an actuarial review of and* consider each proposed increase or decrease in the rate of a health plan issued pursuant to the provisions of chapter 689A, 689B, 689C, 695B, 695C, 695D or 695F of NRS, including, without limitation, long-term care and Medicare supplement plans, filed with the Commissioner pursuant to

subsection 1 of NRS 686B.070. If the Commissioner finds that a proposed increase will result in a rate which is not in compliance with NRS 686B.050 or subsection 3 of NRS 686B.070, the Commissioner shall disapprove the proposal. The Commissioner shall approve or disapprove each proposal not later than 60 days after the proposal is determined by the Commissioner to be complete pursuant to subsection 4. If the Commissioner fails to approve or disapprove the proposal within that period, the proposal shall be deemed approved.

2. Whenever an insurer has no legally effective rates as a result of the Commissioner's disapproval of rates or other act, the Commissioner shall on request specify interim rates for the insurer that are high enough to protect the interests of all parties and may order that a specified portion of the premiums be placed in an escrow account approved by the Commissioner. When new rates become legally effective, the Commissioner shall order the escrowed funds or any overcharge in the interim rates to be distributed appropriately, except that refunds to policyholders that are de minimis must not be required.

3. If the Commissioner disapproves a proposed rate pursuant to subsection 1, and an insurer requests a hearing to determine the validity of the action of the Commissioner, the insurer has the burden of showing compliance with the applicable standards for rates established in NRS 686B.010 to 686B.1799, inclusive. Any such hearing must be held:

(a) Within 30 days after the request for a hearing has been submitted to the Commissioner; or

(b) Within a period agreed upon by the insurer and the Commissioner.

➥ If the hearing is not held within the period specified in paragraph (a) or (b), or if the Commissioner fails to issue an order concerning the proposed rate for which the hearing is held within 45 days after the hearing, the proposed rate shall be deemed approved.

4. The Commissioner shall by regulation specify the documents or any other information which must be included in a proposal to increase or decrease a rate submitted to the Commissioner pursuant to subsection 1. Each such proposal shall be deemed complete upon its filing with the Commissioner, unless the Commissioner, within 15 business days after the proposal is filed with the Commissioner, determines that the proposal is incomplete because the proposal does not comply with the regulations adopted by the Commissioner pursuant to this subsection.

5. The Commissioner may assess against an insurer the actual cost for the actuarial review of a proposal to increase or decrease a rate submitted pursuant to subsection 1.

Sec. 30. NRS 689.160 is hereby amended to read as follows:

689.160 1. The provisions of NRS 683A.341, 683A.451, 683A.461 ~~[,~~ ~~683A.480]~~ and 686A.010 to 686A.310, inclusive, apply to agents and sellers.

2. For the purposes of subsection 1, unless the context requires that a section apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "agent" and "seller."

3. The provisions of NRS 679B.230 to 679B.300, inclusive, apply to sellers. Unless the context requires that a provision apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "seller."

Sec. 31. NRS 689.595 is hereby amended to read as follows:

689.595 1. The provisions of NRS 683A.341, 683A.451, 683A.461 ~~[,~~ ~~683A.480]~~ and 686A.010 to 686A.310, inclusive, apply to agents and sellers.

2. For the purposes of subsection 1, unless the context requires that a section apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "agent" and "seller."

3. The provisions of NRS 679B.230 to 679B.300, inclusive, apply to sellers. Unless the context requires that a provision apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "seller."

Sec. 32. NRS 690B.150 is hereby amended to read as follows:

690B.150 An insurer who issues policies of insurance for home protection, other than casualty insurance, shall file ~~[the]~~ *:*

1. The annual statement required by NRS 680A.270 in the form prescribed by the Commissioner on or before March 1 of each year to cover the preceding calendar year ~~[.]~~ *; and*

2. The quarterly statements required by NRS 680A.270 in accordance with the provisions of subsection 5 of that section.

Sec. 33. NRS 690B.360 is hereby amended to read as follows:

690B.360 1. The Commissioner may collect all information which is pertinent to monitoring whether an insurer that issues professional liability insurance for a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS is complying with the applicable standards for rates established in NRS 686B.010 to 686B.1799, inclusive. Such information may include, without limitation:

(a) The amount of gross premiums collected with regard to each medical specialty;

(b) Information relating to loss ratios; *and*

(c) ~~[Information reported pursuant to NRS 690B.260; and~~

~~(d)]~~ Information reported pursuant to NRS 679B.430 and 679B.440.

2. In addition to the information collected pursuant to subsection 1, the Commissioner may request any additional information from an insurer:

(a) Whose rates and credit utilization are materially different from other insurers in the market for professional liability insurance for a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS in this State;

(b) Whose credit utilization shows a substantial change from the previous year; or

(c) Whose information collected pursuant to subsection 1 indicates a potentially adverse trend.

3. If the Commissioner requests additional information from an insurer pursuant to subsection 2, the Commissioner may:

(a) Determine whether the additional information offers a reasonable explanation for the results described in paragraph (a), (b) or (c) of subsection 2; and

(b) Take any steps permitted by law that are necessary and appropriate to assure the ongoing stability of the market for professional liability insurance for a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS in this State.

4. On an ongoing basis, the Commissioner may analyze and evaluate the information collected pursuant to this section to determine trends in and measure the health of the market for professional liability insurance for a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS in this State.

5. If the Commissioner convenes a hearing pursuant to subsection 1 of NRS 690B.350 and determines that the market for professional liability insurance issued to any class, type or specialty of practitioner licensed pursuant to chapter 630, 631 or 633 of NRS is not competitive and that such insurance is unavailable or unaffordable for a substantial number of such practitioners, the Commissioner shall prepare and submit a report of the Commissioner's findings and recommendations to the Director of the Legislative Counsel Bureau for transmittal to members of the Legislature.

Sec. 34. NRS 690C.160 is hereby amended to read as follows:

690C.160 1. A provider who wishes to issue, sell or offer for sale service contracts in this state must submit to the Commissioner:

(a) A registration application on a form prescribed by the Commissioner;

(b) Proof that the provider has complied with the requirements for financial security set forth in NRS 690C.170;

(c) A copy of each type of service contract the provider proposes to issue, sell or offer for sale;

(d) The name, address and telephone number of each administrator with whom the provider intends to contract;

(e) A fee of ~~[$1,000]~~ *$2,000* and ~~[, in addition to any other fee or charge,]~~ all applicable fees required pursuant to NRS 680C.110 ~~[.]~~ *to be paid at the time of application;* and

(f) The following information for each controlling person:

(1) Whether the person, in the last 10 years, has been:

(I) Convicted of a felony or misdemeanor of which an essential element is fraud;

(II) Insolvent or adjudged bankrupt;

(III) Refused a license or registration as a service contract provider or had an existing license or registration as a service contract provider suspended or revoked by any state or governmental agency or authority; or

(IV) Fined by any state or governmental agency or authority in any matter regarding service contracts; and

(2) Whether there are any pending criminal actions against the person other than moving traffic violations.

2. In addition to the fee required by subsection 1, a provider must pay a fee of $25 for each type of service contract the provider files with the Commissioner.

3. *Each year, not later than the anniversary date of his or her certificate of registration, a provider must pay the annual fee required pursuant to NRS 680C.110 in addition to any other fee required pursuant to this section.*

4. A certificate of registration is valid for ~~[1 year]~~ *2 years* after the date the Commissioner issues the certificate to the provider. A provider may renew his or her certificate of registration if, *not later than 60 days* before the certificate expires, the provider submits to the Commissioner:

(a) An application on a form prescribed by the Commissioner;

(b) A fee of ~~[$1,000]~~ *$2,000* and, in addition to any other fee or charge, all applicable fees required pursuant to ~~[NRS 680C.110;]~~ *subsection 3;* and

(c) The information required by paragraph (f) of subsection 1:

(1) If an existing controlling person has had a change in any of the information previously submitted to the Commissioner; or

(2) For a controlling person who has not previously submitted the information required by paragraph (f) of subsection 1 to the Commissioner.

~~[4.]~~ *5.* All fees paid pursuant to this section are nonrefundable.

~~[5.]~~ *6.* Each application submitted pursuant to this section, including, without limitation, an application for renewal, must:

(a) Be signed by an executive officer, if any, of the provider or, if the provider does not have an executive officer, by a controlling person of the provider; and

(b) Have attached to it an affidavit signed by the person described in paragraph (a) which meets the requirements of subsection ~~[6. 6.]~~ *7.*

7. Before signing the application described in subsection ~~[5,]~~ *6,* the person who signs the application shall verify that the information provided is accurate to the best of his or her knowledge.

Sec. 35. Chapter 694C of NRS is hereby amended by adding thereto the provisions set forth as sections 36 and 37 of this act.

Sec. 36. *"Dormant captive insurer" means any captive insurer that has been issued a certificate of dormancy by the Commissioner pursuant to section 37 of this act.*

Sec. 37. *1. A captive insurer which ceases to transact the business of insurance, including, without limitation, the issuance of insurance policies and the assumption of reinsurance, may apply to the Commissioner for a certificate of dormancy.*

2. Upon application by a captive insurer pursuant to subsection 1, the Commissioner may issue a certificate of dormancy to the captive insurer. The Commissioner may issue a certificate of dormancy to a captive insurer even if the captive insurer retains liabilities that are associated with policies that were written or assumed by the captive insurer provided that the captive insurer has otherwise ceased to transact the business of insurance.

3. A dormant captive insurer shall:

(a) Possess and thereafter maintain unimpaired paid-in capital and surplus of not less than $25,000.

(b) Pursuant to NRS 694C.230, pay an annual fee and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110 for the renewal of a license.

(c) Be subject to examination for any year for which the dormant captive insurer is not in compliance with the provisions of this section.

4. A dormant captive insurer may:

(a) At the discretion of the Commissioner, be subject to examination for any year for which the dormant captive insurer is in compliance with the provisions of this section.

(b) Continue to adjudicate and settle insurance claims under any contract of insurance or reinsurance that the captive insurer issued during any period in which the captive insurer was not a dormant captive insurer. The effective date of such a contract of insurance or reinsurance must be before the date on which the Commissioner issued a certificate of dormancy to the captive insurer.

5. A dormant captive insurer is not:

(a) Subject to or liable for the payment of any tax pursuant to NRS 694C.450.

(b) Required to:

(1) Prepare audited financial statements;

(2) Obtain actuarial certifications or opinions; or

(3) File annual reports with the Commissioner pursuant to NRS 694C.400.

6. A certificate of dormancy is subject to renewal after 5 years and is forfeited if not renewed within that period.

7. Except as otherwise provided by this section, before issuing any insurance policy or otherwise transacting the business of insurance, a dormant captive insurer must apply to the Commissioner for approval to surrender its certificate of dormancy and resume transacting the business of insurance.

8. The Commissioner shall revoke the certificate of dormancy of a dormant captive insurer that is not in compliance with the provisions of this section.

9. The Commissioner may adopt regulations necessary to carry out the provisions of this section.

Sec. 38. NRS 694C.010 is hereby amended to read as follows:

694C.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 694C.020 to 694C.150, inclusive, *and section 36 of this act* have the meanings ascribed to them in those sections.

Sec. 39. NRS 694C.050 is hereby amended to read as follows:

694C.050 "Association captive insurer" means a captive insurer that only insures risks of the member organizations of an association and the affiliated companies of those members ~~[, including groups formed pursuant to the~~

~~Product Liability Risk Retention Act of 1981, as amended, 15 U.S.C. §§ 3901 et seq.,~~] if:

1. The association or the member organizations of the association:

(a) [~~Own,~~] *Have complete* control [~~or hold with~~] *over* the power to vote all the outstanding voting securities of the association captive insurer, if the association captive insurer is incorporated as a stock insurer; or

(b) Have complete voting control over the captive insurer, if the captive insurer is formed as a mutual insurer; and

2. The member organizations of the association collectively constitute all the subscribers of the captive insurer, if the captive insurer is formed as a reciprocal insurer.

Sec. 40. NRS 694C.060 is hereby amended to read as follows:

694C.060 "Captive insurer" means [~~any~~] *:*

1. Any pure captive insurer, association captive insurer, agency captive insurer, rental captive insurer and sponsored captive insurer licensed pursuant to this chapter. The term includes a pure captive insurer who, unless otherwise provided by the Commissioner, is a branch captive insurer with respect to operations in this State.

2. Any state-chartered risk retention group.

Sec. 41. NRS 694C.149 is hereby amended to read as follows:

694C.149 "State-chartered risk retention group" means any risk retention group that is formed in accordance with the laws of this State . [~~as an association captive insurer.~~]

Sec. 42. NRS 694C.160 is hereby amended to read as follows:

694C.160 1. The terms and conditions set forth in chapter 696B of NRS pertaining to insurance reorganization, receiverships and injunctions apply to captive insurers incorporated pursuant to this chapter.

2. An agency captive insurer, a rental captive insurer and an association captive insurer are subject to those provisions of chapter 686A of NRS which are applicable to insurers.

3. A state-chartered risk retention group is subject to the following:

(a) The provisions of NRS 681A.250 to 681A.580, inclusive, regarding intermediaries;

(b) The provisions of NRS 681B.550 regarding risk-based capital;

(c) The provisions of chapter 683A of NRS regarding managing general agents; [~~and~~]

(d) *The provisions of chapter 686A of NRS which are applicable to insurers; and*

(e) The provisions of NRS 693A.110 and any regulations adopted pursuant thereto regarding management and agency contracts of insurers.

Sec. 43. NRS 694C.180 is hereby amended to read as follows:

694C.180 1. Unless otherwise approved by the Commissioner, a pure captive insurer, an agency captive insurer, a rental captive insurer or a sponsored captive insurer must be incorporated as a stock insurer.

2. An association captive insurer *or a state-chartered risk retention group* must be formed as a:

(a) Stock insurer;

(b) Mutual insurer; or

(c) Reciprocal insurer, except that its attorney-in-fact must be a corporation incorporated in this State.

3. A captive insurer shall have not less than three incorporators or organizers, at least one of whom must be a resident of this State.

4. Before the articles of incorporation of a captive insurer may be filed with the Secretary of State, the Commissioner must approve the articles of incorporation. In determining whether to grant that approval, the Commissioner shall consider:

(a) The character, reputation, financial standing and purposes of the incorporators or organizers;

(b) The character, reputation, financial responsibility, experience relating to insurance and business qualifications of the officers and directors of the captive insurer;

(c) The competence of any person who, pursuant to a contract with the captive insurer, will manage the affairs of the captive insurer;

(d) The competence, reputation and experience of the legal counsel of the captive insurer relating to the regulation of insurance;

(e) If the captive insurer is a rental captive insurer, the competence, reputation and experience of the underwriter of the captive insurer;

(f) The business plan of the captive insurer; and

(g) Such other aspects of the captive insurer as the Commissioner deems advisable.

5. The capital stock of a captive insurer incorporated as a stock insurer must be issued at not less than par value.

6. At least one member of the board of directors of a captive insurer formed as a corporation, or one member of the subscribers advisory committee or the attorney-in-fact of a captive insurer formed as a reciprocal insurer, must be a resident of this State.

7. A captive insurer formed pursuant to the provisions of this chapter has the privileges of, and is subject to, the provisions of general corporation law set forth in chapter 78 of NRS and, if formed as a nonprofit corporation, the provisions set forth in chapter 82 of NRS, as well as the applicable provisions contained in this chapter. If the provisions of this chapter conflict with the general provisions in chapter 78 or 82 of NRS governing corporations, the provisions of this chapter control. The provisions of chapter 693A of NRS relating to mergers, consolidations, conversions, mutualizations and transfers of domicile to this State apply to determine the procedures to be followed by captive insurers in carrying out any of those transactions in accordance with this chapter.

8. The articles of association, articles of incorporation, charter or bylaws of a captive insurer formed as a corporation must require that a quorum of the

board of directors consists of not less than one-third of the number of directors prescribed by the articles of association, articles of incorporation, charter or bylaws.

9. The agreement of the subscribers or other organizing document of a captive insurer formed as a reciprocal insurer must require that a quorum of its subscribers advisory committee consists of not less than one-third of the number of its members.

Sec. 44. NRS 694C.250 is hereby amended to read as follows:

694C.250 1. A captive insurer must not be issued a license, and shall not hold a license, unless the captive insurer has and maintains, in addition to any other capital or surplus required to be maintained pursuant to subsection 3, unimpaired paid-in capital and unencumbered surplus of:

(a) For a pure captive insurer, not less than $200,000;

(b) For an association captive insurer, not less than $500,000;

(c) For an agency captive insurer, not less than $600,000;

(d) For a rental captive insurer, not less than $800,000; ~~[and]~~

(e) For a sponsored captive insurer, not less than $500,000 ~~[.]~~ *; and*

(f) For a state-chartered risk retention group, not less than $500,000.

2. Except as otherwise provided by the Commissioner pursuant to subsection 3, the capital and surplus required to be maintained pursuant to this section must be in the form of cash or an irrevocable letter of credit.

3. The Commissioner may prescribe additional requirements relating to capital or surplus based on the type, volume and nature of the insurance business that is transacted by the captive insurer and requirements regarding which capital and surplus, if any, may be in the form of an irrevocable letter of credit.

4. A letter of credit used by a captive insurer as evidence of capital and surplus required pursuant to this section must:

(a) Be issued by a bank chartered by this State or a bank that is a member of the United States Federal Reserve System and has been approved by the Commissioner; and

(b) Include a provision pursuant to which the letter of credit is automatically renewable each year, unless the issuer gives written notice to the Commissioner and the captive insurer at least 90 days before the expiration date.

5. A surplus note used by a captive insurer as evidence of capital and surplus required pursuant to this section must:

(a) Be subject to strict control by the Commissioner and have been approved by the Commissioner as to form and content.

(b) Be subordinate to:

(1) Policyholders;

(2) Claims by claimants and beneficiaries under policies; and

(3) All other classes of creditors pursuant to paragraph (k) of subsection 1 of NRS 696B.420.

(c) Require prior approval of the Commissioner for any:

(1) Payment of interest; and

(2) Repayment of principal.

(d) Be accompanied by proceeds which are received by the captive insurer in the form of:

(1) Cash; or

(2) Other assets that:

(I) Are acceptable to the Commissioner;

(II) Have values that are readily determined; and

(III) Have liquidity that is satisfactory to the Commissioner.

(e) Be accounted for in such a manner that interest shall not be recorded as a liability or an expense until approval for payment of such interest has been granted by the Commissioner.

Sec. 45. NRS 694C.270 is hereby amended to read as follows:

694C.270 1. The Commissioner may suspend or revoke the license of a captive insurer if, after ~~[an examination and]~~ *a* hearing, the Commissioner determines that:

(a) The captive insurer:

(1) Is insolvent or has impaired its required capital or surplus;

(2) Has failed to meet a requirement of NRS 694C.250, 694C.320 or 694C.330;

(3) Has refused or failed to submit an annual report, as required by NRS 694C.400, or any other report or statement required by law or by order of the Commissioner;

(4) Has failed to comply with the provisions of its charter or bylaws;

(5) Has failed to submit to an examination required pursuant to NRS 694C.410;

(6) Has refused or failed to pay the cost of an examination required pursuant to NRS 694C.410;

(7) Has used any method in transacting insurance pursuant to this chapter which is detrimental to the operation of the captive insurer or would make its condition unsound with respect to its policyholders or the general public; or

(8) Has failed *to pay taxes on premiums as required by NRS 694C.450 or* otherwise to comply with the laws of this State; and

(b) The suspension or revocation of the license of the captive insurer is in the best interest of its policyholders or the general public.

2. The provisions of NRS 679B.310 to 679B.370, inclusive, apply to hearings conducted pursuant to this section.

Sec. 46. NRS 694C.300 is hereby amended to read as follows:

694C.300 1. Except as otherwise provided in this section, a captive insurer licensed pursuant to this chapter may transact any form of insurance described in NRS 681A.020 to 681A.080, inclusive.

2. A captive insurer licensed pursuant to this chapter:

(a) Shall not directly provide personal motor vehicle or homeowners' insurance coverage, or any component thereof.

(b) Shall not accept or cede reinsurance, except as otherwise provided in NRS 694C.350.

(c) May provide excess workers' compensation insurance to its parent and affiliated companies, unless otherwise prohibited by the laws of the state in which the insurance is transacted.

(d) May reinsure workers' compensation insurance provided pursuant to a program of self-funded insurance of its parent and affiliated companies if:

(1) The parent or affiliated company which is providing the self-funded insurance is certified as a self-insured employer by the Commissioner, if the insurance is being transacted in this State; or

(2) The program of self-funded insurance is otherwise qualified pursuant to, or in compliance with, the laws of the state in which the insurance is transacted.

3. A pure captive insurer shall not insure any risks other than those of its parent and affiliated companies or controlled unaffiliated businesses.

4. An association captive insurer shall not insure any risks other than those of the member organizations of its association and the affiliated companies of the member organizations.

5. *A state-chartered risk retention group shall not insure any risks other than those of the members of its association.*

6. An agency captive insurer shall not insure any risks other than those of the policies that are placed by or through the insurance agency or brokerage that owns the captive insurer.

~~[6.]~~ *7.* A rental captive insurer shall not insure any risks other than those of the policyholders or associations that have entered into agreements with the rental captive insurer for the insurance of those risks. Such agreements must be in a form which has been approved by the Commissioner.

~~[7.]~~ *8.* A sponsored captive insurer shall not insure any risks other than those of its participants.

~~[8.]~~ *9.* As used in this section, "excess workers' compensation insurance" means insurance in excess of the specified per-incident or aggregate limit, if any, established by:

(a) The Commissioner, if the insurance is being transacted in this State; or

(b) The chief regulatory officer for insurance in the state in which the insurance is being transacted.

Sec. 47. NRS 694C.310 is hereby amended to read as follows:

694C.310 1. The board of directors of a captive insurer shall meet at least once each year in this State. The captive insurer shall:

(a) Maintain its principal place of business in this State; and

(b) Appoint a resident of this State as a registered agent to accept service of process and otherwise act on behalf of the captive insurer in this State. If the registered agent cannot be located with reasonable diligence for the purpose of serving a notice or demand on the captive insurer, the notice or demand may be served on the Secretary of State who shall be deemed to be the agent for the captive insurer.

2. A captive insurer shall not transact insurance in this State unless:

(a) The captive insurer has made adequate arrangements with ~~[a]~~ *:*

(1) A state-chartered bank, a state-chartered credit union or a thrift company licensed pursuant to chapter 677 of NRS that is located in this State; or

(2) A federally chartered bank *that has a branch which is* located in this State ,

➥ that is authorized pursuant to state or federal law to transfer money . ~~[;]~~

(b) If the captive insurer employs or has entered into a contract with a natural person or business organization to manage the affairs of the captive insurer, the natural person or business organization meets the standards of competence and experience satisfactory to the Commissioner . ~~[;]~~

(c) The captive insurer employs or has entered into a contract with a qualified and experienced certified public accountant who is approved by the Commissioner or a firm of certified public accountants that is nationally recognized . ~~[;]~~

(d) The captive insurer employs or has entered into a contract with qualified, experienced actuaries who are approved by the Commissioner to perform reviews and evaluations of the operations of the captive insurer. ~~[; and]~~

(e) The captive insurer employs or has entered into a contract with an attorney who is licensed to practice law in this State and who meets the standards of competence and experience in matters concerning the regulation of insurance in this State established by the Commissioner by regulation.

Sec. 48. NRS 694C.330 is hereby amended to read as follows:

694C.330 *1.* Except as otherwise provided in this section, a captive insurer shall pay dividends out of, or make any other distributions from, its capital or surplus, or both, in accordance with the provisions set forth in NRS 692C.370, 693A.140, 693A.150 and 693A.160.

2. A captive insurer *other than a state-chartered risk retention group* shall not pay *extraordinary* dividends out of, or make any other *extraordinary* distribution with respect to, its capital or surplus, or both, in violation of this section unless the captive insurer has obtained the prior approval of the Commissioner to make such a payment or distribution. *As used in this subsection, "extraordinary dividend" and "extraordinary distribution" mean any dividend or distribution of cash or other property, the fair market value of which, together with that of other dividends or distributions within the preceding 12 months, exceeds the greater of:*

(a) Ten percent of the surplus of the captive insurer as of December 31 next preceding the date of the dividend or distribution; or

(b) The net income of the captive insurer for the 12-month period ending December 31 next preceding the date of the dividend or distribution.

3. A state-chartered risk retention group shall not pay any dividend or distribution without prior approval of the Commissioner.

Sec. 49. NRS 694C.340 is hereby amended to read as follows:

694C.340 1. Except as otherwise provided in this section and NRS 694C.382, an association captive insurer, an agency captive insurer, a rental captive insurer , ~~[or]~~ a sponsored captive insurer *or a state-chartered risk retention group* shall comply with the requirements relating to investments set forth in chapter 682A of NRS. Upon the request of the association captive insurer, agency captive insurer, rental captive insurer , ~~[or]~~ sponsored captive insurer ~~[,]~~ *or state-chartered risk retention group,* the Commissioner may approve the use of reliable, alternative methods of valuation and rating.

2. A pure captive insurer is not subject to any restrictions on allowable investments, except that the Commissioner may prohibit or limit any investment that threatens the solvency or liquidity of the pure captive insurer.

3. A pure captive insurer may make a loan to its parent or affiliated company if the loan:

(a) Is first approved in writing by the Commissioner;

(b) Is evidenced by a note that is in a form that is approved by the Commissioner; and

(c) Does not include any money that has been set aside as capital or surplus as required by subsection 1 of NRS 694C.250.

Sec. 50. NRS 694C.390 is hereby amended to read as follows:

694C.390 1. In addition to the information required pursuant to NRS 694C.210, a state-chartered risk retention group ~~[being formed as an association captive insurer]~~ must submit to the Commissioner in summary form:

(a) The identities of:

(1) All members of the group;

(2) All organizers of the group;

(3) Those persons who will provide administrative services to the group; and

(4) Any person who will influence or control the activities of the group;

(b) The amount and nature of initial capitalization of the group;

(c) The coverages to be offered by the group; and

(d) Each state in which the group intends to operate.

2. Before it may transact insurance in any state, the state-chartered risk retention group must submit to the Commissioner, for approval by the Commissioner, a plan of operation. The risk retention group shall submit an appropriate revision in the event of any subsequent material change in any item of the plan of operation within 10 days after the change. The group shall not offer any additional kinds of liability insurance, in this State or in any other state, until a revision of the plan is approved by the Commissioner.

3. A state-chartered risk retention group chartered in this State must file with the Commissioner on or before March 1 of each year a statement containing information concerning the immediately preceding year which must:

(a) Be submitted in a form prescribed by the National Association of Insurance Commissioners;

(b) Be prepared in accordance with the Annual Statement Instructions for the type of insurer to be reported on as adopted by the National Association of Insurance Commissioners for the year in which the insurer files the statement;

(c) Utilize accounting principles in a manner that remains consistent among financial statements submitted each year and that are substantively identical to:

(1) Generally accepted accounting principles, including any useful or necessary modifications or adaptations thereof that have been approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the Commissioner; or

(2) Statutory accounting principles, as described in the Accounting Practices and Procedures Manual adopted by the National Association of Insurance Commissioners effective on January 1, 2001, and as amended by the National Association of Insurance Commissioners after that date; and

(d) Be submitted electronically, if required by the Commissioner.

4. The Commissioner shall transmit to the National Association of Insurance Commissioners a copy of:

(a) All information submitted by a state-chartered risk retention group to the Commissioner pursuant to subsections 1 and 3; and

(b) Any revisions to a plan of operation submitted to the Commissioner pursuant to subsection 2.

Sec. 51. NRS 694C.400 is hereby amended to read as follows:

694C.400 1. On or before March 1 of each year, a captive insurer shall submit to the Commissioner a report of its financial condition. A captive insurer shall use generally accepted accounting principles and include any useful or necessary modifications or adaptations thereof that have been approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the Commissioner. Except as otherwise provided in this section, each association captive insurer, agency captive insurer, rental captive insurer or sponsored captive insurer shall file its report in the form required by *the Commissioner. Each state-chartered risk retention group shall file its report in the form required by* NRS 680A.270. The Commissioner shall adopt regulations designating the form in which pure captive insurers must report.

2. Each captive insurer other than a state-chartered risk retention group shall submit to the Commissioner, on or before June 30 of each year, an annual audit as of December 31 of the preceding calendar year that is certified by a certified public accountant who is not an employee of the insurer. An annual audit submitted pursuant to this subsection must comply with the requirements set forth in regulations adopted by the Commissioner which govern such an annual audit ~~[.]~~ *, including, without limitation, criteria for extensions and exemptions.*

3. Each state-chartered risk retention group shall file a financial statement pursuant to NRS 680A.265.

4. A pure captive insurer may apply, in writing, for authorization to file its annual report based on a fiscal year that is consistent with the fiscal year of the parent company of the pure captive insurer. If an alternative date is granted, the annual report is due not later than 60 days after the end of each such fiscal year.

5. A pure captive insurer shall file on or before March 1 of each year such forms as required by the Commissioner by regulation to provide sufficient detail to support its premium tax return filed pursuant to NRS 694C.450.

6. Any captive insurer failing, without just cause beyond the reasonable control of the captive insurer, to file its annual report of financial condition as required by subsection 1, its annual audit as required by subsection 2 or its financial statement as required by subsection 3 shall pay a penalty of $100 for each day the captive insurer fails to file the report of financial condition, the annual audit or the financial statement, but not to exceed an aggregate amount of $3,000, to be recovered in the name of the State of Nevada by the Attorney General.

7. Any director, officer, agent or employee of a captive insurer who subscribes to, makes or concurs in making or publishing, any annual or other statement required by law, knowing the same to contain any material statement which is false, is guilty of a gross misdemeanor.

Sec. 52. Chapter 695B of NRS is hereby amended by adding thereto a new section to read as follows:

A corporation which has been issued a certificate of authority pursuant to this chapter shall maintain and report on its statement filed with the Commissioner pursuant to NRS 695B.160 a net worth in an amount which is not less than the greater of:

1. One million five hundred thousand dollars;

2. Two percent of the first $150,000,000 earned as revenue from premiums collected in the preceding 12-month period, plus 1 percent of the amount in excess of $150,000,000 earned as revenue from premiums collected in that same period; or

3. The amount of risk-based capital required by regulations adopted by the Commissioner pursuant to NRS 681B.550.

Sec. 53. NRS 695B.160 is hereby amended to read as follows:

695B.160 1. Every corporation subject to the provisions of this chapter shall annually:

(a) On or before March 1, file in the Office of the Commissioner a statement verified by at least two of the principal officers of the corporation, showing its condition and affairs as of December 31 of the preceding calendar year. The statement must be in the form required by the Commissioner and must contain statements relative to the matters required to be established as a condition precedent to maintaining or operating a nonprofit hospital, medical or dental service plan and to other matters which the Commissioner may prescribe.

(b) Pay all applicable fees for the renewal of a certificate of authority and the fee for the filing of an annual statement.

2. *Every corporation subject to the provisions of this chapter shall file a financial statement pursuant to NRS 680A.265, as required pursuant to paragraph (c) of subsection 1 of NRS 680A.265.*

3. Every corporation subject to the provisions of this chapter shall file with the Commissioner and the National Association of Insurance Commissioners a quarterly statement in the form most recently adopted by the National Association of Insurance Commissioners for that type of insurer. The quarterly statement must be:

(a) Prepared in accordance with the instructions which are applicable to that form, including, without limitation, the required date of submission for the form; and

(b) Filed by electronic means.

4. The Commissioner may examine, as often as the Commissioner deems it desirable, the affairs of every corporation subject to the provisions of this chapter. The Commissioner shall, if practicable, examine each such corporation at least once in every 3 years, and in any event, at least once in every 5 years, as to its condition, fulfillment of its contractual obligations and compliance with applicable laws. ~~[For examining the financial condition of every such corporation the Commissioner shall collect the]~~ *The* actual expenses of the examination ~~[. Such expenses]~~ must be paid by the corporation ~~[.]~~ *in accordance with the provisions of NRS 679B.290.* The Commissioner shall refuse to issue a certificate of authority or shall revoke a certificate of authority issued to any corporation which neglects or refuses to pay such expenses.

Sec. 54. Chapter 695C of NRS is hereby amended by adding thereto a new section to read as follows:

A health maintenance organization which has been issued a certificate of authority pursuant to this chapter shall maintain and report on each financial statement filed with the Commissioner pursuant to NRS 695C.210 a net worth in an amount which is not less than the greatest of:

1. One million five hundred thousand dollars;

2. Two percent of the first $150,000,000 earned as revenue from premiums collected in the preceding 12-month period, plus 1 percent of the amount in excess of $150,000,000 earned as revenue from premiums collected in that same period; or

3. The amount of risk-based capital required by regulations adopted by the Commissioner pursuant to NRS 681B.550.

Sec. 55. NRS 695C.055 is hereby amended to read as follows:

695C.055 1. The provisions of NRS 449.465, 679A.200, 679B.700, subsections ~~[6 and]~~ 7 *and 8* of NRS 680A.270, subsections 2, 4, 18, 19 and 32 of NRS 680B.010, NRS 680B.020 to 680B.060, inclusive, chapter 686A of NRS, NRS *686B.010 to 686B.1799, inclusive, and* 687B.500 and chapters 692C and 695G of NRS apply to a health maintenance organization.

2. For the purposes of subsection 1, unless the context requires that a provision apply only to insurers, any reference in those sections to "insurer" must be replaced by "health maintenance organization."

Sec. 55.5. NRS 695C.057 is hereby amended to read as follows:

695C.057 1. A health maintenance organization is subject to the provisions of NRS *689A.470 to 689A.740, inclusive,* 689B.340 to 689B.580, inclusive, and chapter 689C of NRS relating to the portability and availability of health insurance offered by such organizations. If there is a conflict between the provisions of this chapter and the provisions of NRS *689A.470 to 689A.740, inclusive,* 689B.340 to 689B.580, inclusive, and chapter 689C of NRS, the provisions of NRS *689A.470 to 689A.740, inclusive,* 689B.340 to 689B.580, inclusive, and chapter 689C of NRS control.

2. For the purposes of subsection 1, unless the context requires that a provision apply only to a group health plan or a carrier that provides coverage under a group health plan, any reference in those sections to "group health plan" or "carrier" must be replaced by "health maintenance organization."

Sec. 56. NRS 695C.210 is hereby amended to read as follows:

695C.210 1. Every health maintenance organization shall file with the Commissioner on or before March 1 of each year a report showing its financial condition on the last day of the preceding calendar year. The report must be verified by at least two principal officers of the organization.

2. The report must be on forms prescribed by the Commissioner and must include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding calendar year;

(b) Any material changes in the information submitted pursuant to NRS 695C.070;

(c) The number of persons enrolled during the year, the number of enrollees as of the end of the year, the number of enrollments terminated during the year and, if requested by the Commissioner, a compilation of the reasons for such terminations;

(d) The number and amount of malpractice claims initiated against the health maintenance organization and any of the providers used by it during the year broken down into claims with and without form of legal process, and the disposition, if any, of each such claim, if requested by the Commissioner;

(e) A summary of information compiled pursuant to paragraph (c) of subsection 1 of NRS 695C.080 in such form as required by the Commissioner; and

(f) Such other information relating to the performance of the health maintenance organization as is necessary to enable the Commissioner to carry out his or her duties pursuant to this chapter.

3. Every health maintenance organization shall file with the Commissioner annually an audited financial statement of the organization ~~[prepared by an independent certified public accountant. The statement must cover the preceding 12-month period and must be filed with the Commissioner~~

~~within 120 days after the end of the organization's fiscal year.]~~ *in accordance with the provisions of subsection 1 of NRS 680A.265.* Upon written request, the Commissioner may grant a 30-day extension.

4. *Every health maintenance organization shall file with the Commissioner and the National Association of Insurance Commissioners a quarterly statement in the form most recently adopted by the National Association of Insurance Commissioners for that type of insurer. The quarterly statement must be:*

(a) Prepared in accordance with the instructions which are applicable to that form, including, without limitation, the required date of submission for the form; and

(b) Filed by electronic means.

5. If an organization fails to file timely ~~[the]~~ *a* report or financial statement required by this section, it shall pay an administrative penalty of $100 per day until the report or statement is filed, except that the total penalty must not exceed $3,000. The Attorney General shall recover the penalty in the name of the State of Nevada.

~~[5.]~~ *6.* The Commissioner may grant a reasonable extension of time for filing ~~[the]~~ *any* report or ~~[financial]~~ statement required by this section, if the request for an extension is submitted in writing and shows good cause.

Sec. 57. NRS 695C.310 is hereby amended to read as follows:

695C.310 1. The Commissioner shall make an examination of the affairs of any health maintenance organization and providers with whom such organization has contracts, agreements or other arrangements pursuant to its health care plan as often as the Commissioner deems it necessary for the protection of the interests of the people of this State, but not less frequently than once every 3 years.

2. The Commissioner shall make an examination concerning any compliance program used by a health maintenance organization and any report, as determined to be appropriate by the Commissioner, regarding the health maintenance organization produced by an organization which examines best practices in the insurance industry. The Commissioner shall make such an examination as often as the Commissioner deems it necessary for the protection of the interests of the people of this State, but not less frequently than once every 3 years.

3. In making an examination pursuant to subsection 1 or 2, the Commissioner:

(a) Shall determine whether the health maintenance organization is in compliance with this Code, including, without limitation, whether any relationship or transaction between the health maintenance organization and any other health maintenance organization is in compliance with this Code; and

(b) May examine any account, record, document or transaction of any health maintenance organization or any provider which relates to:

(1) Compliance with this Code by the health maintenance organization which is the subject of the examination;

(2) Any relationship or transaction between the health maintenance organization which is the subject of the examination and any other health maintenance organization; or

(3) Any relationship or transaction between the health maintenance organization which is the subject of the examination and any provider.

4. Except as otherwise provided in this subsection, for the purposes of an examination pursuant to subsection 1 or 2, each health maintenance organization and provider shall, upon the request of the Commissioner or an examiner designated by the Commissioner, submit its books and records relating to any applicable health care plan to the Commissioner or the examiner, as applicable. Medical records of natural persons and records of physicians providing service pursuant to a contract with a health maintenance organization are not subject to such examination, although the records, except privileged medical information, are subject to subpoena upon a showing of good cause. For the purpose of examinations, the Commissioner may administer oaths to and examine the officers and agents of a health maintenance organization and the principals of providers concerning their business.

5. The expenses of examinations pursuant to this section must be assessed ~~[against the health maintenance organization being examined and remitted to the Commissioner.]~~ *, billed and paid in accordance with the provisions of NRS 679B.290.*

6. In lieu of an examination pursuant to this section, the Commissioner may accept the report of an examination made by the insurance commissioner of another state or an applicable regulatory agency of another state.

Sec. 58. Chapter 695D of NRS is hereby amended by adding thereto a new section to read as follows:

An organization for dental care which has been issued a certificate of authority pursuant to this chapter shall maintain a capital account with a net worth in an amount which is not less than the greater of:

1. The amount of risk-based capital required by regulations adopted by the Commissioner pursuant to NRS 681B.550; or

2. The following applicable amount, according to the number of members in the organization:

Number of members	*Net worth*
Less than 2,500	*$50,000*
At least 2,500 but not more than 5,000	*75,000*
More than 5,000	*125,000*

Sec. 59. NRS 695D.260 is hereby amended to read as follows:

695D.260 1. Every organization for dental care shall file with the Commissioner on or before March 1 of each year a report covering its activities for the preceding calendar year. The report must be verified by at least two officers of the organization.

2. The report must be on a form prescribed by the Commissioner and must include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding calendar year.

(b) Any material changes in the information given in the previous report.

(c) The number of members enrolled in that year, the number of members whose coverage has been terminated in that year and the total number of members at the end of the year.

(d) The costs of all goods, services and dental care provided that year.

(e) Any other information relating to the plan for dental care requested by the Commissioner.

3. Every organization for dental care shall file with the Commissioner annually an audited financial statement ~~[prepared by an independent certified public accountant. The statement must cover the most recent fiscal year of the organization and must be filed with the Commissioner within 120 days after the end of that fiscal year.]~~ *in accordance with the provisions of subsection 1 of NRS 680A.265.*

4. *Every organization for dental care shall file with the Commissioner and the National Association of Insurance Commissioners a quarterly statement in the form most recently adopted by the National Association of Insurance Commissioners for that type of insurer. The quarterly statement must be:*

(a) Prepared in accordance with the instructions which are applicable to that form, including, without limitation, the required date of submission for the form; and

(b) Filed by electronic means.

5. If an organization fails to file timely ~~[the]~~ *a* report or financial statement required by this section, it shall pay an administrative penalty of $100 per day until the report or statement is filed, except that the total penalty must not exceed $3,000. The Attorney General shall recover the penalty in the name of the State of Nevada.

~~[5.]~~ *6.* The Commissioner may grant a reasonable extension of time for filing ~~[the]~~ *any* report or ~~[financial]~~ statement required by this section, if the request for an extension is submitted in writing and shows good cause.

~~[6.]~~ *7.* The organization shall pay the Department of Taxation the annual tax, any penalty for nonpayment or delinquent payment of the tax imposed in chapter 680B of NRS, and a filing fee of $25 to the Commissioner, at the time the annual report is filed.

Sec. 60. NRS 695E.210 is hereby amended to read as follows:

695E.210 1. ~~[Any]~~ *The provisions of chapters 683A and 685A of NRS apply to any* person acting, or offering to act, as an agent or broker for ~~[a]~~ *:*

(a) A purchasing group ~~[, a]~~ *;*

(b) A member of a purchasing group under the group policy ~~[, or a]~~ *; or*

(c) A risk retention group transacting insurance in this ~~[state is subject to the provisions of chapters 683A and 685A of NRS.]~~ *State.*

2. Except as otherwise provided in this chapter, the provisions of chapter 679B of NRS apply to purchasing groups and risk retention groups, and to the provisions of this chapter, to the extent that the provisions of chapter 679B of NRS are not specifically preempted by the Product Liability Risk Retention Act of 1981, as amended by the Risk Retention Amendments of 1986.

3. A risk retention group that violates any provision of this chapter is subject to the fines and penalties, including revocation of its right to do business in this state, applicable to licensed insurers under this title.

Sec. 61. NRS 695F.200 is hereby amended to read as follows:

695F.200 1. Except as otherwise provided in this section, each prepaid limited health service organization which receives a certificate of authority shall maintain ~~[a:]~~ *all of the following:*

(a) ~~[Capital]~~ *A capital* account with a net worth of not less than $500,000 unless a lesser amount is permitted in writing by the Commissioner. The account must not be obligated for any accrued liabilities and must consist of cash, securities or a combination thereof which is acceptable to the Commissioner.

(b) ~~[Surety]~~ *A surety* bond or deposit of cash or securities for the protection of enrollees of not less than $500,000.

(c) The amount of risk-based capital required by regulations adopted by the Commissioner pursuant to NRS 681B.550.

2. The Commissioner may increase the required amount of the organization's capital account , ~~[and the]~~ surety bond or deposit *and capital maintained pursuant to paragraph (c) of subsection 1* to any ~~[amounts]~~ *amount* the Commissioner determines to be appropriate pursuant to subsection 3 if the Commissioner determines that such an increase is necessary to:

(a) Assist the Commissioner in the performance of his or her regulatory duties;

(b) Ensure that the organization complies with the requirements of this Code; or

(c) Ensure the solvency of the organization.

3. When determining the appropriate amount of an increase pursuant to subsection 2, the Commissioner must base his or her determination on the type, volume and nature of premiums written and premiums assumed by the organization.

4. The amount of the organization's capital account , ~~[and]~~ surety bond or deposit *and capital maintained pursuant to paragraph (c) of subsection 1, as* required pursuant to ~~[this section:]~~ *subsections 1 and 2:*

(a) Is in addition to any reserve required by this chapter and any reserve established by the organization according to good business and accounting practices for incurred but unreported claims and other similar claims; and

(b) May increase the amount of risk-based capital required pursuant to NRS 681B.550.

5. The amount of the organization's surety bond or deposit *and capital maintained pursuant to paragraph (c) of subsection 1, as* required pursuant to ~~[this section]~~ *subsections 1 and 2* may increase the amount of net worth required pursuant to ~~[this section.]~~ *subsections 1 and 2.*

Sec. 62. NRS 695F.310 is hereby amended to read as follows:

695F.310 1. The Commissioner may examine the affairs of any prepaid limited health service organization as often as is reasonably necessary to protect the interests of the residents of this State, but not less frequently than once every 3 years.

2. A prepaid limited health service organization shall make its books and records available for examination and cooperate with the Commissioner to facilitate the examination.

3. In lieu of such an examination, the Commissioner may accept the report of an examination conducted by the commissioner of insurance of another state.

4. The reasonable expenses of an examination conducted pursuant to this section must be ~~[charged to the organization being examined and remitted to the Commissioner.]~~ *assessed, billed and paid in accordance with the provisions of NRS 679B.290.*

Sec. 63. NRS 695F.320 is hereby amended to read as follows:

695F.320 1. Each prepaid limited health service organization shall file with the Commissioner annually, on or before March 1, a report showing its financial condition on the last day of the preceding calendar year. The report must be verified by at least two principal officers of the organization.

2. The report must be on a form prescribed by the Commissioner and include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding calendar year;

(b) The number of subscribers at the beginning and the end of the year and the number of enrollments terminated during the year; and

(c) Such other information as the Commissioner may prescribe.

3. Each prepaid limited health service organization shall file with the Commissioner annually an audited financial statement prepared ~~[by an independent certified public accountant. The statement must cover the most recent fiscal year of the organization and must be filed with the Commissioner within 120 days after the end of that fiscal year.]~~ *in accordance with the provisions of subsection 1 of NRS 680A.265.*

4. *Each prepaid limited health service organization shall file with the Commissioner and the National Association of Insurance Commissioners a quarterly statement in the form most recently adopted by the National Association of Insurance Commissioners for that type of insurer. The quarterly statement must be:*

(a) Prepared in accordance with the instructions which are applicable to that form, including, without limitation, the required date of submission for the form; and

(b) Filed by electronic means.

5. The Commissioner may require more frequent reports containing such information as is necessary to enable the Commissioner to carry out his or her duties pursuant to this chapter.

~~[5.]~~ *6.* The Commissioner may:

(a) Assess a fine of not more than $100 per day for each day ~~[the]~~ *a* report or ~~[financial]~~ statement required pursuant to this section is not filed after the report or ~~[financial]~~ statement is due, but the fine must not exceed $3,000; and

(b) Suspend the organization's certificate of authority until the organization files the report ~~[.]~~ *or statement, as applicable.*

Sec. 64. NRS 695J.260 is hereby amended to read as follows:

695J.260 1. If an exchange enrollment facilitator fails to obtain an appointment by the Exchange within 30 days after the date on which the certificate was issued, the exchange enrollment facilitator's certificate expires . ~~[and the exchange enrollment facilitator shall promptly deliver his or her certificate to the Commissioner.]~~

2. If the Exchange terminates an exchange enrollment facilitator's appointment, the exchange enrollment facilitator is prohibited from engaging in the business of an exchange enrollment facilitator under his or her certificate until such time as the exchange enrollment facilitator receives a new appointment by the Exchange. If the exchange enrollment facilitator does not obtain a new appointment by the Exchange within 30 days after the date the appointment was terminated, the exchange enrollment facilitator's certificate expires . ~~[and the exchange enrollment facilitator shall promptly deliver his or her certificate to the Commissioner.]~~

3. Except as otherwise provided in subsection 4, if the Exchange terminates the appointment of an entity other than a natural person:

(a) The appointments of exchange enrollment facilitators named on the entity's appointment also terminate; and

(b) The exchange enrollment facilitator is prohibited from engaging in the business of an exchange enrollment facilitator under his or her certificate until such time as the exchange enrollment facilitator receives a new appointment by the Exchange. If the exchange enrollment facilitator does not obtain a new appointment by the Exchange within 30 days after the date on which the appointment was terminated, the exchange enrollment facilitator's certificate expires . ~~[and the exchange enrollment facilitator shall promptly deliver his or her certificate to the Commissioner.]~~

4. The provisions of subsection 3 do not apply to any appointments the exchange enrollment facilitator may have individually or through an entity other than the terminated entity.

5. Upon the termination of an appointment for an entity or certificate holder, the Executive Director of the Exchange shall notify the Commissioner of the effective date of the termination and the grounds for termination.

Sec. 65. Chapter 696B of NRS is hereby amended by adding thereto the provisions set forth as sections 66 and 67 of this act.

Sec. 66. *1. Not later than 1 year after the date of entry of an order appointing a receiver in delinquency proceedings for an insurer pursuant to this chapter, and not less frequently than annually thereafter, the receiver shall comply with all requirements for financial reporting for a receivership as specified by the National Association of Insurance Commissioners. The reports required pursuant to this subsection include, without limitation, a statement of:*

(a) The assets and liabilities of the insurer;

(b) Changes in those assets and liabilities; and

(c) All funds received and disbursed by the receiver during the period since the last such report.

2. The receiver may:

(a) Qualify any report and provide notes to any statement for further explanation; and

(b) Provide any additional information required pursuant to an order of the court or as the receiver deems appropriate.

3. In addition to satisfying any filing requirements established by the National Association of Insurance Commissioners, the receiver shall file the reports, statements and other documents required by this section with the court that has jurisdiction over the receivership.

4. For good cause shown, the court may grant an extension or modification of time to comply with subsection 1 or such other relief as may be appropriate.

Sec. 67. *1. Not later than 1 year after the date of entry of an order appointing a receiver in delinquency proceedings for an insurer pursuant to this chapter, and at such intervals as may be agreed to between the receiver and a guaranty association but in no event less frequently than annually, each guaranty association which is affected by the delinquency proceedings shall comply with all applicable requirements for financial reporting as specified by the National Association of Insurance Commissioners.*

2. In addition to satisfying any filing requirements established by the National Association of Insurance Commissioners, each guaranty association which is affected by the delinquency proceedings shall file the reports and other documents required by this section with:

(a) The court that has jurisdiction over the receivership;

(b) The Commissioner; and

(c) The receiver.

3. For good cause shown, the court may grant an extension or modification of time to comply with subsection 1 or such other relief as may be appropriate.

4. As used in this section, "guaranty association" means the Nevada Insurance Guaranty Association, the Nevada Life and Health Insurance Guaranty Association or a similar organization in another jurisdiction, as applicable.

Sec. 68. NRS 696B.150 is hereby amended to read as follows:

696B.150 "Reciprocal state" means any state other than this state in which in substance and effect the provisions of the Uniform Insurers Liquidation Act ~~[,]~~ *or the Insurer Receivership Model Act* are in force, including provisions requiring that the commissioner of insurance or the equivalent insurance supervisory officer be the receiver of a delinquent insurer, and in which effective provisions exist for avoidance of fraudulent conveyances and unlawful preferential transfers.

Sec. 69. NRS 696B.280 is hereby amended to read as follows:

696B.280 1. This section, NRS 696B.030 to 696B.180, inclusive, (definitions) and NRS 696B.290 to 696B.340, inclusive, *and sections 66 and 67 of this act* comprise ~~[and may be cited as the Uniform Insurers Liquidation Act.]~~ *the Uniform Insurers Liquidation Act and the Insurer Receivership Model Act.*

2. If any provision of the ~~[Uniform Insurers Liquidation Act]~~ *NAIC Acts* or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ~~[act]~~ *NAIC Acts* which can be given effect without the invalid provision or application, and to this end the provisions of the ~~[act]~~ *NAIC Acts* are declared to be severable.

3. The ~~[Uniform Insurers Liquidation Act]~~ *NAIC Acts* shall be so interpreted as to effectuate ~~[its]~~ *the* general purpose to make uniform the laws of those states which enact ~~[it.]~~ *the Uniform Insurers Liquidation Act or the Insurer Receivership Model Act.* To the extent that ~~[its]~~ *the* provisions ~~[,]~~ *of the NAIC Acts,* when applicable, conflict with other provisions of this Code, the provisions of the ~~[Uniform Insurers Liquidation Act]~~ *NAIC Acts* shall control.

4. As used in this section, "NAIC Acts" means this section, NRS 696B.030 to 696B.180, inclusive, and NRS 696B.290 to 696B.340, inclusive, and sections 66 and 67 of this act.

Sec. 70. NRS 697.360 is hereby amended to read as follows:

697.360 Licensed bail agents, bail solicitors and bail enforcement agents, and general agents are also subject to the following provisions of this Code, to the extent reasonably applicable:

1. Chapter 679A of NRS.
2. Chapter 679B of NRS.
3. NRS 683A.261.
4. NRS 683A.301.
5. NRS 683A.311.
6. NRS 683A.331.
7. NRS 683A.341.
8. NRS 683A.361.
9. NRS 683A.400.
10. NRS 683A.451.
11. NRS 683A.461.
12. ~~[NRS 683A.480.~~

~~13.~~ NRS 683A.500.

~~[14.]~~ *13.* NRS 683A.520.

~~[15.]~~ *14.* NRS 686A.010 to 686A.310, inclusive.

Sec. 71. NRS 630.130 is hereby amended to read as follows:

630.130 1. In addition to the other powers and duties provided in this chapter, the Board shall, in the interest of the public, judiciously:

(a) Enforce the provisions of this chapter;

(b) Establish by regulation standards for licensure under this chapter;

(c) Conduct examinations for licensure and establish a system of scoring for those examinations;

(d) Investigate the character of each applicant for a license and issue licenses to those applicants who meet the qualifications set by this chapter and the Board; and

(e) Institute a proceeding in any court to enforce its orders or the provisions of this chapter.

2. On or before February 15 of each odd-numbered year, the Board shall submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature a written report compiling:

(a) Disciplinary action taken by the Board during the previous biennium against any licensee for malpractice or negligence;

(b) Information reported to the Board during the previous biennium pursuant to NRS 630.3067, 630.3068, subsections 3 and 6 of NRS 630.307 and NRS 690B.250 *;* ~~[and 690B.260;]~~ and

(c) Information reported to the Board during the previous biennium pursuant to NRS 630.30665, including, without limitation, the number and types of surgeries performed by each holder of a license to practice medicine and the occurrence of sentinel events arising from such surgeries, if any.

➥ The report must include only aggregate information for statistical purposes and exclude any identifying information related to a particular person.

3. The Board may adopt such regulations as are necessary or desirable to enable it to carry out the provisions of this chapter.

Sec. 72. NRS 630.3069 is hereby amended to read as follows:

630.3069 If the Board receives a report pursuant to the provisions of NRS 630.3067, 630.3068 ~~[,]~~ *or* 690B.250 ~~[or 690B.260]~~ indicating that a judgment has been rendered or an award has been made against a physician regarding an action or claim for malpractice or that such an action or claim against the physician has been resolved by settlement, the Board shall conduct an investigation to determine whether to impose disciplinary action against the physician regarding the action or claim, unless the Board has already commenced or completed such an investigation regarding the action or claim before it receives the report.

Sec. 73. NRS 630.318 is hereby amended to read as follows:

630.318 1. If the Board or any investigative committee of the Board has reason to believe that the conduct of any physician has raised a reasonable

question as to his or her competence to practice medicine with reasonable skill and safety to patients, or if the Board has received a report pursuant to the provisions of NRS 630.3067, 630.3068 ~~[,]~~ *or* 690B.250 ~~[or 690B.260]~~ indicating that a judgment has been rendered or an award has been made against a physician regarding an action or claim for malpractice or that such an action or claim against the physician has been resolved by settlement, the Board or committee may order that the physician undergo a mental or physical examination, an examination testing his or her competence to practice medicine or any other examination designated by the Board to assist the Board or committee in determining the fitness of the physician to practice medicine.

2. For the purposes of this section:

(a) Every physician who applies for a license or who is licensed under this chapter shall be deemed to have given consent to submit to a mental or physical examination or an examination testing his or her competence to practice medicine when ordered to do so in writing by the Board or an investigative committee of the Board.

(b) The testimony or reports of a person who conducts an examination of a physician on behalf of the Board or an investigative committee of the Board pursuant to this section are not privileged communications.

3. Except in extraordinary circumstances, as determined by the Board, the failure of a physician licensed under this chapter to submit to an examination when directed as provided in this section constitutes an admission of the charges against the physician.

Sec. 74. NRS 633.286 is hereby amended to read as follows:

633.286 1. On or before February 15 of each odd-numbered year, the Board shall submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature a written report compiling:

(a) Disciplinary action taken by the Board during the previous biennium against osteopathic physicians and physician assistants for malpractice or negligence;

(b) Information reported to the Board during the previous biennium pursuant to NRS 633.526, 633.527, subsections 3 and 6 of NRS 633.533 and NRS 690B.250 *;* ~~[and 690B.260;]~~ and

(c) Information reported to the Board during the previous biennium pursuant to NRS 633.524, including, without limitation, the number and types of surgeries performed by each holder of a license to practice osteopathic medicine and the occurrence of sentinel events arising from such surgeries, if any.

2. The report must include only aggregate information for statistical purposes and exclude any identifying information related to a particular person.

Sec. 75. NRS 633.528 is hereby amended to read as follows:

633.528 If the Board receives a report pursuant to the provisions of NRS 633.526, 633.527 ~~[,]~~ *or* 690B.250 ~~[or 690B.260]~~ indicating that a

judgment has been rendered or an award has been made against an osteopathic physician or physician assistant regarding an action or claim for malpractice or that such an action or claim against the osteopathic physician or physician assistant has been resolved by settlement, the Board shall conduct an investigation to determine whether to discipline the osteopathic physician or physician assistant regarding the action or claim, unless the Board has already commenced or completed such an investigation regarding the action or claim before it receives the report.

Sec. 76. NRS 633.529 is hereby amended to read as follows:

633.529 1. Notwithstanding the provisions of chapter 622A of NRS, if the Board or an investigative committee of the Board receives a report pursuant to the provisions of NRS 633.526, 633.527 ~~[,]~~ *or* 690B.250 ~~[or 690B.260]~~ indicating that a judgment has been rendered or an award has been made against an osteopathic physician or physician assistant regarding an action or claim for malpractice, or that such an action or claim against the osteopathic physician or physician assistant has been resolved by settlement, the Board or committee may order the osteopathic physician or physician assistant to undergo a mental or physical examination or any other examination designated by the Board to test his or her competence to practice osteopathic medicine or to practice as a physician assistant, as applicable. An examination conducted pursuant to this subsection must be conducted by a person designated by the Board.

2. For the purposes of this section:

(a) An osteopathic physician or physician assistant who applies for a license or who holds a license under this chapter is deemed to have given consent to submit to a mental or physical examination or an examination testing his or her competence to practice osteopathic medicine or to practice as a physician assistant, as applicable, pursuant to a written order by the Board.

(b) The testimony or reports of a person who conducts an examination of an osteopathic physician or physician assistant on behalf of the Board pursuant to this section are not privileged communications.

Sec. 77. NRS 679B.144, 690B.260 and 690B.340 are hereby repealed.

Sec. 78. NRS 680A.310, 683A.480 and 696A.330 are hereby repealed.

Sec. 79. 1. This section and sections 2, 3, 33 and 71 to 77, inclusive, of this act become effective upon passage and approval.

2. Sections 1, 4 to 32, inclusive, 35 to 70, inclusive, and 78 of this act become effective on October 1, 2019.

3. Section 34 of this act becomes effective on January 1, 2020.

LEADLINES OF REPEALED SECTIONS

679B.144 Commissioner required to collect information regarding closed claims for medical malpractice; submission to Legislature; regulations.

680A.310 Exceptions to requirements for countersignature by agent.

683A.480 Return of license to Commissioner.

690B.260 Physicians and osteopathic physicians: Reports to Commissioner and licensing boards.

690B.340 Review of settlement or judgment by Commissioner.

696A.330 Surrender of certificate after revocation or suspension of license.

Senator Spearman moved the adoption of the amendment.

Remarks by Senator Spearman.

The amendment adds a new section to Senate Bill No. 86 making certain individual health-benefit plan requirements applicable to health-maintenance organizations. It adds a new section to the bill to clarify the monetary amount that a licensed surplus-lines broker is able to charge for procuring coverage on behalf of an applicant. It amends section 29 to clarify the computation of the cost that the Commissioner of Insurance may assess against a health-insurance carrier and makes technical changes.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 87.

Bill read second time.

The following amendment was proposed by the Committee on Commerce and Labor:

Amendment No. 5.

SUMMARY—Revises provisions governing the Nevada Life and Health Insurance Guaranty Association. (BDR 57-219)

AN ACT relating to insurance; deeming benefits established by a long-term care rider to a life insurance policy or annuity contract to be the same type of benefits as provided in a basic policy or contract for certain purposes; clarifying the policies and contracts for which the Nevada Life and Health Insurance Guaranty Association is required to provide coverage; requiring a health maintenance organization to be a member of the Association; revising the composition of the Board of Directors of the Association; prescribing the manner in which the Association must calculate and allocate certain assessments; authorizing certain member insurers to recoup assessments; revising certain terminology; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Nevada Life and Health Insurance Guaranty Association for the purpose of protecting owners of or certificate holders under direct, nongroup life, health and annuity policies or contracts and certain other persons against failure in the performance of contractual obligations under those policies or contracts because of the impairment or insolvency of the insurer that issued the policies or contracts. (NRS 686C.020, 686C.030, 686C.130) Section 3 of this bill deems benefits established by a long-term care rider to a life insurance policy or annuity contract to be the same type of benefits as provided in a basic policy or contract for the purposes of provisions relating to the Association. Under existing law, such purposes include, without limitation, the determination of the date by which the Association is required to pay benefits, the calculation of limitations on the obligations of the

Association and the imposition and allocation of assessments on member insurers. (NRS 686C.153, 686C.210, 686C.240)

Sections 5, 7, 9, 18, 19, 21, 24, 27-31, 35, 39 and 41 of this bill clarify that provisions relating to the Association apply equally whether coverage or benefits are established through a policy or a contract. Section 6 of this bill clarifies that the Association is required to provide coverage for certain beneficiaries, assignees or payees of the owners of, enrollees in or certificate holders under covered policies or contracts. Section 7 of this bill requires the Association to cover a portion of a policy or contract that provides long-term care benefits or other health insurance benefits, regardless of whether the portion of the policy or contract would otherwise be eligible for certain exemptions. Section 7 also provides that the Association does not cover a policy or contract for Medicaid benefits. Sections 7, 11, 13, 15, 18, 22, 25, ~~[26,]~~ 28, 34, 36, 38, 40, 42 and 43 of this bill clarify that the provisions relating to the Association apply only to insurers that are members of the Association. Sections 10 and 14 of this bill require a health maintenance organization that operates in this State to be a member of the Association. Sections 13, 15, 18, 22, 24, 26, 30, 31, 35, 38, 40, 41 and 43 of this bill make conforming changes. Sections 14 and 33 of this bill revise the names of the accounts maintained by the Association. Section 48.5 of this bill repeals provisions requiring a nonprofit corporation for hospital, medical or dental service or health maintenance organization to take certain measures to continue coverage for insureds or enrollees if the corporation or health maintenance organization becomes insolvent, as such provisions would be unnecessary if those entities are required to participate in the Association.

Existing law establishes the Board of Directors of the Association, which carries out the powers of the Association. (NRS 686C.130, 686C.140) Section 15 of this bill increases the minimum and maximum number of members of the Board.

Existing law requires the Association to guarantee, assume or reinsure the policies of an impaired or insolvent insurer, cause such policies or contracts to be guaranteed, assumed or reinsured or ensure payment of the contractual obligations of the insolvent insurer. (NRS 686C.150, 686C.152) Sections 16 and 17 of this bill additionally require the Association to reissue or cause the reissuance of such policies or contracts. Sections 18 and 19 of this bill clarify that, if the Association issues certain alternative substitute coverage for the policies or contracts of an insolvent or impaired insurer, the alternative policy or contract must be reissued at actuarially justified rates. Section 26 of this bill authorizes the Association to file for actuarially justified rate or premium increases for any policy for which the Association provides coverage. Sections 19 and 20 of this bill remove a requirement that certain alternative policies or contracts or substitute coverage issued by the Association must be approved by a court in the insolvent or impaired insurer's state.

Existing law establishes limitations on the obligations of the Association to cover basic hospital, medical and surgical insurance or major medical

insurance. (NRS 686C.210) Section 25 of this bill provides that these limitations instead apply to health benefit plans, which are policies, contracts, certificates or agreements offered by a carrier to provide for, deliver payment for, arrange for the payment of, pay for or reimburse any of the costs of health care services. Sections 1 and 44-47 of this bill standardize the definition of the term "health benefit plan" for certain purposes.

Existing law authorizes the Board to call for certain assessments, known as Class B Assessments, to the extent necessary for the Association to provide coverage for covered policies and contracts. (NRS 686C.230) Section 32 of this bill prescribes the manner in which the Association is required to calculate the amount of a Class B Assessment for long-term care insurance written by an impaired or insolvent insurer and allocate such an assessment among the accounts of the Association.

Existing law authorizes a member insurer to offset part of the assessments paid to the Association against its liability for premium tax. (NRS 686C.280) Section 36 of this bill authorizes a member insurer that is exempt from its liability for premium tax to recoup its assessments by imposing a surcharge on premiums. Section 37 of this bill requires the plan of operation for the Association to include certain provisions relating to the recoupment of assessments.

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

Section 1. NRS 683A.176 is hereby amended to read as follows:

683A.176 "Third party" means:

1. An insurer, as that term is defined in NRS 679B.540;

2. A health benefit plan, as that term is defined in NRS ~~[689A.540,]~~ *687B.470,* for employees which provides a pharmacy benefits plan;

3. A participating public agency, as that term is defined in NRS 287.04052, and any other local governmental agency of the State of Nevada which provides a system of health insurance for the benefit of its officers and employees, and the dependents of officers and employees, pursuant to chapter 287 of NRS; or

4. Any other insurer or organization that provides health coverage or benefits or coverage of prescription drugs as part of workers' compensation insurance in accordance with state or federal law.

➥ The term does not include an insurer that provides coverage under a policy of casualty or property insurance.

Sec. 2. Chapter 686C of NRS is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this act.

Sec. 3. *For the purposes of this chapter, benefits provided pursuant to a rider for long-term care to a life insurance policy or annuity contract shall be deemed the same type of benefits provided in the life insurance policy or annuity contract to which the rider applies.*

Sec. 4. *"Health maintenance organization" has the meaning ascribed to it in NRS 695C.030.*

Sec. 5. NRS 686C.020 is hereby amended to read as follows:

686C.020 The purpose of this chapter is to protect, within certain limits, the persons specified in subsections 1 and 2 of NRS 686C.030 against failure in the performance of contractual obligations under life ~~[and]~~ *insurance,* health insurance *and annuity* policies ~~[and]~~ *or* contracts ~~[, and annuities,]~~ specified in subsection 4 of NRS 686C.030 because of the impairment or insolvency of a member insurer issuing such policies or contracts.

Sec. 6. NRS 686C.030 is hereby amended to read as follows:

686C.030 1. This chapter provides coverage for the *life insurance, health insurance and annuity* policies or contracts described in subsection 4 to persons who are:

(a) Owners of *, enrollees in* or certificate holders under such policies or contracts, other than structured settlement annuities, and who:

(1) Are residents of this state; or

(2) Are not residents, but only if:

(I) The *member* insurer that issued the policies or contracts is domiciled in this state;

(II) The states in which the persons reside have associations similar to the Association created by this chapter; and

(III) The persons are not eligible for coverage by an association in another state because the *member* insurer was not authorized in the other state at the time specified in that state's law governing guaranty associations; and

(b) ~~[Beneficiaries,]~~ *Regardless of where they reside, beneficiaries,* assignees or payees of the persons covered under paragraph (a), ~~[wherever they reside,]~~ *including, without limitation, providers of health care rendering services covered under policies or certificates of health insurance,* except for nonresident certificate holders under group policies or contracts.

2. For structured settlement annuities, except as otherwise provided in subsection 3, this chapter provides coverage to a payee under the annuity, or beneficiary of a payee if the payee is deceased, if the payee or beneficiary:

(a) Is a resident of this state, regardless of the residence of the owner of the annuity; or

(b) Is not a resident of this state, but:

(1) The owner of the annuity is a resident of this state, or the issuer of the annuity is domiciled in this state and the state in which the owner resides has an association similar to the Association created by this chapter; and

(2) Neither the payee or beneficiary nor the owner of the annuity is eligible for coverage by the association of the state in which the payee, beneficiary or owner resides.

3. This chapter does not provide coverage for a payee or beneficiary of a structured settlement annuity if the owner of the annuity is a resident of this state and the payee or beneficiary is afforded any coverage by the association of another state. In determining the application of the provisions of this chapter to a situation where a person could be covered by the association of more than

one state, this chapter must be construed in conjunction with the laws of other states to result in coverage by only one association.

4. This chapter provides coverage to the persons described in subsections 1 and 2 for *policies or contracts of* direct, nongroup life ~~[,]~~ *insurance,* health *insurance* and ~~[annuity policies or contracts,]~~ *annuities,* for certificates under direct group policies and contracts, and for supplemental contracts to any of these, in each case issued by member insurers, except as limited by this chapter.

Sec. 7. NRS 686C.035 is hereby amended to read as follows:

686C.035 1. This chapter does not provide coverage for:

(a) A portion of a policy or contract not guaranteed by the *member* insurer, or under which the risk is borne by the owner of the policy or contract.

(b) A policy or contract of reinsurance unless assumption certificates have been issued pursuant to that policy or contract.

(c) A portion of a policy or contract *, other than a portion of a policy or contract of health insurance or that provides benefits for long-term care, including, without limitation, a rider that provides such benefits,* to the extent that the rate of interest on which it is based, or the interest rate, crediting rate or similar factor determined by the use of an index or other external reference stated in the policy or contract employed in calculating returns or changes in value:

(1) Averaged over the period of 4 years before the date on which the association becomes obligated with respect to the policy or contract, exceeds the rate of interest determined by subtracting 2 percentage points from Moody's Corporate Bond Yield Average averaged for the same period, or for the period between the date of issuance of the policy or contract and the date the association became obligated, whichever period is less; and

(2) On or after the date on which the association becomes obligated with respect to the policy or contract, exceeds the rate of interest determined by subtracting 3 percentage points from Moody's Corporate Bond Yield Average as most recently available.

(d) A portion of a policy or contract issued to a plan or program of an employer, association or other person to provide life, health or annuity benefits to its employees, members or other persons to the extent that the plan or program is self-funded or uninsured, including, but not limited to, benefits payable by an employer, association or other person under:

(1) A multiple employer welfare arrangement described in 29 U.S.C. § 1002(40);

(2) A minimum-premium group insurance plan;

(3) A stop-loss group insurance plan; or

(4) A contract for administrative services only.

(e) A portion of a policy or contract to the extent that it provides for dividends, credits for experience, voting rights or the payment of any fee or allowance to any person, including the owner of a policy or contract, for services or administration connected with the policy or contract.

(f) A policy or contract issued in this state by a member insurer at a time when the member insurer was not authorized to issue the policy or contract in this state.

(g) A portion of a policy or contract to the extent that the assessments required by NRS 686C.230 with respect to the policy or contract are preempted by federal law.

(h) An obligation that does not arise under the express written terms of the policy or contract issued by the *member* insurer, including:

(1) Claims based on marketing materials;

(2) Claims based on side letters or other documents that were issued by the *member* insurer without satisfying applicable requirements for filing or approval of policy *or contract* forms;

(3) Misrepresentations of or regarding policy *or contract* benefits;

(4) Extra-contractual claims; or

(5) A claim for penalties or consequential or incidental damages.

(i) A contractual agreement that establishes the member insurer's obligation to provide a guarantee based on accounting at book value for participants in a defined-contribution benefit plan by reference to a portfolio of assets owned by the benefit plan or its trustee, which in each case is not an affiliate of the member insurer.

(j) A portion of a policy or contract to the extent that it provides for interest or other changes in value which are determined by the use of an index or other external reference stated in the policy or contract, but which have not been credited to the policy or contract, or as to which the rights of the owner of the policy or contract are subject to forfeiture, determined on the date the member insurer becomes an impaired or insolvent insurer, whichever occurs first. If the interest or changes in value of a policy or contract are credited less frequently than annually, for the purpose of determining the values that have been credited and are not subject to forfeiture, the interest or change in value determined by using procedures stated in the policy or contract must be credited as if the contractual date for crediting interest or changing values was the date of the impairment or insolvency of the insured member, whichever occurs first and is not subject to forfeiture.

(k) An unallocated annuity contract other than an annuity owned by a governmental retirement plan established under section 401, 403(b) or 457 of the Internal Revenue Code, 26 U.S.C. §§ 401, 403(b) and 457, respectively, or the trustees of such a plan.

(l) A policy or contract providing any hospital, medical, prescription drug or other health care benefits pursuant to 42 U.S.C. §§ 1395w-21 et seq. and 1395w-101 et seq. ~~,~~ *or 42 U.S.C. §§ 1396 et seq.*, and any regulations adopted pursuant thereto.

2. As used in this section, "Moody's Corporate Bond Yield Average" means the monthly average for corporate bonds published by Moody's Investors Service, Inc., or any successor average.

Sec. 8. NRS 686C.040 is hereby amended to read as follows:

686C.040 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 686C.045 to 686C.127, inclusive, *and section 4 of this act* have the meanings ascribed to them in those sections.

Sec. 9. NRS 686C.080 is hereby amended to read as follows:

686C.080 "Covered policy ~~["]~~ *or contract"* means any policy or contract included within the scope of this chapter, as expressed in NRS 686C.030 and 686C.035.

Sec. 10. NRS 686C.100 is hereby amended to read as follows:

686C.100 "Member insurer" means an insurer which is licensed or holds a certificate of authority to transact in this state any kind of insurance for which coverage is provided in this chapter ~~[and]~~ *or a health maintenance organization which holds a certificate of authority to operate in this State. The term* includes an insurer *or health maintenance organization* whose license or certificate of authority in this state has been suspended, revoked, not renewed or voluntarily withdrawn. The term does not include:

1. ~~[A hospital or medical organization, whether or not for profit;~~

~~2. A health maintenance organization;~~

~~3.]~~ A fraternal benefit society;

~~[4.]~~ *2.* A mandatory state pooling plan;

~~[5.]~~ *3.* A mutual assessment company or other person that operates on the basis of assessments;

~~[6.]~~ *4.* An insurance exchange;

~~[7.]~~ *5.* An organization that is authorized only to issue charitable gift annuities under NRS 688A.281 to 688A.285, inclusive; ~~[or~~

~~8.]~~ *6. A reinsurance program operated by the State Government; or*

7. An organization similar to any of those listed in subsections 1 to ~~[7,]~~ *6,* inclusive.

Sec. 11. NRS 686C.120 is hereby amended to read as follows:

686C.120 "Resident" means any person to whom a contractual obligation is owed and who resides in this state on the date of entry of a court order that determines a member insurer to be impaired or insolvent. A person may be a resident of but one state, which in the case of a person other than a natural person is its principal place of business. A citizen of the United States who is a resident of a foreign country or of a territory or insular possession subject to the jurisdiction of the United States which does not have an association similar to the Association created by this chapter shall be deemed to be a resident of the state of domicile of the *member* insurer that issued the policy or contract.

Sec. 12. NRS 686C.125 is hereby amended to read as follows:

686C.125 "Supplemental contract" means a written agreement for the distribution of proceeds from a life or health insurance policy *or contract* or an annuity.

Sec. 13. NRS 686C.128 is hereby amended to read as follows:

686C.128 1. The Association shall prepare, and submit to the Commissioner for approval, a summary document describing the general

purposes and current limitations of this chapter. After the expiration of 60 days after the approval of the summary document by the Commissioner, ~~[an]~~ *a member* insurer may not deliver a policy or contract to the ~~[owner of the]~~ policy or contract *owner, certificate holder or enrollee* unless the summary document is delivered to the *policy or contract* owner , *certificate holder or enrollee* at the time of delivery of the policy or contract. The document must also be available upon request by the *policy or contract* owner ~~[of a policy.]~~ , *certificate holder or enrollee.* The distribution, delivery, contents or interpretation of this document does not guarantee that the policy or ~~[the]~~ contract or ~~[its]~~ *the policy or contract* owner , *certificate holder or enrollee* is covered in the event of the impairment or insolvency of a member insurer. The descriptive document must be revised by the Association as amendments to this chapter may require. Failure to receive this document does not give the ~~[owner of a]~~ policy or contract ~~[, or an insured,]~~ *owner, certificate holder or enrollee* any greater rights than those stated in this chapter.

2. The document prepared pursuant to subsection 1 must contain a clear and conspicuous disclaimer on its face. The Commissioner shall establish the form and content of the disclaimer. The disclaimer must:

(a) State the name and address of the Association and of the Division;

(b) Prominently warn the ~~[owner of the]~~ policy or contract *owner, certificate holder or enrollee* that the Association may not cover the policy *or contract* or, if coverage is available, it will be subject to substantial limitations and exclusions and conditioned on continued residence in this State;

(c) State the types of policies *and contracts* for which guaranty funds will provide coverage;

(d) State that the *member* insurer and its agents are prohibited by law from using the existence of the Association for the purpose of sales, solicitation or inducement to purchase any form of insurance ~~[;]~~ *or coverage offered by a health maintenance organization;*

(e) State that the ~~[owner of a]~~ policy or contract *owner, certificate holder or enrollee* should not rely on coverage under the Association when selecting an insurer;

(f) Explain the rights and procedures for filing a complaint to allege a violation of any provision of this chapter; and

(g) Provide other information as directed by the Commissioner, including sources of information about the financial condition of insurers, if the information is not proprietary and is subject to disclosure under the law of the state in which the *member* insurer is domiciled.

3. A member insurer shall retain evidence of compliance with subsection 1 while the policy or contract for which the notice is given remains in effect.

Sec. 14. NRS 686C.130 is hereby amended to read as follows:

686C.130 1. There is hereby created a nonprofit legal entity to be known as the Nevada Life and Health Insurance Guaranty Association. All member insurers shall be and remain members of the Association as a condition of their authority to transact insurance *or operate a health maintenance organization,*

as applicable, in this state. The Association shall perform its functions under the plan of operation established and approved pursuant to NRS 686C.290 and shall exercise its powers through a Board of Directors established pursuant to NRS 686C.140.

2. For purposes of administration and assessment, the Association shall maintain two accounts:

(a) The *Health* Account *;* ~~[for Health Insurance;]~~ and

(b) The *Life and Annuity* Account , ~~[for Life Insurance and Annuities,]~~ which consists of:

(1) The Subaccount for Life Insurance; and

(2) The Subaccount for Annuities, including annuities owned by a governmental retirement plan, or its trustees, established under section 401, 403(b) or 457 of the Internal Revenue Code, 26 U.S.C. §§ 401, 403(b) and 457.

3. The Association is under the immediate supervision of the Commissioner and is subject to the applicable provisions of the Nevada Insurance Code. Meetings or records of the Association may be opened to the public by majority vote of the Board of Directors.

Sec. 15. NRS 686C.140 is hereby amended to read as follows:

686C.140 1. The Board of Directors of the Association consists of not less than ~~[five]~~ *7* nor more than ~~[nine]~~ *11* members, serving terms as established in the plan of operation.

2. The members of the Board who represent *member* insurers must be selected by member insurers subject to the approval of the Commissioner. If practicable, one of the members of the Board must be an officer of a domestic *member* insurer.

3. Two public representatives must be appointed to the Board by the Commissioner. A public representative may not be an officer, director or employee of ~~[an]~~ *a member* insurer , ~~[or]~~ engaged in the business of insurance ~~[.]~~ *or a health maintenance organization.*

4. Vacancies on the Board must be filled for the remaining period of the term by majority vote of the members of the Board, subject to the approval of the Commissioner, for members who represent *member* insurers, and by the Commissioner for public representatives.

5. To select the initial Board of Directors, and initially organize the Association, the Commissioner shall give notice to all member insurers of the time and place of the organizational meeting. In determining voting rights at the organizational meeting, each member insurer is entitled to one vote in person or by proxy. If the Board of Directors is not selected within 60 days after notice of the organizational meeting, the Commissioner may appoint the initial members to represent *member* insurers in addition to the public representatives.

6. In approving selections or in appointing members to the Board, the Commissioner shall consider, among other things, whether all member insurers are fairly represented.

7. Members of the Board may be reimbursed from the assets of the Association for expenses incurred by them as members of the Board of Directors, but members of the Board may not otherwise be compensated by the Association for their services.

Sec. 16. NRS 686C.150 is hereby amended to read as follows:

686C.150 If a member insurer is an impaired insurer, the Association may, subject to any conditions it may impose which do not impair the contractual obligations of the impaired insurer and which are approved by the Commissioner:

1. Guarantee, assume , *reissue* or reinsure, or cause to be guaranteed, assumed , *reissued* or reinsured, any or all of the covered policies or contracts of the impaired insurer.

2. Provide such money, pledges, loans, notes, guarantees or other means as are proper to effectuate subsection 1, and assure payment of the contractual obligations of the impaired insurer pending action under subsection 1.

Sec. 17. NRS 686C.152 is hereby amended to read as follows:

686C.152 If a member insurer is an insolvent insurer, the Association shall:

1. Guarantee, assume , *reissue* or reinsure, or cause to be guaranteed, assumed , *reissued* or reinsured, the policies or contracts of the insolvent insurer; or

2. Ensure payment of the contractual obligations of the insolvent insurer and:

(a) Provide such money, pledges, loans, notes, guarantees or other means as are reasonably necessary to discharge its duties; or

(b) Provide benefits and coverages in accordance with NRS 686C.153 and 686C.154.

Sec. 18. NRS 686C.153 is hereby amended to read as follows:

686C.153 *1.* When proceeding pursuant to paragraph (b) of subsection 2 of NRS 686C.152, the Association shall:

~~[1.]~~ *(a)* With respect to ~~[life and health insurance]~~ *covered* policies ~~[and annuities,]~~ *or contracts,* ensure payment of benefits ~~[for premiums identical to the premiums and benefits, except for terms of conversion and renewability, which]~~ *that* would have been payable under *the* policies or contracts of the insolvent insurer, for claims incurred with respect to:

~~[(a)]~~ *(1)* A group policy or contract, not later than the earlier of the next renewal date under the policy or contract or 45 days, but in no event less than 30 days, after the date when the Association becomes obligated with respect to that policy or contract.

~~[(b)]~~ *(2)* A nongroup policy, contract or annuity, not later than the earlier of the next renewal date, if any, under the policy, contract or annuity or 1 year, but in no event less than 30 days, after the date when the Association becomes obligated with respect to that policy, contract or annuity.

~~[2.]~~ *(b)* Make diligent efforts to provide all known insureds ~~[or]~~ *, policy or contract* owners *or enrollees* with respect to group policies or contracts, or

annuitants with respect to annuities, 30 days' notice of termination of the benefits provided pursuant to ~~[subsection 1.~~
~~— 3.]~~ *paragraph (a).*

(c) With respect to nongroup life ~~[and]~~ *insurance,* health insurance *or annuity* policies ~~[and annuities,]~~ *or contracts,* make available substitute coverage on an individual basis, in accordance with the provisions of subsection ~~[4,]~~ *2,* to each known insured or annuitant, or owner if other than the insured *, enrollee* or annuitant, and to each natural person formerly insured, *formerly an enrollee* or formerly an annuitant, under a group policy *or contract* who is not eligible for replacement group coverage, if the insured *, enrollee* or annuitant had a right under law or the terminated policy *, contract* or annuity to convert coverage to individual coverage or to continue an individual policy *, contract* or annuity in force until a specified age or for a specified period, during which the *member* insurer had no right unilaterally to make changes in any provision of the policy *, contract* or annuity or had a right only to make changes in premium by class.

~~[4.]~~ *2.* In providing the substitute coverage required under *paragraph (c) of* subsection ~~[3,]~~ *1,* the Association may offer to reissue the terminated coverage or to issue an alternative policy ~~[that must be offered]~~ *or contract at actuarially justified rates* without requiring evidence of insurability or a waiting period or exclusion that would not have applied under the terminated policy ~~[,]~~ *or contract* and may reinsure any alternative or reinsured policy ~~[.]~~ *or contract.*

Sec. 19. NRS 686C.154 is hereby amended to read as follows:

686C.154 1. Alternative policies *or contracts* adopted by the Association are subject to the approval of the Commissioner . ~~[and the court in the insolvent or impaired insurer's state which has jurisdiction over the conservation, rehabilitation or liquidation of the insurer.]~~ The Association may adopt alternative policies *or contracts* of various types for future issuance without regard to any particular impairment or insolvency.

2. An alternative policy *or contract* must contain at least the minimum statutory provisions required in this state and provide benefits that are not unreasonable in relation to the premium charged. The Association shall set the premium in accordance with a table of rates which it shall adopt. The premium must reflect the amount of insurance to be provided and the age and class of risk of each insured ~~[,]~~ *or enrollee,* but must not reflect any changes in the health of the insured *or enrollee* after the original policy *or contract* was last underwritten.

3. An alternative policy *or contract* issued by the Association must provide coverage of a type similar to that of the policy *or contract* issued by the impaired or insolvent insurer, as determined by the Association.

4. If the Association elects to reissue terminated coverage at a rate of premium different from that charged under the terminated policy ~~[,]~~ *or contract,* the premium must be set by the Association *at an actuarially justified amount* in accordance with the amount of insurance provided and the age and

class of risk, subject to approval by the Commissioner ~~[and the court described in]~~ *pursuant to* subsection 1.

Sec. 20. NRS 686C.156 is hereby amended to read as follows:

686C.156 In carrying out its duties in connection with guaranteeing, assuming , *reissuing* or reinsuring a policy or contract under NRS 686C.150 and 686C.152, the Association ~~[, subject to the approval of the court in the insolvent or impaired insurer's state which has jurisdiction over the conservation, rehabilitation or liquidation of the insurer,]~~ may issue substitute coverage for a policy or contract that provides an interest rate, crediting rate or similar factor determined by use of an index or other external reference stated in the policy or contract employed in calculating returns or changes in value by issuing an alternative policy or contract if:

1. In lieu of the index or other external reference stated in the original policy or contract, the alternative policy or contract provides for a fixed interest rate, payment of dividends guaranteed as to minimum amount, or a different method of calculating interest or changes in value;

2. There is no requirement for evidence of insurability, waiting period or other exclusion that would not have applied under the replaced policy or contract; and

3. The alternative policy or contract is substantially similar to the replaced policy or contract in all other material terms.

Sec. 21. NRS 686C.160 is hereby amended to read as follows:

686C.160 In carrying out its responsibilities under NRS 686C.152, the Association may, subject to approval by a court of this state:

1. Impose permanent liens on policies and contracts in connection with any guarantee, assumption or reinsurance if the Association finds that the amounts which can be assessed under this chapter are less than the amounts needed to ensure full and prompt performance of the Association's duties or that the economic or financial conditions as they affect member insurers are sufficiently adverse that the imposition of such permanent liens is in the public interest.

2. Impose temporary moratoriums or liens on payments of cash values and policy loans or any right to withdraw money held in conjunction with policies or contracts, in addition to any contractual provisions for deferral of paying cash value or lending against the policy ~~[.]~~ *or contract.* In addition, in the event of a temporary moratorium or charge imposed by the court in the insolvent or impaired insurer's state which has jurisdiction over the conservation, rehabilitation or liquidation of the insurer on such payment or lending, or on any other right to withdraw money held in conjunction with policies or contracts, the Association may defer such payment, lending or withdrawal for the period of the moratorium or charge, except for claims covered by the Association to be paid in accordance with a procedure for cases of hardship established by the liquidator or rehabilitator and approved by the court.

Sec. 22. NRS 686C.175 is hereby amended to read as follows:

686C.175 A deposit in this state, held pursuant to law or required by the Commissioner for the benefit of creditors, including ~~[owners of policies,]~~ , *without limitation, policy or contract owners, certificate holders and enrollees,* not turned over to the domiciliary receiver upon the entry of a final order of liquidation or order approving a plan of rehabilitation of ~~[an]~~ *a member* insurer domiciled in this state or a reciprocal state pursuant to NRS 696B.290 or 696B.300 must be promptly paid to the Association. The Association is entitled to retain a portion of an amount so paid to it that is equal to the percentage determined by dividing the aggregate amount of ~~[policy owners']~~ claims *by policy or contract owners, certificate holders and enrollees that are* related to that insolvency for which the Association has provided statutory benefits by the aggregate amount of all ~~[policy owners']~~ claims *by policy or contract owners, certificate holders and enrollees* in this state related to that insolvency, and shall remit the remainder to the domiciliary receiver. The amount so remitted is a distribution of the assets of the *member* insurer for the purposes of chapter 696B of NRS.

Sec. 23. NRS 686C.190 is hereby amended to read as follows:

686C.190 The Association has standing:

1. To appear or intervene before a court or agency in this state which has jurisdiction over an impaired or insolvent insurer concerning which the Association is or may become obligated under this chapter or over any person or property against whom or which the Association may have rights through subrogation or otherwise. Its standing extends to all matters germane to the powers and duties of the Association, including proposals for reinsuring, *reissuing,* modifying or guaranteeing the policies or contracts of the impaired or insolvent insurer and the determination of the policies or contracts and contractual obligations.

2. To appear or intervene before a court or agency in another state which has jurisdiction over an impaired or insolvent insurer for which the Association is or may become obligated, or over any person or property against whom or which the Association may have rights through subrogation or otherwise.

Sec. 24. NRS 686C.200 is hereby amended to read as follows:

686C.200 1. A person receiving benefits under this chapter shall be deemed to have assigned his or her rights under, and any causes of action against any person for losses arising under, resulting from or otherwise relating to, the covered policy or contract to the Association to the extent of the benefits received because of this chapter, whether the benefits are payments of or on account of contractual obligations, continuation of coverage or provision of substitute or alternative coverages. The Association may require an assignment to it of those rights and causes of action by any payee, ~~[owner of a]~~ policy or contract ~~[,]~~ *owner, certificate holder, enrollee,* beneficiary, insured or annuitant as a condition precedent to the receipt of any rights or benefits conferred by this chapter upon that person.

2. The rights of the Association to subrogation under this subsection have the same priority against the assets of the impaired or insolvent insurer as that possessed by the person entitled to receive benefits under this chapter.

3. In addition to the rights provided under subsections 1 and 2, the Association has all rights of subrogation at common law and any other equitable or legal remedy which would have been available to the impaired or insolvent insurer or the owner, beneficiary or payee of a policy or contract *, a certificate holder or an enrollee* with respect to the policy or contract, including, in the case of a structured settlement annuity, any rights of the owner, beneficiary or payee of the annuity, to the extent of benefits received under this chapter, against a person originally or by succession responsible for the losses arising from the personal injury relating to the annuity or payment for it, except any such person responsible solely by reason of serving as an assignee under section 130 of the Internal Revenue Code, 26 U.S.C. § 130.

4. If the provisions of subsections 1, 2 and 3 are invalid or ineffective with respect to any person or any claim for any reason, the amount payable to the Association with respect to the related covered obligations is reduced by the amount realized by any other person with respect to the person or claim which is attributable to the policies *or contracts* or portions thereof covered by the Association.

5. If the Association has provided benefits with respect to a covered obligation and a person recovers amounts as to which the Association has rights under subsections 1 to 4, inclusive, the person shall pay to the Association the portion of the recovery attributable to the policies *or contracts* or portions thereof covered by the Association.

Sec. 25. NRS 686C.210 is hereby amended to read as follows:

686C.210 1. The benefits that the Association may become obligated to cover may not exceed the lesser of:

(a) The contractual obligations for which the *member* insurer is liable or would have been liable if it were not an impaired or insolvent insurer;

(b) With respect to one life, regardless of the number of policies or contracts:

(1) Three hundred thousand dollars in death benefits from life insurance, but not more than $100,000 in net cash for surrender and withdrawal for life insurance; or

(2) Two hundred fifty thousand dollars in the present value of benefits from annuities, including net cash for surrender and withdrawal;

(c) With respect to health insurance for any one life:

(1) One hundred thousand dollars for coverages other than disability *income* insurance, *health benefit plans or* long-term care insurance, ~~[basic hospital, medical and surgical insurance or major medical insurance,]~~ including any net cash for surrender or withdrawal;

(2) Three hundred thousand dollars for disability *income* insurance or long-term care insurance; or

(3) Five hundred thousand dollars for ~~[basic hospital, medical and surgical insurance or major medical insurance;]~~ *health benefit plans;*

(d) With respect to each payee of a structured settlement annuity, or beneficiary or beneficiaries of the payee if deceased, $250,000 in present value of benefits from the annuity in the aggregate, including any net cash for surrender or withdrawal; or

(e) With respect to each participant in a governmental retirement plan covered by an unallocated annuity contract which is owned by a governmental retirement plan established under section 401, 403(b) or 457 of the Internal Revenue Code, 26 U.S.C. §§ 401, 403(b) and 457, respectively, or the trustees of such a plan, and which is approved by the Commissioner, an aggregate of $250,000 in present-value annuity benefits, including the value of net cash for surrender and net cash for withdrawal, regardless of the number of contracts.

2. In no event is the Association obligated to cover more than:

(a) With respect to any one life or person under paragraphs (b) to (e), inclusive, of subsection 1:

(1) An aggregate of $300,000 in benefits, excluding benefits for ~~[basic hospital, medical and surgical insurance or major medical insurance;]~~ *health benefit plans;* or

(2) An aggregate of $500,000 in benefits, including benefits for ~~[basic hospital, medical and surgical insurance or major medical insurance.]~~ *health benefit plans.*

(b) With respect to one owner of several nongroup policies of life insurance, whether the owner is a natural person or an organization and whether the persons insured are officers, managers, employees or other persons, more than $5,000,000 in benefits, regardless of the number of policies and contracts held by the owner.

3. The limitations set forth in this section are limitations on the benefits for which the Association is obligated before taking into account its rights to subrogation or assignment or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer attributable to covered policies ~~[.]~~ *or contracts.* The cost of the Association's obligations under this chapter may be met by the use of assets attributable to covered policies ~~[,]~~ *or contracts,* or reimbursed to the Association pursuant to its rights to subrogation or assignment.

4. In performing its obligation to provide coverage under NRS 686C.150 and 686C.152, the Association need not guarantee, assume, reinsure *, reissue* or perform, or cause to be guaranteed, assumed, reinsured *, reissued* or performed, the contractual obligations of the impaired or insolvent insurer under a covered policy or contract which do not materially affect the economic value or economic benefits of the covered policy or contract.

5. As used in this section, "health benefit plan" has the meaning ascribed to it in NRS 687B.470.

Sec. 26. NRS 686C.220 is hereby amended to read as follows:

686C.220 The Association may:

1. Enter into such contracts as are necessary or proper to carry out the provisions and purposes of this chapter.

2. Sue or be sued, including the taking of any legal action necessary or proper for recovery of any unpaid assessments under NRS 686C.230 or to settle claims or potential claims against it.

3. Borrow money to effect the purposes of this chapter. Any notes or other evidence of indebtedness of the Association not in default are legal investments for domestic ~~*[member]*~~ insurers and may be carried as admitted assets.

4. Employ or retain such persons as are necessary or appropriate to handle the financial transactions of the Association, and to perform such other functions as become necessary or proper under this chapter.

5. Take such legal action as may be necessary or appropriate to avoid or recover payment of improper claims.

6. Exercise, for the purposes of this chapter and to the extent approved by the Commissioner, the powers of a domestic life or health insurer ~~[,]~~ *or health maintenance organization*, but in no case may the Association issue insurance policies or annuities other than those issued to perform its contractual obligations under this chapter.

7. Join an organization of one or more other state associations having similar purposes, to further the purposes and administer the powers and duties of the Association.

8. Organize itself as a corporation or in other legal form permitted by the laws of this state.

9. Request information from a person seeking coverage from the Association to aid the Association in determining its obligations under this chapter with respect to the person, and the person shall promptly comply with the request.

10. *Except where otherwise provided by law, in accordance with the terms and conditions of the applicable policy or contract, file for actuarially justified rate or premium increases for any policy for which the Association provides coverage under the provisions of this chapter.*

11. Take other necessary or appropriate action to perform its duties and discharge its obligations under this chapter or to exercise its power under this chapter.

Sec. 27. NRS 686C.223 is hereby amended to read as follows:

686C.223 1. As used in this section, "coverage date" means the date on which the Association becomes liable for the obligations of a member insurer.

2. At any time after the coverage date, the Association may elect to succeed to the rights and obligations of the member insurer which accrue on or after the coverage date and relate to *policies or* contracts covered, in whole or in part, by the Association under any one or more agreements for indemnity reinsurance entered into by the member insurer as ceding insurer and selected by the Association. However, the Association may not exercise its right of election with respect to an agreement for reinsurance if the receiver,

rehabilitator or liquidator of the member insurer has previously expressly disaffirmed the agreement. The election must be effected by a notice to the receiver, rehabilitator or liquidator and the affected reinsurers. If the Association makes such an election:

(a) The Association is responsible for all unpaid premiums due under each agreement for periods both before and after the coverage date, and for the performance of all other obligations to be performed after the coverage date, in each case which relates to a *policy or* contract covered in whole or in part by the Association. The Association may charge a *policy or* contract covered in part by it, through reasonable methods of allocation, for the costs of reinsurance in excess of the obligations of the Association.

(b) The Association is entitled to any amount payable by the reinsurer under each agreement with respect to losses or events that occur in periods after the coverage date and relate to *policies or* contracts covered in whole or in part by the Association, but upon receipt of any such amount, the Association is obligated to pay, to the beneficiary under the *policy or* contract on account of which the amount was paid, that portion of the amount received by the Association that exceeds the benefits paid by the Association on account of the *policy or* contract less the retention by the impaired or insolvent ~~[member]~~ insurer applicable to the loss or event.

(c) The Association and each reinsurer shall, within 30 days after the election, calculate the net balance due to or from the Association under each agreement as of the date of the election, giving full credit for all items paid by the member insurer or its receiver, rehabilitator or liquidator, or the reinsurer, between the coverage date and the date of the election. The Association or the reinsurer shall pay the net balance within 5 days after the completion of the calculation. If a receiver, rehabilitator or liquidator has received any amount due the Association pursuant to paragraph (b), the recipient shall remit the amount to the Association as promptly as practicable.

(d) The reinsurer may not terminate an agreement for reinsurance insofar as it relates to *policies or* contracts covered by the Association in whole or in part, or set off any unpaid premium due for a period before the coverage date against the amount due the Association, if the Association, within 60 days after the election, pays the premiums due for periods both before and after the coverage date which relate to such *policies or* contracts.

3. If the Association transfers its obligation to another insurer, and the Association and the other insurer so agree, the other insurer succeeds to the rights and obligations of the Association under subsection 2 effective as of the agreed date, whether or not the Association has made the election described in subsection 2, except that:

(a) An agreement for indemnity reinsurance automatically terminates as to new reinsurance unless the reinsurer and the other insurer agree to the contrary;

(b) The obligation of the Association to the beneficiary under paragraph (b) of subsection 2 ceases on the date of the transfer to the other insurer; and

(c) This subsection does not apply if the Association has previously expressly determined in writing that it will not exercise its right of election under subsection 2.

4. The provisions of this section supersede an affected agreement for reinsurance which provides for or requires payment of proceeds of reinsurance, on account of a loss or event that occurs after the coverage date, to the receiver, rehabilitator or liquidator of the insolvent ~~[member]~~ insurer. The receiver, rehabilitator or liquidator remains entitled to any amounts payable by the reinsurer under the agreement with respect to losses or events that occur before the coverage date, subject to any applicable setoff.

5. Except as otherwise expressly provided, this section does not alter or modify the terms or conditions of any agreement of the insolvent insurer for reinsurance, abrogate or limit any right of a reinsurer to rescind an agreement for reinsurance, or give an owner or beneficiary of a policy *or contract* an independent cause of action against a reinsurer under an agreement for indemnity reinsurance that is not otherwise set forth in the agreement.

Sec. 28. NRS 686C.224 is hereby amended to read as follows:

686C.224 1. At any time within 180 days after the date of an order of liquidation, the Association may elect to succeed to the rights and obligations of the ceding member insurer that relate to policies or ~~[annuities]~~ *contracts* covered, in whole or in part, by the Association, in each case under any one or more reinsurance contracts entered into by the insolvent insurer and its reinsurers and selected by the Association. Any such assumption must be effective on the date of the order of liquidation. The election must be carried out by the Association sending written notice, return receipt requested, to the affected reinsurers.

2. To facilitate the earliest practicable decision about whether to assume any of the contracts of reinsurance, and to protect the financial position of the estate, the receiver and each reinsurer of the ceding *member* insurer shall make available upon request to the Association as soon as possible after commencement of formal delinquency proceedings:

(a) Copies of in-force contracts of reinsurance and all related files and records relevant to the determination of whether such contracts should be assumed; and

(b) Notices of any defaults under the reinsurance contracts or any known event or condition which with the passage of time could become a default under the reinsurance contracts.

3. The following apply to reinsurance contracts assumed by the Association:

(a) The Association is responsible for all unpaid premiums due pursuant to the reinsurance contracts for periods both before and after the date of the order of liquidation, and is responsible for the performance of all other obligations to be performed after the date of the order of liquidation, in each case which relates to policies or ~~[annuities]~~ *contracts* covered, in whole or in part, by the Association. The Association may charge policies or ~~[annuities]~~ *contracts*

covered in part by the Association, through reasonable allocation methods, the costs for reinsurance in excess of the obligations of the Association and shall provide notice and an accounting of these changes to the liquidator.

(b) The Association may be entitled to any amounts payable by the reinsurer pursuant to the reinsurance contracts with respect to losses or events that occur in periods after the date of the order of liquidation and which relate to policies or ~~[annuities]~~ *contracts* covered, in whole or in part, by the Association, provided that, upon receipt of any such amounts, the Association is obligated to pay to the beneficiary, under the policy or ~~[annuity]~~ *contract* on account of which the amounts were paid, a portion of the amount equal to the lesser of:

(1) The amount received by the Association; or

(2) The excess of the amount received by the Association over the amount equal to the benefits paid by the Association on account of the policy or ~~[annuity,]~~ *contract*, less the retention of the *member* insurer applicable to the loss or event.

(c) Within 30 days after the Association's election, the Association and each reinsurer under the contracts assumed by the Association shall calculate the net balance due to or from the Association pursuant to each reinsurance contract on the election date with respect to policies or ~~[annuities]~~ *contracts* covered, in whole or in part, by the Association, which calculation must give full credit to all items paid by either the *member* insurer or its receiver or the reinsurer before the election date. The reinsurer shall pay the receiver any amounts due for losses or events before the date of the order of liquidation, subject to any set-off for premiums unpaid for periods before the date, and the Association or reinsurer shall pay any remaining balance due to the other, in each case within 5 days after the completion of the aforementioned calculation. Any disputes over the amounts due to either the Association or the reinsurer must be resolved by arbitration pursuant to the terms of the affected reinsurance contracts or, if the contracts contain no arbitration clause, as otherwise prescribed by law. If the receiver has received any amounts due to the Association under paragraph (d), the receiver shall remit the same to the Association as promptly as practicable.

(d) If the Association or receiver, on the Association's behalf, within 60 days after the election date, pays the unpaid premiums due for periods both before and after the election date that relate to policies or ~~[annuities]~~ *contracts* covered, in whole or in part, by the Association, the reinsurer is not entitled to terminate the reinsurance contracts for failure to pay premiums insofar as the reinsurance contracts relate to policies or ~~[annuities]~~ *contracts* covered, in whole or in part, by the Association, and is not entitled to set off any unpaid amounts due pursuant to the other contracts, or unpaid amounts due from parties other than the Association, against amounts due to the Association.

Sec. 29. NRS 686C.2245 is hereby amended to read as follows:

686C.2245 When policies or ~~[annuities,]~~ *contracts,* or covered obligations with respect thereto, are transferred to an assuming insurer, reinsurance on the policies or ~~[annuities]~~ *contracts* may also be transferred by the Association, in

the case of *policies or* contracts assumed under NRS 686C.224, subject to the following:

1. Unless the reinsurer and the assuming insurer agree otherwise, the reinsurance contract transferred must not cover any new policies ~~[of insurance or annuities]~~ *or contracts* in addition to those transferred.

2. The obligations described in NRS 686C.224 no longer apply with respect to matters arising after the effective date of the transfer.

3. Notice must be given in writing, return receipt requested, by the transferring party to the affected reinsurer not less than 30 days before the effective date of the transfer.

Sec. 30. NRS 686C.2249 is hereby amended to read as follows:

686C.2249 1. Except as otherwise provided in NRS 686C.130 to 686C.226, inclusive, nothing in NRS 686C.224 to 686C.2249, inclusive, shall alter or modify the terms and conditions of any reinsurance contract.

2. Nothing in this section shall:

(a) Abrogate or limit any rights of any reinsurer to claim that it is entitled to rescind a reinsurance contract;

(b) Give a ~~[policyholder]~~ *policy or contract owner, certificate holder, enrollee* or beneficiary an independent cause of action against a reinsurer that is not otherwise set forth in the reinsurance contract;

(c) Limit or affect the Association's rights as a creditor of the estate against the assets of the estate; or

(d) Apply to reinsurance agreements covering property or casualty risks.

Sec. 31. NRS 686C.225 is hereby amended to read as follows:

686C.225 The Association's obligations with respect to coverage under any policy *or contract* of the impaired or insolvent insurer or under any reissued or alternative policy *or contract* ceases on the date the ~~[coverage or]~~ policy *or contract* is replaced by another similar policy *or contract* by the ~~[policyholder, the insured]~~ *policy or contract owner, certificate holder or enrollee* or the Association.

Sec. 32. NRS 686C.240 is hereby amended to read as follows:

686C.240 1. The Board of Directors of the Association shall determine the amount of each assessment in Class A and may, but need not, prorate it. If an assessment is prorated, the Board may provide that any surplus be credited against future assessments in Class B. An assessment which is not prorated must not exceed $500 for each member insurer for any 1 calendar year.

2. The *Board may determine the amount of each assessment in Class B for long-term care insurance written by an impaired or insolvent insurer according to a methodology included in the plan of operation established and approved pursuant to NRS 686C.290. The methodology must provide for the imposition of:*

(a) One-half of the assessment on member insurers that primarily provide accident and health insurance; and

(b) One-half of the assessment on member insurers that primarily provide life insurance and annuities.

3. Except as otherwise provided in subsection 5, the Board may allocate any assessment in Class B among the accounts *and among the subaccounts of the Life and Annuity Account* according to *a formula based on* the premiums or reserves of the impaired or insolvent insurer or any other standard which ~~[it]~~ *the Board, in its sole discretion,* considers fair and reasonable under the circumstances.

~~[3. Assessments]~~

4. Except as otherwise provided in subsection 5, assessments in Class B against member insurers for each account and subaccount must be in the proportion that the premiums received on business in this State by each assessed member insurer on policies or contracts covered by each account or subaccount for the 3 most recent calendar years for which information is available preceding the year in which the insurer became impaired or insolvent bears to premiums received on business in this State for those calendar years by all assessed member insurers.

5. The Board shall allocate to:

(a) The Life and Annuity Account the percentage of an assessment in Class B for long-term care insurance written by an impaired or insolvent insurer that is equal to the quotient of:

(1) The difference between 0.5 and the percentage of the Health Account that was contributed by member insurers that primarily provide life insurance and annuities; and

(2) The difference between the percentage of the Life and Annuity Account that was contributed by member insurers that primarily provide life insurance and annuities and the percentage of the Health Account that was contributed by such member insurers.

(b) The Health Account the remainder of an assessment in Class B for long-term care insurance written by an impaired or insolvent insurer that is not allocated to the Life and Annuity Account pursuant to paragraph (a).

~~[4.]~~ *6.* Assessments for money to meet the requirements of the Association with respect to an impaired or insolvent insurer must not be authorized or called until necessary to carry out the purposes of this chapter. Classification of assessments under subsection 2 of NRS 686C.230 and computation of assessments under this section must be made with a reasonable degree of accuracy, recognizing that exact determinations may not always be possible. The Association shall notify each member insurer of its anticipated prorated share of an assessment authorized but not yet called within 180 days after it is authorized.

7. For the purposes of this section, a member insurer shall be deemed to:

(a) Primarily provide life insurance and annuities if the sum of the accessible in-state life insurance premiums and annuity premiums of the member insurer is equal to or greater than the accessible in-state health insurance premiums of the member insurer. For the purposes of this paragraph, health insurance premiums:

(1) Include, without limitation, premiums for health maintenance organization coverage; and

(2) Do not include premiums for disability income and long-term care insurance.

(b) Primarily provide health insurance if the member insurer is not a member insurer described in paragraph (a).

Sec. 33. NRS 686C.250 is hereby amended to read as follows:

686C.250 1. The Association may abate or defer, in whole or in part, the assessment of a member insurer if, in the opinion of the Board of Directors, payment of the assessment would endanger the ability of the member insurer to fulfill its contractual obligations. If an assessment against a member insurer is abated or deferred in whole or in part, the amount by which that assessment is abated or deferred may be assessed against the other member insurers in a manner consistent with the basis for assessments set forth in this section. As soon as the conditions that caused a deferral have been removed or rectified, the member insurer shall pay all assessments that were deferred pursuant to a plan of repayment approved by the Association.

2. Except as otherwise provided in subsection 3, the total of all assessments authorized by the Association with respect to a member insurer for:

(a) The *Life and Annuity* Account ~~[for Life Insurance and Annuities]~~ and each of its subaccounts; and

(b) The *Health* Account , ~~[for Health Insurance,]~~

➥ respectively must not in any 1 calendar year exceed 2 percent of the *member* insurer's average annual premiums received in this state on the policies and contracts covered by the subaccount or account during the 3 calendar years preceding the year in which the *member* insurer became impaired or insolvent.

3. If two or more assessments are authorized in 1 calendar year with respect to *member* insurers that became impaired or insolvent in different calendar years, the average annual premiums received for the purposes of the limitation provided in subsection 2 are equal and limited to the higher of the 3-year annual premiums for the applicable account or subaccount as calculated pursuant to this section.

4. If the maximum assessment, together with the other assets of the Association in an account, does not provide in any 1 year in either account an amount sufficient to carry out the responsibilities of the Association, the necessary additional money must be assessed as soon thereafter as permitted by this chapter.

5. If the maximum assessment for a subaccount of the *Life and Annuity* Account ~~[for Life Insurance and Annuities]~~ in any 1 year does not provide an amount sufficient to carry out the responsibilities of the Association, then pursuant to subsection ~~[3]~~ *4* of NRS 686C.240, the Board shall assess the other subaccount for the necessary additional amount, subject to the maximum stated in subsection 2.

6. The Board may provide in the plan of operation a method of allocating funds among claims, whether relating to one or more impaired or insolvent insurers, when the maximum assessment is insufficient to cover anticipated claims.

Sec. 34. NRS 686C.260 is hereby amended to read as follows:

686C.260 The Board of Directors may, by an equitable method as established in the plan of operation, refund to member insurers, in proportion to the contribution of each *member* insurer to that account, the amount by which the assets of the account exceed the amount the Board finds is necessary to carry out during the coming year the obligations of the Association with regard to that account, including assets accruing from assignment, subrogation, net realized gains and income from investments. A reasonable amount may be retained in any account to provide funds for the continuing expenses of the Association and for future claims.

Sec. 35. NRS 686C.270 is hereby amended to read as follows:

686C.270 It is proper for any member insurer, in determining its rates of premium and dividends to owners of policies *or contracts* as to any kind of insurance *or coverage offered by a health maintenance organization* within the scope of this chapter, to consider the amount reasonably necessary to meet its obligations for assessment under this chapter.

Sec. 36. NRS 686C.280 is hereby amended to read as follows:

686C.280 1. The Association shall issue to each *member* insurer paying an assessment under this chapter, other than an assessment in Class A, a certificate of contribution, in a form prescribed by the Commissioner, for the amount of the assessment so paid. All outstanding certificates are of equal dignity and priority without reference to amounts or dates of issue. A member insurer may show a certificate of contribution as an asset in its financial statement in such form, for such amount, if any, and for such period as the Commissioner may approve.

2. A member insurer may offset against its liability for premium tax to this state, accrued with respect to business transacted in a calendar year, an amount equal to 20 percent of the amount certified pursuant to subsection 1 in each of the 5 calendar years following the year in which the assessment was paid. If ~~[an]~~ *a member* insurer ceases to transact business, it may offset all uncredited assessments against its liability for premium tax for the year in which it so ceases.

3. *A member insurer that is exempt from its liability for premium tax described in subsection 2 may recoup its assessments under this chapter by imposing a surcharge on its premiums in an amount approved by the Commissioner. The Commissioner shall approve such a surcharge upon determining that the amount of the surcharge is reasonably calculated to recoup the assessments over a reasonable period of time. Any amount recouped under this subsection shall not be deemed to constitute a premium for any purpose relating to this Code.*

4. If a member insurer recoups a larger amount through a surcharge imposed pursuant to subsection 3 than it paid in assessments over a period of time prescribed in the plan of operation established and approved pursuant to NRS 686C.290, the member insurer shall remit the excess amount to the Association. The Association shall apply such excess amounts to reduce future assessments in the appropriate account in accordance with the plan of operation.

5. Any sum acquired by refund from the Association pursuant to NRS 686C.260 which previously had been written off by the contributing *member* insurer and offset against premium taxes as provided in subsection 2 must be paid to the Department of Taxation and deposited by it with the State Treasurer for credit to the State General Fund. The Association shall notify the Commissioner and the Department of Taxation of each refund made.

Sec. 37. NRS 686C.290 is hereby amended to read as follows:

686C.290 1. The Association shall submit to the Commissioner a plan of operation and any amendments thereto necessary or suitable to ensure the fair, reasonable and equitable administration of the Association. The plan of operation and any amendments thereto become effective upon approval in writing by the Commissioner, or 30 days after submission if the Commissioner has not disapproved them. All member insurers shall comply with the plan of operation.

2. If at any time the Association fails to submit suitable amendments to the plan, the Commissioner shall adopt, after notice and hearing, such reasonable regulations as are necessary or advisable to effectuate the provisions of this chapter. The regulations continue in force until modified by the Commissioner or superseded by a plan submitted by the Association and approved by the Commissioner.

3. In addition to satisfying the other requirements of this chapter, the plan of operation must:

(a) Establish procedures for handling the assets of the Association.

(b) Establish the amount and method of reimbursing members of the Board of Directors under NRS 686C.140.

(c) Establish regular places and times for meetings of the Board.

(d) Establish procedures for records to be kept of all financial transactions of the Association, its agents and the Board.

(e) Establish the procedures whereby selections for the Board will be made and submitted to the Commissioner.

(f) Establish *the methodology required by subsection 2 of NRS 686C.240 and* any additional procedures for assessments under NRS 686C.230 to 686C.270, inclusive.

(g) *Establish the period of time over which a member insurer must determine whether the member insurer has recouped an excess amount pursuant to subsection 4 of NRS 686C.280, the manner in which the member insurer must remit any excess amount to the Association and the manner in*

which the Association must apply any such excess amount to reduce future assessments.

(h) Contain additional provisions necessary or proper for the execution of the powers and duties of the Association.

4. The plan of operation may provide that any or all powers and duties of the Association, except those under subsection 3 of NRS 686C.220 and NRS 686C.230 to 686C.285, inclusive, are delegated to a corporation, Association or other organization which performs or will perform functions similar to those of this Association, or its equivalent, in two or more states. Such an organization must be reimbursed for any payments made on behalf of the Association and paid for its performance of any function of the Association. A delegation under this subsection takes effect only with the approval of the Board of directors and the Commissioner, and may be made only to an organization that extends protection not substantially less favorable and effective than that provided by this chapter.

Sec. 38. NRS 686C.300 is hereby amended to read as follows:

686C.300 1. In addition to the duties and powers otherwise provided in this chapter, the Commissioner:

(a) Shall, upon request of the Board of Directors, provide the Association with a statement of the premiums in this and any other appropriate states for each member insurer.

(b) Shall, when an impairment is declared and the amount of the impairment is determined, serve a demand upon the impaired insurer to make good the impairment within a reasonable time. Notice to the insurer is notice to its stockholders, if any. The failure of the insurer to comply with such demand promptly does not excuse the Association from the performance of its powers and duties under this chapter.

(c) Must, in any liquidation or rehabilitation involving a domestic *member* insurer, be appointed as the liquidator or rehabilitator.

2. The Commissioner may suspend or revoke, after notice and hearing, the certificate of authority to transact insurance *or operate a health maintenance organization* in this state *, as applicable,* of any member insurer which fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative, the Commissioner may levy a forfeiture on any member insurer which fails to pay an assessment when due. The forfeiture may not exceed 5 percent of the unpaid assessment per month, but no forfeiture may be less than $100 per month.

3. A final action of the Board of Directors or the Association may be appealed to the Commissioner by any member insurer if the appeal is taken within 60 days after the insurer receives notice of the final action. A final action or order of the Commissioner is subject to judicial review in a court of competent jurisdiction pursuant to the procedure provided in chapter 233B of NRS for contested cases.

4. The liquidator, rehabilitator or conservator of any impaired insurer may notify all interested persons of the effect of this chapter.

Sec. 39. NRS 686C.306 is hereby amended to read as follows:

686C.306 1. The Commissioner shall notify the commissioners of insurance of all the other states within 30 days after the Commissioner takes any of the following actions against a member insurer:

(a) Revokes a member insurer's license;

(b) Suspends a member insurer's license; or

(c) Makes any formal order that a member insurer is to restrict its premium writing, obtain additional contributions to surplus, withdraw from the state, reinsure all or any part of its business, or increase capital, surplus, or any other account for the security of the owners of its policies *or contracts* or its creditors.

2. The Commissioner shall report to the Board of Directors when the Commissioner has taken any of the actions set forth in subsection 1, or has received a report from any other commissioner indicating that any such action has been taken in another state. The report to the Board must contain all significant details of the action taken or the report received from another commissioner.

3. The Commissioner shall report to the Board of Directors when the Commissioner has reasonable cause to believe from an examination of a member insurer, whether completed or in process, that the insurer may be impaired or insolvent.

4. The Commissioner shall furnish to the Board the ratios of the "Insurance Regulatory Information System" developed by the National Association of Insurance Commissioners and listings of companies not included in those ratios, and the Board may use the information contained therein in carrying out its duties and responsibilities under this chapter. Such reports and the information contained therein must be kept confidential by the Board until such time as made public by the Commissioner or other lawful authority.

Sec. 40. NRS 686C.310 is hereby amended to read as follows:

686C.310 1. The Board of Directors may, upon majority vote, notify the Commissioner of any information indicating any member insurer may be impaired or insolvent.

2. The Board may, upon majority vote, make reports and recommendations to the Commissioner upon any matter germane to the solvency, liquidation, rehabilitation or conservation of any member insurer or germane to the solvency of any person seeking admission to transact insurance *or operate a health maintenance organization* in this state. These reports and recommendations are not open to public inspection.

3. The Commissioner may seek the advice and recommendations of the Board concerning any matter affecting the duties and responsibilities of the Commissioner regarding the financial condition of member insurers and of persons seeking admission to transact insurance *or operate a health maintenance organization* in this state.

4. The Board may, upon majority vote, make recommendations to the Commissioner for the detection and prevention of the insolvency of *member* insurers.

Sec. 41. NRS 686C.330 is hereby amended to read as follows:

686C.330 1. This chapter does not reduce the liability for unpaid assessments of the insureds of an impaired insurer operating under a plan with liability for assessments.

2. Records must be kept of all meetings of the Board of Directors to discuss the activities of the Association in carrying out its powers and duties under NRS 686C.150 to 686C.220, inclusive. The records of the Association with respect to an impaired or insolvent insurer may not be disclosed before the termination of a proceeding for liquidation, rehabilitation or conservation involving the impaired or insolvent insurer or the termination of the impairment or insolvency of the insurer, except upon the order of a court of competent jurisdiction. This subsection does not limit the duty of the Association to render a report of its activities under NRS 686C.350.

3. For the purpose of carrying out its obligations under this chapter, the Association shall be deemed to be a creditor of the impaired or insolvent insurer to the extent of assets attributable to covered policies reduced by any amounts to which the Association is entitled as subrogee pursuant to NRS 686C.200. Assets of the impaired or insolvent insurer attributable to covered policies *or contracts* must be used to continue all covered policies *and contracts* and pay all contractual obligations of the impaired or insolvent insurer as required by this chapter. Assets attributable to covered policies ~~[,]~~ *or contracts,* as used in this subsection, are that proportion of the assets which the reserves that should have been established for covered policies *or contracts* bear to the reserves that should have been established for all policies ~~[of insurance]~~ *or contracts* written by the impaired or insolvent insurer.

4. As a creditor of the impaired or insolvent insurer under subsection 3 and consistent with NRS 696B.415, the Association and other similar associations are entitled to receive a disbursement out of the marshaled assets, from time to time as the assets become available to reimburse it, as a credit against contractual obligations under this chapter. If the liquidator has not, within 120 days after a final determination of insolvency of ~~[an]~~ *a member* insurer by the court in the insolvent or impaired insurer's state which has jurisdiction over the conservation, rehabilitation or liquidation of the *member* insurer, made an application to the court for the approval of a proposal to disburse assets out of marshaled assets to guaranty associations having obligations because of the insolvency, the Association is entitled to make application to the court for approval of its own proposal to disburse those assets.

5. Before the termination of any proceeding for liquidation, rehabilitation or conservation, the court may take into consideration the contributions of the respective parties, including the Association, the shareholders ~~[and]~~ *, policy or contract* owners ~~[of policies and contracts]~~ *, certificate holders and enrollees* of the impaired or insolvent insurer, and any other party with a bona fide

interest, in making an equitable distribution of the ownership of the impaired or insolvent insurer. In making such a determination, consideration must be given to the welfare of the *policy or contract* owners ~~[of policies issued by]~~ *, certificate holders and enrollees of* the continuing or successor insurer. No distribution to stockholders, if any, of an impaired or insolvent insurer may be made until the total amount of valid claims of the Association, with interest thereon, for money expended in exercising its powers and performing its duties under NRS 686C.150 to 686C.155, inclusive, with respect to that insurer have been fully recovered by the Association.

Sec. 42. NRS 686C.333 is hereby amended to read as follows:

686C.333 1. If an order for liquidation or rehabilitation of ~~[an]~~ *a member* insurer domiciled in this state has been entered, the receiver appointed under such order is entitled to recover on behalf of the *member* insurer, from any affiliate that controlled it, the amount of distributions, other than stock dividends paid by the *member* insurer on its capital stock, made at any time during the 5 years preceding the petition for liquidation or rehabilitation, subject to the limitations of subsections 2, 3 and 4.

2. No distribution is recoverable if the *member* insurer shows that when paid the distribution was lawful and reasonable, and that the *member* insurer did not know and could not reasonably have known that the distribution might adversely affect the ability of the *member* insurer to fulfill its contractual obligations.

3. Any person who was an affiliate that controlled the *member* insurer at the time the distributions were paid is liable up to the amount of distributions the person received. Any person who was an affiliate that controlled the *member* insurer at the time the distributions were declared, is liable up to the amount of distributions the person would have received if they had been paid immediately. If two or more persons are liable with respect to the same distributions, they are jointly and severally liable.

4. The maximum amount recoverable pursuant to this subsection is the amount needed in excess of all other available assets of the impaired or insolvent insurer to pay the contractual obligations of the impaired or insolvent insurer.

5. If any person liable under subsection 3 is insolvent, all its affiliates that controlled it at the time the dividend was paid are jointly and severally liable for any resulting deficiency in the amount recovered from the insolvent affiliate.

Sec. 43. NRS 686C.390 is hereby amended to read as follows:

686C.390 It is unlawful for ~~[an]~~ *a member* insurer, agent or affiliate of ~~[an]~~ *a member* insurer, or other person to make, publish, circulate or place before the public, or cause any other person to do so, in any publication, notice, circular, letter or poster, or over any radio or television station, any advertisement or statement, written or oral, which uses the existence of the Association for the sale, solicitation or inducement to purchase any form of insurance *or coverage offered by a health maintenance organization that is*

covered by the Association. This section does not apply to the association or any other person that does not sell or solicit insurance ~~[.]~~ *or coverage offered by a health maintenance organization.*

Sec. 44. NRS 689A.540 is hereby amended to read as follows:

689A.540 ~~[1.]~~ "Health benefit plan" ~~[means a policy, contract, certificate or agreement offered by a carrier to provide for, deliver payment for, arrange for the payment of, pay for or reimburse any of the costs of health care services. Except as otherwise provided in this section, the term includes catastrophic health insurance policies and a policy that pays on a cost-incurred basis.~~

~~2. The term does not include:~~

~~(a) Coverage that is only for accident or disability income insurance, or any combination thereof;~~

~~(b) Coverage issued as a supplement to liability insurance;~~

~~(c) Liability insurance, including general liability insurance and automobile liability insurance;~~

~~(d) Workers' compensation or similar insurance;~~

~~(e) Coverage for medical payments under a policy of automobile insurance;~~

~~(f) Credit insurance;~~

~~(g) Coverage for on-site medical clinics;~~

~~(h) Other similar insurance coverage specified in federal regulations issued pursuant to Public Law 104-191 under which benefits for medical care are secondary or incidental to other insurance benefits;~~

~~(i) Coverage under a short-term health insurance policy; and~~

~~(j) Coverage under a blanket student accident and health insurance policy.~~

~~3. The term does not include the following benefits if the benefits are provided under a separate policy, certificate or contract of insurance or are otherwise not an integral part of a health benefit plan:~~

~~(a) Limited-scope dental or vision benefits;~~

~~(b) Benefits for long-term care, nursing home care, home health care or community-based care, or any combination thereof; and~~

~~(c) Such other similar benefits as are specified in any federal regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.~~

~~4. The term does not include the following benefits if the benefits are provided under a separate policy, certificate or contract of insurance, there is no coordination between the provision of the benefits and any exclusion of benefits under any group health plan maintained by the same plan sponsor, and the benefits are paid for a claim without regard to whether benefits are provided for such a claim under any group health plan maintained by the same plan sponsor:~~

~~(a) Coverage that is only for a specified disease or illness; and~~

~~(b) Hospital indemnity or other fixed indemnity insurance.~~

~~5. The term does not include any of the following, if offered as a separate policy, certificate or contract of insurance:~~

~~(a) Medicare supplemental health insurance as defined in section 1882(g)(1) of the Social Security Act, 42 U.S.C. § 1395ss, as that section existed on July 16, 1997;~~

~~(b) Coverage supplemental to the coverage provided pursuant to the Civilian Health and Medical Program of Uniformed Services, CHAMPUS, 10 U.S.C. §§ 1071 et seq.; and~~

~~(c) Similar supplemental coverage provided under a group health plan.]~~ *has the meaning ascribed to it in NRS 687B.470.*

Sec. 45. NRS 439B.260 is hereby amended to read as follows:

439B.260 1. A major hospital shall reduce or discount the total billed charge by at least 30 percent for hospital services provided to an inpatient who:

(a) Has no policy of health insurance or other contractual agreement with a third party that provides health coverage for the charge;

(b) Is not eligible for coverage by a state or federal program of public assistance that would provide for the payment of the charge; and

(c) Makes reasonable arrangements within 30 days after the date that notice was sent pursuant to subsection 2 to pay the hospital bill.

2. A major hospital shall include on or with the first statement of the hospital bill provided to the patient after his or her discharge a notice of the reduction or discount available pursuant to this section, including, without limitation, notice of the criteria a patient must satisfy to qualify for a reduction or discount.

3. A major hospital or patient who disputes the reasonableness of arrangements made pursuant to paragraph (c) of subsection 1 may submit the dispute to the Bureau for Hospital Patients for resolution as provided in NRS 232.462.

4. A major hospital shall reduce or discount the total billed charge of its outpatient pharmacy by at least 30 percent to a patient who is eligible for Medicare.

5. As used in this section, "third party" means:

(a) An insurer, as that term is defined in NRS 679B.540;

(b) A health benefit plan, as that term is defined in NRS ~~[689A.540,]~~ *687B.470*, for employees which provides coverage for services and care at a hospital;

(c) A participating public agency, as that term is defined in NRS 287.04052, and any other local governmental agency of the State of Nevada which provides a system of health insurance for the benefit of its officers and employees, and the dependents of officers and employees, pursuant to chapter 287 of NRS; or

(d) Any other insurer or organization providing health coverage or benefits in accordance with state or federal law.

➥ The term does not include an insurer that provides coverage under a policy of casualty or property insurance.

Sec. 46. NRS 439B.665 is hereby amended to read as follows:

439B.665 1. On or before February 1 of each year, a nonprofit

organization that advocates on behalf of patients or funds medical research in this State and has received a payment, donation, subsidy or anything else of value from a manufacturer, third party or pharmacy benefit manager or a trade or advocacy group for manufacturers, third parties or pharmacy benefit managers during the immediately preceding calendar year shall:

(a) Compile a report which includes:

(1) For each such contribution, the amount of the contribution and the manufacturer, third party or pharmacy benefit manager or group that provided the payment, donation, subsidy or other contribution; and

(2) The percentage of the total gross income of the organization during the immediately preceding calendar year attributable to payments, donations, subsidies or other contributions from each manufacturer, third party, pharmacy benefit manager or group; and

(b) Except as otherwise provided in this paragraph, post the report on an Internet website that is maintained by the nonprofit organization and accessible to the public. If the nonprofit organization does not maintain an Internet website that is accessible to the public, the nonprofit organization shall submit the report compiled pursuant to paragraph (a) to the Department.

2. As used in this section, "third party" means:

(a) An insurer, as that term is defined in NRS 679B.540;

(b) A health benefit plan, as that term is defined in NRS ~~[689A.540,]~~ *687B.470*, for employees which provides coverage for prescription drugs;

(c) A participating public agency, as that term is defined in NRS 287.04052, and any other local governmental agency of the State of Nevada which provides a system of health insurance for the benefit of its officers and employees, and the dependents of officers and employees, pursuant to chapter 287 of NRS; or

(d) Any other insurer or organization that provides health coverage or benefits in accordance with state or federal law.

➥ The term does not include an insurer that provides coverage under a policy of casualty or property insurance.

Sec. 47. NRS 449A.162 is hereby amended to read as follows:

449A.162 1. Except as otherwise provided in subsection 3, if a hospital provides hospital care to a person who has a policy of health insurance issued by a third party that provides health coverage for care provided at that hospital and the hospital has a contractual agreement with the third party, the hospital:

(a) Shall proceed with any efforts to collect on any amount owed to the hospital for the hospital care in accordance with the provisions of NRS 449A.159.

(b) Shall not collect or attempt to collect from the patient or other responsible party more than the sum of the amounts of any deductible, copayment or coinsurance payable by or on behalf of the patient under the policy of health insurance.

(c) Shall not collect or attempt to collect that amount from:

(1) Any proceeds or potential proceeds of a civil action brought by or on behalf of the patient, including, without limitation, any amount awarded for medical expenses; or

(2) An insurer other than an insurer that provides coverage under a policy of health insurance or an insurer that provides coverage for medical payments under a policy of casualty insurance.

2. If the hospital collects or receives any payments from an insurer that provides coverage for medical payments under a policy of casualty insurance, the hospital shall, not later than 30 days after a determination is made concerning coverage, return to the patient any amount collected or received that is in excess of the deductible, copayment or coinsurance payable by or on behalf of the patient under the policy of health insurance.

3. This section does not apply to:

(a) Amounts owed to the hospital which are not covered under the policy of health insurance; or

(b) Medicaid, Medicare, the Children's Health Insurance Program or any other public program which may pay all or part of the bill.

4. This section does not limit any rights of a patient to contest an attempt to collect an amount owed to a hospital, including, without limitation, contesting a lien obtained by a hospital.

5. As used in this section, "third party" means:

(a) An insurer, as defined in NRS 679B.540;

(b) A health benefit plan, as defined in NRS ~~[689A.540,]~~ *687B.470*, for employees which provides coverage for services and care at a hospital;

(c) A participating public agency, as defined in NRS 287.04052, and any other local governmental agency of the State of Nevada which provides a system of health insurance for the benefit of its officers and employees, and the dependents of officers and employees, pursuant to chapter 287 of NRS; or

(d) Any other insurer or organization providing health coverage or benefits in accordance with state or federal law.

Sec. 48. 1. The amendatory provisions of sections 10, 13, 14, 15, 18, 22, 24, 26, 30, 31, 35, 38, 40, 41 and 43 of this act apply to any policy or contract for coverage by a health maintenance organization which has been delivered, or which is delivered, issued for delivery or renewed in this State on or after January 1, 2020.

2. Any other amendatory provisions of this act that revise the coverage that the Nevada Life and Health Insurance Guaranty Association is required to provide apply to any policy or contract for coverage to which the provisions would otherwise apply that has been delivered, or that is delivered, issued for delivery or renewed in this State on or after January 1, 2020.

3. As used in this section, "health maintenance organization" has the meaning ascribed to it in NRS 695C.030.

Sec. 48.5. NRS 695B.227, 695C.3175 and 695C.3185 are hereby repealed.

Sec. 49. This act becomes effective:

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On January 1, 2020, for all other purposes.

TEXT OF REPEALED SECTIONS

695B.227 Required contract with insurance company for provision of insurance, indemnity or reimbursement against cost of hospital, medical and dental services; required provisions.

1. A corporation organized under this chapter shall contract with an insurance company licensed in this State or authorized to do business in this State for the provision of insurance, indemnity or reimbursement against the cost of hospital services, medical services and dental services which are provided by the corporation.

2. The contract of insurance required by subsection 1 must include a provision that, in the case of the insolvency or impairment of the corporation, the insurance company will pay all claims made by an insured for the period for which a premium has been or will be paid to the corporation for the insured. The contract of insurance required by subsection 1 must specifically provide for the:

(a) Continuation of benefits to each insured for the period for which a premium has been or will be paid to the corporation for the insured until the expiration or termination of the insured's contract with the corporation;

(b) Continuation of benefits for each insured who is receiving inpatient services in a medical facility or facility for the dependent at the time of the insolvency or impairment of the corporation until the inpatient services are no longer medically necessary and the insured is discharged from the medical facility or facility for the dependent; and

(c) Payment of a provider of health care not affiliated with the corporation who provided medically necessary services to an insured, as described in the insured's contract with the corporation, the insured's policy or the insured's evidence of coverage.

3. As used in this section:

(a) "Facility for the dependent" has the meaning ascribed to it in NRS 449.0045.

(b) "Impairment" means that a corporation organized under this chapter is not insolvent and has been:

(1) Deemed to be impaired pursuant to NRS 695B.150; or

(2) Placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

(c) "Insolvency" or "insolvent" means that a corporation organized under this chapter has been:

(1) Deemed to be insolvent pursuant to NRS 695B.150;

(2) Declared insolvent by a court of competent jurisdiction; or

(3) Placed under an order of liquidation by a court of competent jurisdiction.

(d) "Medical facility" has the meaning ascribed to it in NRS 449.0151.

(e) "Medically necessary" has the meaning ascribed to it in NRS 695G.055.

(f) "Provider of health care" has the meaning ascribed to it in NRS 629.031.

695C.3175 Required contract with insurance company for provision of insurance, indemnity or reimbursement against cost of health care services; required provisions.

1. A health maintenance organization shall contract with an insurance company licensed in this State or authorized to do business in this State for the provision of insurance, indemnity or reimbursement against the cost of health care services which are provided by the health maintenance organization.

2. The contract of insurance required by subsection 1 must include a provision that, in the case of the insolvency or impairment of the health maintenance organization, the insurance company will pay all claims made by an enrollee for the period for which a premium has been or will be paid to the health maintenance organization for the enrollee. The contract of insurance required by subsection 1 must specifically provide for the:

(a) Continuation of benefits to each enrollee for the period for which a premium has been or will be paid to the health maintenance organization for the enrollee until the expiration or termination of the enrollee's contract with the health maintenance organization;

(b) Continuation of benefits for each enrollee who is receiving inpatient services in a medical facility or facility for the dependent at the time of the insolvency or impairment of the health maintenance organization until the inpatient services are no longer medically necessary and the enrollee is discharged from the medical facility or facility for the dependent; and

(c) Payment of a provider of health care not affiliated with the health maintenance organization who provided medically necessary services to an enrollee, as described in the enrollee's evidence of coverage.

3. As used in this section:

(a) "Facility for the dependent" has the meaning ascribed to it in NRS 449.0045.

(b) "Impairment" means that a health maintenance organization is not insolvent and has been:

(1) Deemed to be impaired pursuant to NRS 695C.318; or

(2) Placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

(c) "Insolvency" or "insolvent" means that a health maintenance organization has been:

(1) Deemed to be insolvent pursuant to NRS 695C.318;

(2) Declared insolvent by a court of competent jurisdiction; or

(3) Placed under an order of liquidation by a court of competent jurisdiction.

(d) "Medical facility" has the meaning ascribed to it in NRS 449.0151.

(e) "Medically necessary" has the meaning ascribed to it in NRS 695G.055.

(f) "Provider of health care" has the meaning ascribed to it in NRS 629.031.

695C.3185 Plan for continuation of benefits if health maintenance organization becomes insolvent or impaired; approval by Commissioner; contents.

1. Each health maintenance organization shall develop, submit to the Commissioner for approval and, after such approval, put into effect a plan to provide for the continuation of benefits to enrollees in the event of the insolvency or impairment of the health maintenance organization, including, without limitation, the benefits described in subsection 2 of NRS 695C.3175. A plan developed pursuant to this subsection must include, without limitation:

(a) A contract of insurance which complies with the requirements of NRS 695C.3175; and

(b) Provisions in each contract between the health maintenance organization and a provider which obligate the provider, in the event of the health maintenance organization's insolvency or impairment, to provide all covered services as described in the contract to enrollees through the periods of time described in subsection 2 of NRS 695C.3175.

2. Before approving a plan submitted pursuant to subsection 1, the Commissioner may require the health maintenance organization to include in the plan:

(a) Reserves or additional reserves for protection against insolvency or impairment;

(b) Letters of credit acceptable to the Commissioner; and

(c) Any other arrangements determined by the Commissioner to be appropriate to ensure the continuation of benefits as described in subsection 2 of NRS 695C.3175 to enrollees.

Senator Spearman moved the adoption of the amendment.

Remarks by Senator Spearman.

Amendment No. 5 makes four changes to Senate Bill No. 87. The amendment amends section 19 to correctly address those covered under a health-maintenance organization's healthcare plan. It amends section 41 to provide accurate language to the chapter governing the Nevada Life and Health Insurance Guaranty Association, which makes it consistent with the other language used in this bill. The bill repeals statutes, which become obsolete with the passage of this bill. Nevada Revised Statutes 695B.227, 695C.3175 and 695C.3185 currently require these insurers to contract with an insurance carrier for a policy of insurance or develop a plan to ensure that in the event of an insolvency or impairment of the carrier, eligible claims made by insureds will continue to be paid. Senate Bill No. 87 adds these insurers as member insurers in the Guaranty Association, which will negate the need to procure separate insurance to protect their insureds once Senate Bill No. 87 is enacted. The amendment additionally makes technical changes to the bill.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 181.

Bill read second time.

The following amendment was proposed by the Committee on Growth and Infrastructure:

Amendment No. 144.

SUMMARY—Revises provisions relating to special license plates. (BDR 43-663)

AN ACT relating to special license plates; requiring the Department of Motor Vehicles to design, prepare and issue special license plates for certain motor vehicles that are electric powered; providing a fee for the initial issuance and renewal of such plates; requiring the Department of Motor Vehicles to reinstitute the issuance of special license plates commemorating the 150th anniversary of Nevada's admission into the Union; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill requires the Department of Motor Vehicles to design, prepare and issue special license plates for any passenger car or light commercial vehicle that is wholly ~~[or partly]~~ powered by an electric motor. Section 1 also provides that: (1) the fee for the initial issuance of such a special license plate is ~~[$150,]~~ $125, in addition to applicable governmental services taxes; and (2) the renewal fee for such a special license plate is ~~[$75.]~~ $80. Finally, section 1 requires that after the Department deducts from the fee the amount of all applicable registration, license and license plate fees, the remaining amount of money must be ~~[equally divided between]~~ deposited in the State Highway Fund. ~~[and the Office of Energy and requires the Office of Energy to use the money for the Nevada Electric Highway.]~~ Sections 2, 4, 5, 7 and 8 of this bill make conforming changes.

In 2013, the Legislature authorized a license plate commemorating the 150th anniversary of Nevada's admission into the Union. The additional fees paid upon renewal of the plate are divided equally between the Division of Museums and History of the Department of Tourism and Cultural Affairs and the Division of State Parks of the State Department of Conservation and Natural Resources. (NRS 482.37901) Under existing law, a holder of such a license plate may renew the plate, but the Director of the Department of Motor Vehicles may not issue a new commemorative license plate after October 31, 2016. Section 6 of this bill requires the Department to once again issue the commemorative license plate. Section 3 of this bill makes a conforming change.

Section 9 of this bill provides that these changes become effective on January 1, 2020.

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

Section 1. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Department shall:

(a) Design, prepare and issue special license plates for passenger cars and light commercial vehicles that are wholly ~~[or partly]~~ powered by an electric motor, using any colors and designs that the Department deems appropriate; and

(b) Issue the plates only to residents of Nevada for a passenger car or light commercial vehicle which is wholly ~~[or partly]~~ powered by an electric motor.

2. The Department may issue special license plates pursuant to subsection 1 upon application by any person who:

(a) Is entitled to license plates pursuant to NRS 482.265;

(b) Submits proof satisfactory to the Department that the vehicle for which the special license plates are intended meets the requirements of subsection 1; and

(c) Otherwise complies with the requirements for registration and licensing pursuant to this chapter.

3. The fee for the special license plates is ~~[$150,]~~ $125, in addition to applicable governmental services taxes. The special license plates are renewable upon the payment of ~~[$75.]~~ $80.

4. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with special license plates issued pursuant to this section if that person pays the fees for the personalized prestige license plates in addition to the fees for the special license plates pursuant to subsection 3.

5. The Department, after deducting the costs of all applicable registration, license and license plate fees, shall deposit the fees collected pursuant to subsection 3 with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute the fees deposited pursuant to this subsection in ~~[the following manner:~~

~~*(a) Remit one-half of the fees to]*~~ *the State Highway Fund.*

~~*[(b) Remit one-half of the fees to the Office of Energy created by NRS 701.150, to be used for the Nevada Electric Highway.]*~~

6. If, during a registration period, the holder of special plates issued pursuant to this section disposes of the vehicle to which the plates are affixed, the holder shall retain the plates and:

(a) Affix them to another vehicle which meets the requirements of this section and report the change to the Department in accordance with the procedures set forth for other transfers; or

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

Sec. 2. NRS 482.216 is hereby amended to read as follows:

482.216 1. Except as otherwise provided in NRS 482.2155, upon the request of a new vehicle dealer, the Department may authorize the new vehicle dealer to:

(a) Accept applications for the registration of the new motor vehicles he or she sells and the related fees and taxes;

(b) Issue certificates of registration to applicants who satisfy the requirements of this chapter; and

(c) Accept applications for the transfer of registration pursuant to NRS 482.399 if the applicant purchased from the new vehicle dealer a new vehicle to which the registration is to be transferred.

2. A new vehicle dealer who is authorized to issue certificates of registration pursuant to subsection 1 shall:

(a) Transmit the applications received to the Department within the period prescribed by the Department;

(b) Transmit the fees collected from the applicants and properly account for them within the period prescribed by the Department;

(c) Comply with the regulations adopted pursuant to subsection 5; and

(d) Bear any cost of equipment which is necessary to issue certificates of registration, including any computer hardware or software.

3. A new vehicle dealer who is authorized to issue certificates of registration pursuant to subsection 1 shall not:

(a) Charge any additional fee for the performance of those services;

(b) Receive compensation from the Department for the performance of those services;

(c) Accept applications for the renewal of registration of a motor vehicle; or

(d) Accept an application for the registration of a motor vehicle if the applicant wishes to:

(1) Obtain special license plates pursuant to NRS 482.3667 to 482.3823, inclusive ~~[,]~~ *, and section 1 of this act;* or

(2) Claim the exemption from the governmental services tax provided pursuant to NRS 361.1565 to veterans and their relations.

4. The provisions of this section do not apply to the registration of a moped pursuant to NRS 482.2155.

5. The Director shall adopt such regulations as are necessary to carry out the provisions of this section. The regulations adopted pursuant to this subsection must provide for:

(a) The expedient and secure issuance of license plates and decals by the Department; and

(b) The withdrawal of the authority granted to a new vehicle dealer pursuant to subsection 1 if that dealer fails to comply with the regulations adopted by the Department.

Sec. 3. NRS 482.265 is hereby amended to read as follows:

482.265 1. The Department shall furnish to every owner whose vehicle is registered two license plates for a motor vehicle other than a motorcycle or moped and one license plate for all other vehicles required to be registered hereunder. Except as otherwise provided in NRS 482.2155, upon renewal of registration, the Department may issue one or more license plate stickers, tabs or other suitable devices in lieu of new license plates.

2. Except as otherwise provided in NRS 482.2065, 482.266, 482.2705, 482.274 ~~[,]~~ *and* 482.379 , ~~[and 482.37091,]~~ every 8 years the Department shall reissue a license plate or plates at the time of renewal of each license plate or plates issued pursuant to this chapter. The Director may adopt regulations to provide procedures for such reissuance.

3. The Director shall have the authority to require the return to the Department of all number plates upon termination of the lawful use thereof by the owner under this chapter.

4. Except as otherwise specifically provided by statute, for the issuance of each special license plate authorized pursuant to this chapter:

(a) The fee to be received by the Department for the initial issuance of the special license plate is $35, exclusive of any additional fee which may be added to generate funds for a particular cause or charitable organization;

(b) The fee to be received by the Department for the renewal of the special license plate is $10, exclusive of any additional fee which may be added to generate financial support for a particular cause or charitable organization; and

(c) The Department shall not design, prepare or issue a special license plate unless, within 4 years after the date on which the measure authorizing the issuance becomes effective, it receives at least 250 applications for the issuance of that plate.

5. The provisions of subsection 4 do not apply to NRS 482.37901.

Sec. 4. NRS 482.2703 is hereby amended to read as follows:

482.2703 1. The Director may order the preparation of sample license plates which must be of the same design and size as regular license plates or license plates issued pursuant to NRS 482.384. The Director shall ensure that:

(a) Each license plate issued pursuant to this subsection, regardless of its design, is inscribed with the word SAMPLE and an identical designation which consists of the same group of three numerals followed by the same group of three letters; and

(b) The designation of numerals and letters assigned pursuant to paragraph (a) is not assigned to a vehicle registered pursuant to this chapter or chapter 706 of NRS.

2. The Director may order the preparation of sample license plates which must be of the same design and size as any of the special license plates issued pursuant to NRS 482.3667 to 482.3823, inclusive ~~.~~ *, and section 1 of this act.* The Director shall ensure that:

(a) Each license plate issued pursuant to this subsection, regardless of its design, is inscribed with the word SAMPLE and the number zero in the location where any other numerals would normally be displayed on a license plate of that design; and

(b) The number assigned pursuant to paragraph (a) is not assigned to a vehicle registered pursuant to this chapter or chapter 706 of NRS.

3. The Director may establish a fee for the issuance of sample license plates of not more than $15 for each license plate.

4. A decal issued pursuant to NRS 482.271 may be displayed on a sample license plate issued pursuant to this section.

5. All money collected from the issuance of sample license plates must be deposited in the State Treasury for credit to the Motor Vehicle Fund.

6. A person shall not affix a sample license plate issued pursuant to this section to a vehicle. A person who violates the provisions of this subsection is

guilty of a misdemeanor.

Sec. 5. NRS 482.274 is hereby amended to read as follows:

482.274 1. The Director shall order the preparation of vehicle license plates for trailers in the same manner provided for motor vehicles in NRS 482.270, except that a vehicle license plate prepared for a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483 is not required to have displayed upon it the month and year the registration expires.

2. The Director shall order preparation of two sizes of vehicle license plates for trailers. The smaller plates may be used for trailers with a gross vehicle weight of less than 1,000 pounds.

3. The Director shall determine the registration numbers assigned to trailers.

4. Any license plates issued for a trailer before July 1, 1975, bearing a different designation from that provided for in this section, are valid during the period for which such plates were issued.

5. Any license plates issued for a trailer before January 1, 1982, are not subject to reissue pursuant to subsection 2 of NRS 482.265.

6. The Department shall not issue for a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483 a special license plate available pursuant to NRS 482.3667 to 482.3823, inclusive ~~[.]~~ *, and section 1 of this act.*

Sec. 6. NRS 482.37901 is hereby amended to read as follows:

482.37901 1. ~~[Except as otherwise provided in subsection 6, a person who, on or before October 31, 2016, was issued by the]~~ *The* Department *shall issue* license plates which commemorate the 150th anniversary of Nevada's admission into the Union for a passenger car or light commercial vehicle, *to any person* who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter . ~~[may renew the commemorative license plates upon payment of all applicable registration and license fees and governmental services taxes, payment of the fee for the renewal of the commemorative license plates pursuant to subsection 2 and, if applicable, for a:]~~ *A person may request that:*

(a) Special legislative license ~~[plate]~~ *plates* issued *to a legislator* pursuant to NRS 482.374 ~~[,]~~ *be combined with the commemorative license plates if that person:*

(1) Qualifies for special legislative license plates issued pursuant to NRS 482.374; and

(2) Pays the fees for the special legislative license plates ~~[,]~~ *in addition to the fees for the commemorative license plates pursuant to subsections 2 and 3;* or

(b) Personalized prestige license ~~[plate]~~ *plates* issued pursuant to NRS 482.3667 ~~[,]~~ *be combined with the commemorative license plates if that person pays* the fees for the personalized prestige license plates ~~[,]~~ *in addition*

to the fees for the commemorative license plates pursuant to subsections 2 and 3.

2. ~~[In addition to all other applicable fees prescribed in subsection 1, a person who wishes to renew a set of]~~ *The fee for* the commemorative license plates ~~[must pay a fee of $20, to be distributed pursuant to subsection 3.~~ ~~3.]~~ *is $7.50, in addition to all other applicable registration and license fees and governmental services taxes. The Department shall deposit the fee collected pursuant to this subsection with the State Treasurer for credit to the Revolving Account for the Issuance of Special License Plates created pursuant to NRS 482.1805.*

3. In addition to all other applicable registration and license fees and governmental services taxes and the fees prescribed in subsection 2, a person who requests a set of the commemorative license plates must pay for the initial issuance of the plates an additional fee of $25 and for each renewal of the plates a fee of $20, to be distributed pursuant to subsection 4.

4. The Department shall deposit the fees collected pursuant to subsection ~~[2.]~~ *3* with the State Treasurer for credit to the State General Fund. The State Treasurer shall, on a quarterly basis, distribute one-half of the fees to the Division of Museums and History of the Department of Tourism and Cultural Affairs and one-half of the fees to the Division of State Parks of the State Department of Conservation and Natural Resources. The money must be used for:

(a) Educational projects and initiatives relating to the history of the State of Nevada, including, without limitation, historical markers, tours of historic sites and improvements to or restoration of historic buildings and structures; and

(b) Other projects relating to preserving, promoting and protecting the heritage of the State of Nevada, including, without limitation, projects relating to:

(1) The establishment of a new state park, state monument or recreational area pursuant to NRS 407.065; or

(2) Enhancements or modifications to a state park, state monument or recreational area designated pursuant to NRS 407.120.

~~[4.]~~ *5.* On or before January 1 of each calendar year, the Division of Museums and History of the Department of Tourism and Cultural Affairs and the Division of State Parks of the State Department of Conservation and Natural Resources shall produce a report of:

(a) Revenues received from the renewal of the commemorative license plates issued pursuant to the provisions of this section; and

(b) Associated expenditures,

➥ and shall submit the report to the Director of the Legislative Counsel Bureau for transmission to the Legislature or the Legislative Commission, as appropriate.

~~[5.]~~ *6.* If, during a registration year, the holder of the commemorative license plates issued by the Department disposes of the vehicle to which the plates are affixed, the holder shall:

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

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

~~[6. The Director shall not issue:~~

~~(a) The commemorative license plates after October 31, 2016.~~

~~(b) Replacement number plates or duplicate number plates for those commemorative license plates after October 31, 2021.~~

~~7. License plates issued pursuant to this section are not subject to reissue pursuant to subsection 2 of NRS 482.265.]~~

Sec. 7. NRS 482.399 is hereby amended to read as follows:

482.399 1. Upon the transfer of the ownership of or interest in any vehicle by any holder of a valid registration, or upon destruction of the vehicle, the registration expires.

2. Except as otherwise provided in NRS 482.2155 and subsection 3 of NRS 482.483, the holder of the original registration may transfer the registration to another vehicle to be registered by the holder and use the same regular license plate or plates or special license plate or plates issued pursuant to NRS 482.3667 to 482.3823, inclusive, *and section 1 of this act,* or 482.384, on the vehicle from which the registration is being transferred, if the license plate or plates are appropriate for the second vehicle, upon filing an application for transfer of registration and upon paying the transfer registration fee and the excess, if any, of the registration fee and governmental services tax on the vehicle to which the registration is transferred over the total registration fee and governmental services tax paid on all vehicles from which he or she is transferring ownership or interest. Except as otherwise provided in NRS 482.294, an application for transfer of registration must be made in person, if practicable, to any office or agent of the Department or to a registered dealer, and the license plate or plates may not be used upon a second vehicle until registration of that vehicle is complete.

3. In computing the governmental services tax, the Department, its agent or the registered dealer shall credit the portion of the tax paid on the first vehicle attributable to the remainder of the current registration period or calendar year on a pro rata monthly basis against the tax due on the second vehicle or on any other vehicle of which the person is the registered owner. If any person transfers ownership or interest in two or more vehicles, the Department or the registered dealer shall credit the portion of the tax paid on all of the vehicles attributable to the remainder of the current registration period or calendar year on a pro rata monthly basis against the tax due on the vehicle to which the registration is transferred or on any other vehicle of which the person is the registered owner. The certificates of registration and unused license plates of the vehicles from which a person transfers ownership or interest must be submitted before credit is given against the tax due on the

vehicle to which the registration is transferred or on any other vehicle of which the person is the registered owner.

4. In computing the registration fee, the Department or its agent or the registered dealer shall credit the portion of the registration fee paid on each vehicle attributable to the remainder of the current calendar year or registration period on a pro rata basis against the registration fee due on the vehicle to which registration is transferred.

5. If the amount owed on the registration fee or governmental services tax on the vehicle to which registration is transferred is less than the credit on the total registration fee or governmental services tax paid on all vehicles from which a person transfers ownership or interest, the person may apply the unused portion of the credit to the registration of any other vehicle owned by the person. Any unused portion of such a credit expires on the date the registration of the vehicle from which the person transferred the registration was due to expire.

6. If the license plate or plates are not appropriate for the second vehicle, the plate or plates must be surrendered to the Department or registered dealer and an appropriate plate or plates must be issued by the Department. The Department shall not reissue the surrendered plate or plates until the next succeeding licensing period.

7. If application for transfer of registration is not made within 60 days after the destruction or transfer of ownership of or interest in any vehicle, the license plate or plates must be surrendered to the Department on or before the 60th day for cancellation of the registration.

8. Except as otherwise provided in subsection 2 of NRS 371.040, NRS 482.2155, subsections 7 and 8 of NRS 482.260 and subsection 3 of NRS 482.483, if a person cancels his or her registration and surrenders to the Department the license plates for a vehicle, the Department shall:

(a) In accordance with the provisions of subsection 9, issue to the person a refund of the portion of the registration fee and governmental services tax paid on the vehicle attributable to the remainder of the current calendar year or registration period on a pro rata basis; or

(b) If the person does not qualify for a refund in accordance with the provisions of subsection 9, issue to the person a credit in the amount of the portion of the registration fee and governmental services tax paid on the vehicle attributable to the remainder of the current calendar year or registration period on a pro rata basis. Such a credit may be applied by the person to the registration of any other vehicle owned by the person. Any unused portion of the credit expires on the date the registration of the vehicle from which the person obtained a refund was due to expire.

9. The Department shall issue a refund pursuant to subsection 8 only if the request for a refund is made at the time the registration is cancelled and the license plates are surrendered, the person requesting the refund is a resident of Nevada, the amount eligible for refund exceeds $100, and evidence satisfactory to the Department is submitted that reasonably proves the

existence of extenuating circumstances. For the purposes of this subsection, the term "extenuating circumstances" means circumstances wherein:

(a) The person has recently relinquished his or her driver's license and has sold or otherwise disposed of his or her vehicle.

(b) The vehicle has been determined to be inoperable and the person does not transfer the registration to a different vehicle.

(c) The owner of the vehicle is seriously ill or has died and the guardians or survivors have sold or otherwise disposed of the vehicle.

(d) Any other event occurs which the Department, by regulation, has defined to constitute an "extenuating circumstance" for the purposes of this subsection.

Sec. 8. NRS 482.500 is hereby amended to read as follows:

482.500 1. Except as otherwise provided in subsection 2 or 3 or specifically provided by statute, whenever upon application any duplicate or substitute certificate of registration, indicator, decal or number plate is issued, the following fees must be paid:

For a certificate of registration	$5.00
For every substitute number plate or set of plates	5.00
For every duplicate number plate or set of plates	10.00
For every decal displaying a county name	.50
For every other indicator, decal, license plate sticker or tab	5.00

2. The following fees must be paid for any replacement number plate or set of plates issued for the following special license plates:

(a) For any special plate issued pursuant to NRS 482.3667, 482.367002, 482.3672, 482.3675, 482.370 to 482.3755, inclusive, 482.376 or 482.379 to 482.3818, inclusive, *and section 1 of this act,* a fee of $10.

(b) For any special plate issued pursuant to NRS 482.368, 482.3765, 482.377 or 482.378, a fee of $5.

(c) Except as otherwise provided in paragraph (a) of subsection 1 of NRS 482.3824, for any souvenir license plate issued pursuant to NRS 482.3825 or sample license plate issued pursuant to NRS 482.2703, a fee equal to that established by the Director for the issuance of those plates.

3. A fee must not be charged for a duplicate or substitute of a decal issued pursuant to NRS 482.37635.

4. The fees which are paid for replacement number plates, duplicate number plates and decals displaying county names must be deposited with the State Treasurer for credit to the Motor Vehicle Fund and allocated to the Department to defray the costs of replacing or duplicating the plates and manufacturing the decals.

Sec. 9. This act becomes effective on ~~[July 1, 2019.]~~ January 1, 2020.

Senator Cancela moved the adoption of the amendment.

Remarks by Senator Cancela.

Amendment No. 144 makes 3 changes to Senate Bill No. 181. The amendment removes "partly powered" vehicles and requires the Department of Motor Vehicles to issue special license plates only to wholly electric vehicles; changes the fee for the initial issuance of the special license plate

to $125 and renewal to $80 requires all available fees, after deductions of the costs, are to be deposited by the State Treasurer into the State Highway Fund, and changes the effective date of the bill to January 1, 2020.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 352.

Bill read second time.

The following amendment was proposed by the Committee on Growth and Infrastructure:

Amendment No. 142.

SUMMARY—Revises provisions relating to motor vehicle registration. (BDR 43-51)

AN ACT relating to motor vehicle registration; authorizing concurrent registration of two or more vehicles owned by a person in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, every motor vehicle must be registered for a period of 12 consecutive months beginning the day after the first registration by the owner. (NRS 482.206) Section 1 of this bill authorizes the owner of two or more motor vehicles in this State to apply to the Department of Motor Vehicles for concurrent registration, aligning the registration periods so that all of the motor vehicles are due for renewal on the same date. In lieu of a new certificate of registration and a license plate decal upon renewal, section 1 provides that a person with concurrent registration will receive a permanent certificate of registration and a permanent decal for each motor vehicle concurrently registered. Section 1 sets forth the procedures by which additional motor vehicles may be added to the concurrent registration, and a motor vehicle may be deleted from concurrent registration. Section 1 requires: (1) the owner of the motor vehicles to pay annual registration renewal fees and governmental services taxes; and (2) such fees and taxes to be credited or prorated accordingly if a motor vehicle is added or deleted from the concurrent registration during the registration period. Sections 2-8 of this bill make conforming changes.

Section 9 of this bill provides that these changes become effective upon passage and approval for purposes of adopting regulations and performing any other administrative tasks and on July 1, 2021, for all other purposes.

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

Section 1. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, a person who owns two or more motor vehicles which are required to be registered in this State may apply to the Department for concurrent registration whereby the registration periods for the motor vehicles run concurrently and expire on the same date.

2. The Department shall grant an application for concurrent registration if the applicant:

(a) Submits, on a form prescribed by the Department, all the information required by the Department, including, without limitation, a list of all motor vehicles to be included in the concurrent registration; and

(b) Pays all the applicable fees for registration and the governmental services tax for each motor vehicle on the list.

3. Upon granting an application for concurrent registration, the Department shall align the registration periods of each motor vehicle on the list provided by the applicant so that the registration periods of all of the motor vehicles expire 1 year from the date of granting the application. For those motor vehicles that are already registered before the date of granting the application, the Department shall allow a credit on the portion of the fee for registration and the governmental services tax attributable to the new registration period pursuant to the applicable provisions of NRS 482.399.

4. The Department shall provide to the owner of motor vehicles registered concurrently pursuant to this section:

(a) In lieu of a renewal decal, a permanent decal indicating concurrent registration status, to be displayed in a manner determined by the Department; and

(b) In lieu of a certificate of registration, a permanent certificate of concurrent registration,

➥ for each motor vehicle included in the concurrent registration.

5. The owner of motor vehicles registered concurrently pursuant to this section, upon receipt of notification pursuant to NRS 482.280 of the expiration of the concurrent registration period, must pay the fees for renewal of registration and the governmental services taxes and, if required, provide evidence of compliance with standards for the control of emissions for each motor vehicle that is concurrently registered. The concurrent registration of all the motor vehicles concurrently registered expires at midnight on the day specified on the receipt of registration, unless the day specified falls on a Saturday, Sunday or legal holiday. If the day specified on the receipt of registration is a Saturday, Sunday or legal holiday, the registration of the vehicle expires at midnight on the next judicial day.

6. The owner of motor vehicles registered concurrently pursuant to this section may add motor vehicles to the concurrent registration during the registration period upon application to the Department or a registered dealer. The Department or registered dealer shall calculate the registration fees and governmental services tax owed for the registration of such a motor vehicle based on the number of months remaining in the concurrent registration period and, if the motor vehicle was previously registered, shall allow a credit on the portion of the fee for registration and the governmental services tax attributable to the new registration period pursuant to the applicable provisions of NRS 482.399.

7. The owner of motor vehicles registered concurrently pursuant to this section who wishes to delete a motor vehicle from concurrent registration must notify the Department and surrender to the Department the permanent certificate of registration and the permanent decal issued for that motor vehicle. The owner of the motor vehicle may transfer the concurrent registration to another motor vehicle or receive a credit on the portion of the fee for registration and the governmental services tax attributable to the remainder of the concurrent registration period as provided in NRS 482.399.

8. If the owner of motor vehicles registered concurrently pursuant to this section drops below the required number of motor vehicles registered to be eligible for concurrent registration the:

(a) Concurrent registration ceases at the end of the current concurrent registration period; and

(b) The owner must surrender to the Department the permanent certificate of registration and the permanent decal issued for the motor vehicle. The registration of such a motor vehicle may be renewed as provided in this chapter.

9. A motor vehicle that is required to be registered with the Motor Carrier Division of the Department is not eligible for concurrent registration pursuant to this section.

Sec. 2. NRS 482.206 is hereby amended to read as follows:

482.206 1. Except as otherwise provided in this section , ~~[and]~~ NRS 482.2065 ~~[,]~~ *and section 1 of this act,* every motor vehicle, except for a motor vehicle that is registered pursuant to the provisions of NRS 706.801 to 706.861, inclusive, and except for a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483 or a moped registered pursuant to NRS 482.2155, must be registered for a period of 12 consecutive months beginning the day after the first registration by the owner in this State.

2. Except as otherwise provided in subsections 7 and 8 , ~~[and]~~ NRS 482.2065 ~~[,]~~ *and section 1 of this act,* every vehicle registered by an agent of the Department or a registered dealer must be registered for 12 consecutive months beginning the first day of the month after the first registration by the owner in this State.

3. Except as otherwise provided in subsection 7 and NRS 482.2065, a vehicle which must be registered through the Motor Carrier Division of the Department, or a motor vehicle which has a declared gross weight in excess of 26,000 pounds, must be registered for a period of 12 consecutive months beginning on the date established by the Department by regulation.

4. Upon the application of the owner of a fleet of vehicles, the Director may permit the owner to register the fleet on the basis of a calendar year.

5. Except as otherwise provided in subsections ~~[6, 7 and 8,]~~ *6 to 9, inclusive, and section 1 of this act,* when the registration of any vehicle is transferred pursuant to NRS 482.399, the expiration date of each regular license plate, special license plate or substitute decal must, at the time of the

transfer of registration, be advanced for a period of 12 consecutive months beginning:

(a) The first day of the month after the transfer, if the vehicle is transferred by an agent of the Department; or

(b) The day after the transfer in all other cases,

➥ and a credit on the portion of the fee for registration and the governmental services tax attributable to the remainder of the current period of registration must be allowed pursuant to the applicable provisions of NRS 482.399.

6. When the registration of any trailer that is registered for a 3-year period pursuant to NRS 482.2065 is transferred pursuant to NRS 482.399, the expiration date of each license plate or substitute decal must, at the time of the transfer of the registration, be advanced, if applicable pursuant to NRS 482.2065, for a period of 3 consecutive years beginning:

(a) The first day of the month after the transfer, if the trailer is transferred by an agent of the Department; or

(b) The day after the transfer in all other cases,

➥ and a credit on the portion of the fee for registration and the governmental services tax attributable to the remainder of the current period of registration must be allowed pursuant to the applicable provisions of NRS 482.399.

7. A full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483 is registered until the date on which the owner of the full trailer or semitrailer:

(a) Transfers the ownership of the full trailer or semitrailer; or

(b) Cancels the registration of the full trailer or semitrailer and surrenders the license plates to the Department.

8. A moped that is registered pursuant to NRS 482.2155 is registered until the date on which the owner of the moped:

(a) Transfers the ownership of the moped; or

(b) Cancels the registration of the moped and surrenders the license plate to the Department.

9. If the registration of a motor vehicle is transferred to a motor vehicle that is to be added to a concurrent registration pursuant to section 1 of this act, the registration must be advanced to align with the registration period of the concurrent registration and a credit on the portion of the fee for registration and the governmental services tax attributable to the remainder of the current period of registration must be allowed pursuant to the applicable provisions of NRS 482.399 and section 1 of this act.

Sec. 3. NRS 482.215 is hereby amended to read as follows:

482.215 1. Except as otherwise provided in NRS 482.2155 ~~[,]~~ *and section 1 of this act,* all applications for registration, except applications for renewal of registration, must be made as provided in this section.

2. Except as otherwise provided in NRS 482.294, applications for all registrations, except renewals of registration, must be made in person, if practicable, to any office or agent of the Department or to a registered dealer.

3. Each application must be made upon the appropriate form furnished by the Department and contain:

(a) The signature of the owner, except as otherwise provided in subsection 2 of NRS 482.294, if applicable.

(b) The owner's residential address.

(c) The owner's declaration of the county where he or she intends the vehicle to be based, unless the vehicle is deemed to have no base. The Department shall use this declaration to determine the county to which the governmental services tax is to be paid.

(d) A brief description of the vehicle to be registered, including the name of the maker, the engine, identification or serial number, whether new or used, and the last license number, if known, and the state in which it was issued, and upon the registration of a new vehicle, the date of sale by the manufacturer or franchised and licensed dealer in this State for the make to be registered to the person first purchasing or operating the vehicle.

(e) Except as otherwise provided in this paragraph, if the applicant is not an owner of a fleet of vehicles or a person described in subsection 5:

(1) Proof satisfactory to the Department or registered dealer that the applicant carries insurance on the vehicle provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185; and

(2) A declaration signed by the applicant that he or she will maintain the insurance required by NRS 485.185 during the period of registration. If the application is submitted by electronic means pursuant to NRS 482.294, the applicant is not required to sign the declaration required by this subparagraph.

(f) If the applicant is an owner of a fleet of vehicles or a person described in subsection 5, evidence of insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185:

(1) In the form of a certificate of insurance on a form approved by the Commissioner of Insurance;

(2) In the form of a card issued pursuant to NRS 690B.023 which identifies the vehicle or the registered owner of the vehicle; or

(3) In another form satisfactory to the Department, including, without limitation, an electronic format authorized by NRS 690B.023.

➥ The Department may file that evidence, return it to the applicant or otherwise dispose of it.

(g) If required, evidence of the applicant's compliance with controls over emission.

(h) If the application for registration is submitted via the Internet, a statement which informs the applicant that he or she may make a nonrefundable monetary contribution of $2 for each vehicle registered for the Complete Streets Program, if any, created pursuant to NRS 244.2643, 277A.285 or 403.575, as applicable, based on the declaration made pursuant

to paragraph (c). The application form must state in a clear and conspicuous manner that a contribution for a Complete Streets Program is nonrefundable and voluntary and is in addition to any fees required for registration, and must include a method by which the applicant must indicate his or her intention to opt in or opt out of making such a contribution.

4. The application must contain such other information as is required by the Department or registered dealer and must be accompanied by proof of ownership satisfactory to the Department.

5. For purposes of the evidence required by paragraph (f) of subsection 3:

(a) Vehicles which are subject to the fee for a license and the requirements of registration of the Interstate Highway User Fee Apportionment Act, and which are based in this State, may be declared as a fleet by the registered owner thereof on his or her original application for or application for renewal of a proportional registration. The owner may file a single certificate of insurance covering that fleet.

(b) Other fleets composed of 10 or more vehicles based in this State or vehicles insured under a blanket policy which does not identify individual vehicles may each be declared annually as a fleet by the registered owner thereof for the purposes of an application for his or her original or any renewed registration. The owner may file a single certificate of insurance covering that fleet.

(c) A person who qualifies as a self-insurer pursuant to the provisions of NRS 485.380 may file a copy of his or her certificate of self-insurance.

(d) A person who qualifies for an operator's policy of liability insurance pursuant to the provisions of NRS 485.186 and 485.3091 may file or provide electronic evidence of that insurance.

Sec. 4. NRS 482.216 is hereby amended to read as follows:

482.216 1. Except as otherwise provided in NRS 482.2155, upon the request of a new vehicle dealer, the Department may authorize the new vehicle dealer to:

(a) Accept applications for the registration *or concurrent registration pursuant to section 1 of this act* of the new motor vehicles he or she sells and the related fees and taxes;

(b) Issue certificates of registration to applicants who satisfy the requirements of this chapter; and

(c) Accept applications for the transfer of registration pursuant to NRS 482.399 if the applicant purchased from the new vehicle dealer a new vehicle to which the registration is to be transferred.

2. A new vehicle dealer who is authorized to issue certificates of registration pursuant to subsection 1 shall:

(a) Transmit the applications received to the Department within the period prescribed by the Department;

(b) Transmit the fees collected from the applicants and properly account for them within the period prescribed by the Department;

(c) Comply with the regulations adopted pursuant to subsection 5; and

(d) Bear any cost of equipment which is necessary to issue certificates of registration, including any computer hardware or software.

3. A new vehicle dealer who is authorized to issue certificates of registration pursuant to subsection 1 shall not:

(a) Charge any additional fee for the performance of those services;

(b) Receive compensation from the Department for the performance of those services;

(c) Accept applications for the renewal of registration of a motor vehicle; or

(d) Accept an application for the registration of a motor vehicle if the applicant wishes to:

(1) Obtain special license plates pursuant to NRS 482.3667 to 482.3823, inclusive; or

(2) Claim the exemption from the governmental services tax provided pursuant to NRS 361.1565 to veterans and their relations.

4. The provisions of this section do not apply to the registration of a moped pursuant to NRS 482.2155.

5. The Director shall adopt such regulations as are necessary to carry out the provisions of this section. The regulations adopted pursuant to this subsection must provide for:

(a) The expedient and secure issuance of license plates and decals by the Department; and

(b) The withdrawal of the authority granted to a new vehicle dealer pursuant to subsection 1 if that dealer fails to comply with the regulations adopted by the Department.

Sec. 5. NRS 482.260 is hereby amended to read as follows:

482.260 1. When registering a vehicle, the Department and its agents or a registered dealer shall:

(a) Collect the fees for license plates and registration as provided for in this chapter.

(b) Collect the governmental services tax on the vehicle, as agent for the State and for the county where the applicant intends to base the vehicle for the period of registration, unless the vehicle is deemed to have no base.

(c) Collect the applicable taxes imposed pursuant to chapters 372, 374, 377 and 377A of NRS.

(d) Issue a certificate of registration.

(e) If the registration is performed by the Department, issue the regular license plate or plates.

(f) If the registration is performed by a registered dealer, provide information to the owner regarding the manner in which the regular license plate or plates will be made available to the owner.

2. Upon proof of ownership satisfactory to the Director or as otherwise provided in NRS 482.2605, the Director shall cause to be issued a certificate of title as provided in this chapter.

3. Except as otherwise provided in NRS 371.070 and subsections 6, 7 ~~[and]~~ , 8 ~~[,]~~ *and 9,* every vehicle being registered for the first time in Nevada must be taxed for the purposes of the governmental services tax for a 12-month period.

4. The Department shall deduct and withhold 2 percent of the taxes collected pursuant to paragraph (c) of subsection 1 and remit the remainder to the Department of Taxation.

5. A registered dealer shall forward all fees and taxes collected for the registration of vehicles to the Department.

6. A trailer being registered pursuant to NRS 482.2065 must be taxed for the purposes of the governmental services tax for a 3-year period.

7. A full trailer or semitrailer being registered pursuant to subsection 3 of NRS 482.483 must be taxed for the purposes of the governmental services tax in the amount of $86. The governmental services tax paid pursuant to this subsection is nontransferable and nonrefundable.

8. A moped being registered pursuant to NRS 482.2155 must be taxed for the purposes of the governmental services tax for only the 12-month period following the registration. The governmental services tax paid pursuant to this subsection is nontransferable and nonrefundable.

9. A motor vehicle being registered concurrently pursuant to section 1 of this act must be taxed for the remainder of the concurrent registration period as provided in section 1 of this act.

Sec. 6. NRS 482.265 is hereby amended to read as follows:

482.265 1. The Department shall furnish to every owner whose vehicle is registered two license plates for a motor vehicle other than a motorcycle or moped and one license plate for all other vehicles required to be registered hereunder. Except as otherwise provided in NRS 482.2155 ~~[,]~~ *and section 1 of this act,* upon renewal of registration, the Department may issue one or more license plate stickers, tabs or other suitable devices in lieu of new license plates.

2. Except as otherwise provided in NRS 482.2065, 482.266, 482.2705, 482.274, 482.379 and 482.37901, every 8 years the Department shall reissue a license plate or plates at the time of renewal of each license plate or plates issued pursuant to this chapter. The Director may adopt regulations to provide procedures for such reissuance.

3. The Director shall have the authority to require the return to the Department of all number plates upon termination of the lawful use thereof by the owner under this chapter.

4. Except as otherwise specifically provided by statute, for the issuance of each special license plate authorized pursuant to this chapter:

(a) The fee to be received by the Department for the initial issuance of the special license plate is $35, exclusive of any additional fee which may be added to generate funds for a particular cause or charitable organization;

(b) The fee to be received by the Department for the renewal of the special license plate is $10, exclusive of any additional fee which may be added to generate financial support for a particular cause or charitable organization; and

(c) The Department shall not design, prepare or issue a special license plate unless, within 4 years after the date on which the measure authorizing the issuance becomes effective, it receives at least 250 applications for the issuance of that plate.

5. The provisions of subsection 4 do not apply to NRS 482.37901.

Sec. 7. NRS 482.270 is hereby amended to read as follows:

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

2. Except as otherwise provided in subsection 3, the Department may, upon the payment of all applicable fees, issue redesigned motor vehicle license plates.

3. The Department shall not issue redesigned motor vehicle license plates pursuant to this section to a person who was issued motor vehicle license plates before January 1, 1982, or pursuant to NRS 482.2155, 482.3747, 482.3763, 482.3783, 482.379 or 482.37901, without the approval of the person.

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

5. Every license plate must have displayed upon it:

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

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

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

(d) ~~[If]~~ *Except as otherwise provided in section 1 of this act, if* issued for a registration period other than a calendar year, the month and year the registration expires.

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

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

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

Sec. 8. NRS 482.280 is hereby amended to read as follows:

482.280 1. Except as otherwise provided in NRS 482.2155, the registration of every vehicle expires at midnight on the day specified on the

receipt of registration, unless the day specified falls on a Saturday, Sunday or legal holiday. If the day specified on the receipt of registration is a Saturday, Sunday or legal holiday, the registration of the vehicle expires at midnight on the next judicial day. The Department shall mail to each holder of a certificate of registration a notification for renewal of registration for the following period of registration. The notifications must be mailed by the Department in sufficient time to allow all applicants to mail the notifications to the Department or to renew the certificate of registration at a kiosk or authorized inspection station or via the Internet or an interactive response system and to receive , *if applicable*, new certificates of registration and license plates, stickers, tabs or other suitable devices by mail before the expiration of their registrations. An applicant may present or submit the notification to any agent or office of the Department.

2. A notification:

(a) Mailed or presented to the Department or to a county assessor pursuant to the provisions of this section;

(b) Submitted to the Department pursuant to NRS 482.294; or

(c) Presented to an authorized inspection station or authorized station pursuant to the provisions of NRS 482.281,

➥ must include, if required, evidence of compliance with standards for the control of emissions.

3. The Department shall include with each notification mailed pursuant to subsection 1:

(a) The amount of the governmental services tax to be collected pursuant to the provisions of NRS 482.260.

(b) The amount set forth in a notice of nonpayment filed with the Department by a local authority pursuant to NRS 484B.527.

(c) A statement which informs the applicant:

(1) That, pursuant to NRS 485.185, the applicant is legally required to maintain insurance during the period in which the motor vehicle is registered which must be provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State; and

(2) Of any other applicable requirements set forth in chapter 485 of NRS and any regulations adopted pursuant thereto.

(d) A statement which informs the applicant that, if the applicant renews a certificate of registration at a kiosk or via the Internet, he or she may make a nonrefundable monetary contribution of $2 for each vehicle registration renewed for the Complete Streets Program, if any, created pursuant to NRS 244.2643, 277A.285 or 403.575, as applicable, based on the declaration made pursuant to paragraph (c) of subsection 3 of NRS 482.215. The notification must state in a clear and conspicuous manner that a contribution for a Complete Streets Program is nonrefundable and voluntary and is in addition to any fees required for registration.

(e) Any amount due for reissuance of a license plate or a plate reissued pursuant to subsection 2 of NRS 482.265, if applicable.

4. An application for renewal of a certificate of registration submitted at a kiosk or via the Internet must include a statement which informs the applicant that he or she may make a nonrefundable monetary contribution of $2, for each vehicle registration which is renewed at a kiosk or via the Internet, for the Complete Streets Program, if any, created pursuant to NRS 244.2643, 277A.285 or 403.575, as applicable, based on the declaration made pursuant to paragraph (c) of subsection 3 of NRS 482.215. The application must state in a clear and conspicuous manner that a contribution for a Complete Streets Program is nonrefundable and voluntary and is in addition to any fees required for registration, and must include a method by which the applicant must indicate his or her intention to opt in or opt out of making such a contribution.

5. ~~[An]~~ *Except as otherwise provided in section 1 of this act, an* owner who has made proper application for renewal of registration before the expiration of the current registration but who has not received the license plate or plates or card of registration for the ensuing period of registration is entitled to operate or permit the operation of that vehicle upon the highways upon displaying thereon the license plate or plates issued for the preceding period of registration for such a time as may be prescribed by the Department as it may find necessary for the issuance of the new plate or plates or card of registration.

Sec. 9. This act becomes effective:

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On ~~[January 1, 2020,]~~ July 1, 2021, for all other purposes.

Senator Cancela moved the adoption of the amendment.

Remarks by Senator Cancela.

Amendment No. 142 makes one change to Senate Bill No. 352. The amendment changes the effective date of the bill to July 1, 2021.

Amendment adopted.

Senator Woodhouse moved that the bill be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

Bill ordered reprinted, engrossed and to the Committee on Finance.

Senate Bill No. 356.

Bill read second time.

The following amendment was proposed by the Committee on Growth and Infrastructure:

Amendment No. 141.

SUMMARY-Authorizes the registration of certain retired military vehicles. (BDR 43-280)

AN ACT relating to retired military vehicles; requiring the Department of Motor Vehicles to design, prepare and issue special license plates for certain retired military vehicles; imposing certain requirements on such vehicles operating on the highways of this State; imposing a fee for such special license plates; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill requires the Department of Motor Vehicles, upon receiving 25 applications for such special license plates, to design, prepare and issue special license plates for retired military vehicles which are at least 20 years old on the date of application. Section 1 provides that no annual registration fees or governmental services taxes are imposed on the owner of the retired military vehicle, which may be used only for exhibitions, parades, charitable events, fundraisers or similar activities. Additionally, section 1 requires that a retired military vehicle with such a special license plate may not be operated on the highways of this State unless: (1) the vehicle complies with certain requirements regarding size, weight and load; (2) any tires on the vehicle meet certain tire pressure requirements; and (3) if the vehicle has tracks, the tracks are covered with a band that protects the surface of the highway from damage. The owner of such a retired military vehicle must submit an affidavit indicating that the retired military vehicle is safe to be operated on the highways of this State.

Under existing law, an application for the registration of a foreign vehicle must be accompanied by a motor vehicle inspection certificate. (NRS 482.220) Section 2 of this bill removes a retired military vehicle which obtains the special license plates in section 1 from the definition of "foreign vehicle," thus removing such a retired military vehicle from the inspection requirement.

Section 9 of this bill authorizes a holder of a class A noncommercial driver's license to operate a retired military vehicle which obtains the special license plates in section 1 regardless of the weight of the vehicle. Sections 3-5 of this bill exempt the special license plates authorized in section 1 from certain requirements pertaining to special license plates regarding: (1) recommendations from the Commission on Special License Plates; (2) the total number of separate designs of special license plates issued by the Department; and (3) the minimum number of special license plate applications required to produce such a plate. (NRS 482.367004, 482.367008, 482.36705) Section 7 of this bill exempts a retired military vehicle which obtains the special license plates in section 1 from the additional fees for registration imposed on certain motortrucks, truck-tractors and buses based on the weight of such a vehicle. (NRS 482.482) Finally, section 10 of this bill exempts such retired military vehicles from certain emissions testing requirements. (NRS 445B.759) Sections 6 and 8 of this bill make conforming changes.

Section 11 of this bill provides that these changes become effective upon passage and approval for purposes of adopting regulations and performing any other administrative tasks and on January 1, 2020, for all other purposes.

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

Section 1. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Department may issue special license plates and registration certificates to residents of Nevada for a retired military vehicle pursuant to this section. The Department shall not design, prepare or issue the license plates unless it receives at least 25 applications for the issuance of those plates. The retired military vehicle must not be used for general transportation but may be used for exhibitions, parades, charitable events, fundraisers or similar activities.

2. In lieu of the annual registration fees required by this chapter, and of the governmental services tax imposed by chapter 371 of NRS, the owner of a retired military vehicle seeking registration pursuant to this section may submit:

(a) An affidavit to the Department indicating that the retired military vehicle:

(1) Will only be used for the purposes enumerated in subsection 1;

(2) Is safe to be operated on the highways of this State; and

(3) Will be at least 20 years old on the date on which the owner of the retired military vehicle applies for license plates pursuant to this section.

(b) The following fees for the issuance of license plates pursuant to this section:

(1) For the first issuance $25

(2) For a renewal sticker $10

3. A retired military vehicle registered pursuant to this section must not be operated on the highways of this State unless the vehicle complies with the provisions of NRS 484D.600 to 484D.740, inclusive, and, if the vehicle is a retired military vehicle with:

(a) Tires, is equipped with rubber tires that will not damage the roadway surface and have a maximum vehicle tire pressure of not more than 125 pounds per square inch.

(b) Tracks, has a circular metal band of a width of not less than 3 inches placed entirely around the periphery of such tracks, such band to serve as a protection against the tearing up or marring of the surface of the highway.

4. The Department shall use to register a retired military vehicle pursuant to this section any vehicle identification number that is clearly visible and is securely affixed to or stamped on an integral part of the vehicle. If no such number is available, the Department may assign a distinguishing number pursuant to NRS 482.290.

5. License plates issued pursuant to this section must bear the inscription "Retired Military Vehicle" and the plates must be numbered consecutively.

6. The cost of the die and the modifications necessary for the issuance of a license plate pursuant to this section must be paid from private sources without any expense to the State of Nevada.

7. If, during a registration year, the holder of license plates issued pursuant to the provisions of this section disposes of the retired military vehicle to which the plates are affixed, the holder shall:

(a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the transfer and registration fees are paid as set out in this chapter; or

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

8. As used in this section, "retired military vehicle" means any vehicle or trailer, regardless of size, weight or year of manufacture, that was manufactured for use in the military forces of any country and is maintained to depict or represent military design or markings. The term includes, without limitation, armored vehicles, passenger cars, half-track vehicles, motorcycles, pick-up trucks, sport utility vehicles, tracked vehicles, trailers, trucks and truck-tractors.

Sec. 2. NRS 482.040 is hereby amended to read as follows:

482.040 "Foreign vehicle" means every motor vehicle, trailer or semitrailer which has been brought into this State otherwise than in the ordinary course of business by or through a manufacturer or dealer and which has not been registered in this State. *The term does not include a retired military vehicle which is registered pursuant to section 1 of this act.*

Sec. 3. NRS 482.367004 is hereby amended to read as follows:

482.367004 1. There is hereby created the Commission on Special License Plates. The Commission is advisory to the Department and consists of five Legislators and three nonvoting members as follows:

(a) Five Legislators appointed by the Legislative Commission:

(1) One of whom is the Legislator who served as the Chair of the Assembly Standing Committee on Transportation during the most recent legislative session. That Legislator may designate an alternate to serve in place of the Legislator when absent. The alternate must be another Legislator who also served on the Assembly Standing Committee on Transportation during the most recent legislative session.

(2) One of whom is the Legislator who served as the Chair of the Senate Standing Committee on Transportation during the most recent legislative session. That Legislator may designate an alternate to serve in place of the Legislator when absent. The alternate must be another Legislator who also served on the Senate Standing Committee on Transportation during the most recent legislative session.

(b) Three nonvoting members consisting of:

(1) The Director of the Department of Motor Vehicles, or a designee of the Director.

(2) The Director of the Department of Public Safety, or a designee of the Director.

(3) The Director of the Department of Tourism and Cultural Affairs, or a designee of the Director.

2. Each member of the Commission appointed pursuant to paragraph (a) of subsection 1 serves a term of 2 years, commencing on July 1 of each odd-numbered year. A vacancy on the Commission must be filled in the same manner as the original appointment.

3. Members of the Commission serve without salary or compensation for their travel or per diem expenses.

4. The Director of the Legislative Counsel Bureau shall provide administrative support to the Commission.

5. The Commission shall recommend to the Department that the Department approve or disapprove:

(a) Applications for the design, preparation and issuance of special license plates that are submitted to the Department pursuant to subsection 1 of NRS 482.367002;

(b) The issuance by the Department of special license plates that have been designed and prepared pursuant to NRS 482.367002; and

(c) Except as otherwise provided in subsection 7, applications for the design, preparation and issuance of special license plates that have been authorized by an act of the Legislature after January 1, 2007.

➥ In determining whether to recommend to the Department the approval of such an application or issuance, the Commission shall consider, without limitation, whether it would be appropriate and feasible for the Department to, as applicable, design, prepare or issue the particular special license plate. For the purpose of making recommendations to the Department, the Commission shall consider each application in the chronological order in which the application was received by the Department.

6. On or before September 1 of each fiscal year, the Commission shall compile a list of each special license plate for which the Commission, during the immediately preceding fiscal year, recommended to the Department that the Department approve the application for the special license plate or approve the issuance of the special license plate. The list so compiled must set forth, for each such plate, the cause or charitable organization for which the special license plate generates or would generate financial support, and the intended use to which the financial support is being put or would be put. The Commission shall transmit the information described in this subsection to the Department and the Department shall make that information available on its Internet website.

7. The provisions of paragraph (c) of subsection 5 do not apply with regard to special license plates that are issued pursuant to NRS 482.3746, 482.3751, 482.3752, 482.3757, 482.3783, 482.3785, 482.3787 , ~~[or]~~ 482.37901 ~~[.]~~ *or section 1 of this act.*

8. The Commission shall:

(a) Recommend to the Department that the Department approve or disapprove any proposed change in the distribution of money received in the form of additional fees. As used in this paragraph, "additional fees" means the fees that are charged in connection with the issuance or renewal of a special

license plate for the benefit of a particular cause, fund or charitable organization. The term does not include registration and license fees or governmental services taxes.

(b) If it recommends a proposed change pursuant to paragraph (a) and determines that legislation is required to carry out the change, recommend to the Department that the Department request the assistance of the Legislative Counsel in the preparation of a bill draft to carry out the change.

Sec. 4. NRS 482.367008 is hereby amended to read as follows:

482.367008 1. As used in this section, "special license plate" means:

(a) A license plate that the Department has designed and prepared pursuant to NRS 482.367002 in accordance with the system of application and petition described in that section;

(b) A license plate approved by the Legislature that the Department has designed and prepared pursuant to NRS 482.3747, 482.37903, 482.37905, 482.37917, 482.379175, 482.37918, 482.37919, 482.3792, 482.3793, 482.37933, 482.37934, 482.37935, 482.379355, 482.379365, 482.37937, 482.379375, 482.37938, 482.37939, 482.37945 or 482.37947; and

(c) Except for a license plate that is issued pursuant to NRS 482.3746, 482.3751, 482.3752, 482.3757, 482.3783, 482.3785, 482.3787 , ~~[or]~~ 482.37901 ~~[,]~~ *or section 1 of this act,* a license plate that is approved by the Legislature after July 1, 2005.

2. Notwithstanding any other provision of law to the contrary, and except as otherwise provided in subsection 3, the Department shall not, at any one time, issue more than 30 separate designs of special license plates. Whenever the total number of separate designs of special license plates issued by the Department at any one time is less than 30, the Department shall issue a number of additional designs of special license plates that have been authorized by an act of the Legislature or the application for which has been recommended by the Commission on Special License Plates to be approved by the Department pursuant to subsection 5 of NRS 482.367004, not to exceed a total of 30 designs issued by the Department at any one time. Such additional designs must be issued by the Department in accordance with the chronological order of their authorization or approval by the Department.

3. In addition to the special license plates described in subsection 2, the Department may issue not more than five separate designs of special license plates in excess of the limit set forth in that subsection. To qualify for issuance pursuant to this subsection:

(a) The Commission on Special License Plates must have recommended to the Department that the Department approve the design, preparation and issuance of the special plates as described in paragraphs (a) and (b) of subsection 5 of NRS 482.367004; and

(b) The special license plates must have been applied for, designed, prepared and issued pursuant to NRS 482.367002, except that:

(1) The application for the special license plates must be accompanied by a surety bond posted with the Department in the amount of $20,000; and

(2) Pursuant to the assessment of the viability of the design of the special license plates that is conducted pursuant to this section, it is determined that at least 3,000 special license plates have been issued.

4. Except as otherwise provided in this subsection, on October 1 of each year the Department shall assess the viability of each separate design of special license plate that the Department is currently issuing by determining the total number of validly registered motor vehicles to which that design of special license plate is affixed. The Department shall not determine the total number of validly registered motor vehicles to which a particular design of special license plate is affixed if:

(a) The particular design of special license plate was designed and prepared by the Department pursuant to NRS 482.367002; and

(b) On October 1, that particular design of special license plate has been available to be issued for less than 12 months.

5. If, on October 1, the total number of validly registered motor vehicles to which a particular design of special license plate is affixed is:

(a) In the case of special license plates not described in subsection 3, less than 1,000; or

(b) In the case of special license plates described in subsection 3, less than 3,000,

➥ the Director shall provide notice of that fact in the manner described in subsection 6.

6. The notice required pursuant to subsection 5 must be provided:

(a) If the special license plate generates financial support for a cause or charitable organization, to that cause or charitable organization.

(b) If the special license plate does not generate financial support for a cause or charitable organization, to an entity which is involved in promoting the activity, place or other matter that is depicted on the plate.

7. If, on December 31 of the same year in which notice was provided pursuant to subsections 5 and 6, the total number of validly registered motor vehicles to which a particular design of special license plate is affixed is:

(a) In the case of special license plates not described in subsection 3, less than 1,000; or

(b) In the case of special license plates described in subsection 3, less than 3,000,

➥ the Director shall, notwithstanding any other provision of law to the contrary, issue an order providing that the Department will no longer issue that particular design of special license plate. Except as otherwise provided in subsection 2 of NRS 482.265, such an order does not require existing holders of that particular design of special license plate to surrender their plates to the Department and does not prohibit those holders from renewing those plates.

Sec. 5. NRS 482.36705 is hereby amended to read as follows:

482.36705 1. Except as otherwise provided in subsection 2:

(a) If a new special license plate is authorized by an act of the Legislature after January 1, 2003, other than a special license plate that is authorized

pursuant to NRS 482.379375, the Legislature will direct that the license plate not be designed, prepared or issued by the Department unless the Department receives at least 1,000 applications for the issuance of that plate within 2 years after the effective date of the act of the Legislature that authorized the plate.

(b) In addition to the requirements set forth in paragraph (a), if a new special license plate is authorized by an act of the Legislature after July 1, 2005, the Legislature will direct that the license plate not be issued by the Department unless its issuance complies with subsection 2 of NRS 482.367008.

(c) In addition to the requirements set forth in paragraphs (a) and (b), if a new special license plate is authorized by an act of the Legislature after January 1, 2007, the Legislature will direct that the license plate not be designed, prepared or issued by the Department unless the Commission on Special License Plates recommends to the Department that the Department approve the application for the authorized plate pursuant to NRS 482.367004.

2. The provisions of subsection 1 do not apply with regard to special license plates that are issued pursuant to NRS 482.3746, 482.3751, 482.3752, 482.3757, 482.3783, 482.3785, 482.3787 , ~~[or]~~ 482.37901 ~~[.]~~ *or section 1 of this act.*

Sec. 6. NRS 482.399 is hereby amended to read as follows:

482.399 1. Upon the transfer of the ownership of or interest in any vehicle by any holder of a valid registration, or upon destruction of the vehicle, the registration expires.

2. Except as otherwise provided in NRS 482.2155 and subsection 3 of NRS 482.483, the holder of the original registration may transfer the registration to another vehicle to be registered by the holder and use the same regular license plate or plates or special license plate or plates issued pursuant to NRS 482.3667 to 482.3823, inclusive, *and section 1 of this act,* or 482.384, on the vehicle from which the registration is being transferred, if the license plate or plates are appropriate for the second vehicle, upon filing an application for transfer of registration and upon paying the transfer registration fee and the excess, if any, of the registration fee and governmental services tax on the vehicle to which the registration is transferred over the total registration fee and governmental services tax paid on all vehicles from which he or she is transferring ownership or interest. Except as otherwise provided in NRS 482.294, an application for transfer of registration must be made in person, if practicable, to any office or agent of the Department or to a registered dealer, and the license plate or plates may not be used upon a second vehicle until registration of that vehicle is complete.

3. In computing the governmental services tax, the Department, its agent or the registered dealer shall credit the portion of the tax paid on the first vehicle attributable to the remainder of the current registration period or calendar year on a pro rata monthly basis against the tax due on the second vehicle or on any other vehicle of which the person is the registered owner. If any person transfers ownership or interest in two or more vehicles, the Department or the registered dealer shall credit the portion of the tax paid on

all of the vehicles attributable to the remainder of the current registration period or calendar year on a pro rata monthly basis against the tax due on the vehicle to which the registration is transferred or on any other vehicle of which the person is the registered owner. The certificates of registration and unused license plates of the vehicles from which a person transfers ownership or interest must be submitted before credit is given against the tax due on the vehicle to which the registration is transferred or on any other vehicle of which the person is the registered owner.

4. In computing the registration fee, the Department or its agent or the registered dealer shall credit the portion of the registration fee paid on each vehicle attributable to the remainder of the current calendar year or registration period on a pro rata basis against the registration fee due on the vehicle to which registration is transferred.

5. If the amount owed on the registration fee or governmental services tax on the vehicle to which registration is transferred is less than the credit on the total registration fee or governmental services tax paid on all vehicles from which a person transfers ownership or interest, the person may apply the unused portion of the credit to the registration of any other vehicle owned by the person. Any unused portion of such a credit expires on the date the registration of the vehicle from which the person transferred the registration was due to expire.

6. If the license plate or plates are not appropriate for the second vehicle, the plate or plates must be surrendered to the Department or registered dealer and an appropriate plate or plates must be issued by the Department. The Department shall not reissue the surrendered plate or plates until the next succeeding licensing period.

7. If application for transfer of registration is not made within 60 days after the destruction or transfer of ownership of or interest in any vehicle, the license plate or plates must be surrendered to the Department on or before the 60th day for cancellation of the registration.

8. Except as otherwise provided in subsection 2 of NRS 371.040, NRS 482.2155, subsections 7 and 8 of NRS 482.260 and subsection 3 of NRS 482.483, if a person cancels his or her registration and surrenders to the Department the license plates for a vehicle, the Department shall:

(a) In accordance with the provisions of subsection 9, issue to the person a refund of the portion of the registration fee and governmental services tax paid on the vehicle attributable to the remainder of the current calendar year or registration period on a pro rata basis; or

(b) If the person does not qualify for a refund in accordance with the provisions of subsection 9, issue to the person a credit in the amount of the portion of the registration fee and governmental services tax paid on the vehicle attributable to the remainder of the current calendar year or registration period on a pro rata basis. Such a credit may be applied by the person to the registration of any other vehicle owned by the person. Any unused portion of

the credit expires on the date the registration of the vehicle from which the person obtained a refund was due to expire.

9. The Department shall issue a refund pursuant to subsection 8 only if the request for a refund is made at the time the registration is cancelled and the license plates are surrendered, the person requesting the refund is a resident of Nevada, the amount eligible for refund exceeds $100, and evidence satisfactory to the Department is submitted that reasonably proves the existence of extenuating circumstances. For the purposes of this subsection, the term "extenuating circumstances" means circumstances wherein:

(a) The person has recently relinquished his or her driver's license and has sold or otherwise disposed of his or her vehicle.

(b) The vehicle has been determined to be inoperable and the person does not transfer the registration to a different vehicle.

(c) The owner of the vehicle is seriously ill or has died and the guardians or survivors have sold or otherwise disposed of the vehicle.

(d) Any other event occurs which the Department, by regulation, has defined to constitute an "extenuating circumstance" for the purposes of this subsection.

Sec. 7. NRS 482.482 is hereby amended to read as follows:

482.482 1. ~~[In]~~ *Except as otherwise provided in section 1 of this act, in* addition to any other applicable fee listed in NRS 482.480, there must be paid to the Department for the registration of every motortruck, truck-tractor or bus which has a declared gross weight of:

(a) Less than 6,000 pounds, a fee of $33.

(b) Not less than 6,000 pounds and not more than 8,499 pounds, a fee of $38.

(c) Not less than 8,500 pounds and not more than 10,000 pounds, a fee of $48.

(d) Not less than 10,001 pounds and not more than 26,000 pounds, a fee of $12 for each 1,000 pounds or fraction thereof.

(e) Not less than 26,001 pounds and not more than 80,000 pounds, a fee of $17 for each 1,000 pounds or fraction thereof. The maximum fee is $1,360.

2. Except as otherwise provided in subsection 6, the original or renewal registration fees for fleets of vehicles with a declared gross weight in excess of 26,000 pounds and the governmental services tax imposed by the provisions of chapter 371 of NRS for the privilege of operating those vehicles may be paid in installments, the amount of which must be determined by regulation. The Department shall not allow installment payments for a vehicle added to a fleet after the original or renewal registration is issued.

3. If the due date of any installment falls on a Saturday, Sunday or legal holiday, that installment is not due until the next following business day.

4. Any payment required by subsection 2 shall be deemed received by the Department on the date shown by the post office cancellation mark stamped on an envelope containing payment properly addressed to the Department, if that date is earlier than the actual receipt of that payment.

5. A person who fails to pay any fee pursuant to subsection 2 or governmental services tax when due shall pay to the Department a penalty of 10 percent of the amount of the unpaid fee, plus interest on the unpaid fee at the rate of 1 percent per month or fraction of a month from the date the fee and tax were due until the date of payment.

6. If a person fails to pay any fee pursuant to subsection 2 or governmental services tax when due, the Department may, in addition to the penalty provided for in subsection 5, require that person to pay:

(a) The entire amount of the unpaid registration fee and governmental services tax owed by that person for the remainder of the period of registration; and

(b) On an annual basis, any registration fee and governmental services tax set forth in subsection 2 which may be incurred by that person in any subsequent period of registration.

7. A person who is convicted of, or who pleads guilty, guilty but mentally ill or nolo contendere to, a violation of NRS 484D.630 must reregister the vehicle with a declared gross weight equal to:

(a) The gross vehicle weight rating; or

(b) The combined gross vehicle weight rating, if the vehicle was operated in combination at the time of the violation.

➥ The registration fee owed pursuant to this subsection is incurred from the date the person was convicted of, or pled guilty, guilty but mentally ill or nolo contendere to, a violation of NRS 484D.630.

Sec. 8. NRS 482.500 is hereby amended to read as follows:

482.500 1. Except as otherwise provided in subsection 2 or 3 or specifically provided by statute, whenever upon application any duplicate or substitute certificate of registration, indicator, decal or number plate is issued, the following fees must be paid:

For a certificate of registration	$5.00
For every substitute number plate or set of plates	5.00
For every duplicate number plate or set of plates	10.00
For every decal displaying a county name	.50
For every other indicator, decal, license plate sticker or tab	5.00

2. The following fees must be paid for any replacement number plate or set of plates issued for the following special license plates:

(a) For any special plate issued pursuant to NRS 482.3667, 482.367002, 482.3672, 482.3675, 482.370 to 482.3755, inclusive, 482.376 or 482.379 to 482.3818, inclusive, *or section 1 of this act,* a fee of $10.

(b) For any special plate issued pursuant to NRS 482.368, 482.3765, 482.377 or 482.378, a fee of $5.

(c) Except as otherwise provided in paragraph (a) of subsection 1 of NRS 482.3824, for any souvenir license plate issued pursuant to NRS 482.3825 or sample license plate issued pursuant to NRS 482.2703, a fee equal to that established by the Director for the issuance of those plates.

3. A fee must not be charged for a duplicate or substitute of a decal issued pursuant to NRS 482.37635.

4. The fees which are paid for replacement number plates, duplicate number plates and decals displaying county names must be deposited with the State Treasurer for credit to the Motor Vehicle Fund and allocated to the Department to defray the costs of replacing or duplicating the plates and manufacturing the decals.

Sec. 9. NRS 483.235 is hereby amended to read as follows:

483.235 The Department shall adopt regulations authorizing the holder of a class A noncommercial driver's license to drive ~~[any]~~ *:*

1. Except as otherwise provided in subsection 2, any combination of vehicles not exceeding 70 feet in length with a gross combination weight rating of 26,000 pounds or less so long as the gross combination weight rating of the towed vehicles does not exceed the gross vehicle weight rating of the towing vehicle.

2. A retired military vehicle registered pursuant to section 1 of this act, regardless of the gross vehicle weight of the retired military vehicle, except that a motorcycle driver's license or a driver's license authorizing the holder to operate a motorcycle is required to operate a retired military vehicle that is a motorcycle.

Sec. 10. NRS 445B.759 is hereby amended to read as follows:

445B.759 1. The provisions of NRS 445B.700 to 445B.845, inclusive, do not apply to:

(a) Military tactical vehicles; ~~[or]~~

(b) Replica vehicles ~~[.]~~ *; or*

(c) Retired military vehicles registered pursuant to section 1 of this act.

2. As used in this section:

(a) "Military tactical vehicle" means a motor vehicle that is:

(1) Owned or controlled by the United States Department of Defense or by a branch of the Armed Forces of the United States; and

(2) Used in combat, combat support, combat service support, tactical or relief operations, or training for such operations.

(b) "Replica vehicle" means any passenger car or light-duty motor vehicle which:

(1) Has a body manufactured after 1967 which is made to resemble a vehicle of a model manufactured before 1968;

(2) Has been altered from the original design of the manufacturer or has a body constructed from materials which are not original to the vehicle;

(3) Is maintained solely for occasional transportation, including exhibitions, club activities, parades, tours or other similar uses; and

(4) Is not used for daily transportation.

➥ The term does not include a vehicle which has been restored to its original design by replacing parts ~~[.]~~ *or a retired military vehicle registered pursuant to section 1 of this act.*

(c) "Retired military vehicle" has the meaning ascribed to it in section 1 of this act.

Sec. 11. This act becomes effective upon passage and approval for purposes of adopting regulations and to carry out any other administrative tasks and on ~~[July 1, 2019,]~~ January 1, 2020, for all other purposes.

Senator Cancela moved the adoption of the amendment.

Remarks by Senator Cancela.

Amendment No. 141 makes one change to Senate Bill No. 356. The amendment changes the effective date of the bill to January 1, 2020.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 457.

Bill read second time.

The following amendment was proposed by the Committee on Health and Human Services:

Amendment No. 357.

SUMMARY—Revises provisions relating to health care facilities. (BDR 40-1143)

AN ACT relating to health care; requiring the reporting of a death at certain facilities and homes as a sentinel event; requiring the posting on the Internet of certain information concerning facilities and programs for the treatment of the abuse of alcohol or drugs; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law defines the term "sentinel event" to refer to certain events that take place at certain medical facilities. Existing law also requires such medical facilities to report to the Division of Public and Behavioral Health of the Department of Health and Human Services the date, time and a brief description of each sentinel event that occurs at the medical facilities. (NRS 439.830, 439.835) Section 5 of this bill additionally includes any death at a medical facility, facility for the dependent or home operated by a provider of community-based living arrangement services within the definition of the term "sentinel event." Section 6 of this bill requires any such facility to report to the Division the date, time and a brief description of each sentinel event, including each death, that occurs at the facility. Sections 3, 4, 6-12 and 14-17 of this bill broaden the applicability of provisions governing the reporting and investigation of sentinel events to apply to all medical facilities, facilities for the dependent and homes operated by providers of community-based living arrangement services. Section 7 of this bill provides that a health facility is not required to investigate a death confirmed to have resulted from natural causes. Section 7 also provides that certain facilities that care for elderly or terminally ill persons are not required to investigate a death that appears to have resulted from natural causes. Sections 1, 2, 5 and 13 of this bill make conforming changes.

Existing law requires the Division to post on an Internet website maintained by the Division certain ratings assigned to medical facilities and facilities for the dependent. (NRS 449.1825) Section 18 of this bill additionally requires the Division to compile and post on an Internet website maintained by the Division information concerning the licensing status and quality of: (1) facilities for the treatment of abuse of alcohol or drugs; (2) halfway houses for recovering alcohol and drug abusers; (3) medical facilities that provide treatment for the abuse of alcohol or drugs; and (4) unlicensed programs for the treatment of alcohol or drugs. Sections 19-25 of this bill make conforming changes.

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

Section 1. Chapter 439 of NRS is hereby amended by adding thereto a new section to read as follows:

"Health facility" means:

1. Any facility licensed by the Division pursuant to chapter 449 of NRS; and

2. A home operated by a provider of community-based living arrangement services, as defined in NRS 433.605.

Sec. 2. NRS 439.800 is hereby amended to read as follows:

439.800 As used in NRS 439.800 to 439.890, inclusive, *and section 1 of this act*, unless the context otherwise requires, the words and terms defined in NRS 439.802 to 439.830, inclusive, *and section 1 of this act* have the meanings ascribed to them in those sections.

Sec. 3. NRS 439.810 is hereby amended to read as follows:

439.810 "Patient" means a person who:

1. Is admitted to a ~~[medical]~~ *health* facility for the purpose of receiving treatment;

2. Resides in a ~~[medical]~~ *health* facility; or

3. Receives treatment from a provider of health care.

Sec. 4. NRS 439.815 is hereby amended to read as follows:

439.815 "Patient safety officer" means a person who is designated as such by a ~~[medical]~~ *health* facility pursuant to NRS 439.870.

Sec. 5. NRS 439.830 is hereby amended to read as follows:

439.830 1. Except as otherwise provided in subsection 2, "sentinel event" means ~~[an]~~ *:*

(a) An event included in Appendix A of "Serious Reportable Events in Healthcare--2011 Update: A Consensus Report," published by the National Quality Forum ~~[.]~~ *; or*

(b) Any death that occurs in a health facility.

2. If the publication described in subsection 1 is revised, the term "sentinel events" ~~[means]~~ *includes, without limitation, the events included on* the most current version of the list of serious reportable events published by the National Quality Forum as it exists on the effective date of the revision which is deemed to be:

(a) January 1 of the year following the publication of the revision if the revision is published on or after January 1 but before July 1 of the year in which the revision is published; or

(b) July 1 of the year following the publication of the revision if the revision is published on or after July 1 of the year in which the revision is published but before January 1 of the year after the revision is published.

3. If the National Quality Forum ceases to exist, the most current version of the list shall be deemed to be the last version of the publication in existence before the National Quality Forum ceased to exist.

Sec. 6. NRS 439.835 is hereby amended to read as follows:

439.835 1. Except as otherwise provided in subsection 2:

(a) A person who is employed by a ~~[medical]~~ *health* facility shall, within 24 hours after becoming aware of a sentinel event that occurred at the ~~[medical]~~ *health* facility, notify the patient safety officer of the facility of the sentinel event; and

(b) The patient safety officer shall, within 13 days after receiving notification pursuant to paragraph (a), report the date, the time and a brief description of the sentinel event to:

(1) The Division; and

(2) The representative designated pursuant to NRS 439.855, if that person is different from the patient safety officer.

2. If the patient safety officer of a ~~[medical]~~ *health* facility personally discovers or becomes aware, in the absence of notification by another employee, of a sentinel event that occurred at the ~~[medical]~~ *health* facility, the patient safety officer shall, within 14 days after discovering or becoming aware of the sentinel event, report the date, time and brief description of the sentinel event to:

(a) The Division; and

(b) The representative designated pursuant to NRS 439.855, if that person is different from the patient safety officer.

3. The State Board of Health shall prescribe the manner in which reports of sentinel events must be made pursuant to this section.

Sec. 7. NRS 439.837 is hereby amended to read as follows:

439.837 ~~[A medical]~~

1. Except as otherwise provided in subsections 2 and 3, a health facility shall, upon reporting a sentinel event pursuant to NRS 439.835, ~~*[other than a death from natural causes,]*~~ conduct an investigation *or cause an investigation to be conducted* concerning the causes or contributing factors, or both, of the sentinel event and implement a plan to remedy the causes or contributing factors, or both, of the sentinel event.

2. A health facility is not required to take the actions described in subsection 1 concerning a death confirmed to have resulted from natural causes.

3. A residential facility for groups, home for individual residential care or facility for hospice care is not required to take the actions described in

subsection 1 concerning a death that appears to have resulted from natural causes.

4. As used in this section:

(a) "Facility for hospice care" has the meaning ascribed to it in NRS 449.0033.

(b) "Home for individual residential care" has the meaning ascribed to it in NRS 449.0105.

(c) "Residential facility for groups" has the meaning ascribed to it in NRS 449.017.

Sec. 8. NRS 439.840 is hereby amended to read as follows:

439.840 1. The Division shall:

(a) Collect and maintain reports received pursuant to NRS 439.835 and 439.843 and any additional information requested by the Division pursuant to NRS 439.841;

(b) Ensure that such reports, and any additional documents created from such reports, are protected adequately from fire, theft, loss, destruction and other hazards and from unauthorized access;

(c) Annually prepare a report of sentinel events reported pursuant to NRS 439.835 by a ~~[medical]~~ *health* facility, including, without limitation, the type of event, the number of events, the rate of occurrence of events, and the ~~[medical]~~ *health* facility which reported the event, and provide the report for inclusion on the Internet website maintained pursuant to NRS 439A.270; and

(d) Annually prepare a summary of the reports received pursuant to NRS 439.835 and provide a summary for inclusion on the Internet website maintained pursuant to NRS 439A.270. The Division shall maintain the confidentiality of the patient, the provider of health care or other member of the staff of the ~~[medical]~~ *health* facility identified in the reports submitted pursuant to NRS 439.835 when preparing the annual summary pursuant to this paragraph.

2. Except as otherwise provided in this section and NRS 239.0115, reports received pursuant to NRS 439.835 and subsection 1 of NRS 439.843 and any additional information requested by the Division pursuant to NRS 439.841 are confidential, not subject to subpoena or discovery and not subject to inspection by the general public.

3. The report prepared pursuant to paragraph (c) of subsection 1 must provide to the public information concerning each ~~[medical]~~ *health* facility which provided medical services and care in the immediately preceding calendar year and must:

(a) Be presented in a manner that allows a person to view and compare the information for the ~~[medical]~~ *health* facilities;

(b) Be readily accessible and understandable by a member of the general public;

(c) Use standard statistical methodology, including without limitation, risk-adjusted methodology when applicable, and include the description of the methodology and data limitations contained in the report;

(d) Not identify a patient, provider of health care or other member of the staff of the ~~[medical]~~ *health* facility; and

(e) Not be reported for a ~~[medical]~~ *health* facility if reporting the data would risk identifying a patient.

Sec. 9. NRS 439.841 is hereby amended to read as follows:

439.841 1. Upon receipt of a report pursuant to NRS 439.835, the Division may, as often as deemed necessary by the Administrator to protect the health and safety of the public, request additional information regarding the sentinel event or conduct an audit or investigation of the ~~[medical]~~ *health* facility.

2. A ~~[medical]~~ *health* facility shall provide to the Division any information requested in furtherance of a request for information, an audit or an investigation pursuant to this section.

3. If the Division conducts an audit or investigation pursuant to this section, the Division shall, within 30 days after completing such an audit or investigation, report its findings to the State Board of Health.

4. A ~~[medical]~~ *health* facility which is audited or investigated pursuant to this section shall pay to the Division the actual cost of conducting the audit or investigation.

Sec. 10. NRS 439.843 is hereby amended to read as follows:

439.843 1. On or before March 1 of each year, each ~~[medical]~~ *health* facility shall provide to the Division, in the form prescribed by the State Board of Health, a summary of the reports submitted by the ~~[medical]~~ *health* facility pursuant to NRS 439.835 during the immediately preceding calendar year. The summary must include, without limitation:

(a) The total number and types of sentinel events reported by the ~~[medical]~~ *health* facility, if any;

(b) *For a medical facility:*

(1) A copy of the most current patient safety plan established pursuant to NRS 439.865; *and*

~~[(c)]~~ *(2)* A summary of the membership and activities of the patient safety committee established pursuant to NRS 439.875; and

~~[(d)]~~ *(c)* Any other information required by the State Board of Health concerning the reports submitted by the ~~[medical]~~ *health* facility pursuant to NRS 439.835.

2. On or before June 1 of each year, the Division shall submit to the State Board of Health an annual summary of the reports and information received by the Division pursuant to this section. The annual summary must include, without limitation, a compilation of the information submitted pursuant to subsection 1 and any other pertinent information deemed necessary by the State Board of Health concerning the reports submitted by the ~~[medical]~~ *health* facility pursuant to NRS 439.835. The Division shall maintain the confidentiality of the patient, the provider of health care or other member of the staff of the ~~[medical]~~ *health* facility identified in the reports submitted pursuant to NRS 439.835 and any other identifying information of a person

requested by the State Board of Health concerning those reports when preparing the annual summary pursuant to this section.

3. The Department shall post on the Internet website maintained pursuant to NRS 439A.270 or any other website maintained by the Department a copy of the most current patient safety plan submitted by each ~~[medical]~~ *health* facility pursuant to subsection 1.

Sec. 11. NRS 439.845 is hereby amended to read as follows:

439.845 1. The Division shall analyze and report trends regarding sentinel events.

2. When the Division receives notice from a ~~[medical]~~ *health* facility that the ~~[medical]~~ *health* facility has taken corrective action to remedy the causes or contributing factors, or both, of a sentinel event, the Division shall:

(a) Make a record of the information;

(b) Ensure that the information is released in a manner so as not to reveal the identity of a specific patient, provider of health care or member of the staff of the facility; and

(c) At least quarterly, report its findings regarding the analysis of trends of sentinel events on the Internet website maintained pursuant to NRS 439A.270.

Sec. 12. NRS 439.855 is hereby amended to read as follows:

439.855 1. Each ~~[medical]~~ *health* facility that is located within this state shall designate a representative for the notification of patients who have been involved in sentinel events at that ~~[medical]~~ *health* facility.

2. A representative designated pursuant to subsection 1 shall, not later than 7 days after discovering or becoming aware of a sentinel event that occurred at the ~~[medical]~~ *health* facility, provide notice of that fact to each patient who was involved in that sentinel event.

3. The provision of notice to a patient pursuant to subsection 2 must not, in any action or proceeding, be considered an acknowledgment or admission of liability.

4. A representative designated pursuant to subsection 1 may or may not be the same person who serves as the facility's patient safety officer.

Sec. 13. NRS 439.860 is hereby amended to read as follows:

439.860 Any report, document and any other information compiled or disseminated pursuant to the provisions of NRS 439.800 to 439.890, inclusive, *and section 1 of this act* is not admissible in evidence in any administrative or legal proceeding conducted in this State.

Sec. 14. NRS 439.870 is hereby amended to read as follows:

439.870 1. A ~~[medical]~~ *health* facility shall designate an officer or employee of the facility to serve as the patient safety officer of the ~~[medical]~~ *health* facility.

2. The person who is designated as the patient safety officer of a ~~[medical]~~ *health* facility shall:

(a) ~~[Serve on the patient safety committee.~~

~~(b)~~ Supervise the reporting of all sentinel events alleged to have occurred at the ~~[medical]~~ *health* facility, including, without limitation, performing the duties required pursuant to NRS 439.835.

~~[(c)]~~ *(b)* Take such action as he or she determines to be necessary to ensure the safety of patients as a result of an investigation of any sentinel event alleged to have occurred at the ~~[medical]~~ *health* facility.

~~[(d)]~~ *(c) If the health facility is a medical facility:*

(1) Serve on the patient safety committee of the medical facility established pursuant to NRS 439.875; and

(2) Report to the patient safety committee regarding any action taken in accordance with paragraph ~~[(c).]~~ *(b).*

Sec. 15. NRS 439.880 is hereby amended to read as follows:

439.880 No person is subject to any criminal penalty or civil liability for libel, slander or any similar cause of action in tort if the person, without malice:

1. Reports a sentinel event to a governmental entity with jurisdiction or another appropriate authority;

2. Notifies a governmental entity with jurisdiction or another appropriate authority of a sentinel event;

3. Transmits information regarding a sentinel event to a governmental entity with jurisdiction or another appropriate authority;

4. Compiles, prepares or disseminates information regarding a sentinel event to a governmental entity with jurisdiction or another appropriate authority; or

5. Performs any other act authorized pursuant to NRS 439.800 to 439.890, inclusive ~~[.]~~ *, and section 1 of this act.*

Sec. 16. NRS 439.885 is hereby amended to read as follows:

439.885 1. If a ~~[medical]~~ *health* facility:

(a) Commits a violation of any provision of NRS 439.800 to 439.890, inclusive, *and section 1 of this act* or for any violation for which an administrative sanction pursuant to NRS 449.163 would otherwise be applicable; and

(b) Of its own volition, reports the violation to the Administrator,

➥ such a violation must not be used as the basis for imposing an administrative sanction pursuant to NRS 449.163.

2. If a ~~[medical]~~ *health* facility commits a violation of any provision of NRS 439.800 to 439.890, inclusive, *and section 1 of this act* and does not, of its own volition, report the violation to the Administrator, the Division may, in accordance with the provisions of subsection 3, impose an administrative sanction:

(a) For failure to report a sentinel event, in an amount not to exceed $100 per day for each day after the date on which the sentinel event was required to be reported pursuant to NRS 439.835;

(b) For failure to adopt and implement a patient safety plan pursuant to NRS 439.865, in an amount not to exceed $1,000 for each month in which a patient safety plan was not in effect; and

(c) For failure to establish a patient safety committee or failure of such a committee to meet pursuant to the requirements of NRS 439.875, in an amount not to exceed $2,000 for each violation of that section.

3. Before the Division imposes an administrative sanction pursuant to subsection 2, the Division shall provide the ~~[medical]~~ *health* facility with reasonable notice. The notice must contain the legal authority, jurisdiction and reasons for the action to be taken. If a ~~[medical]~~ *health* facility wants to contest the action, the facility may file an appeal pursuant to the regulations of the State Board of Health adopted pursuant to NRS 449.165 and 449.170. Upon receiving notice of an appeal, the Division shall hold a hearing in accordance with those regulations.

4. An administrative sanction collected pursuant to this section must be accounted for separately and used by the Division to provide training and education to employees of the Division, employees of ~~[medical]~~ *health* facilities and members of the general public regarding issues relating to the provision of quality and safe health care.

Sec. 17. NRS 439A.270 is hereby amended to read as follows:

439A.270 1. The Department shall establish and maintain an Internet website that includes the information concerning the charges imposed and the quality of the services provided by the hospitals and surgical centers for ambulatory patients in this State as required by the programs established pursuant to NRS 439A.220 and 439A.240. The information must:

(a) Include, for each hospital in this State, the:

(1) Total number of patients discharged, the average length of stay and the average billed charges, reported for the diagnosis-related groups for inpatients and the 50 medical treatments for outpatients that the Department determines are most useful for consumers;

(2) Total number of potentially preventable readmissions reported pursuant to NRS 439A.220, the rate of occurrence of potentially preventable readmissions, and the average length of stay and average billed charges of those potentially preventable readmissions, reported by the diagnosis-related group for inpatients for which the patient originally received treatment at a hospital; and

(3) Name of each physician who performed a surgical procedure in the hospital and the total number of surgical procedures performed by each physician in the hospital, reported for the most frequent surgical procedures that the Department determines are most useful for consumers if the information is available;

(b) Include, for each surgical center for ambulatory patients in this State, the:

(1) Total number of patients discharged and the average billed charges, reported for 50 medical treatments for outpatients that the Department determines are most useful for consumers; and

(2) Name of each physician who performed a surgical procedure in the surgical center for ambulatory patients and the total number of surgical

procedures performed by each physician in the surgical center for ambulatory patients, reported for the most frequent surgical procedures that the Department determines are most useful for consumers;

(c) Be presented in a manner that allows a person to view and compare the information for the hospitals by:

(1) Geographic location of each hospital;

(2) Type of medical diagnosis; and

(3) Type of medical treatment;

(d) Be presented in a manner that allows a person to view and compare the information for the surgical centers for ambulatory patients by:

(1) Geographic location of each surgical center for ambulatory patients;

(2) Type of medical diagnosis; and

(3) Type of medical treatment;

(e) Be presented in a manner that allows a person to view and compare the information separately for:

(1) The inpatients and outpatients of each hospital; and

(2) The outpatients of each surgical center for ambulatory patients;

(f) Be readily accessible and understandable by a member of the general public;

(g) Include the annual summary of reports of sentinel events prepared for each ~~[medical]~~ *health* facility pursuant to paragraph (c) of subsection 1 of NRS 439.840;

(h) Include the annual summary of reports of sentinel events prepared pursuant to paragraph (d) of subsection 1 of NRS 439.840;

(i) Include the reports of information prepared for each medical facility pursuant to paragraph (b) of subsection 4 of NRS 439.847;

(j) Include a link to electronic copies of all reports, summaries, compilations and supplementary reports required by NRS 449.450 to 449.530, inclusive;

(k) Include, for each hospital with 100 or more beds, a summary of financial information which is readily understandable by a member of the general public and which includes, without limitation, a summary of:

(1) The expenses of the hospital which are attributable to providing community benefits and in-kind services as reported pursuant to NRS 449.490;

(2) The capital improvement report submitted to the Department pursuant to NRS 449.490;

(3) The net income of the hospital;

(4) The net income of the consolidated corporation, if the hospital is owned by such a corporation and if that information is publicly available;

(5) The operating margin of the hospital;

(6) The ratio of the cost of providing care to patients covered by Medicare to the charges for such care;

(7) The ratio of the total costs to charges of the hospital; and

(8) The average daily occupancy of the hospital; and

(l) Provide any other information relating to the charges imposed and the quality of the services provided by the hospitals and surgical centers for ambulatory patients in this State which the Department determines is:

(1) Useful to consumers;

(2) Nationally recognized; and

(3) Reported in a standard and reliable manner.

2. The Department shall:

(a) Publicize the availability of the Internet website;

(b) Update the information contained on the Internet website at least quarterly;

(c) Ensure that the information contained on the Internet website is accurate and reliable;

(d) Ensure that the information reported by a hospital or surgical center for ambulatory patients for inpatients and outpatients which is contained on the Internet website is expressed as a total number and as a rate, and must be reported in a manner so as not to reveal the identity of a specific inpatient or outpatient of a hospital or surgical center for ambulatory patients;

(e) Post a disclaimer on the Internet website indicating that the information contained on the website is provided to assist with the comparison of hospitals and is not a guarantee by the Department or its employees as to the charges imposed by the hospitals in this State or the quality of the services provided by the hospitals in this State, including, without limitation, an explanation that the actual amount charged to a person by a particular hospital may not be the same charge as posted on the website for that hospital;

(f) Provide on the Internet website established pursuant to this section a link to the Internet website of the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services; and

(g) Upon request, make the information that is contained on the Internet website available in printed form.

3. As used in this section, "diagnosis-related group" means groupings of medical diagnostic categories used as a basis for hospital payment schedules by Medicare and other third-party health care plans.

Sec. 18. Chapter 449 of NRS is hereby amended by adding thereto a new section to read as follows:

The Division shall:

1. Compile and post on an Internet website maintained by the Division information concerning the licensing status and quality of:

(a) Facilities for the treatment of abuse of alcohol or drugs;

(b) Halfway houses for recovering alcohol and drug abusers;

(c) Medical facilities that provide a program of treatment for the abuse of alcohol or drugs; and

(d) To the extent that such information is available, unlicensed programs of treatment for the abuse of alcohol or drugs; and

2. Update the information described in subsection 1 at least annually.

Sec. 19. NRS 449.030 is hereby amended to read as follows:

449.030 Except as otherwise provided in NRS 449.03013, 449.03015 and 449.03017, no person, state or local government or agency thereof may operate or maintain in this State any medical facility or facility for the dependent without first obtaining a license therefor as provided in NRS 449.029 to 449.2428, inclusive ~~[.]~~ *, and section 18 of this act.*

Sec. 20. NRS 449.0301 is hereby amended to read as follows:

449.0301 The provisions of NRS 449.029 to 449.2428, inclusive, *and section 18 of this act* do not apply to:

1. Any facility conducted by and for the adherents of any church or religious denomination for the purpose of providing facilities for the care and treatment of the sick who depend solely upon spiritual means through prayer for healing in the practice of the religion of the church or denomination, except that such a facility shall comply with all regulations relative to sanitation and safety applicable to other facilities of a similar category.

2. Foster homes as defined in NRS 424.014.

3. Any medical facility, facility for the dependent or facility which is otherwise required by the regulations adopted by the Board pursuant to NRS 449.0303 to be licensed that is operated and maintained by the United States Government or an agency thereof.

Sec. 21. NRS 449.0302 is hereby amended to read as follows:

449.0302 1. The Board shall adopt:

(a) Licensing standards for each class of medical facility or facility for the dependent covered by NRS 449.029 to 449.2428, inclusive, *and section 18 of this act* and for programs of hospice care.

(b) Regulations governing the licensing of such facilities and programs.

(c) Regulations governing the procedure and standards for granting an extension of the time for which a natural person may provide certain care in his or her home without being considered a residential facility for groups pursuant to NRS 449.017. The regulations must require that such grants are effective only if made in writing.

(d) Regulations establishing a procedure for the indemnification by the Division, from the amount of any surety bond or other obligation filed or deposited by a facility for refractive surgery pursuant to NRS 449.068 or 449.069, of a patient of the facility who has sustained any damages as a result of the bankruptcy of or any breach of contract by the facility.

(e) Any other regulations as it deems necessary or convenient to carry out the provisions of NRS 449.029 to 449.2428, inclusive ~~[.]~~ *, and section 18 of this act.*

2. The Board shall adopt separate regulations governing the licensing and operation of:

(a) Facilities for the care of adults during the day; and

(b) Residential facilities for groups,

➥ which provide care to persons with Alzheimer's disease.

3. The Board shall adopt separate regulations for:

(a) The licensure of rural hospitals which take into consideration the unique problems of operating such a facility in a rural area.

(b) The licensure of facilities for refractive surgery which take into consideration the unique factors of operating such a facility.

(c) The licensure of mobile units which take into consideration the unique factors of operating a facility that is not in a fixed location.

4. The Board shall require that the practices and policies of each medical facility or facility for the dependent provide adequately for the protection of the health, safety and physical, moral and mental well-being of each person accommodated in the facility.

5. In addition to the training requirements prescribed pursuant to NRS 449.093, the Board shall establish minimum qualifications for administrators and employees of residential facilities for groups. In establishing the qualifications, the Board shall consider the related standards set by nationally recognized organizations which accredit such facilities.

6. The Board shall adopt separate regulations regarding the assistance which may be given pursuant to NRS 453.375 and 454.213 to an ultimate user of controlled substances or dangerous drugs by employees of residential facilities for groups. The regulations must require at least the following conditions before such assistance may be given:

(a) The ultimate user's physical and mental condition is stable and is following a predictable course.

(b) The amount of the medication prescribed is at a maintenance level and does not require a daily assessment.

(c) A written plan of care by a physician or registered nurse has been established that:

(1) Addresses possession and assistance in the administration of the medication; and

(2) Includes a plan, which has been prepared under the supervision of a registered nurse or licensed pharmacist, for emergency intervention if an adverse condition results.

(d) Except as otherwise authorized by the regulations adopted pursuant to NRS 449.0304, the prescribed medication is not administered by injection or intravenously.

(e) The employee has successfully completed training and examination approved by the Division regarding the authorized manner of assistance.

7. The Board shall adopt separate regulations governing the licensing and operation of residential facilities for groups which provide assisted living services. The Board shall not allow the licensing of a facility as a residential facility for groups which provides assisted living services and a residential facility for groups shall not claim that it provides "assisted living services" unless:

(a) Before authorizing a person to move into the facility, the facility makes a full written disclosure to the person regarding what services of personalized

care will be available to the person and the amount that will be charged for those services throughout the resident's stay at the facility.

(b) The residents of the facility reside in their own living units which:

(1) Except as otherwise provided in subsection 8, contain toilet facilities;

(2) Contain a sleeping area or bedroom; and

(3) Are shared with another occupant only upon consent of both occupants.

(c) The facility provides personalized care to the residents of the facility and the general approach to operating the facility incorporates these core principles:

(1) The facility is designed to create a residential environment that actively supports and promotes each resident's quality of life and right to privacy;

(2) The facility is committed to offering high-quality supportive services that are developed by the facility in collaboration with the resident to meet the resident's individual needs;

(3) The facility provides a variety of creative and innovative services that emphasize the particular needs of each individual resident and the resident's personal choice of lifestyle;

(4) The operation of the facility and its interaction with its residents supports, to the maximum extent possible, each resident's need for autonomy and the right to make decisions regarding his or her own life;

(5) The operation of the facility is designed to foster a social climate that allows the resident to develop and maintain personal relationships with fellow residents and with persons in the general community;

(6) The facility is designed to minimize and is operated in a manner which minimizes the need for its residents to move out of the facility as their respective physical and mental conditions change over time; and

(7) The facility is operated in such a manner as to foster a culture that provides a high-quality environment for the residents, their families, the staff, any volunteers and the community at large.

8. The Division may grant an exception from the requirement of subparagraph (1) of paragraph (b) of subsection 7 to a facility which is licensed as a residential facility for groups on or before July 1, 2005, and which is authorized to have 10 or fewer beds and was originally constructed as a single-family dwelling if the Division finds that:

(a) Strict application of that requirement would result in economic hardship to the facility requesting the exception; and

(b) The exception, if granted, would not:

(1) Cause substantial detriment to the health or welfare of any resident of the facility;

(2) Result in more than two residents sharing a toilet facility; or

(3) Otherwise impair substantially the purpose of that requirement.

9. The Board shall, if it determines necessary, adopt regulations and requirements to ensure that each residential facility for groups and its staff are prepared to respond to an emergency, including, without limitation:

(a) The adoption of plans to respond to a natural disaster and other types of emergency situations, including, without limitation, an emergency involving fire;

(b) The adoption of plans to provide for the evacuation of a residential facility for groups in an emergency, including, without limitation, plans to ensure that nonambulatory patients may be evacuated;

(c) Educating the residents of residential facilities for groups concerning the plans adopted pursuant to paragraphs (a) and (b); and

(d) Posting the plans or a summary of the plans adopted pursuant to paragraphs (a) and (b) in a conspicuous place in each residential facility for groups.

10. The regulations governing the licensing and operation of facilities for transitional living for released offenders must provide for the licensure of at least three different types of facilities, including, without limitation:

(a) Facilities that only provide a housing and living environment;

(b) Facilities that provide or arrange for the provision of supportive services for residents of the facility to assist the residents with reintegration into the community, in addition to providing a housing and living environment; and

(c) Facilities that provide or arrange for the provision of alcohol and drug abuse programs, in addition to providing a housing and living environment and providing or arranging for the provision of other supportive services.

➥ The regulations must provide that if a facility was originally constructed as a single-family dwelling, the facility must not be authorized for more than eight beds.

11. As used in this section, "living unit" means an individual private accommodation designated for a resident within the facility.

Sec. 22. NRS 449.160 is hereby amended to read as follows:

449.160 1. The Division may deny an application for a license or may suspend or revoke any license issued under the provisions of NRS 449.029 to 449.2428, inclusive, *and section 18 of this act* upon any of the following grounds:

(a) Violation by the applicant or the licensee of any of the provisions of NRS 439B.410 or 449.029 to 449.245, inclusive, *and section 18 of this act,* or of any other law of this State or of the standards, rules and regulations adopted thereunder.

(b) Aiding, abetting or permitting the commission of any illegal act.

(c) Conduct inimical to the public health, morals, welfare and safety of the people of the State of Nevada in the maintenance and operation of the premises for which a license is issued.

(d) Conduct or practice detrimental to the health or safety of the occupants or employees of the facility.

(e) Failure of the applicant to obtain written approval from the Director of the Department of Health and Human Services as required by NRS 439A.100 or as provided in any regulation adopted pursuant to NRS 449.001 to 449.430, inclusive, *and section 18 of this act* and 449.435 to 449.531, inclusive, and chapter 449A of NRS if such approval is required.

(f) Failure to comply with the provisions of NRS 449.2486.

2. In addition to the provisions of subsection 1, the Division may revoke a license to operate a facility for the dependent if, with respect to that facility, the licensee that operates the facility, or an agent or employee of the licensee:

(a) Is convicted of violating any of the provisions of NRS 202.470;

(b) Is ordered to but fails to abate a nuisance pursuant to NRS 244.360, 244.3603 or 268.4124; or

(c) Is ordered by the appropriate governmental agency to correct a violation of a building, safety or health code or regulation but fails to correct the violation.

3. The Division shall maintain a log of any complaints that it receives relating to activities for which the Division may revoke the license to operate a facility for the dependent pursuant to subsection 2. The Division shall provide to a facility for the care of adults during the day:

(a) A summary of a complaint against the facility if the investigation of the complaint by the Division either substantiates the complaint or is inconclusive;

(b) A report of any investigation conducted with respect to the complaint; and

(c) A report of any disciplinary action taken against the facility.

➥ The facility shall make the information available to the public pursuant to NRS 449.2486.

4. On or before February 1 of each odd-numbered year, the Division shall submit to the Director of the Legislative Counsel Bureau a written report setting forth, for the previous biennium:

(a) Any complaints included in the log maintained by the Division pursuant to subsection 3; and

(b) Any disciplinary actions taken by the Division pursuant to subsection 2.

Sec. 23. NRS 449.163 is hereby amended to read as follows:

449.163 1. In addition to the payment of the amount required by NRS 449.0308, if a medical facility, facility for the dependent or facility which is required by the regulations adopted by the Board pursuant to NRS 449.0303 to be licensed violates any provision related to its licensure, including any provision of NRS 439B.410 or 449.029 to 449.2428, inclusive, *and section 18 of this act* or any condition, standard or regulation adopted by the Board, the Division, in accordance with the regulations adopted pursuant to NRS 449.165, may:

(a) Prohibit the facility from admitting any patient until it determines that the facility has corrected the violation;

(b) Limit the occupancy of the facility to the number of beds occupied when the violation occurred, until it determines that the facility has corrected the violation;

(c) If the license of the facility limits the occupancy of the facility and the facility has exceeded the approved occupancy, require the facility, at its own expense, to move patients to another facility that is licensed;

(d) Impose an administrative penalty of not more than $5,000 per day for each violation, together with interest thereon at a rate not to exceed 10 percent per annum; and

(e) Appoint temporary management to oversee the operation of the facility and to ensure the health and safety of the patients of the facility, until:

(1) It determines that the facility has corrected the violation and has management which is capable of ensuring continued compliance with the applicable statutes, conditions, standards and regulations; or

(2) Improvements are made to correct the violation.

2. If the facility fails to pay any administrative penalty imposed pursuant to paragraph (d) of subsection 1, the Division may:

(a) Suspend the license of the facility until the administrative penalty is paid; and

(b) Collect court costs, reasonable attorney's fees and other costs incurred to collect the administrative penalty.

3. The Division may require any facility that violates any provision of NRS 439B.410 or 449.029 to 449.2428, inclusive, *and section 18 of this act* or any condition, standard or regulation adopted by the Board to make any improvements necessary to correct the violation.

4. Any money collected as administrative penalties pursuant to paragraph (d) of subsection 1 must be accounted for separately and used to administer and carry out the provisions of NRS 449.001 to 449.430, inclusive, *and section 18 of this act*, 449.435 to 449.530, inclusive, and 449.760 and chapter 449A of NRS to protect the health, safety, well-being and property of the patients and residents of facilities in accordance with applicable state and federal standards or for any other purpose authorized by the Legislature.

Sec. 24. NRS 449.220 is hereby amended to read as follows:

449.220 1. The Division may bring an action in the name of the State to enjoin any person, state or local government unit or agency thereof from operating or maintaining any facility within the meaning of NRS 449.029 to 449.2428, inclusive ~~[.]~~ *, and section 18 of this act:*

(a) Without first obtaining a license therefor; or

(b) After his or her license has been revoked or suspended by the Division.

2. It is sufficient in such action to allege that the defendant did, on a certain date and in a certain place, operate and maintain such a facility without a license.

Sec. 25. NRS 654.190 is hereby amended to read as follows:

654.190 1. The Board may, after notice and an opportunity for a hearing as required by law, impose an administrative fine of not more than $10,000 for

each violation on, recover reasonable investigative fees and costs incurred from, suspend, revoke, deny the issuance or renewal of or place conditions on the license of, and place on probation or impose any combination of the foregoing on any licensee who:

(a) Is convicted of a felony relating to the practice of administering a nursing facility or residential facility or of any offense involving moral turpitude.

(b) Has obtained his or her license by the use of fraud or deceit.

(c) Violates any of the provisions of this chapter.

(d) Aids or abets any person in the violation of any of the provisions of NRS 449.029 to 449.2428, inclusive, *and section 18 of this act* as those provisions pertain to a facility for skilled nursing, facility for intermediate care or residential facility for groups.

(e) Violates any regulation of the Board prescribing additional standards of conduct for licensees, including, without limitation, a code of ethics.

(f) Engages in conduct that violates the trust of a patient or resident or exploits the relationship between the licensee and the patient or resident for the financial or other gain of the licensee.

2. If a licensee requests a hearing pursuant to subsection 1, the Board shall give the licensee written notice of a hearing pursuant to NRS 233B.121 and 241.034. A licensee may waive, in writing, his or her right to attend the hearing.

3. The Board may compel the attendance of witnesses or the production of documents or objects by subpoena. The Board may adopt regulations that set forth a procedure pursuant to which the Chair of the Board may issue subpoenas on behalf of the Board. Any person who is subpoenaed pursuant to this subsection may request the Board to modify the terms of the subpoena or grant additional time for compliance.

4. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

5. The expiration of a license by operation of law or by order or decision of the Board or a court, or the voluntary surrender of a license, does not deprive the Board of jurisdiction to proceed with any investigation of, or action or disciplinary proceeding against, the licensee or to render a decision suspending or revoking the license.

Senator Ratti moved the adoption of the amendment.

Remarks by Senator Ratti.

Amendment No. 357 to Senate Bill No. 457 clarifies that a health facility is not required to investigate a death confirmed to have resulted from natural causes. It provides that certain facilities that care for elderly or terminally ill individuals are not required to investigate a death that appears to have resulted from natural causes.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senator Cannizzaro moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 5:07 p.m.

SENATE IN SESSION

At 5:15 p.m.
President Marshall presiding.
Quorum present.

The Sergeant at Arms announced that Assemblymen McCurdy and Leavitt were at the bar of the Senate. Assemblyman McCurdy invited the Senate to meet in Joint Session with the Assembly to hear Representative Mark Amodei.

Madam President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 5:16 p.m.

IN JOINT SESSION

At 5:20 p.m.
President Marshall presiding.
The Secretary of the Senate called the Senate roll.
All present.

The Chief Clerk of the Assembly called the Assembly roll.
All present except Assemblymen Carrillo and Hambrick, who were excused.

Madam President appointed a Committee on Escort consisting of Senator Seevers Gansert and Assemblywoman Tolles to wait upon the Honorable Representative Mark E. Amodei and escort him to the Assembly Chamber.

Representative Amodei delivered his message as follows:

MESSAGE TO THE LEGISLATURE OF NEVADA
80TH SESSION, 2019

Thank you very much, Mr. Speaker, Madam President, Governor. I am a little embarrassed, and that does not happen much these days when you get to be my age. I want to take care of a few administrative things first. Those of you who came to hear something long-winded, or those of you who came to hear my resignation speech, can leave the room now. Okay. You had your chance.

I came and heard Senator Cortez Masto speak, and I have looked at what the other folks did. I regret that Susie Lee did not have a chance to come Monday. I guess she is coming tomorrow night. Anyhow, I know that when my longtime colleague in the Senate, Congresswoman Titus, spoke, she made a reference to Amodei setting the bar low. I am sure that was not anything to do with skills; it was just how much time I took. I want to let you know that even though I hold the present record for brevity in this, because this was not something I ran for when I was a member of the Assembly or the Senate, I really want to hear those federal delegation speeches. Even though I have the record for that, we are going to set a new record tonight.

I see Mo up there laughing, like Thank God. I also want to remind those of you that have served and are serving in the Assembly, out of the six people that represent Nevada in the federal legislature, I am the only one who put in the blue collar time to serve in the Nevada Assembly. It

is nice to be home. There is the Chairwoman of Ways and Means. She started out in the Senate, thinking that was the thing to do, but even the Chairwoman of Ways and Means figured out that the Assembly is the place to be. Good to see you. By the way, any references I make to age are to my own and not to anyone else who may have been serving when I was last in this building, in the beginning or in the end. So here we go. The clock is running, and we are setting a new record tonight.

I want to talk with you about opportunity. I know the other members of the delegation have talked about all the top-line stuff, top-half of the radar thing on those federal issues that are in the headlines. I want to talk about something that is Nevada headline stuff. What is that? I know when I tell you what it is, you are going to say I did not realize that was the stuff. So you may disagree with me, but we are not going to spend a lot of time with me talking to you about it. The 116th Congress started about a month before you folks did, and it ends on December 31 of next year. Why am I telling you about this Congress? This Congress represents a unique opportunity for Nevada, a Nevada opportunity. When you live in a state that is 85 percent owned by the federal government, which is not a good thing or a bad thing, it is simply a fact. Then what happens with multiple use of federal land is pretty important when you talk economic development, when we talk about conservation, when we talk about transportation, when we talk about anything and everything, wildfire; you name it.

What is new about this one? For three major reasons, this is going to be a different one. In the 116th Congress, the United States Navy is going to come with what is the largest lands bill in the history of the State. About 600,000 acres, already owned by the federal government, are going to be changed from multiple use to not multiple use. Now in my mind, that is a lands bill. The United States Air Force in the southern part of the State is going to be coming with not quite as big of a footprint, but it is expansion time for our war fighters that fly airplanes in the Navy and in the Air Force. Okay. That is fine. But the process that we go through with that—and I know you are involved, and I know the Governor's office is meeting on that—this is an opportunity. When you talk about essentially a lands withdrawal that affects transportation, that affects economic development, that affects conservation, that affects wilderness, that affects everything under the sun that we do in this State, it is an opportunity, ladies and gentlemen.

You ask if they are going to put it in their bill. No, they probably are not. As I do not need to tell anybody in this room there are things called amendments. I understand you Senate people are ordering more blue paper, by the way, so some things have not changed in a long time. There are things called amendments. There can be amendments from House members; there can be amendments from members of the Senate; there can be amendments the Governor's office supports. There can be amendments where, quite frankly, you look the Navy folks in the eye and say I do not expect you to put this in your bill, but I expect you not to object to the amendment. You may ask what all that means. Federal lands is not sexy or violent. Here is the third thing: Clark County wants a public lands bill. I know there are some people in this room that have experience in governing Clark County by virtue of their membership on the Clark County Commission. They deal with things like planning and zoning and responsible growth. Let us just keep in mind a couple of things, if you choose. The Southern Nevada Public Lands Management Act turned 20 last year. It authorized 70,000 acres to be sold. Today, we have disposed of about 35,000. For those people who are conservation conscious, that is about 1,700 acres a year in one of the fastest growing metropolitan areas in the nation and, for sure, in the Southwest.

It is about facts, and it is about opportunity, and it is about those lands bills. Then guess what? Here are the sorts of things you might think about lands bills. What are they going to do to help us with fire protection? What are they going to do to help us conserve sagehen areas? What opportunities can they help us with regarding the desert tortoise? What can they do to help us with other areas where, quite frankly, if we want to do some consolidation of State facilities in southern Nevada. I do not know if anybody in here cares about that, but how can we participate as a State in the lands process to generate funds for State capital improvement things? By the way, how can we do the same thing up in this neck of the woods?

Ladies and gentlemen, almost half of the counties in Nevada are working on lands bills rights now. When you combine that with the two major military functions, I simply think it is an opportunity. It is an opportunity that does not come along very often, but when it comes, you ought

to seize it. You can say we have other stuff to do, and we do not care about that, which is your absolute prerogative. There is an opportunity here.

I look forward to working with the Governor as we talk about what the right thing is with Fallon, what the right thing is with what is going on at Nellis and Creech. Here is the most encouraging thing: five of the six members of the federal delegation live in telephone area code 702. The Governor of the State of Nevada served on the Clark County Commission, so he knows about local government and planning and zoning and having a say in federal stuff. By the way, at that same time that Commission was very responsible when you look at what they have actually done.

That is it, ladies and gentlemen. there is an opportunity. I look forward to discussing any and all of those things with you because we are going to start drafting amendments, and we are obviously not going to draft an amendment where the Legislature or the Governor says "uh-uh."

The last thing I will leave you with is there is not a single Nevada lands bill in history that passed as a partisan proposition. They do not pass unless they are bipartisan. If you do not believe me, ask that guy from Searchlight; Reid is his last name.

Thank you for your attention. The last question I want to ask is how many people in here are planning on running for Congressional District 2? The record should reflect there were no hands raised.

Mr. Speaker, Madam President, Governor, thank you for your kindness. It is nice to be back with friends, and good luck with the last 50 some-odd days of your fun and games.

Assemblyman Kramer moved that the Senate and Assembly in Joint Session extend a vote of thanks to Representative Amodei for his timely, able and constructive message.

Motion carried.

The Committee on Escort escorted Representative Amodei to the bar of the Assembly.

Senator Ratti moved that the Joint Session be dissolved.

Motion carried.

Joint Session dissolved at 5:33 p.m.

SENATE IN SESSION

At 5:36 p.m.

President Marshall presiding.

Quorum present.

UNFINISHED BUSINESS

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary signed Assembly Bill No. 182.

GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Brooks, the privilege of the floor of the Senate Chamber for this day was extended to Amekia Edwards and Cristia Osborn-Preston.

On request of Senator Cancela, the privilege of the floor of the Senate Chamber for this day was extended to Erica Mosca, Soo Park and Donna Seals.

On request of Senator Cannizzaro, the privilege of the floor of the Senate Chamber for this day was extended to Vikki Courtney and Theo Small.

On request of Senator Denis, the privilege of the floor of the Senate Chamber for this day was extended to Ivette Aguiree, Anahi Alvarado, Nethelie Cajeras, Patricia Cisneros, Anthony Coleman, Reuben D'Silva, Yasmin Duran, Katherine Galindo, Martine Garcia, Kassie Griffity, Carol Harding, Charity Hayman, Karen Karnwhen, Maria Landaverde, Caitlin Lazaro, Isabel Lujan, Mahoghany, Melissa Martin, Moore, Haddee Martinez, Juan David Lopez Martinez Carlos Pena, Taja'nai Richardson, Tajari Richardson, Nicole Valenzuela, Odalys Vega and Lilian Vicents.

On request of Senator Dondero Loop, the privilege of the floor of the Senate Chamber for this day was extended to Monica Bryant and Andrea Jydstrup-McKinney.

On request of Senator Goicoechea, the privilege of the floor of the Senate Chamber for this day was extended to Ryan Armitage and Pamela Taylor.

On request of Senator Hammond, the privilege of the floor of the Senate Chamber for this day was extended to Isabella Hammond, Olivia Hammond and Sofia Hammond.

On request of Senator Hardy, the privilege of the floor of the Senate Chamber for this day was extended to Lynn Little and Jeremiah Riesenback.

On request of Senator Harris, the privilege of the floor of the Senate Chamber for this day was extended to Jake Bayer.

On request of Senator Kieckhefer, the privilege of the floor of the Senate Chamber for this day was extended to Barbara Singer.

On request of Senator Ohrenschall, the privilege of the floor of the Senate Chamber for this day was extended to Judy Johnson, Hilda Robles, Cory Santos, Herb Santos Jr., Herb Santos Sr. and Joel Santos.

On request of Senator Parks, the privilege of the floor of the Senate Chamber for this day was extended to Tammy Myers and Matt Nighswonger.

On request of Senator Pickard, the privilege of the floor of the Senate Chamber for this day was extended to Jessica Malesky and Kristan Nigro.

On request of Senator Ratti, the privilege of the floor of the Senate Chamber for this day was extended to Barbara Stockton.

On request of Senator Scheible, the privilege of the floor of the Senate Chamber for this day was extended to Sara Ackeret and Noell Frailey.

On request of Senator Seevers Gansert, the privilege of the floor of the Senate Chamber for this day was extended to Laurel Lipkin.

On request of Senator Spearman, the privilege of the floor of the Senate Chamber for this day was extended to Kristie Gonzalez, Julia Harper and Jana Pleggenkuhle.

On request of Senator Woodhouse, the privilege of the floor of the Senate Chamber for this day was extended to Tanya Cooper, James Frazee and Tiffany Valencia.

Senator Cannizzaro moved that the Senate adjourn until Wednesday, April 17, 2019, at 11:00 a.m.

Motion carried.

Senate adjourned at 5:37 p.m.

Approved: KATE MARSHALL
President of the Senate

Attest: CLAIRE J. CLIFT
Secretary of the Senate