THE ONE HUNDRED AND FOURTEENTH DAY

CARSON CITY (Tuesday), May 28, 2019

Senate called to order at 12:45 p.m.

President Marshall presiding.

Roll called.

All present.

Prayer by the Chaplain, Reverend Karen Linsey.

There is a power greater than any one of us, called by many different names: God, Spirit and the Universe. This Power is a Presence of intelligence, love and light and is the happiness of every condition. This Presence sanctifies every activity, and this Body is no exception. This Presence is everywhere, works through everyone and operates here, today, in all that is said and done. All deliberations in this Session are guided by this intelligence and embody this love. I know this Presence provides a larger understanding to everyone present here, today. All activities here, today, bring light to all of our citizens and strengthen our social fabric in spirit and in truth so that our union may be strong and our society just. This Power operates through everyone present here, today; all minds and hearts are uplifted today, and so, this Session is now blessed and ready to perform its good works.

And, so, it is.

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.

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, May 27, 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. 727 to Assembly Bill No. 41; Senate Amendment No. 799 to Assembly Bill No. 62; Senate Amendment No. 709 to Assembly Bill No. 76; Senate Amendment No. 706 to Assembly Bill No. 78; Senate Amendment No. 719 to Assembly Bill No. 126; Senate Amendment No. 710 to Assembly Bill No. 129; Senate Amendment No. 682 to Assembly Bill No. 163; Senate Amendment No. 760 to Assembly Bill No. 174; Senate Amendment No. 767 to Assembly Bill No. 226; Senate Amendment No. 685 to Assembly Bill No. 239; Senate Amendment No. 744 to Assembly Bill No. 252; Senate Amendment No. 743 to Assembly Bill No. 254; Senate Amendment No. 708 to Assembly Bill No. 261; Senate Amendment No. 738 to Assembly Bill No. 275; Senate Amendment No. 683 to Assembly Bill No. 316; Senate Amendment No. 686 to Assembly Bill No. 361; Senate Amendment No. 680 to Assembly Bill No. 363; Senate Amendment No. 657 to Assembly Bill No. 365; Senate Amendment No. 825 to Assembly Bill No. 397; Senate Amendment No. 678 to Assembly Bill No. 403; Senate Amendment No. 699 to Assembly Bill No. 404; Senate Amendment No. 675 to Assembly Bill No. 427; Senate Amendment No. 774 to Assembly Bill No. 440; Senate Amendment No. 793 to Assembly Bill No. 458; Senate Amendment No. 711 to Assembly Bill No. 462; Senate Amendment No. 770 to Assembly Bill No. 465; Senate Amendment No. 677 to Assembly Bill No. 485.

CAROL AIELLO-SALA

Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

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: ASSOCIATED PRESS: Michelle Price; CBS NETWORK NEWS: Robert Kozberg, Dave Lowther, Robin Singer, Jamie Yuccas, Scott Yun.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 500.

Bill read third time.

Remarks by Senator Woodhouse.

Senate Bill No. 500 is a budget implementation bill that revises provisions governing the manner in which an annual allocation of $200,000 from the Fund for a Healthy Nevada, which are tobacco-settlement funds, is used to pay for assisted-living facilities. The purpose of the $200,000 annual allocation is to first, award competitive grants to finance the establishment or expansion of assisted-living facilities that provide services pursuant to the provisions of the home and community-based services waiver under Medicaid. And, two, after awarding grants, any remaining funds must be reallocated to eligible applicants.

Roll call on Senate Bill No. 500:

YEAS—21.

NAYS—None.

Senate Bill No. 500 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 510.

Bill read third time.

Remarks by Senator Denis.

Senate Bill No. 510 makes a $352,000 General Fund appropriation to the Commission on Postsecondary Education of the Department of Employment, Training and Rehabilitation for a new business management system.

Roll call on Senate Bill No. 510:

YEAS—21.

NAYS—None.

Senate Bill No. 510 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 512.

Bill read third time.

Remarks by Senator Denis.

Senate Bill No. 512 makes appropriations of $7.4 million to the Nevada Gaming Control Board for the continuation of the Alpha Migration Project and the replacement of security system equipment. Senate Bill No. 512 also extends the reversion date of the remaining balance of the 2017 appropriation made to the Board for in-State travel for information technology staff to provide support for the project.

Roll call on Senate Bill No. 512:
YEAS—21.
NAYS—None.

Senate Bill No. 512 having received a constitutional majority, Madam President declared it passed, as amended.
Bill ordered transmitted to the Assembly.

Senate Bill No. 514.
Bill read third time.
Remarks by Senator Brooks.
Senate Bill No. 514 makes a $6,994,026 General Fund appropriation to the Interim Finance Committee for allocation to the Central Repository for Nevada Records of Criminal History within the Department of Public Safety for replacement of the Nevada Criminal Justice Information System upon presentation to the Interim Finance Committee of a project plan and an itemization of related costs.

Roll call on Senate Bill No. 514:
YEAS—21.
NAYS—None.

Senate Bill No. 514 having received a constitutional majority, Madam President declared it passed, as amended.
Bill ordered transmitted to the Assembly.

Senate Bill No. 516.
Bill read third time.
Remarks by Senator Brooks.
Senate Bill No. 516 makes General Fund appropriations totaling $166,610 to the Board of Parole Commissioners to fund the following equipment: $67,675 for the replacement of computer software and hardware; $87,755 for the replacement of video conferencing equipment, and $11,380 for the replacement of hearing room chairs.

Roll call on Senate Bill No. 516:
YEAS—21.
NAYS—None.

Senate Bill No. 516 having received a constitutional majority, Madam President declared it passed, as amended.
Bill ordered transmitted to the Assembly.

Senate Bill No. 517.
Bill read third time.
Remarks by Senator Cancela.
Senate Bill No. 517 makes a $980,814 State Highway Fund one-shot appropriation to the Nevada Highway Patrol for the replacement of computer hardware and software equipment, the replacement of mobile data computers and for portable and mobile radio equipment.

Roll call on Senate Bill No. 517:
YEAS—21.
NAYS—None.

Senate Bill No. 517 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 519.

Bill read third time.

Remarks by Senator Goicoechea.

Senate Bill No. 519 makes a General Fund appropriation of $190,500 to the Office of Finance for a Snowcat vehicle for winter access to the pump house and dam at Marlette Lake.

Roll call on Senate Bill No. 519:

YEAS—21.

NAYS—None.

Senate Bill No. 519 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 525.

Bill read third time.

Remarks by Senator Parks.

Senate Bill No. 525 appropriates $9,447,081 from the State General Fund to the State Department of Conservation and Natural Resources, Division of Forestry, to fund replacement equipment and deferred maintenance projects. Senate Bill No. 525 requires that any remaining balance of the appropriations must not be committed for expenditure after June 30, 2021, and any remaining balance must revert to the State General Fund on or before September 17, 2021.

Roll call on Senate Bill No. 525:

YEAS—21.

NAYS—None.

Senate Bill No. 525 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 526.

Bill read third time.

Remarks by Senator Parks.

Senate Bill No. 526 appropriates $13,538,954 in State Highway Funds to the Nevada Highway Patrol for the replacement of patrol vehicles and patrol motorcycles.

Roll call on Senate Bill No. 526:

YEAS—21.

NAYS—None.

Senate Bill No. 526 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 532.

Bill read third time.

Remarks by Senator Kieckhefer.

Senate Bill No. 532 appropriates $17,808,203 from the General Fund and authorizes $25,839,364 not appropriated from the General Fund or Highway Fund to the Medicaid Budget due to increased cost per eligible and decreased intergovernmental transfer revenue in Fiscal Year 2018 and Fiscal Year 2019. Additionally, Senate Bill No. 532 appropriates $37,065 from the State General Fund to the Check Up Budget due to unanticipated program expenses in Fiscal Year 2018 and Fiscal Year 2019.

Roll call on Senate Bill No. 532:

YEAS—21.

NAYS—None.

Senate Bill No. 532 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 533.

Bill read third time.

Remarks by Senator Woodhouse.

Senate Bill No. 533 makes a $5 million General Fund appropriation to the Interim Finance Committee for allocation to the Nevada Museum of Art for the Statewide expansion plan for the Northern and Southern Museum of Arts. Prior to allocation of the funds, the Nevada Museum of Art must provide proof satisfactory to the Interim Finance Committee that matching funds have been committed from other outside sources. Additionally, Senate Bill No. 533 requires the Nevada Museum of Art to report to the Interim Finance Committee regarding expenditures made from the allocation.

Roll call on Senate Bill No. 533:

YEAS—21.

NAYS—None.

Senate Bill No. 533 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 534.

Bill read third time.

Remarks by Senator Settelmeyer.

Senate Bill No. 534 makes an appropriation from the State General Fund to the Department of Transportation in the amount of $3,645,989 for the replacement of the Nevada State Radio System.

Roll call on Senate Bill No. 534:

YEAS—21.

NAYS—None.

Senate Bill No. 534 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 535.

Bill read third time.

Remarks by Senator Cancela.

Senate Bill No. 535 deletes the provisions of paragraph (e) of subsection 2 of NRS 463.320. Removing this provision eliminates the requirement for an amount equal to $2 per slot machine to the be allocated to the Account to Support Programs for the Prevention and Treatment of Problem Gambling as recommended by the Governor in the Executive Budget.

Senate Bill No. 535 is necessary to implement the decision approved by the Senate Finance Committee and the Assembly Ways and Means Committee to fund this program with General Fund appropriations rather than earmarking a portion of the slot-machine fees to fund the program.

Roll call on Senate Bill No. 535:

YEAS—21.

NAYS—None.

Senate Bill No. 535 having received a constitutional majority, Madam President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 549.

Bill read third time.

Remarks by Senator Denis.

Senate Bill No. 549 revises the list of assessments of academic progress to be used by the Department of Education to determine the number of pupils for whom an allocation from the Account for the New Nevada Education Funding Plan will be made. The bill also revises the frequency of the independent evaluation of the program from annually to each even-numbered year with the evaluation report provided on or before February 1 of each odd-numbered year.

As a note, this is the continuation of Senate Bill No. 178, only we increased the funding, almost doubling the amount to cover nearly every child who qualifies. I urge your support.

Roll call on Senate Bill No. 549:

YEAS—21.

NAYS—None.

Senate Bill No. 549 having received a constitutional majority, Madam President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 550.

Bill read third time.

Remarks by Senator Kieckhefer.

Senate Bill No. 550, a budget implementation bill, establishes the State's share of the cost of monthly contributions or premiums for group insurance for active State officers and employees who participate in the Public Employees' Benefits Program. For Fiscal Year 2020 and Fiscal Year 2021, the monthly State contribution for active employee group insurance is $760.79 and $783.30, respectively.

Senate Bill No. 550 also establishes the State's share of the cost of monthly contributions and premiums for group health insurance for retired employee group insurance not eligible for Medicare. For Fiscal Year 2020 and Fiscal Year 2021, the monthly State base contribution for retired employee group insurance is $551.77 and $478.15, respectively. For Medicare-eligible State retirees, Senate Bill No. 550 establishes a monthly State contribution of $195.00 in each year of the 2019-2021 Biennium for those State employees who retired before January 1, 1994. For those employees who retired on or after January 1, 1994, the monthly State contribution is up to a maximum of $260 per month in the 2019-2021 Biennium.

Roll call on Senate Bill No. 550:
YEAS—21.
NAYS—None.

Senate Bill No. 550 having received a constitutional majority, Madam President declared it passed.

Bill ordered transmitted to the Assembly.

REPORTS OF COMMITTEE

Madam President:

Your Committee on Revenue and Economic Development, to which was referred Assembly Bill No. 224, has had the same under consideration, and begs leave to report the same back with the recommendation: Re-refer to the Committee on Finance.

MARILYN DONDERO LOOP, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

Senator Dondero Loop moved that Assembly Bill No. 224, just reported out of Committee, be re-referred to the Committee on Finance.

Motion carried.

UNFINISHED BUSINESS
CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 10.

The following Assembly amendment was read:

Amendment No. 940.

SUMMARY—Revises provisions governing compensation of members of a board of trustees of a general improvement district. (BDR 25-432)

AN ACT relating to general improvement districts; ~~[increasing the amount a member of a board of trustees of a general improvement district may be compensated; defining]~~ clarifying the term "compensation"; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets the maximum ~~[salary]~~ compensation a member of a board of trustees of a general improvement district may receive. (NRS 318.085) ~~[This bill increases the amount a member of a board of trustees of a general improvement district may be compensated from $6,000 to $9,000. This bill also increases the amount a member of a board of trustees of a general improvement district that is granted certain powers may be compensated from $9,000 to $12,000.]~~ This bill ~~[additionally defines]~~ clarifies that "compensation" ~~[as salary or wages.]~~ does not include any contribution made to the Public Employees' Retirement System on behalf of a member of a board of trustees.

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

Section 1. NRS 318.085 is hereby amended to read as follows:

318.085 Except as otherwise provided in NRS 318.0953 and 318.09533:

1. After taking oaths and filing bonds, the board shall choose one of its members as chair of the board and president of the district, and shall elect a

secretary and a treasurer of the board and of the district, who may or may not be members of the board. The secretary and the treasurer may be one person.

2. The board shall adopt a seal.

3. The secretary shall keep audio recordings or transcripts of all meetings and, in a well-bound book, a record of all of the board's proceedings, minutes of all meetings, any certificates, contracts, bonds given by employees and all corporate acts. Except as otherwise provided in NRS 241.035, the book, audio recordings, transcripts and records must be open to inspection of all owners of real property in the district as well as to all other interested persons. A copy of the minutes or audio recordings must be made available to a member of the public upon request at no charge pursuant to NRS 241.035.

4. The treasurer shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the district in permanent records. The treasurer shall file with the county clerk, at the expense of the district, a corporate surety bond in an amount not more than $50,000, the form and exact amount thereof to be approved and determined, respectively, by the board of county commissioners, conditioned for the faithful performance of the duties of his or her office. Any other officer or trustee who actually receives or disburses money of the district shall furnish a bond as provided in this subsection. The board of county commissioners may, upon good cause shown, increase or decrease the amount of that bond.

5. Except as otherwise provided in this subsection, each member of a board of trustees of a district organized or reorganized pursuant to this chapter may receive as compensation for his or her service not more than $6,000 *[$9,000]* per year. Each member of a board of trustees of a district that is organized or reorganized pursuant to this chapter and which is granted the powers set forth in NRS 318.140, 318.142 and 318.144 may receive as compensation for his or her service not more than $9,000 *[$12,000]* per year. The compensation of the members of a board is payable monthly, if the budget is adequate and a majority of the members of the board vote in favor of such compensation, but no member of the board may receive any other compensation for his or her service to the district as an employee or otherwise. Each member of the board must receive the same amount of compensation. If a majority of the members of the board vote in favor of an increase in the compensation of the trustees, the increase may not become effective until January 1 of the calendar year immediately following the next biennial election of the district as set forth in NRS 318.095.

6. As used in this section, "compensation" [means salary and wages.] does not include any contribution made to the Public Employees' Retirement System on behalf of a member of the board of trustees.

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

Senator Parks moved that the Senate concur in Assembly Amendment No. 940 to Senate Bill No. 10.

Remarks by Senator Parks.

Assembly Amendment No. 940 to Senate Bill No. 10 removes the provisions increasing the compensation for a member of the board of trustees for a general improvement district and clarifies that compensation does not include a contribution made to the Public Employees Retirement System on behalf of the member of the board of trustees.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 12.

The following Assembly amendment was read:

Amendment No. 953.

SUMMARY—Revises provisions governing telephone systems used for reporting emergencies. (BDR 20-475)

AN ACT relating to counties; authorizing a county to use revenue collected from certain telephone surcharges to pay for an analysis or audit of the surcharges collected by a telecommunications provider ~~[;]~~ , certain costs related to a master plan and certain costs for personnel and training associated with portable event recording devices and vehicular event recording devices; providing the conditions under which ~~[such]~~ the audits may be performed; prioritizing the expenditure of the proceeds of certain telephone surcharges; requiring a recipient of money collected from the surcharge to repay or return that money under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a board of county commissioners to impose a surcharge for the enhancement of the telephone system for reporting an emergency if the board adopts and reviews, at least annually, a 5-year master plan for the enhancement of that system or the purchase and maintenance of certain recording devices. (NRS 244A.7643) If a county imposes such a surcharge, the revenue collected from the surcharge must be deposited in a special revenue fund and used only for certain purposes. (NRS 244A.7645)

Section 1.3 of this bill authorizes the revenue collected from the surcharge to also be used to pay for the costs of an analysis or audit of the surcharges collected by a telecommunications provider. Section 1 of this bill authorizes the board of county commissioners in a county where a surcharge is imposed to engage an independent auditor to perform such an analysis or audit: (1) as part of the mandatory review of the 5-year master plan; or (2) if a previous analysis or audit revealed evidence of a violation of certain provisions of law with respect to the amount of money a telecommunications provider collected or remitted to the county.

Section 1.3 further authorizes the revenue collected from the surcharge to also be used for personnel and training associated with: (1) maintaining, updating and operating the equipment, hardware and software of portable event recording devices and vehicular event recording devices; and (2) the

maintenance, retention and redaction of audio and video events recorded on portable event recording devices and vehicular event recording devices.

Section 1.3 establishes the order of priority that revenue collected from the surcharge may be expended.

Section 1.3 also requires a recipient to: (1) return money not used within 6 months for an approved purpose; (2) repay any money that is not used for an approved purpose; and (3) repay any amount to which the recipient was not entitled to receive.

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

Section 1. Chapter 244A of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 3, if a surcharge is imposed in a county pursuant to NRS 244A.7643, the board of county commissioners of that county may, as part of its review of the 5-year master plan adopted pursuant to NRS 244A.7643 for the enhancement of the telephone system for reporting emergencies in the county or for the purpose of purchasing and maintaining portable event recording devices and vehicular event recording devices, as applicable, engage a qualified independent auditor to perform an analysis or audit of the surcharges collected by telecommunications providers in the county.

2. An auditor that performs an analysis or audit pursuant to this section:

(a) Shall not charge a fee exceeding the actual costs of performing the analysis or audit.

(b) Shall submit a report of his or her findings to the advisory committee of the county established pursuant to NRS 244A.7645.

3. If an auditor performing an analysis or audit of the surcharges collected by telecommunications providers finds in the course of conducting the analysis or audit evidence of a violation of the provisions of NRS 244A.7643, with respect to the amount of money collected or remitted to the county treasurer by a telecommunications provider, the board of county commissioners may engage a qualified independent auditor to perform an additional analysis or audit of the surcharges collected by the telecommunications provider before the next review of the 5-year master plan is conducted.

Sec. 1.3. NRS 244A.7645 is hereby amended to read as follows:

244A.7645 1. If a surcharge is imposed pursuant to NRS 244A.7643 in a county whose population is 100,000 or more, the board of county commissioners of that county shall establish by ordinance an advisory committee to develop a plan to enhance the telephone system for reporting an emergency in that county and to oversee any money allocated for that purpose. The advisory committee must:

(a) Consist of not less than five members who:

(1) Are residents of the county;

(2) Possess knowledge concerning telephone systems for reporting emergencies; and

(3) Are not elected public officers.

(b) Subject to the provisions of subparagraph (3) of paragraph (a), include the chief law enforcement officer or his or her designee from each office of the county sheriff, metropolitan police department, police department of an incorporated city within the county and department, division or municipal court of a city or town that employs marshals within the county, as applicable.

2. If a surcharge is imposed pursuant to NRS 244A.7643 in a county whose population is less than 100,000, the board of county commissioners of that county shall establish by ordinance an advisory committee to develop a plan to enhance or improve the telephone system for reporting an emergency in that county and to oversee any money allocated for that purpose. The advisory committee must:

(a) Consist of not less than five members who:

(1) Are residents of the county;

(2) Possess knowledge concerning telephone systems for reporting emergencies; and

(3) Are not elected public officers.

(b) Include a representative of an incumbent local exchange carrier which provides service to persons in that county. As used in this paragraph, "incumbent local exchange carrier" has the meaning ascribed to it in 47 U.S.C. § 251(h)(1), as that section existed on October 1, 1999, and includes a local exchange carrier that is treated as an incumbent local exchange carrier pursuant to that section.

(c) Subject to the provisions of subparagraph (3) of paragraph (a), include the chief law enforcement officer or his or her designee from each office of the county sheriff, metropolitan police department, police department of an incorporated city within the county and department, division or municipal court of a city or town that employs marshals within the county, as applicable.

3. If a surcharge is imposed in a county pursuant to NRS 244A.7643, the board of county commissioners of that county shall create a special revenue fund of the county for the deposit of the money collected pursuant to NRS 244A.7643. The money in the fund must be used only:

(a) *To pay the costs of adopting and reviewing the 5-year master plan for the enhancement of the telephone system for reporting emergencies in the county that is required pursuant to NRS 244A.7643.*

(b) With respect to the telephone system for reporting an emergency:

(1) In a county whose population is 45,000 or more, to enhance the telephone system for reporting an emergency, including only:

(I) Paying recurring and nonrecurring charges for telecommunication services necessary for the operation of the enhanced telephone system;

(II) Paying costs for personnel and training associated with the routine maintenance and updating of the database for the system;

(III) Purchasing, leasing or renting the equipment and software necessary to operate the enhanced telephone system, including, without

limitation, equipment and software that identify the number or location from which a call is made; and

(IV) Paying costs associated with any maintenance, upgrade and replacement of equipment and software necessary for the operation of the enhanced telephone system.

(2) In a county whose population is less than 45,000, to improve the telephone system for reporting an emergency in the county.

~~[(b)]~~ *(c)* With respect to purchasing and maintaining portable event recording devices and vehicular event recording devices, ~~[paying]~~ *:*

(1) Paying costs associated with the acquisition, maintenance, storage of data, upgrade and replacement of equipment and software necessary for the operation of portable event recording devices and vehicular event recording devices or systems that consist of both portable event recording devices and vehicular event recording devices ~~[.~~

~~(c)]~~ *;*

(2) Paying costs for personnel and training associated with maintaining, updating and operating the equipment, hardware and software necessary for portable event recording devices and vehicular event recording devices or systems that consist of both portable event recording devices and vehicular event recording devices; and

(3) Paying costs for personnel and training associated with the maintenance, retention and redaction of audio and video events recorded on portable event recording devices and vehicular event recording devices or systems that consist of both portable event recording devices and vehicular event recording devices.

(d) To pay any costs associated with performing an analysis or audit pursuant to section 1 of this act of the surcharges collected by telecommunications providers.

4. *For the purposes described in subsection 3, money in the fund must be expended in the following order of priority:*

(a) Paying the costs authorized pursuant to paragraph (a) of subsection 3 to adopt and review the 5-year master plan.

(b) If the county performs an analysis or audit described in section 1 of this act, paying the costs associated authorized pursuant to paragraph (d) of subsection 3.

(c) Paying the costs authorized pursuant to paragraph (b) of subsection 3.

(d) If the county has imposed a portion of the surcharge for purposes of purchasing and maintaining portable event recording devices and vehicular event recording devices:

(1) Paying the costs authorized pursuant to paragraph (c) of subsection 3 other than costs related to personnel and training.

(2) Paying the costs authorized pursuant to paragraph (c) of subsection 3 related to personnel.

(3) Paying the costs authorized pursuant to paragraph (c) of subsection 3 related to training.

5. If money in the fund is distributed to a recipient and:

(a) The recipient has not used the money for any purpose authorized pursuant to subsection 3 within 6 months, the recipient must:

(1) Notify the board of county commissioners and the advisory committee; and

(2) Return the unused money.

(b) The recipient used any portion of the money for a purpose that is not authorized pursuant to subsection 3, the recipient must:

(1) Notify the board of county commissioners and the advisory committee; and

(2) Repay the portion of the money that was used for a purpose not authorized pursuant to subsection 3.

(c) The recipient was not entitled to receive all or a portion of the money, the recipient must:

(1) Notify the board of county commissioners and the advisory committee; and

(2) Repay all money to which the recipient was not entitled to receive.

6. If the balance in the fund created in a county whose population is 100,000 or more pursuant to subsection 3 which has not been committed for expenditure exceeds $5,000,000 at the end of any fiscal year, the board of county commissioners shall reduce the amount of the surcharge imposed during the next fiscal year by the amount necessary to ensure that the unencumbered balance in the fund at the end of the next fiscal year does not exceed $5,000,000.

~~[5.]~~ *7.* If the balance in the fund created in a county whose population is 45,000 or more but less than 100,000 pursuant to subsection 3 which has not been committed for expenditure exceeds $1,000,000 at the end of any fiscal year, the board of county commissioners shall reduce the amount of the surcharge imposed during the next fiscal year by the amount necessary to ensure that the unencumbered balance in the fund at the end of the next fiscal year does not exceed $1,000,000.

~~[6.]~~ *8.* If the balance in the fund created in a county whose population is less than 45,000 pursuant to subsection 3 which has not been committed for expenditure exceeds $500,000 at the end of any fiscal year, the board of county commissioners shall reduce the amount of the surcharge imposed during the next fiscal year by the amount necessary to ensure that the unencumbered balance in the fund at the end of the next fiscal year does not exceed $500,000.

Sec. 1.7. 1. Notwithstanding the provisions of section 1 of this act, the board of county commissioners of a county where a surcharge is imposed pursuant to NRS 244A.7643 may, between July 1, 2019, and July 1, 2020, engage an independent auditor to perform an analysis or audit of the surcharges collected by telecommunications providers.

2. An auditor that performs an analysis or audit pursuant to this section:

(a) Shall not charge a fee exceeding the actual costs of performing the analysis or audit.

(b) Shall submit a report of his or her findings to the advisory committee of the county established pursuant to NRS 244A.7645.

3. If a board of county commissioners has an analysis or audit performed pursuant to this section, the board may use money in the special revenue fund created pursuant to NRS 244A.7645, as amended by section 1.3 of this act, to pay the costs of performing the analysis or audit.

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

Senator Parks moved that the Senate concur in Assembly Amendment No. 953 to Senate Bill No. 12.

Remarks by Senator Parks.

Assembly Amendment No. 953 to Senate Bill No. 12 establishes the order of priority in which revenue collected from the surcharge may be expended. It further authorizes the revenue collected from the surcharge be used for the personnel and training associated with maintaining, updating and operating the equipment hardware and software of portable event-recording devices and vehicle-event recording devices and the maintenance retention and redaction of audio- and video-event recording on portable event-recording devices and vehicle event-recording devices. Finally, it requires the recipient to return monies not used within six months for an approved purpose; repay any money not used for an approved purpose, and finally, repay any amount which the recipient was not entitled to receive.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 14.

The following Assembly amendment was read:

Amendment No. 830.

SUMMARY—Provides for the removal of certain gubernatorial appointees under certain circumstances. (BDR 18-186)

AN ACT relating to governmental administration; authorizing the Governor to remove certain gubernatorial appointees to boards, commissions or similar bodies under certain circumstances; authorizing the Governor to remove appeals officers under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Governor to remove from their positions gubernatorial appointees to certain boards, commissions and similar bodies, such as the Board of Examiners for Long-Term Care Administrators, the State Board of Pharmacy and the State Board of Landscape Architecture, among others. (NRS 623A.080, 639.030, 654.080) The Governor is not explicitly authorized to remove gubernatorial appointees to other boards, such as the State Board of Professional Engineers and Land Surveyors, the Nevada Funeral and Cemetery Services Board and the Certified Court Reporters' Board of Nevada, among others. (NRS 625.100, 642.020, 656.040) Section 1 of this bill: (1) declares any gubernatorial appointee to any board, commission or similar body to be a civil officer of this State; and (2) authorizes the Governor to remove such an appointee for ~~[misconduct in office, incompetence]~~ malfeasance or ~~[neglect]~~ nonfeasance in the performance of ~~[duty]~~ his or her

duties unless a specific statute requires other removal procedures. Section 1 requires that the Governor give the appointee 45 days' notice of the removal unless the Governor determines that circumstances require the immediate removal of the appointee.

Existing law requires the Governor to appoint one or more appeals officers to conduct hearings and appeals in contested cases involving industrial insurance benefits for injuries or death. Appeals officers must be licensed attorneys and are appointed for 2-year terms. (NRS 616C.340) Section 2 of this bill: (1) declares an appeals officer to be a civil officer of this State; and (2) authorizes the Governor to remove an appeals officer prior to the expiration of his or her term for ~~[misconduct in office, incompetence]~~ malfeasance or ~~[neglect]~~ nonfeasance in the performance of ~~[duty]~~ his or her duties or if his or her license to practice law is revoked or suspended. Section 2 requires that the Governor give the appeals officer 45 days' notice of the removal unless the Governor determines that circumstances require the immediate removal of the appeals officer.

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

Section 1. Chapter 232A of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each member of a board, commission or similar body appointed by the Governor is deemed to be a civil officer of this State for the purposes of Section 4 of Article 7 of the Nevada Constitution.

2. Except as otherwise provided by a specific statute, the Governor may remove any member of a board, commission or similar body appointed by the Governor for ~~[misconduct in office, incompetence]~~ malfeasance or ~~[neglect]~~ nonfeasance in the performance of ~~[duty.]~~ his or her duties. The Governor shall provide the member 45 days' notice of the removal unless the Governor determines that circumstances warrant immediate removal.

3. The provisions of this section which deem the holders of certain positions to be civil officers of this State:

(a) Are intended to supplement all other provisions of statute or case law which make the holders of certain positions be civil officers of this State; and

(b) Must not be construed to make the holder of any position not described in this section not be a civil officer of this State.

Sec. 2. NRS 616C.340 is hereby amended to read as follows:

616C.340 1. The Governor shall appoint one or more appeals officers to conduct hearings and appeals as required pursuant to chapters 616A to 617, inclusive, of NRS. *Each appeals officer appointed by the Governor is deemed to be a civil officer of this State for the purposes of Section 4 of Article 7 of the Nevada Constitution.* Each appeals officer shall hold office for 2 years after the date of his or her appointment and until the successor of the appeals officer is appointed and has qualified. Each appeals officer is entitled to receive an annual salary in an amount provided by law and is in the unclassified service of the State.

2. Each appeals officer must be an attorney who has been licensed to practice law before all the courts of this State for at least 2 years. Except as otherwise provided in NRS 7.065, an appeals officer shall not engage in the private practice of law.

3. If an appeals officer determines that he or she has a personal interest or a conflict of interest, directly or indirectly, in any case which is before him or her, the appeals officer shall disqualify himself or herself from hearing the case.

4. The Governor may appoint one or more special appeals officers to conduct hearings and appeals as required pursuant to chapters 616A to 617, inclusive, of NRS. *Each special appeals officer appointed by the Governor is deemed to be a civil officer of this State for the purposes of Section 4 of Article 7 of the Nevada Constitution.* The Governor shall not appoint an attorney who represents persons in actions related to claims for compensation to serve as a special appeals officer.

5. A special appeals officer appointed pursuant to subsection 4 is vested with the same powers as a regular appeals officer. A special appeals officer may hear any case in which a regular appeals officer has a conflict, or any case assigned to the special appeals officer by the senior appeals officer to assist with a backlog of cases. A special appeals officer is entitled to be paid at an hourly rate, as determined by the Department of Administration.

6. *The Governor may remove any appeals officer or special appeals officer for ~~[misconduct in office, incompetence]~~ malfeasance or ~~[neglect]~~ nonfeasance in the performance of ~~[duty.]~~ his or her duties. The Governor may remove any appeals officer whose license to practice law has become void or has been revoked or suspended. The Governor shall provide the appeals officer or special appeals officer 45 days' notice of the removal unless the Governor determines that circumstances warrant immediate removal.*

7. The decision of an appeals officer is the final and binding administrative decision on a claim for compensation under chapters 616A to 616D, inclusive, or chapter 617 of NRS, and the whole record consists of all evidence taken at the hearing before the appeals officer and any findings of fact and conclusions of law based thereon.

8. The provisions of this section which deem the holders of certain positions to be civil officers of this State:

(a) Are intended to supplement all other provisions of statute or case law which make the holders of certain positions be civil officers of this State; and

(b) Must not be construed to make the holder of any position not described in this section not be a civil officer of this State.

Sec. 3. The amendatory provisions of this act apply to any person who has been appointed to office before, on or after the effective date of this act.

Sec. 4. This act becomes effective upon passage and approval.

Senator Parks moved that the Senate concur in Assembly Amendment No. 830 to Senate Bill No. 14.

Remarks by Senator Parks.

Assembly Amendment No. 830 to Senate Bill No. 14 replaces reasons for removal by the Governor for misconduct in office, incompetence or neglect of duty, with malfeasance or nonfeasance in the performance of one's duty.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 37.

The following Assembly amendment was read:

Amendment No. 846.

SUMMARY—Revises provisions relating to the regulation of marriage and family therapists and clinical professional counselors. (BDR 54-250)

AN ACT relating to professions; revising the scope of the practice of clinical professional counseling and the practice of marriage and family therapy; revising the expiration date of certain licenses issued by the Board ~~[,]~~ of Examiners for Marriage and Family Therapists and Clinical Professional Counselors; revising the prorating of certain fees for certain licenses issued by the Board; revising provisions relating to the issuance of a license by endorsement; revising provisions governing the fees the Board is authorized to charge; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors to regulate the practice of marriage and family therapy and clinical professional counseling. (Chapter 641A of NRS) Existing law defines the scope of practice for both marriage and family therapy and clinical professional counseling. (NRS 641A.065, 641A.080) Sections 1 and 2 of this bill remove certain exclusions from the scope of the practice of marriage and family therapy and the practice of clinical professional counseling, thereby allowing the inclusion of those activities within the scope of practice in circumstances that the Board determines are appropriate.

Section 4 of this bill clarifies that the payment of compensation and expenses of employees of the Board must be paid out of money possessed by the Board.

Existing law requires the Board to issue to an applicant who meets the requirements for licensure a license to practice as a marriage and family therapist or a clinical professional counselor, as applicable. Existing law additionally provides that such a license expires on January 1 of each year. Existing law further authorizes the Board to prorate the fee for such a license if the license expires less than 6 months after the date of issuance. (NRS 641A.235) Section 6 of this bill changes the expiration of a license to practice as a marriage and family therapist or a clinical professional counselor from annually on January 1 to biennially on January 1 of every even-numbered year. ~~[(NRS 641A.235)]~~ Section 6 additionally requires the Board to prorate the fee for such a license on a monthly basis for the period from the date of

issuance until the expiration of the license on January 1 of each even-numbers year. Sections 12 and 13 of this bill eliminate the automatic expiration of a license as a marriage and family therapist intern or a clinical professional counselor intern in existing law if the intern changes his or her approved supervisor. (NRS 641A.2872, 641A.2882) Sections 12 and 13 also clarify the requirements for the renewal of a license as a marriage and family therapist intern or a clinical professional counselor intern.

Existing law authorizes a marriage and family therapist or a clinical professional counselor to obtain an expedited license by endorsement to practice marriage and family therapy or clinical professional counseling, as applicable, in this State if the marriage and family therapist or clinical professional counselor holds a valid and unrestricted license to practice in the District of Columbia or another state or territory of the United States and meets certain other requirements. (NRS 641A.241) Section 7 of this bill extends the deadline by which the Board is required to make a decision on an application for a license by endorsement from 45 days after receipt of the application to 45 days after receipt of all the information from the applicant required by the Board to complete the application.

Under existing law, a person applying for reinstatement of a license that has lapsed continuously for 5 years is required to reapply under the laws and regulations in effect at the time of reapplication. (NRS 641A.280) Existing law also establishes a procedure by which a licensee in good standing with the Board may place his or her license on inactive status. (NRS 641A.285) Sections 10 and 11 of this bill clarify that the provisions relating to lapsed licenses and inactive licenses only apply to licenses to practice as a marriage and family therapist or clinical professional counselor and not to licenses to practice as a marriage and family therapist intern or clinical professional counselor intern. Section 11 also authorizes the Board to impose a fee for the renewal of an inactive license to practice as a marriage and family therapist or clinical professional counselor.

Existing law establishes the maximum fees the Board is authorized to charge for certain items. (NRS 641A.290) Section 14 of this bill ~~[increases]~~ revises and sets the ~~[maximum]~~ fee ~~[allowable]~~ for certain items and authorizes the Board to charge various new fees for certain items, including, without limitation: (1) the biennial renewal or reinstatement of a license on inactive status; (2) the renewal of an intern's license; and (3) items relating to the approval of a course or program of continuing education and the approval of a provider of such a course or program. Section 8 of this bill provides for a 10-day grace period for the payment of a renewal fee by a marriage and family therapist or clinical professional counselor upon the expiration of his or her license. Sections 12 and 13 provide a similar grace period for the payment of a renewal fee by a marriage and family therapist intern or a clinical professional counselor intern. Sections 5, 7-9 and ~~[9]~~ 11-13 of this bill make conforming changes.

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

Section 1. NRS 641A.065 is hereby amended to read as follows:

641A.065 1. "Practice of clinical professional counseling" means the provision of treatment, assessment and counseling, or equivalent activities, to a person or group of persons to achieve mental, emotional, physical and social development and adjustment.

2. The term includes ~~[:~~

~~(a) Counseling]~~ *counseling* interventions to prevent, diagnose and treat mental, emotional or behavioral disorders and associated distresses which interfere with mental health. ~~[; and~~

~~(b) The assessment or treatment of couples or families, if the assessment or treatment is provided by a person who, through the completion of course work or supervised training or experience, has demonstrated competency in the assessment or treatment of couples or families as determined by the Board.]~~

3. The term does not include ~~[:~~

~~(a) The practice of psychology or medicine;~~

~~(b) The prescription of drugs or electroconvulsive therapy;~~

~~(c) The treatment of physical disease, injury or deformity;~~

~~(d) The diagnosis or treatment of a psychotic disorder;~~

~~(e) The use of projective techniques in the assessment of personality;~~

~~(f) The]~~ *the* use of ~~[psychological, neuropsychological or clinical tests designed to identify or classify abnormal or pathological human behavior;~~

~~(g) The use of individually administered]~~ *psychometric* ~~[intelligence tests, academic achievement tests or neuropsychological tests; or~~

~~(h) The use of psychotherapy to treat the concomitants of organic illness except in consultation with a qualified physician or licensed clinical psychologist.]~~ *tests, assessments or measures, including, without limitation, psychological, neuropsychological, developmental, neurodevelopmental, cognitive, neurocognitive, intelligence, achievement, personality or projective tests.*

Sec. 2. NRS 641A.080 is hereby amended to read as follows:

641A.080 1. "Practice of marriage and family therapy" means the diagnosis and treatment of mental and emotional disorders, whether cognitive, affective or behavioral, within the context of interpersonal relationships, including, without limitation, marital and family systems, and involves the professional application or use of psychotherapy, counseling, evaluation, assessment instruments, consultation, treatment planning, supervision, research and prevention of mental and emotional disorders.

2. The term includes, without limitation, the rendering of professional marital and family therapy services to a person, couple, family or family group or other group of persons.

~~[2.]~~ *3.* The term does not include ~~[:~~

~~(a) The diagnosis or treatment of a psychotic disorder; or~~

~~(b) The~~ *the* use of ~~[a psychological or]~~ psychometric ~~[assessment test to determine intelligence, personality, aptitude, interests or addictions.]~~ *tests, assessments or measures, including, without limitation, psychological, neuropsychological, developmental, neurodevelopmental, cognitive, neurocognitive, intelligence, achievement, personality or projective tests.*

Sec. 3. (Deleted by amendment.)

Sec. 4. NRS 641A.205 is hereby amended to read as follows:

641A.205 All money coming into possession of the Board must be kept or deposited by the Secretary-Treasurer in banks, credit unions, savings and loan associations or savings banks in the State of Nevada to be expended for payment of compensation and expenses of *the members and employees of the* Board ~~[members]~~ and for other necessary or proper purposes in the administration of this chapter.

Sec. 5. NRS 641A.210 is hereby amended to read as follows:

641A.210 1. Each person desiring a license must apply to the Board upon a form, and in a manner, prescribed by the Board. The application must be accompanied by the ~~[application]~~ fee *for the application for an initial license and the fee for the initial issuance of the license* prescribed by the Board , and all information required to complete the application.

2. The Board shall prescribe forms for applying for the issuance or renewal of a license. The forms must:

(a) Be available to be completed on the Internet website maintained by the Board;

(b) Provide immediate, automatic feedback to the applicant concerning whether the applicant has submitted all required information; and

(c) Automatically store the data submitted by the applicant upon completion of the application.

Sec. 6. NRS 641A.235 is hereby amended to read as follows:

641A.235 1. The Board shall issue a license *to practice as a marriage and family therapist or clinical professional counselor* to an applicant who meets the requirements imposed pursuant to this chapter.

2. ~~[Except as otherwise provided in NRS 641A.2872 and 641A.2882, a]~~ A license to practice as a marriage and family therapist or clinical professional counselor expires on January 1 of each even-numbered year.

3. The Board ~~[may]~~ *shall* prorate the fee for *the application for an initial license and the fee for the initial issuance of* a license to practice as a marriage and family therapist or clinical professional counselor ~~*[*which expires less than 6 months *1 year* after]~~ *based on the number of months remaining in the period from* the date of issuance ~~[.]~~ *until the expiration of the license on January 1 of each even-numbered year.*

Sec. 7. NRS 641A.241 is hereby amended to read as follows:

641A.241 1. The Board may issue a license by endorsement to practice as a marriage and family therapist or clinical professional counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds

a corresponding valid and unrestricted license as a marriage and family therapist or clinical professional counselor, as applicable, in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or any state or territory in which the applicant currently holds or has held a license as a marriage and family therapist or clinical professional counselor, as applicable; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(c) The fees prescribed by the Board pursuant to NRS 641A.290 for the application for *an initial license* and *for the* initial issuance of a license; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a marriage and family therapist or clinical professional counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a marriage and family therapist or clinical professional counselor, as applicable, to the applicant not later than 45 days after receiving all the additional information required by the Board to complete the application.

4. A license by endorsement to practice as a marriage and family therapist or clinical professional counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 7.5. NRS 641A.242 is hereby amended to read as follows:

641A.242 1. The Board may issue a license by endorsement to practice as a marriage and family therapist or clinical professional counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant:

(a) Holds a corresponding valid and unrestricted license as a marriage and family therapist or clinical professional counselor, as applicable, in the District of Columbia or any state or territory of the United States; and

(b) Is an active member of, or the spouse of an active member of, the Armed Forces of the United States, a veteran or the surviving spouse of a veteran.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as a marriage and family therapist or clinical professional counselor, as applicable; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(c) The fees prescribed by the Board pursuant to NRS 641A.290 for the application for *an initial license* and *for the* initial issuance of a license; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a marriage and family therapist or clinical professional counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a marriage and family therapist or clinical professional counselor, as applicable, to the applicant not later than 45 days after receiving all the additional information required by the Board to complete the application.

4. A license by endorsement to practice as a marriage and family therapist or clinical professional counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

5. At any time before making a final decision on an application for a license by endorsement pursuant to this section, the Board may grant a provisional license authorizing an applicant to practice as a marriage and family therapist or clinical professional counselor, as applicable, in accordance with regulations adopted by the Board.

6. As used in this section, "veteran" has the meaning ascribed to it in 417.005.

Sec. 8. NRS 641A.260 is hereby amended to read as follows:

641A.260 1. To renew a license to practice as a marriage and family therapist or clinical professional counselor issued pursuant to this chapter, each person must, on or before 10 business days after the date of expiration of ~~[the]~~ his or her current license:

(a) Apply to the Board for renewal;

(b) Pay the fee for *the biennial* renewal *of a license* set by the Board;

(c) Submit evidence to the Board of completion of the requirements for continuing education as set forth in regulations adopted by the Board ~~[.]~~, unless the Board has granted a waiver pursuant to NRS 641A.265; and

(d) Submit all information required to complete the renewal.

2. ~~[The]~~ Except as otherwise provided in NRS 641A.265, the Board shall, as a prerequisite for the renewal of a license ~~[,]~~ to practice as a marriage and family therapist or clinical professional counselor, require each holder to comply with the requirements for continuing education adopted by the Board, which must include, without limitation, a requirement that the holder receive at least 2 hours of instruction on evidence-based suicide prevention and awareness or another course of instruction on suicide prevention and awareness that is approved by the Board which the Board has determined to be effective and appropriate.

Sec. 9. NRS 641A.270 is hereby amended to read as follows:

641A.270 Failure to pay the fee for renewal automatically effects a revocation of ~~[the]~~ a license ~~[on]~~ to practice as a marriage and family therapist or clinical professional counselor 10 business days after the date of expiration of the license. The license may not be reinstated except upon:

1. Written application;

2. Submission of evidence of the completion of the required continuing education for the period the license to practice as a marriage and family therapist or clinical professional counselor was revoked ~~[.]~~, unless the Board has granted a waiver pursuant to NRS 641A.265; and

3. The payment of the fee for *the biennial* renewal *of a license* and the fee for ~~[reinstatement]~~ *the late payment of the biennial renewal* required by this chapter.

Sec. 10. NRS 641A.280 is hereby amended to read as follows:

641A.280 After a license to practice as a marriage and family therapist or clinical professional counselor has lapsed continuously for 5 years, a person applying for reinstatement of such a license must reapply under the laws and regulations in effect at the time of application.

Sec. 11. NRS 641A.285 is hereby amended to read as follows:

641A.285 1. Upon written request to the Board and payment of the fee *for the placement of a license on inactive status* prescribed by the Board, a ~~[licensee]~~ marriage and family therapist or clinical professional counselor in good standing may have his or her name and license transferred to an inactive list for a period not to exceed 3 continuous years. A ~~[licensee]~~ marriage and family therapist or clinical professional counselor shall not practice marriage and family therapy or clinical professional counseling, as applicable, during the time the license is inactive. If an inactive ~~[licensee]~~ marriage and family therapist or clinical professional counselor desires to resume the practice of marriage and family therapy or clinical professional counseling, as applicable, the Board must reactivate the license upon the:

(a) Completion of an application for reactivation;

(b) Payment of the fee for *the biennial* renewal of the license; and

(c) Demonstration, if deemed necessary by the Board, that the ~~[licensee]~~ marriage and family therapist or clinical professional counselor is then qualified and competent to practice.

➥ Except as otherwise provided in subsection 2, the ~~[licensee]~~ marriage and family therapist or clinical professional counselor is not required to pay the ~~[delinquency]~~ fee ~~[or the]~~ *for the biennial* renewal ~~[fee]~~ *of a license or the fee for the late payment of the biennial renewal* for any year while the license was inactive.

2. Any license to practice as a marriage and family therapist or clinical professional counselor that remains inactive for a period which exceeds 3 continuous years is deemed:

(a) To effect a revocation for the purposes of NRS 641A.270.

(b) To have lapsed at the beginning of that period for the purposes of NRS 641A.280.

3. The Board may adopt such regulations as it deems necessary to carry out the provisions of this section, including without limitation, regulations governing the renewal of such inactive licenses, the imposition of a fee for the renewal of an inactive license and any requirement of continuing education for inactive ~~[licensees.]~~ marriage and family therapists or clinical professional counselors.

Sec. 12. NRS 641A.2872 is hereby amended to read as follows:

641A.2872 1. The Board shall issue a license as a marriage and family therapist intern to an applicant who meets the requirements imposed pursuant to this chapter.

2. A license as a marriage and family therapist intern:

~~[1. Is]~~

(a) Except as otherwise provided in paragraph (b), is valid for 3 years and may be renewed not more than once. ~~[; and~~

~~2.]~~ (b) Expires upon:

~~[(a)]~~ (1) The termination of the supervision agreement with an approved supervisor; or

~~[(b) A change in the approved supervisor; or~~

~~(c)]~~ (2) The issuance of a license as a marriage and family therapist to the holder of the license as a marriage and family therapist intern.

3. To renew a license as a marriage and family therapist intern, the holder of the license must, on or before 10 business days after the date of expiration of the current license:

(a) Apply to the Board for renewal;

(b) Pay the fee for *the* renewal *of an intern's license* set by the Board; and

(c) Submit all information required to complete the renewal.

Sec. 13. NRS 641A.2882 is hereby amended to read as follows:

641A.2882 1. The Board shall issue a license as a clinical professional counselor intern to an applicant who meets the requirements imposed pursuant to this chapter.

2. A license as a clinical professional counselor intern:

~~[1. Is]~~

(a) Except as otherwise provided in paragraph (b), is valid for 3 years and may be renewed not more than once. ~~[; and~~

~~2.]~~ (b) Expires upon:

~~[(a)]~~ (1) The termination of the supervision agreement with an approved supervisor; or

~~[(b) A change in the approved supervisor; or~~

~~(c)]~~ (2) The issuance of a license as a clinical professional counselor to the holder of the license as a clinical professional counselor intern.

3. To renew a license as a clinical professional counselor intern, the holder of the license must, on or before 10 business days after the date of expiration of the current license:

(a) Apply to the Board for renewal;

(b) Pay the fee for *the* renewal *of an intern's license* set by the Board; and

(c) Submit all information required to complete the renewal.

Sec. 14. NRS 641A.290 is hereby amended to read as follows:

641A.290 1. ~~[The]~~ Except as otherwise provided in subsection 2, the Board shall ~~[charge and collect not more than the following]~~ establish a schedule of fees ~~[, respectively:]~~ for the following items ~~[and within the following ranges:]~~ *which must not exceed the following amounts:*

	~~*[Not less than*~~	~~*Not more than*~~
~~For application]~~ *Application* for		
~~*[and initial issuance of*~~ a~~]~~		
an initial license	~~*[$125*~~	~~$75 *$250]*~~ *$150*
Initial issuance of a license 60		
~~[For examination~~ ~~*Examination*~~		
~~*of an applicant for a license*~~		
~~*to practice as a marriage*~~		
~~*and family therapist or*~~		
~~*clinical professional*~~		
~~*counselor*~~	~~200~~	~~*400*~~
~~For issuance of a license ..... 50~~		
~~For annual]~~ *Biennial* renewal		
of a license *to practice as a*		
marriage and family		
therapist or clinical		
professional counselor.....	~~[*300*~~	~~150 *600]*~~ *450*
~~[For reinstatement of a license~~		
~~revoked for nonpayment of~~		
~~the fee]~~ *Fee* for ~~[renewal]~~		
late payment of the		
biennial renewal.....	~~[100~~	~~*400]*~~ *125*
~~[For an]~~ *Placement of a license*		
to practice as a marriage		
and family therapist or		

clinical professional counselor on inactive [license] *status* ..... *[100* 150 *400]* *200*
Renewal of an intern's license ..... *[100* *200]* *150*
Issuance of a duplicate license ..... *10* *[100]*
Reevaluation of an applicant's coursework ..... *50* *[125]*
Application for approval as a supervisor ..... *75* *[300]*
Approval of a course or program of continuing education ..... *[10* *100]* *25*
Approval of a provider of continuing education ..... *[100* *500]* *150*

2. If an applicant submits an application for a license by endorsement pursuant to NRS 641A.242, the Board shall collect not more than one-half of the fee [set forth in] established pursuant to subsection 1 for the application for and initial issuance of the license.

Sec. 15. 1. This section and sections 1, 2, 4, 5 and 7 to 14, inclusive, of this act become effective upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out those provisions, and on July 1, 2019, for all other purposes.

2. Section 6 of this act becomes effective on January 1, 2020.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 846 to Senate Bill No. 37.

Remarks by Senator Spearman.

Amendment No. 846 made two changes to Senate Bill No. 37. First, it requires the Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors to prorate their fee for certain licenses on a monthly basis for the period from the date of issuance until the expiration of the license. Second, it revises the fee schedule.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 71.

The following Assembly amendment was read:

Amendment No. 776.

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

AN ACT relating to vehicles; revising provisions regarding the expiration of registration for vehicles registered through the Motor Carrier Division of the Department of Motor 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) The registration generally expires 12 months after the date of first registration, with an exception for certain apportioned interstate vehicles, for which the registration expires on a date set by the Department in regulation. Section 1 of this bill provides that the registration of any vehicle which is required to be registered through the Motor Carrier Division expires on a date established by the Department by regulation. Section 12.5 of this bill makes a conforming change.

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]~~ 1.5 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]~~ 1.5 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.

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

Section 1. NRS 482.206 is hereby amended to read as follows:

482.206 1. Except as otherwise provided in this section and NRS 482.2065, every motor vehicle, except for a motor vehicle that is *required to be* registered ~~[pursuant to the provisions of NRS 706.801 to 706.861, inclusive,]~~ *through the Motor Carrier Division of the Department*, 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, 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 *motor* vehicle which must be registered through the Motor Carrier Division of the Department, *including, without limitation:*

(a) Pursuant to the provisions of NRS 706.801 to 706.861, inclusive; or ~~[(a)]~~

(b) As a commercial motor vehicle which has a declared gross weight in excess of ~~[26,000]~~ *10,000* 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 ~~[,]~~ *which are not required to be registered through the Motor Carrier Division of the Department,* 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, 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.

~~[Section 1.]~~ *Sec. 1.5.* 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. (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. 12.5. NRS 706.841 is hereby amended to read as follows:

706.841 1. Each operator shall qualify to operate pursuant to the provisions of NRS 706.801 to 706.861, inclusive, by filing an application for that purpose with the Department:

(a) If the application is an initial application for registration, before the time any fee becomes delinquent; and

(b) If the application is for the renewal of a registration, on or before ~~[December 1,]~~ *the first day of the month in which the registration expires.*

2. The application must:

(a) Show the total mileage of motor vehicles operated by the person in this State and all states and countries during the next preceding 12 months ending June 30 and describe and identify each motor vehicle to be operated during the period of registration in such detail as the Department may require.

(b) Be accompanied by a fee, unless the Department is satisfied that the fee is secured, to be computed as follows:

(1) Divide the number of in-state miles by the total number of fleet miles;

(2) Determine the total amount of money necessary to register each motor vehicle in the fleet for which registration is requested; and

(3) Multiply the amount determined under subparagraph (2) by the fraction obtained pursuant to subparagraph (1).

Sec. 13. (Deleted by amendment.)

Senator Cancela moved that the Senate concur in Assembly Amendment No. 776 to Senate Bill No. 71.

Remarks by Senator Cancela.

Assembly Amendment No. 776 to Senate Bill No. 71 provides that the registration of any vehicle, that is required to be registered through the Motor Carrier Division, expires on a date established by the Department of Motor Vehicles by regulation. It also makes conforming changes reflected in the bill to allow that to happen.

Motion carried by a constitutional majority.

Bill ordered enrolled

Senate Bill No. 86.

The following Assembly amendment was read:

Amendment No. 845.

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 the appointment of the directors of a nonprofit organization of surplus lines brokers; revising provisions governing fees which may be charged by certain brokers; authorizing the Commissioner to assess against an insurer the actual cost for the external actuarial review of a ~~[proposal to change the]~~ rate filing 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.

Section 3.5 of this bill increases the annual assessment that the Commissioner is required to collect from each insurer authorized to transact insurance in this State.

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 provides that the members of the board of directors of a nonprofit organization of surplus lines brokers must be appointed by the Commissioner and serve at the pleasure of the Commissioner. (NRS 685A.075) Section 26.3 of this bill provides that: (1) the directors must be appointed in accordance with the bylaws of the organization; and (2) any proposed director may be disapproved by the Commissioner and serves at the pleasure of the Commissioner.

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]~~ each rate ~~[,]~~ filing; and (2) authorizes the Commissioner to assess against an insurer the actual cost for the external actuarial review of such a ~~[proposal to increase or decrease a rate.]~~ filing.

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. 3.5. NRS 679B.700 is hereby amended to read as follows:

679B.700 1. The Special Investigative Account is hereby established in the Fund for Insurance Administration and Enforcement created by NRS 680C.100 for use by the Commissioner. The Commissioner shall deposit all money received pursuant to this section with the State Treasurer for credit to the Account. Money remaining in the Account at the end of a fiscal year does not lapse to the State General Fund and may be used by the Commissioner in any subsequent fiscal year for the purposes of this section.

2. The Commissioner shall:

(a) In cooperation with the Attorney General, biennially prepare and submit to the Governor, for inclusion in the executive budget, a proposed budget for the program established pursuant to NRS 679B.630; and

(b) Authorize expenditures from the Special Investigative Account to pay the expenses of the program established pursuant to NRS 679B.630 and of any unit established in the Office of the Attorney General that investigates and prosecutes insurance fraud.

3. The money authorized for expenditure pursuant to paragraph (b) of subsection 2 must be distributed in the following manner:

(a) Fifteen percent of the money authorized for expenditure must be paid to the Commissioner to oversee and enforce the program established pursuant to NRS 679B.630; and

(b) Eighty-five percent of the money authorized for expenditure must be paid to the Attorney General to pay the expenses of the unit established in the

Office of the Attorney General that investigates and prosecutes insurance fraud.

4. Except as otherwise provided in subsection 5, costs of the program established pursuant to NRS 679B.630 must be paid by the insurers authorized to transact insurance in this State. The Commissioner shall collect an annual assessment from each insurer authorized to transact insurance in this State. The annual amount so assessed to each insurer:

(a) Is ~~[$500,]~~ *$1,000,* if the total amount of the premiums charged to insureds in this State by the insurer is less than $100,000 or if the insurer is a reinsurer that has the authority to assume only reinsurance;

(b) Is ~~[$750,]~~ *$1,500,* if the total amount of the premiums charged to insureds in this State by the insurer is $100,000 or more, but less than $1,000,000;

(c) Is ~~[$1,000,]~~ *$2,000,* if the total amount of the premiums charged to insureds in this State by the insurer is $1,000,000 or more, but less than $10,000,000;

(d) Is ~~[$1,500,]~~ *$3,000,* if the total amount of the premiums charged to insureds in this State by the insurer is $10,000,000 or more, but less than $50,000,000; and

(e) Is ~~[$2,000,]~~ *$4,000,* if the total amount of the premiums charged to insureds in this State by the insurer is $50,000,000 or more.

5. The provisions of this section do not apply to an insurer who provides only workers' compensation insurance and pays the assessment provided in NRS 232.680.

6. The Commissioner shall adopt regulations to carry out the provisions of this section, including, without limitation, the collection of the assessment.

7. As used in this section, "reinsurer" has the meaning ascribed to it in NRS 681A.370.

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.]~~ (Deleted by amendment.)

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 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. 26.3. NRS 685A.075 is hereby amended to read as follows:

685A.075 1. A nonprofit organization of surplus lines brokers may be formed to:

(a) Facilitate and encourage compliance by its members with the laws of this State and the rules and regulations of the Commissioner concerning surplus lines insurance;

(b) Provide a means for the review of all surplus lines coverage written in this State;

(c) Communicate with organizations of admitted insurers with respect to the proper use of the surplus lines market;

(d) Receive and disseminate to brokers information relative to surplus lines coverages; and

(e) Charge members a filing fee, approved by the Commissioner, for the review of surplus lines coverages.

2. Every such organization shall exercise its powers through a board of directors and shall file with the Commissioner:

(a) A copy of its constitution, articles of agreement or association or certificate of incorporation;

(b) A copy of its bylaws, rules and regulations governing its activities;

(c) A copy of its plan of operations established and approved by the Commissioner;

(d) A current list of its members;

(e) The name and address of a resident of this State upon whom notices or orders of the Commissioner or processes issued at the direction of the Commissioner may be served; and

(f) An agreement that the Commissioner may examine the organization in accordance with the provisions of this section.

3. The Commissioner shall make an examination of the affairs, transactions, accounts, records and assets of such an organization and any of its members as often as the Commissioner deems necessary for the protection of the interests of the people of this State, but no less frequently than once every 3 years. The officers, managers, agents and employees of such an organization may be examined at any time, under oath, and shall provide to the Commissioner all books, records, accounts, documents or agreements governing its method of operation. The Commissioner shall furnish two copies of the examination report to the organization examined and shall notify the organization that it may, within 20 days thereof, request a hearing on the report or on any facts or recommendations set forth therein. If the Commissioner finds such an organization or any member thereof to be in violation of this chapter, the Commissioner may, in addition to any administrative fine or penalty imposed pursuant to this Code, issue an order requiring the discontinuance of such violations. In lieu of an examination conducted pursuant to this subsection, the Commissioner may accept the report of an independent audit of such an organization if the Commissioner deems that an independent audit is in the best interest of the residents of this State.

4. The board of directors of such an organization must consist of not fewer than five persons. ~~[The members of the board]~~ *Directors* must be appointed *in accordance with the bylaws of the organization. Any proposed director may be disapproved* by the Commissioner and ~~[serve]~~ *serves* at the pleasure of the Commissioner.

5. A broker must be a member of such an organization as a condition of continued licensure under this chapter.

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 *filing* 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]~~ *rate which is contained in a rate filing* 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.]~~ *rate filing.* The Commissioner shall approve or disapprove each ~~[proposal]~~ *rate filing* not later than 60 days after the ~~[proposal]~~ *rate filing* is determined by the Commissioner to be complete pursuant to subsection 4. If the Commissioner fails to approve or disapprove the ~~[proposal]~~ *rate filing* within that period, the ~~[proposal]~~ *rate filing* 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 *filing* 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 *filing* for which the hearing is held within 45 days after the hearing, the ~~[proposed]~~ rate *filing* 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 *filing* submitted to the Commissioner pursuant to subsection 1. Each such ~~[proposal]~~ *rate filing* shall be deemed complete upon its filing with the Commissioner, unless the Commissioner, within 15 business days after the ~~[proposal]~~ *rate filing* is filed with the Commissioner, determines that the ~~[proposal]~~ *rate filing* is incomplete because the ~~[proposal]~~ *rate filing* 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 external actuarial review of ~~[a proposal to increase or decrease]~~ a rate filing 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	
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, 29, 33 and 71 to 77, inclusive, of this act become effective upon passage and approval.

2. Sections 1, ~~[4 to 32,]~~ 3.5 to 28, inclusive, 30, 31, 32, 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 that the Senate concur in Assembly Amendment No. 845 to Senate Bill No. 86.

Remarks by Senators Spearman and Pickard.

SENATOR SPEARMAN:

Amendment No. 845 makes five changes to Senate Bill No. 86. The amendment increases the annual assessment that the Commissioner of Insurance is required to collect from each insurer; deletes the provision that money accepted by a life insurer, pursuant to an annuity agreement, may be considered income and taxable upon receipt; revises the appointment process of a board of directors of a nonprofit organization of surplus lines brokers and provides that any proposed director may be disapproved by the Commissioner and serves at the pleasure of the Commissioner; revises language to require the Commissioner to perform an actuarial review of each rate filing and authorizes the Commissioner to assess against an insurer the actual cost for the external actuarial review of such a filing, and revises the effective date of this bill's provisions concerning assessments against insurers for the external actuarial review of a rate filing.

SENATOR PICKARD:

I am a little disturbed by this amendment, as I see it. This will increase the costs of those transacting insurance in the State, particularly, with respect to the board of directors of the nonprofit. It appears this board would be appointed by and serve at the pleasure of the Commissioner, and I believe this is a mistake. It puts them completely beholden to the Commissioner. I urge my colleagues to vote against a concurrence in Assembly Amendment No. 845 to Senate Bill No. 86.

Motion lost on a division of the House.

Senate Bill No. 125.

The following Assembly amendment was read:

Amendment No. 923.

SUMMARY—Revises provisions relating to landscape architecture. (BDR 54-612)

AN ACT relating to landscape architecture; ~~[requiring]~~ authorizing the State Board of Landscape Architecture to accept credit cards, debit cards and electronic transfers of money for the payment of certain fees; ~~[authorizing the Board to contract for the acceptance of such methods of payment;]~~ increasing the maximum amount of fees relating to the licensure of a landscape architect and a landscape architect intern; revising provisions relating to complaints filed with the State Board of Landscape Architecture; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits a person from engaging in the practice of landscape architecture unless he or she has been issued a certificate of registration or a certificate to practice as a landscape architect intern by the State Board of Landscape Architecture. (NRS 623A.165) Existing law requires the Board to prescribe certain fees related to the issuance and renewal of a certificate of registration and a certificate to practice as a landscape architect intern. (NRS 623A.240) Section 2 of this bill increases the maximum amount of such fees and provides that the fees are payable in advance. Section 2 also specifies that the Board must prescribe a separate application fee for a certificate of registration and a certificate to practice as a landscape architect intern and authorizes the Board to credit money paid to apply for a certificate to practice as a landscape architect intern toward the application fee for a certificate of registration.

Under existing law, all fees paid to the Board must be paid in the form of a check, cashier's check or money order. (NRS 623A.240) Section 2 expands the acceptable forms of payment to include credit cards, debit cards and electronic transfers of money. ~~[Section 1 of this bill authorizes the Board to enter into contracts with issuers of credit cards, debit cards or operators of systems that provide for the electronic transfer of money to provide for the acceptance of such methods of payment and authorizes the Board to charge and collect a convenience fee in certain circumstances.]~~

Under existing law, complaints against a landscape architect or landscape architect intern may be filed with the Executive Director of the State Board of

Landscape Architecture. (NRS 623A.290) The President of the Board or a designee of the President is required to consider the complaint and make a recommendation to the Board if further proceedings are warranted. (NRS 623A.305) Section 3 of this bill removes the President or his or her designee from this process and instead requires the Executive Director to consider each complaint and make a recommendation to the Board.

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

Section 1. ~~[Chapter 623A of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~*1. The Board may enter into contracts with issuers of credit cards or debit cards or operators of systems that provide for the electronic transfer of money to provide for the acceptance of credit cards, debit cards or electronic transfers of money by the Board for the payment of fees prescribed pursuant to NRS 623A.240.*~~

~~*2. If the issuer or operator charges the Board a fee for each use of a credit card or debit card or for each electronic transfer of money, the Board may require the cardholder or the person requesting the electronic transfer of money to pay a convenience fee. The total convenience fees charged by the Board in a fiscal year must not exceed the total amount of fees charged to the Board by the issuer or operator in that fiscal year.*~~

~~*3. As used in this section:*~~

~~*(a) "Cardholder" means the person or organization named on the face of a credit card or debit card to whom or for whose benefit the credit card or debit card is issued by an issuer.*~~

~~*(b) "Convenience fee" means a fee paid by a cardholder or person requesting the electronic transfer of money to the Board for the convenience of using the credit card or debit card or the electronic transfer of money to make such payment.*~~

~~*(c) "Credit card" means any instrument or device, whether known as a credit card or credit plate or by any other name, issued with or without a fee by an issuer for the use of the cardholder in obtaining money, property, goods, services or anything else of value on credit.*~~

~~*(d) "Debit card" means any instrument or device, whether known as a debit card or by any other name, issued with or without a fee by an issuer for the use of the cardholder in depositing, obtaining or transferring funds.*~~

~~*(e) "Electronic transfer of money" has the meaning ascribed to it in NRS 463.01473.*~~

~~*(f) "Issuer" means a business organization, financial institution or authorized agent of a business organization or financial institution that issues a credit card or debit card.]~~ (Deleted by amendment.)

Sec. 2. NRS 623A.240 is hereby amended to read as follows:

623A.240 1. The following fees must be prescribed by the Board and must not exceed the following amounts:

Application fee *for a certificate of registration* .....~~[$200.00]~~ *$300.00*

Application fee for a certificate to practice as a landscape architect intern ..... *~~[100.00]~~ 50.00*
Examination fee ..... 100.00, plus the actual cost of the examination
Certificate of registration .....~~[25.00]~~ *50.00*
Certificate to practice as a landscape architect intern..... *50.00*
Annual renewal fee .....~~[200.00]~~ *300.00*
Reinstatement fee.....~~[300.00]~~ *400.00*
Delinquency fee .....~~[50.00]~~ *100.00*
Change of address fee .....~~[10.00]~~ *20.00*
Copy of a document, per page .....~~[.25]~~ *.50*

2. In addition to the fees set forth in subsection 1, the Board may charge and collect a fee for the expedited processing of a request or for any other incidental service it provides. The fee must not exceed the cost incurred by the Board to provide the service.

3. The Board may ~~[authorize a landscape architect intern to pay]~~ *deem the payment of* the application fee *for a certificate to practice as a landscape architect intern* or any portion of that fee ~~[during any period in which he or she is the holder of a certificate to practice as]~~ *by* a landscape architect intern ~~[.]~~ *to also apply to the application fee for a certificate of registration.* If a landscape architect intern pays ~~[the]~~ *an application* fee ~~[or any portion of the fee during that period,]~~ *so deemed by the Board,* the Board shall credit the amount ~~[paid]~~ *deemed to apply to the application fee for a certificate of registration* towards the entire amount of the application fee for the certificate of registration required pursuant to this section.

4. The fees prescribed by the Board pursuant to this section must be paid in United States currency in the form of a check, cashier's check ~~[,]~~ or money order ~~[.]~~ *or, if applicable , credit card, debit card or electronic transfer of money*. If any check *or other method of payment* submitted to the Board is dishonored upon presentation for payment, repayment of the fee, including the fee for a returned check in the amount established by the State Controller pursuant to NRS 353C.115, must be made by money order or certified check.

5. The fees prescribed by the Board pursuant to this section are *payable in advance and* nonrefundable.

6. As used in this section:

(a) "Credit card" ~~[has the meaning ascribed to it in section 1 of this act.]~~ means any instrument or device, whether known as a credit card or credit plate or by any other name, issued with or without a fee by an issuer for the use of the cardholder in obtaining money, property, goods, services or anything else of value on credit.

(b) "Debit card" ~~[has the meaning ascribed to it in section 1 of this act.]~~ means any instrument or device, whether known as a debit card or by any other

name, issued with or without a fee by an issuer for the use of the cardholder in depositing, obtaining or transferring funds.

(c) "Electronic transfer of money" has the meaning ascribed to it in NRS 463.01473.

Sec. 3. NRS 623A.305 is hereby amended to read as follows:

623A.305 1. When a complaint is filed with the Executive Director of the Board, it must be considered by the ~~[President of the Board or a member of the Board designated by the President.]~~ *Executive Director*. If it appears to the ~~[President or the person designated by the President]~~ *Executive Director* that further proceedings are warranted, he or she shall report the results of the investigation together with a recommendation to the Board in a manner which does not violate the right of the person charged in the complaint to due process in any later hearing on the complaint.

2. The Board shall promptly make a determination with respect to each complaint reported to it by the ~~[President or a person designated by the President]~~ *Executive Director* and shall dismiss the complaint or proceed with disciplinary action pursuant to chapter 622A of NRS.

Sec. 4. This act becomes effective on July 1, 2019.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 923 to Senate Bill No. 125.

Remarks by Senator Spearman.

Amendment No. 923 made two changes to Senate Bill No. 125. It deleted the bill's provisions authorizing the State Board of Landscape Architecture to contract with the acceptance of payments for fees by credit card, debit card or electronic transfer of money, and decreased from $100 to $50, the application fee maximum for a certificate to practice as a landscape architect intern.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 175.

The following Assembly amendments were read:

Amendment No. 761.

SUMMARY—Revises provisions relating to public works. (BDR 28-618)

AN ACT relating to public works; revising provisions relating to the authority of a public body to enter into a contract with a design-build team for the construction of certain public works; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a public body may contract with a design-build team for the design and construction of a discrete public works project if the public body has approved the use of the design-build team and the project has an estimated cost of more than $5,000,000. Furthermore, within a 12-month period a public body may contract with a design-build team for the design and construction of not more than two discrete public works projects which each have an estimated cost of $5,000,000 or less. (NRS 338.1711) This bill eliminates the authority of a public body to contract with a design-build team

for the design and construction of not more than two discrete public works projects per year which each have an estimated cost of $5,000,000 or less, effective July 1, 2021. This bill also defines a "discrete project" as one or more public works which are undertaken on a single construction site for a single public body.

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

Section 1. NRS 338.1711 is hereby amended to read as follows:

338.1711 1. Except as otherwise provided in this section and NRS 338.158 to 338.168, inclusive, a public body shall contract with a prime contractor for the construction of a public work for which the estimated cost exceeds $100,000.

2. A public body may contract with a design-build team for the design and construction of a public work that is a discrete project if the public body has approved the use of a design-build team for the design and construction of the public work and the public work has an estimated cost which exceeds $5,000,000.

~~[3. Within any 12-month period, a public body may contract with a design-build team for the design and construction of not more than two discrete public works projects, each of which have an estimated cost of $5,000,000 or less if the public body has approved the use of a design-build team.]~~

3. As used in this section, "discrete project" means one or more public works which are undertaken on a single construction site for a single public body. The term does not include one or more public works that are undertaken on multiple construction sites regardless of whether the public body which sponsors or finances the public works bundles the public works together.

Sec. 2. This act becomes effective on July 1, 2021.

Amendment No. 895.

SUMMARY—Revises provisions relating to public works. (BDR 28-618)

AN ACT relating to public works; defining "discrete project"; revising provisions relating to the authority of a public body to enter into a contract with a design-build team for the construction of certain public works; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a public body in a county whose population is less than 100,000 may enter into contracts with a construction manager at risk for the construction of not more than two public works in a calendar year that are discrete projects. (NRS 338.169) Under existing law, a public body in any county may contract with a design-build team for the design and construction of a discrete public works project if the public body has approved the use of the design-build team and the project has an estimated cost of more than $5,000,000. ~~[Furthermore, within]~~ Within a 12-month period , a public body may contract with a design-build team for the design and construction of not more than two discrete public works projects which each have an estimated cost of $5,000,000 or less. (NRS 338.1711) ~~[This]~~

Section 1.5 of this bill eliminates the authority of a public body to contract with a design-build team for the design and construction of not more than two discrete public works projects per year which each have an estimated cost of $5,000,000 or less, effective July 1, 2021. ~~[This]~~

Section 1 of this bill ~~[also]~~ defines a "discrete ~~[project" as one or more public works which are undertaken on a single construction site for a single public body.]~~ project."

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

Section 1. NRS 338.010 is hereby amended to read as follows:

338.010 As used in this chapter:

1. "Authorized representative" means a person designated by a public body to be responsible for the development, solicitation, award or administration of contracts for public works pursuant to this chapter.

2. "Contract" means a written contract entered into between a contractor and a public body for the provision of labor, materials, equipment or supplies for a public work.

3. "Contractor" means:

(a) A person who is licensed pursuant to the provisions of chapter 624 of NRS.

(b) A design-build team.

4. "Day labor" means all cases where public bodies, their officers, agents or employees, hire, supervise and pay the wages thereof directly to a worker or workers employed by them on public works by the day and not under a contract in writing.

5. "Design-build contract" means a contract between a public body and a design-build team in which the design-build team agrees to design and construct a public work.

6. "Design-build team" means an entity that consists of:

(a) At least one person who is licensed as a general engineering contractor or a general building contractor pursuant to chapter 624 of NRS; and

(b) For a public work that consists of:

(1) A building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS.

(2) Anything other than a building and its site, at least one person who holds a certificate of registration to practice architecture pursuant to chapter 623 of NRS or landscape architecture pursuant to chapter 623A of NRS or who is licensed as a professional engineer pursuant to chapter 625 of NRS.

7. "Design professional" means:

(a) A person who is licensed as a professional engineer pursuant to chapter 625 of NRS;

(b) A person who is licensed as a professional land surveyor pursuant to chapter 625 of NRS;

(c) A person who holds a certificate of registration to engage in the practice of architecture, interior design or residential design pursuant to chapter 623 of NRS;

(d) A person who holds a certificate of registration to engage in the practice of landscape architecture pursuant to chapter 623A of NRS; or

(e) A business entity that engages in the practice of professional engineering, land surveying, architecture or landscape architecture.

8. *"Discrete project" means one or more public works which are undertaken on a single construction site for a single public body. The term does not include one or more public works that are undertaken on multiple construction sites regardless of whether the public body which sponsors or finances the public works bundles the public works together.*

9. "Division" means the State Public Works Division of the Department of Administration.

~~[9.]~~ *10.* "Eligible bidder" means a person who is:

(a) Found to be a responsible and responsive contractor by a local government or its authorized representative which requests bids for a public work in accordance with paragraph (b) of subsection 1 of NRS 338.1373; or

(b) Determined by a public body or its authorized representative which awarded a contract for a public work pursuant to NRS 338.1375 to 338.139, inclusive, to be qualified to bid on that contract pursuant to NRS 338.1379 or 338.1382.

~~[10.]~~ *11.* "General contractor" means a person who is licensed to conduct business in one, or both, of the following branches of the contracting business:

(a) General engineering contracting, as described in subsection 2 of NRS 624.215.

(b) General building contracting, as described in subsection 3 of NRS 624.215.

~~[11.]~~ *12.* "Governing body" means the board, council, commission or other body in which the general legislative and fiscal powers of a local government are vested.

~~[12.]~~ *13.* "Local government" means every political subdivision or other entity which has the right to levy or receive money from ad valorem or other taxes or any mandatory assessments, and includes, without limitation, counties, cities, towns, boards, school districts and other districts organized pursuant to chapters 244A, 318, 318A, 379, 474, 538, 541, 543 and 555 of NRS, NRS 450.550 to 450.750, inclusive, and any agency or department of a county or city which prepares a budget separate from that of the parent political subdivision. The term includes a person who has been designated by the governing body of a local government to serve as its authorized representative.

~~[13.]~~ *14.* "Offense" means failing to:

(a) Pay the prevailing wage required pursuant to this chapter;

(b) Pay the contributions for unemployment compensation required pursuant to chapter 612 of NRS;

(c) Provide and secure compensation for employees required pursuant to chapters 616A to 617, inclusive, of NRS; or

(d) Comply with subsection 5 or 6 of NRS 338.070.

~~[14.]~~ *15.* "Prime contractor" means a contractor who:

(a) Contracts to construct an entire project;

(b) Coordinates all work performed on the entire project;

(c) Uses his or her own workforce to perform all or a part of the public work; and

(d) Contracts for the services of any subcontractor or independent contractor or is responsible for payment to any contracted subcontractors or independent contractors.

➥ The term includes, without limitation, a general contractor or a specialty contractor who is authorized to bid on a project pursuant to NRS 338.139 or 338.148.

~~[15.]~~ *16.* "Public body" means the State, county, city, town, school district or any public agency of this State or its political subdivisions sponsoring or financing a public work.

~~[16.]~~ *17.* "Public work" means any project for the new construction, repair or reconstruction of a project financed in whole or in part from public money for:

(a) Public buildings;

(b) Jails and prisons;

(c) Public roads;

(d) Public highways;

(e) Public streets and alleys;

(f) Public utilities;

(g) Publicly owned water mains and sewers;

(h) Public parks and playgrounds;

(i) Public convention facilities which are financed at least in part with public money; and

(j) All other publicly owned works and property.

~~[17.]~~ *18.* "Specialty contractor" means a person who is licensed to conduct business as described in subsection 4 of NRS 624.215.

~~[18.]~~ *19.* "Stand-alone underground utility project" means an underground utility project that is not integrated into a larger project, including, without limitation:

(a) An underground sewer line or an underground pipeline for the conveyance of water, including facilities appurtenant thereto; and

(b) A project for the construction or installation of a storm drain, including facilities appurtenant thereto,

➥ that is not located at the site of a public work for the design and construction of which a public body is authorized to contract with a design-build team pursuant to subsection 2 of NRS 338.1711.

~~[19.]~~ *20.* "Subcontract" means a written contract entered into between:

(a) A contractor and a subcontractor or supplier; or

(b) A subcontractor and another subcontractor or supplier,

➥ for the provision of labor, materials, equipment or supplies for a construction project.

~~[20.]~~ *21.* "Subcontractor" means a person who:

(a) Is licensed pursuant to the provisions of chapter 624 of NRS or performs such work that the person is not required to be licensed pursuant to chapter 624 of NRS; and

(b) Contracts with a contractor, another subcontractor or a supplier to provide labor, materials or services for a construction project.

~~[21.]~~ *22.* "Supplier" means a person who provides materials, equipment or supplies for a construction project.

~~[22.]~~ *23.* "Wages" means:

(a) The basic hourly rate of pay; and

(b) The amount of pension, health and welfare, vacation and holiday pay, the cost of apprenticeship training or other similar programs or other bona fide fringe benefits which are a benefit to the worker.

~~[23.]~~ *24.* "Worker" means a skilled mechanic, skilled worker, semiskilled mechanic, semiskilled worker or unskilled worker in the service of a contractor or subcontractor under any appointment or contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed. The term does not include a design professional.

Sec. 1.2. 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 even if the construction work does not qualify as a public work, as defined in ~~[subsection 17 of]~~ NRS 338.010.

Sec. 1.3. 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 even if the construction work does not qualify as a public work, as defined in ~~[subsection 17 of]~~ NRS 338.010.

Sec. 1.5. NRS 338.1711 is hereby amended to read as follows:

338.1711 1. Except as otherwise provided in this section and NRS 338.158 to 338.168, inclusive, a public body shall contract with a prime contractor for the construction of a public work for which the estimated cost exceeds $100,000.

2. A public body may contract with a design-build team for the design and construction of a public work that is a discrete project if the public body has approved the use of a design-build team for the design and construction of the public work and the public work has an estimated cost which exceeds $5,000,000.

~~[3. Within any 12-month period, a public body may contract with a design-build team for the design and construction of not more than two discrete~~

~~public works projects, each of which have an estimated cost of $5,000,000 or less if the public body has approved the use of a design-build team.~~

~~*3. As used in this section, "discrete project" means one or more public works which are undertaken on a single construction site for a single public body. The term does not include one or more public works that are undertaken on multiple construction sites regardless of whether the public body which sponsors or finances the public works bundles the public works together.]*~~

Sec. 1.7. NRS 338.1908 is hereby amended to read as follows:

338.1908 1. The governing body of each local government shall, by July 28, 2009, develop a plan to retrofit public buildings, facilities and structures, including, without limitation, traffic-control systems, and to otherwise use sources of renewable energy to serve those buildings, facilities and structures. Such a plan must:

(a) Include a list of specific projects. The projects must be prioritized and selected on the basis of the following criteria:

(1) The length of time necessary to commence the project.

(2) The number of workers estimated to be employed on the project.

(3) The effectiveness of the project in reducing energy consumption.

(4) The estimated cost of the project.

(5) Whether the project is able to be powered by or otherwise use sources of renewable energy.

(6) Whether the project has qualified for participation in one or more of the following programs:

(I) The Solar Energy Systems Incentive Program created by NRS 701B.240;

(II) The Renewable Energy School Pilot Program created by NRS 701B.350;

(III) The Wind Energy Systems Demonstration Program created by NRS 701B.580; or

(IV) The Waterpower Energy Systems Demonstration Program created by NRS 701B.820.

(b) Include a list of potential funding sources for use in implementing the projects, including, without limitation, money available through the Energy Efficiency and Conservation Block Grant Program as set forth in 42 U.S.C. § 17152 and grants, gifts, donations or other sources of money from public and private sources.

2. The governing body of each local government shall transmit the plan developed pursuant to subsection 1 to the Director of the Office of Energy and to any other entity designated for that purpose by the Legislature.

3. As used in this section:

(a) "Local government" means each city or county that meets the definition of "eligible unit of local government" as set forth in 42 U.S.C. § 17151 and each unit of local government, as defined in ~~[subsection 13 of]~~ NRS 338.010, that does not meet the definition of "eligible entity" as set forth in 42 U.S.C. § 17151.

(b) "Renewable energy" means a source of energy that occurs naturally or is regenerated naturally, including, without limitation:

(1) Biomass;

(2) Fuel cells;

(3) Geothermal energy;

(4) Solar energy;

(5) Waterpower; and

(6) Wind.

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

(c) "Retrofit" means to alter, improve, modify, remodel or renovate a building, facility or structure to make that building, facility or structure more energy-efficient.

Sec. 1.8. Section 31 of the Southern Nevada Tourism Improvements Act, being chapter 2, Statutes of Nevada 2016, 30th Special Session, at page 28, is hereby amended to read as follows:

Sec. 31. 1. Except as otherwise provided in sections 21 to 37, inclusive, of this act and notwithstanding any other provision of law to the contrary:

(a) Any contract, lease, sublease, lease-purchase agreement, management agreement or other agreement entered into pursuant to sections 21 to 37, inclusive, of this act by the Stadium Authority, a developer partner or any related entity relating to the National Football League stadium project financed in whole or in part pursuant to sections 21 to 37, inclusive, of this act, and any contract, lease, sublease, lease-purchase agreement, management agreement or other agreement that provides for the design, acquisition, construction, improvement, repair, demolition, reconstruction, equipment, financing, promotion, leasing, subleasing, management, operation or maintenance, or any combination thereof, of the National Football League stadium project or any portion thereof, or the provision of materials or services for the project are exempt from any law:

(1) Requiring competitive bidding or otherwise specifying procedures for the award of agreements of a type described in this paragraph;

(2) Specifying procedures for the procurement of goods or services; or

(3) Limiting the term of any agreement of a type described in this paragraph.

(b) The provisions of chapter 341 of NRS do not apply to the National Football League stadium project financed in whole or in part pursuant to sections 21 to 37, inclusive, of this act or to any agreement of a type described in paragraph (a).

(c) The provisions of chapter 338 of NRS do not apply to the National Football League stadium project financed in whole or in part

pursuant to sections 21 to 37, inclusive, of this act or to any agreement of a type described in paragraph (a), except that:

(1) The provisions of NRS 338.013 to 338.090, inclusive, apply to any construction work to be performed under any contract or other agreement pertaining to the project even if the estimated cost of the construction work is not greater than $250,000 or the construction work does not qualify as a public work, as defined in ~~[subsection 17 of]~~ NRS 338.010;

(2) Any person or entity that executes one or more contracts or agreements for the actual construction, alteration, repair or remodeling of the project shall include in such a contract or agreement the contractual provisions and stipulations that are required to be included in a contract for a public work pursuant to the provisions of NRS 338.013 to 338.090, inclusive; and

(3) The Stadium Authority, any contractor who is awarded a contract or enters into an agreement to perform the construction, alteration, repair or remodeling of such an undertaking and any subcontractor on the undertaking shall comply with the provisions of NRS 338.013 to 338.090, inclusive, in the same manner as if the County had undertaken the project or had awarded the contract.

2. The Stadium Authority and any prime contractor, construction manager or project manager selected by the Stadium Authority or a developer partner shall competitively bid all subcontracts involving construction which the Stadium Authority determines can be competitively bid without affecting the quality of the National Football League stadium project. Any determination by the Stadium Authority that such a subcontract can or cannot be competitively bid without affecting the quality of the National Football League stadium project is conclusive in the absence of fraud or a gross abuse of discretion. The Stadium Authority shall establish one or more procedures for competitive bidding which:

(a) Must prohibit bidders from engaging in bid-shopping;

(b) Must not permit subcontractors to avoid or circumvent the provisions of paragraph (c) of subsection 1; and

(c) Must, in addition to the requirements of section 31.5 of this act, provide a preference for Nevada subcontractors in a manner that is similar to, and with a preference that is equivalent to, the preference provided in NRS 338.1389.

3. Any determination by the Stadium Authority regarding the establishment of one or more procedures for competitive bidding, and any determination by a developer partner or its prime contractor, construction manager or project manager regarding the award of a contract to any bidder, is conclusive in the absence of fraud or a gross abuse of discretion.

Sec. 1.9. Section 48 of the Southern Nevada Tourism Improvements Act, being chapter 2, Statutes of Nevada 2016, 30th Special Session, at page 48, is hereby amended to read as follows:

Sec. 48. 1. Except as otherwise provided in sections 39 to 52, inclusive, of this act and notwithstanding any other provision of law to the contrary:

(a) Any contract, lease, sublease, lease-purchase agreement, management agreement or other agreement entered into pursuant to sections 39 to 52, inclusive, of this act by the Campus Improvement Authority, the System or any related entity relating to the college football stadium project financed in whole or in part pursuant to sections 39 to 52, inclusive, of this act, and any contract, lease, sublease, lease-purchase agreement, management agreement or other agreement that provides for the design, acquisition, construction, improvement, repair, demolition, reconstruction, equipment, financing, promotion, leasing, subleasing, management, operation or maintenance, or any combination thereof, of the college football stadium project or any portion thereof, or the provision of materials or services for the college football stadium project are exempt from any law:

(1) Requiring competitive bidding or otherwise specify procedures for the award of agreements of a type described in this paragraph;

(2) Specifying procedures for the procurement of goods or services; or

(3) Limiting the term of any agreement of a type described in this paragraph.

(b) The provisions of chapter 341 of NRS do not apply to the college football stadium project financed in whole or in part pursuant to sections 39 to 52, inclusive, of this act or to any agreement of a type described in paragraph (a).

(c) The provisions of chapter 338 of NRS do not apply to the college football stadium project financed in whole or in part pursuant to sections 39 to 52, inclusive, of this act or to any agreement of a type described in paragraph (a), except that:

(1) The provisions of NRS 338.013 to 338.090, inclusive, apply to any construction work to be performed under any contract or other agreement pertaining to the project even if the estimated cost of the construction work is not greater than $250,000 or the construction work does not qualify as a public work, as defined in ~~[subsection 17 of]~~ NRS 338.010;

(2) Any person or entity that executes one or more contracts or agreements for the actual construction, alteration, repair or remodeling of the project shall include in such a contract or agreement the contractual provisions and stipulations that are required to be included in a contract for a public work pursuant to the provisions of NRS 338.013 to 338.090, inclusive; and

(3) The Campus Improvement Authority, any contractor who is awarded a contract or enters into an agreement to perform the construction, alteration, repair or remodeling of the college football stadium project and any subcontractor on the college football stadium project shall comply with the provisions of NRS 338.013 to 338.090, inclusive, in the same manner as if the State had undertaken the project or had awarded the contract.

2. The Campus Improvement Authority and any prime contractor, construction manager or project manager selected by the Campus Improvement Authority shall competitively bid all subcontracts involving construction which the Campus Improvement Authority determines can be competitively bid without affecting the quality of the college football stadium project. Any determination by the Campus Improvement Authority that such a subcontract can or cannot be competitively bid without affecting the quality of the project is conclusive in the absence of fraud or a gross abuse of discretion. The Campus Improvement Authority shall establish one or more procedures for competitive bidding which:

(a) Must prohibit bidders from engaging in bid-shopping;

(b) Must not permit subcontractors to avoid or circumvent the provisions of paragraph (c) of subsection 1; and

(c) Must, in addition to the requirements of section 48.5 of this act, provide a preference for Nevada subcontractors in a manner that is similar to, and with a preference that is equivalent to, the preference provided in NRS 338.1389.

3. Any determination by the Campus Improvement Authority regarding the establishment of one or more procedures for competitive bidding, and any determination by the Authority or its prime contractor, construction manager or project manager regarding the award of a contract to any bidder is conclusive in the absence of fraud or a gross abuse of discretion.

Sec. 2. This act becomes effective on July 1, 2021.

Senator Parks moved that the Senate concur in Assembly Amendments Nos. 761, 895 to Senate Bill No. 175.

Remarks by Senator Parks:

Amendment No. 761 to Senate Bill No. 175 defines a "discreet project" as one or more public works undertaken on a single construction site for a single public body.

Assembly Amendment No. 895 to Senate Bill No. 175 moves the definition of a discreet project from Nevada Revised Statutes (NRS) 338.1711 to NRS 388.010; further defines a discreet project as a term that does not include one or more project public works undertaken on multiple construction sites regardless of whether the public body who sponsors or finances a public work bundles the public work together, and makes conforming changes to other statutes regarding the definition of a discreet project.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 181.

The following Assembly amendment was read:

Amendment No. 952.

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 powered by an electric motor. Section 1 also provides that: (1) the fee for the initial issuance of such a special license plate is $125, in addition to applicable governmental services taxes; and (2) the renewal fee for such a special license plate is $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 deposited in the State Highway Fund. 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]~~ provisions 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 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 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 $125, in addition to applicable governmental services taxes. The special license plates are renewable upon the payment of $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 State Highway Fund.

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.]~~ (Deleted by amendment.)

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.]~~ (Deleted by amendment.)

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 January 1, 2020.

Senator Cancela moved that the Senate concur in Assembly Amendment No. 952 to Senate Bill No. 181.

Remarks by Senator Cancela.

Assembly Amendment No. 952 to Senate Bill No. 181 strikes the language that would have allowed the Department of Motor Vehicles to continue the production of the 150th Anniversary plate and instead leaves the design of the plate up to the Department of Motor Vehicles.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 186.

The following Assembly amendments were read:

Amendment No. 864.

SUMMARY— ~~[Enacts]~~ Revises provisions governing the ~~[interstate]~~ practice of physical therapy. (BDR 54-514)

AN ACT relating to physical therapy; ~~[enacting and entering into the Physical Therapy Licensure Compact;]~~ expanding the scope of practice of physical therapy to include the performance of dry needling under certain circumstances; requiring the Nevada Physical Therapy Board to adopt regulations relating to dry needling; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[The Physical Therapy Licensure Compact is an interstate compact that allows a person who is licensed as a physical therapist or physical therapist assistant in a state that is a member of the Compact to practice as a physical therapist or physical therapist assistant in other states that are members of the Compact. The Compact only authorizes a physical therapist or physical therapist assistant to provide services in person in a state in which he or she is not licensed. Before practicing as a physical therapist or physical therapist assistant under the Compact, the Compact requires a physical therapist or physical therapist assistant to: (1) hold a license in his or her home state; (2) have no encumbrances on his or her license; (3) be eligible to practice under the Compact; (4) have had no adverse actions taken against any license or authority to practice under the Compact within the previous 2 years; (5) notify the Physical Therapy Compact Commission that he or she is seeking to practice under the Compact within the other state; (6) pay any applicable fees; (7) meet any requirements in the state in which he or she seeks to practice under the Compact; and (8) report any adverse action taken against him or her within 30 days from the date the adverse action is taken. The Compact requires that the states who are members of the Compact create and establish a joint public agency called the Physical Therapy Compact Commission. The Commission is authorized to: (1) establish bylaws; (2) make rules that facilitate and coordinate implementation and administration of the Compact; (3) hold meetings, including closed meetings; (4) levy on and collect an annual assessment from each state that is a member of the Compact; (5) develop, maintain and utilize a coordinated database and reporting system; and (6) resolve disputes related to the Compact among states that are members of the Compact. Section 2 of this bill enacts the Physical Therapy Licensure Compact. Sections 3-5 of this bill set forth various provisions that incorporate the Compact into existing law.~~

~~The Compact requires a participating state to comply with various rules. To ensure this State's compliance with these rules, section 3 of this bill requires~~

~~the Nevada Physical Therapy Board to carry out the State's compliance with the Compact in this State.~~

~~The Compact authorizes a state that is a member of the Compact to charge a fee for granting a compact privilege. Existing law requires all fees that relate to physical therapists, physical therapist assistants and physical therapist technicians which are collected to be deposited by the Board in banks, credit unions, savings and loan associations or savings banks in this State. (NRS 640.070) Section 4 of this bill authorizes the Board to adopt regulations to carry out the State's compliance with the Compact in this State, including regulations that establish such fees. If the Board establishes such fees by regulation, section 4 requires the Board to deposit the money collected from such fees in banks, credit unions, savings and loan associations or savings banks in this State and authorizes the Board to present claims to the State Board of Examiners for recommendation to the Interim Finance Committee to spend money if the money is needed to meet the financial obligations imposed on this State as a result of participating in the Compact.~~

~~The Compact authorizes the Commission, the Executive Board of the Commission or other committees of the Commission to convene a closed, nonpublic meeting to discuss certain topics or disclose certain information. Section 5 of this bill provides that if such a closed meeting occurs, any record created as a result of such a meeting shall not be considered a public record. Section 30 of this bill makes a conforming change.~~

~~Sections 6-29 and 31-38 of this bill make conforming changes by clarifying that a physical therapist or physical therapist assistant can be: (1) licensed to practice or to assist in the practice of physical therapy in this State; or (2) authorized to practice or to assist in the practice of physical therapy in this State under the Compact. Additionally, section 25 of this bill defines the term "licensed physical therapist" for the entirety of the Nevada Revised Statutes to mean a physical therapist who is: (1) licensed under existing law; or (2) authorized to practice physical therapy in this State under the Compact.]~~

Existing law provides for the licensure and regulation of physical therapists by the Nevada Physical Therapy Board. (Chapter 640 of NRS) Existing law authorizes the Board to adopt regulations to carry out its powers and duties relating to physical therapy. (NRS 640.050) Section 6 of this bill requires the Board to adopt regulations establishing the qualifications a physical therapist must obtain before he or she is authorized to perform dry needling. Section 6 requires these qualifications to include the successful completion of not less than 150 hours of didactic education and training in dry needling approved by the Board. Section 6 further requires the Board to adopt regulations establishing procedures: (1) concerning the handling of needles used to perform dry needling, including procedures for the disposal of a needle after a single use; and (2) to ensure that a physical therapist does not engage in needle retention. Section 3 of this bill prohibits a physical therapist who is qualified to perform dry needling from inserting the same needle more than once during the performance of dry needling. Section 2 of this bill defines "dry needling,"

and section 5 of this bill includes dry needling in the scope of practice of physical therapy for qualified physical therapists.

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

Delete existing sections 1 through 39 of this bill and replace with the following new sections 1 through 6:

Section 1. Chapter 640 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *"Dry needling":*

1. Means a skilled technique performed by a physical therapist using a single-use, single-insertion, sterile filiform needle, which is used to penetrate the skin or underlying tissue to effect change in body conditions, pain, movement, impairment and disability.

2. Does not include:

(a) The stimulation of an auricular point;

(b) The stimulation of sinus points or other nonlocal points to treat underlying organs;

(c) Needle retention; or

(d) The teaching or application of acupuncture.

Sec. 3. *A physical therapist who is qualified to perform dry needling pursuant to the regulations adopted in accordance with subsection 3 of NRS 640.050 shall not insert the same needle more than one time during the performance of dry needling.*

Sec. 4. NRS 640.011 is hereby amended to read as follows:

640.011 As used in this chapter, unless the context otherwise requires, the terms defined in NRS 640.013 to 640.026, inclusive, *and section 2 of this act* have the meanings ascribed to them in those sections.

Sec. 5. NRS 640.024 is hereby amended to read as follows:

640.024 "Practice of physical therapy":

1. Includes:

(a) The performing and interpreting of tests and measurements as an aid to evaluation or treatment;

(b) The planning of initial and subsequent programs of treatment on the basis of the results of tests; ~~[and]~~

(c) The administering of treatment through the use of therapeutic exercise and massage, the mobilization of joints by the use of therapeutic exercise without chiropractic adjustment, mechanical devices, and therapeutic agents which employ the properties of air, water, electricity, sound and radiant energy ~~[.]~~ *; and*

(d) The performance of dry needling, if a physical therapist is qualified to do so pursuant to the regulations adopted in accordance with subsection 3 of NRS 640.050.

2. Does not include:

(a) The diagnosis of physical disabilities;

(b) The use of roentgenic rays or radium;

(c) The use of electricity for cauterization or surgery; or

(d) The occupation of a masseur who massages only the superficial soft tissues of the body.

Sec. 6. NRS 640.050 is hereby amended to read as follows:

640.050 1. The Board shall:

(a) Enforce the provisions of this chapter and any regulations adopted pursuant thereto;

(b) Evaluate the qualifications and determine the eligibility of an applicant for a license as a physical therapist or physical therapist assistant and, upon payment of the applicable fee, issue the appropriate license to a qualified applicant;

(c) Investigate any complaint filed with the Board against a licensee; and

(d) Unless the Board determines that extenuating circumstances exist, forward to the appropriate law enforcement agency any substantiated information submitted to the Board concerning a person who practices as a physical therapist or physical therapist assistant without a license.

2. The Board may adopt reasonable regulations to carry this chapter into effect, including, but not limited to, regulations concerning the:

(a) Issuance and display of licenses.

(b) Supervision of physical therapist assistants and physical therapist technicians.

3. *The Board shall adopt regulations establishing:*

(a) The qualifications a physical therapist must obtain before he or she is authorized to perform dry needling, which must include, without limitation, the successful completion of not less than 150 hours of didactic education and training in dry needling approved by the Board. Such hours may include didactic education and training completed as part of a graduate-level program of study.

(b) Procedures concerning the handling of needles used to perform dry needling, including, without limitation, procedures for the disposal of a needle after a single use.

(c) Procedures to ensure that a physical therapist does not engage in needle retention.

4. The Board shall prepare and maintain a record of its proceedings, including, without limitation, any disciplinary proceedings.

~~[4.]~~ *5.* The Board shall maintain a list of licensed physical therapists authorized to practice physical therapy and physical therapist assistants licensed to assist in the practice of physical therapy in this State.

~~[5.]~~ *6.* The Board may:

(a) Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.

(b) Employ attorneys, investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.

(c) Adopt a seal of which a court may take judicial notice.

~~[6.]~~ *7.* Any member or agent of the Board may enter any premises in this State where a person who holds a license issued pursuant to the provisions of this chapter practices physical therapy or as a physical therapist assistant and inspect the premises to determine whether a violation of any provision of this chapter or any regulation adopted pursuant thereto has occurred, including, without limitation, an inspection to determine whether any person at the premises is practicing physical therapy or as a physical therapist assistant without the appropriate license issued pursuant to the provisions of this chapter.

~~[7.]~~ *8.* Any voting member of the Board may administer an oath to a person testifying in a matter that relates to the duties of the Board.

Amendment No. 968.

SUMMARY—Revises provisions governing the practice of physical therapy ~~[.]~~ and the practice of athletic training. (BDR 54-514)

AN ACT relating to ~~[physical therapy;]~~ professions; expanding the scope of practice of physical therapy and athletic training to include the performance of dry needling under certain circumstances; requiring the Nevada Physical Therapy Board and the Board of Athletic Trainers to adopt regulations relating to dry needling; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the licensure and regulation of : (1) physical therapists by the Nevada Physical Therapy Board ~~[. (Chapter]~~ ; and (2) athletic trainers by the Board of Athletic Trainers. (Chapters 640 and 640B of NRS) Existing law : (1) authorizes the Nevada Physical Therapy Board to adopt regulations to carry out its powers and duties relating to physical therapy ~~[.]~~ ; and (2) requires the Board of Athletic Trainers to adopt regulations to carry out its powers and duties relating to athletic training. (NRS ~~[640 .050) Section]~~ 640.050, 640B.260) Sections 6 and 11 of this bill ~~[requires]~~ require the Nevada Physical Therapy Board and the Board of Athletic Trainers to adopt regulations establishing the qualifications a physical therapist or an athletic trainer, as applicable, must obtain before he or she is authorized to perform dry needling. ~~[Section]~~ Sections 6 ~~[requires]~~ and 11 require these qualifications to include the successful completion of not less than 150 hours of didactic education and training in dry needling approved by the appropriate Board. ~~[Section]~~ Sections 6 and 11 further ~~[requires]~~ require the appropriate Board to adopt regulations establishing procedures: (1) concerning the handling of needles used to perform dry needling, including procedures for the disposal of a needle after a single use; and (2) to ensure that a physical therapist or athletic trainer does not engage in needle retention. ~~[Section]~~ Sections 3 and 9 of this bill ~~[prohibits]~~ prohibit a physical therapist or an athletic trainer who is qualified to perform dry needling from inserting the same needle more than once during the performance of dry needling. ~~[Section]~~ Sections 2 and 8 of this bill ~~[defines]~~ define "dry needling," and ~~[section]~~ sections 5 and 10 of this bill ~~[includes]~~ include dry needling in the scope of practice of physical therapy for qualified physical therapists ~~[.]~~ and athletic trainers.

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

Section 1. Chapter 640 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *"Dry needling":*

1. Means a skilled technique performed by a physical therapist using a single-use, single-insertion, sterile filiform needle, which is used to penetrate the skin or underlying tissue to effect change in body conditions, pain, movement, impairment and disability.

2. Does not include:

(a) The stimulation of an auricular point;

(b) The stimulation of sinus points or other nonlocal points to treat underlying organs;

(c) Needle retention; or

(d) The teaching or application of acupuncture.

Sec. 3. *A physical therapist who is qualified to perform dry needling pursuant to the regulations adopted in accordance with subsection 3 of NRS 640.050 shall not insert the same needle more than one time during the performance of dry needling.*

Sec. 4. NRS 640.011 is hereby amended to read as follows:

640.011 As used in this chapter, unless the context otherwise requires, the terms defined in NRS 640.013 to 640.026, inclusive, *and section 2 of this act* have the meanings ascribed to them in those sections.

Sec. 5. NRS 640.024 is hereby amended to read as follows:

640.024 "Practice of physical therapy":

1. Includes:

(a) The performing and interpreting of tests and measurements as an aid to evaluation or treatment;

(b) The planning of initial and subsequent programs of treatment on the basis of the results of tests; ~~[and]~~

(c) The administering of treatment through the use of therapeutic exercise and massage, the mobilization of joints by the use of therapeutic exercise without chiropractic adjustment, mechanical devices, and therapeutic agents which employ the properties of air, water, electricity, sound and radiant energy ~~[.]~~ *; and*

(d) The performance of dry needling, if a physical therapist is qualified to do so pursuant to the regulations adopted in accordance with subsection 3 of NRS 640.050.

2. Does not include:

(a) The diagnosis of physical disabilities;

(b) The use of roentgenic rays or radium;

(c) The use of electricity for cauterization or surgery; or

(d) The occupation of a masseur who massages only the superficial soft tissues of the body.

Sec. 6. NRS 640.050 is hereby amended to read as follows:

640.050 1. The Board shall:

(a) Enforce the provisions of this chapter and any regulations adopted pursuant thereto;

(b) Evaluate the qualifications and determine the eligibility of an applicant for a license as a physical therapist or physical therapist assistant and, upon payment of the applicable fee, issue the appropriate license to a qualified applicant;

(c) Investigate any complaint filed with the Board against a licensee; and

(d) Unless the Board determines that extenuating circumstances exist, forward to the appropriate law enforcement agency any substantiated information submitted to the Board concerning a person who practices as a physical therapist or physical therapist assistant without a license.

2. The Board may adopt reasonable regulations to carry this chapter into effect, including, but not limited to, regulations concerning the:

(a) Issuance and display of licenses.

(b) Supervision of physical therapist assistants and physical therapist technicians.

3. *The Board shall adopt regulations establishing:*

(a) The qualifications a physical therapist must obtain before he or she is authorized to perform dry needling, which must include, without limitation, the successful completion of not less than 150 hours of didactic education and training in dry needling approved by the Board. Such hours may include didactic education and training completed as part of a graduate-level program of study.

(b) Procedures concerning the handling of needles used to perform dry needling, including, without limitation, procedures for the disposal of a needle after a single use.

(c) Procedures to ensure that a physical therapist does not engage in needle retention.

4. The Board shall prepare and maintain a record of its proceedings, including, without limitation, any disciplinary proceedings.

~~[4.]~~ *5.* The Board shall maintain a list of licensed physical therapists authorized to practice physical therapy and physical therapist assistants licensed to assist in the practice of physical therapy in this State.

~~[5.]~~ *6.* The Board may:

(a) Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.

(b) Employ attorneys, investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.

(c) Adopt a seal of which a court may take judicial notice.

~~[6.]~~ *7.* Any member or agent of the Board may enter any premises in this State where a person who holds a license issued pursuant to the provisions of this chapter practices physical therapy or as a physical therapist assistant and inspect the premises to determine whether a violation of any provision of this

chapter or any regulation adopted pursuant thereto has occurred, including, without limitation, an inspection to determine whether any person at the premises is practicing physical therapy or as a physical therapist assistant without the appropriate license issued pursuant to the provisions of this chapter.

~~[7.]~~ *8.* Any voting member of the Board may administer an oath to a person testifying in a matter that relates to the duties of the Board.

Sec. 7. Chapter 640B of NRS is hereby amended by adding thereto the provisions set forth as sections 8 and 9 of this act.

Sec. 8. *"Dry needling":*

1. Means a skilled technique performed by an athletic trainer using a single-use, single-insertion, sterile filiform needle, which is used to penetrate the skin or underlying tissue to effect change in body conditions, pain, movement, impairment and disability.

2. Does not include:

(a) The stimulation of an auricular point;

(b) The stimulation of sinus points or other nonlocal points to treat underlying organs;

(c) Needle retention; or

(d) The teaching or application of acupuncture.

Sec. 9. *An athletic trainer who is qualified to perform dry needling pursuant to the regulations adopted in accordance with subsection 5 of NRS 640B.260 shall not insert the same needle more than one time during the performance of dry needling.*

Sec. 9.5. NRS 640B.005 is hereby amended to read as follows:

640B.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 640B.011 to 640B.120, inclusive, *and section 8 of this act* have the meanings ascribed to them in those sections.

Sec. 10. NRS 640B.090 is hereby amended to read as follows:

640B.090 1. "Practice of athletic training" means:

(a) The prevention, recognition, assessment, management, treatment, disposition or reconditioning of the athletic injury of an athlete:

(1) Whose condition is within the professional preparation and education of the licensed athletic trainer; and

(2) That is performed under the direction of a physician;

(b) The organization and administration of programs of athletic training;

(c) The administration of an athletic training room;

(d) The provision of information relating to athletic training to members of the public;

(e) The performance of dry needling under the direction of a physician, if an athletic trainer is qualified to do so pursuant to the regulations adopted in accordance with subsection 5 of NRS 640B.260; or

~~[(e)]~~ *(f)* Any combination of the activities described in paragraphs (a) to ~~[(d),]~~ *(e),* inclusive.

2. The term does not include the diagnosis of a physical disability, massaging of the superficial soft tissues of the body or the use of X-rays, radium or electricity for cauterization or surgery.

Sec. 11. NRS 640B.260 is hereby amended to read as follows:

640B.260 The Board shall adopt regulations to carry out the provisions of this chapter, including, without limitation, regulations that establish:

1. The passing grades for the examinations required by NRS 640B.310 and 640B.320 . ~~[;]~~

2. Appropriate criteria for determining whether an entity is an intercollegiate athletic association, interscholastic athletic association, professional athletic organization or amateur athletic organization . ~~[;]~~

3. The standards of practice for athletic trainers . ~~[; and]~~

4. The requirements for continuing education for the renewal of a license of an athletic trainer. The requirements must be at least equivalent to the requirements for continuing education for the renewal of a certificate of an athletic trainer issued by the National Athletic Trainers Association Board of Certification or its successor organization.

5. The qualifications an athletic trainer must obtain before he or she is authorized to perform dry needling, which must include, without limitation, the successful completion of not less than 150 hours of didactic education and training in dry needling approved by the Board. Such hours may include didactic education and training completed as part of a graduate-level program of study.

6. Procedures concerning the handling of needles used to perform dry needling, including, without limitation, procedures for the disposal of a needle after a single use.

7. Procedures to ensure that an athletic trainer does not engage in needle retention.

Senator Spearman moved that the Senate concur in Assembly Amendments Nos. 864, 968 to Senate Bill No. 186.

Remarks by Senator Spearman.

Assembly Amendments Nos. 864 and 968 make six changes to Senate Bill No. 186. Amendment No. 864 deletes all previous sections of Senate Bill No. 186; defines the practice of dry needling but excludes needle retention from the definition of dry needling; specifies dry needling is within the scope of practice of certain qualified physical therapists, and requires the Nevada Physical Therapy Board to establish, by regulation, the qualifications a physical therapist must obtain before he or she will be authorized to perform dry needling, as well as regulations to ensure a physical therapist does not engage in needle retention.

Amendment No. 968 expands the scope of practice of athletic trainers to include performance of dry needling; and requires a Board of Athletic Trainers to adopt regulations related to dry needling, including the qualifications an athletic trainer must obtain before he or she is authorized to perform dry needling, defines dry needling for the purpose of the chapter 640(b) of *Nevada Revised Statutes* governing athletic trainers.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 197.

The following Assembly amendments were read:

Amendment No. 843.

SUMMARY—Revises provisions relating to trade practices. (BDR 52-746)

AN ACT relating to trade practices; prohibiting the importation and sale of cosmetics for which testing was performed on an animal; providing a civil penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill ~~[makes it unlawful for]~~ prohibits, under certain circumstances, a manufacturer ~~[to import, sell]~~ from importing, selling or ~~[offer]~~ offering for sale in this State any cosmetic for which testing was performed on certain animals. This bill provides certain exemptions to the prohibition for certain animal testing that is performed pursuant to federal, state or foreign regulatory requirements ~~[. A person who commits this crime is guilty of a misdemeanor, punishable by imprisonment in the county jail for a term of not more than 6 months, or a fine of up to $1,000, or both. (NRS 193.150)]~~ or before a certain date. This bill also : (1) provides that a manufacturer that violates the prohibition is liable for certain civil penalties, punitive damages, costs and fees; and (2) authorizes any person to maintain an action against a manufacturer that violates the prohibition and to seek an injunction and reasonable attorney's fees and costs. If such an action involves any trade secrets, existing law provides protections for the trade secrets. (NRS 49.325, 600A.070)

Additionally, this bill prohibits any political subdivision of this State or agency thereof from establishing or continuing prohibitions that are not identical to the provisions of this bill. This bill also allows an inventory of cosmetics which is otherwise in violation of the prohibition on or relating to animal testing to be sold on or before June 30, 2020.

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 a new section to read as follows:

1. ~~[It is unlawful for a]~~ Except as otherwise provided in this section, a manufacturer ~~[to]~~ shall not import for profit, sell or offer for sale in this State any cosmetic for which the manufacturer knew or reasonably should have known that animal testing was conducted or contracted by or on behalf of the manufacturer or any supplier of the manufacturer if the animal testing was conducted on or after January 1, 2020.

2. The prohibition in subsection 1 does not apply to animal testing that is conducted:

(a) To comply with a requirement of a federal or state regulatory agency if:

(1) The cosmetic or ingredient in the cosmetic which is tested is in wide use and cannot be replaced by another ingredient which is capable of performing a similar function;

(2) A specific human health problem relating to the cosmetic or ingredient is substantiated and the need to conduct animal testing is justified and supported by a detailed protocol for research that is proposed as the basis for the evaluation of the cosmetic or ingredient; and

(3) There does not exist a method of testing other than animal testing that is accepted for the relevant purpose by the federal or state regulatory agency.

(b) To comply with a requirement of a regulatory agency of a foreign jurisdiction, if no evidence derived from such testing was relied upon to substantiate the safety of a cosmetic sold within this State by the manufacturer.

(c) On any product or ingredient in the cosmetic subject to the requirements of Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

(d) For purposes unrelated to cosmetics pursuant to a requirement of a federal, state or foreign regulatory agency, if no evidence derived from such testing was relied upon to substantiate the safety of a cosmetic sold within this State by the manufacturer. A manufacturer is not prohibited from reviewing, assessing or retaining evidence from animal testing which is conducted pursuant to this paragraph.

3. This section does not apply to:

(a) A cosmetic if the cosmetic in its final form was tested on animals before January 1, 2020, even if the cosmetic is manufactured on or after that date; or

(b) An ingredient in a cosmetic if the ingredient was sold in this State and was tested on animals before January 1, 2020, even if the ingredient is manufactured on or after that date.

4. A manufacturer that violates the provisions of subsection 1 is liable for:

(a) A civil penalty of not more than:

(1) For the first violation, $2,500; and

(2) For the second or subsequent violation, $5,000 for each violation;

(b) Punitive damages of not more than $10,000, if the facts warrant; and

(c) The costs incurred to recover the civil penalty and, if applicable, punitive damages, including, without limitation:

(1) The costs, if any, of conducting an investigation into the violation;

(2) Reasonable costs specified in NRS 18.005; and

(3) Reasonable attorney's fees.

5. An action to recover the civil penalty and, if applicable, punitive damages may be brought by any person, including, without limitation, a consumer, a governmental agency, the Attorney General, a district attorney, a city attorney or a nonprofit organization that has an interest in preventing a manufacturer from violating the provisions of subsection 1, as appropriate. The action may be instituted in any court of competent jurisdiction in the city or county in which:

(a) Either party resides;

(b) The defendant may be found; or

(c) The violation occurred.

6. Except as otherwise provided in this subsection, any money awarded by a court pursuant to this section must be awarded to the person or governmental entity that brought the action. If a court imposes punitive damages pursuant to paragraph (b) of subsection 4, the amount of punitive damages:

(a) Must be awarded to the county in which the action was brought and used for costs associated with the shelter, care and impoundment of mistreated animals; and

(b) Is separate from, and in addition to, any other penalty, costs or fees awarded to the person or governmental entity that brought the action.

7. The civil remedy provided by this section is in addition to, and not exclusive of, any other available remedy or penalty.

8. In addition to any other remedy provided by law, any person may maintain an action against a manufacturer that violates the provisions of subsection 1, seek to enjoin the importation for profit, sale or offer for sale in this State a cosmetic described in subsection 1 and seek reasonable attorney's fees and costs.

9. No county, city, local government or other political subdivision of this State or agency thereof may establish or continue any prohibition on or relating to animal testing that is not identical to the prohibitions set forth in this section and that does not include the exemptions contained in ~~[subsection 2.]~~ this section.

~~*[5.]*~~ *10. As used in this section:*

(a) "Animal testing" means the internal or external application of a cosmetic, either in its final form or any ingredient thereof, to the skin, eyes or other body part of a live, nonhuman vertebrate.

(b) "Consumer" means a natural person.

(c) "Cosmetic" means any article intended to be rubbed, poured, sprinkled or sprayed on, introduced into or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness or altering the appearance, including, without limitation, personal hygiene products such as deodorant, shampoo or conditioner.

~~*[(c)]*~~ *(d) "Ingredient" has the meaning ascribed to it in 21 C.F.R. § 700.3(e).*

~~*[(d)]*~~ *(e) "Manufacturer" means any person whose name appears on the label of a cosmetic pursuant to the requirements of 21 C.F.R. § 701.12.*

~~*[(e)]*~~ *(f) "Supplier" means any entity that supplies, directly or through a third party, any ingredient used by a manufacturer in the formulation of a cosmetic.*

Sec. 2. An inventory of cosmetics which is otherwise in violation of section 1 of this act on January 1, 2020, may be sold on or before June 30, 2020.

Sec. 3. This act becomes effective on January 1, 2020.

Amendment No. 967.

SUMMARY—Revises provisions relating to trade practices. (BDR 52-746)

AN ACT relating to trade practices; prohibiting the importation and sale of cosmetics for which testing was performed on an animal; providing ~~[a civil penalty;]~~ penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill prohibits, under certain circumstances, a manufacturer from importing, selling or offering for sale in this State any cosmetic for which testing was performed on certain animals. This bill provides certain exemptions to the prohibition for certain animal testing that is performed pursuant to federal, state or foreign regulatory requirements or before a certain date. This bill also ~~[: (1) provides that a manufacturer that violates the prohibition is liable for certain civil penalties, punitive damages, costs and fees; and (2) authorizes any person to maintain an action against a manufacturer that violates the prohibition and to seek an injunction and reasonable attorney's fees and costs.]~~ makes a violation of the prohibition a deceptive trade practice subject to the civil and criminal penalties applicable thereto. (NRS 598.0999). If ~~[such an]~~ a civil or criminal action which is brought for a violation of the prohibition involves any trade secrets, existing law also provides protections for the trade secrets. (NRS 49.325, 600A.070)

Additionally, this bill prohibits any political subdivision of this State or agency thereof from establishing or continuing prohibitions that are not identical to the provisions of this bill. This bill also allows an inventory of cosmetics which is otherwise in violation of the prohibition on or relating to animal testing to be sold on or before June 30, 2020.

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

Section 1. Chapter ~~[597]~~ 598 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, a manufacturer shall not import for profit, sell or offer for sale in this State any cosmetic for which the manufacturer knew or reasonably should have known that animal testing was conducted or contracted by or on behalf of the manufacturer or any supplier of the manufacturer if the animal testing was conducted on or after January 1, 2020.

2. The prohibition in subsection 1 does not apply to animal testing that is conducted:

(a) To comply with a requirement of a federal or state regulatory agency if:

(1) The cosmetic or ingredient in the cosmetic which is tested is in wide use and cannot be replaced by another ingredient which is capable of performing a similar function;

(2) A specific human health problem relating to the cosmetic or ingredient is substantiated and the need to conduct animal testing is justified and supported by a detailed protocol for research that is proposed as the basis for the evaluation of the cosmetic or ingredient; and

(3) There does not exist a method of testing other than animal testing that is accepted for the relevant purpose by the federal or state regulatory agency.

(b) To comply with a requirement of a regulatory agency of a foreign jurisdiction, if no evidence derived from such testing was relied upon to substantiate the safety of a cosmetic sold within this State by the manufacturer.

(c) On any product or ingredient in the cosmetic subject to the requirements of Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

(d) ~~[For]~~ Except as otherwise provided in this paragraph, for purposes unrelated to cosmetics pursuant to a requirement of a federal, state or foreign regulatory agency ~~[, if]~~ provided that no evidence derived from such testing was relied upon to substantiate the safety of a cosmetic sold within this State by the manufacturer. ~~[A manufacturer is not prohibited from reviewing, assessing or retaining evidence from animal testing which is conducted pursuant to this paragraph.]~~ If evidence from such testing was relied upon for that purpose, the prohibition in subsection 1 does not apply if:

(1) Documentary evidence exists of the intent of the test which was unrelated to cosmetics; and

(2) The ingredient that was the subject of the testing has been used for purposes unrelated to cosmetics for not less than 12 months before the earliest date of the testing.

3. This section does not apply to:

(a) A cosmetic if the cosmetic in its final form was tested on animals before January 1, 2020, even if the cosmetic is manufactured on or after that date; ~~[or]~~

(b) An ingredient in a cosmetic if the ingredient was sold in this State and was tested on animals before January 1, 2020, even if the ingredient is manufactured on or after that date ~~[.]~~ ; or

(c) A manufacturer of cosmetics that reviews, assesses or retains evidence obtained from animal testing.

4. ~~[A manufacturer that violates the provisions of subsection 1 is liable for:~~

~~(a) A civil penalty of not more than:~~

~~(1) For the first violation, $2,500; and~~

~~(2) For the second or subsequent violation, $5,000 for each violation;~~

~~(b) Punitive damages of not more than $10,000, if the facts warrant; and~~

~~(c) The costs incurred to recover the civil penalty and, if applicable, punitive damages, including, without limitation:~~

~~(1) The costs, if any, of conducting an investigation into the violation;~~

~~(2) Reasonable costs specified in NRS 18.005; and~~

~~(3) Reasonable attorney's fees.~~

~~5. An action to recover the civil penalty and, if applicable, punitive damages may be brought by any person, including, without limitation, a consumer, a governmental agency, the Attorney General, a district attorney, a city attorney or a nonprofit organization that has an interest in preventing a manufacturer from violating the provisions of subsection 1, as appropriate.~~

~~*The action may be instituted in any court of competent jurisdiction in the city or county in which:*~~

~~*(a) Either party resides;*~~

~~*(b) The defendant may be found; or*~~

~~*(c) The violation occurred.*~~

~~*6. Except as otherwise provided in this subsection, any money awarded by a court pursuant to this section must be awarded to the person or governmental entity that brought the action. If a court imposes punitive damages pursuant to paragraph (b) of subsection 4, the amount of punitive damages:*~~

~~*(a) Must be awarded to the county in which the action was brought and used for costs associated with the shelter, care and impoundment of mistreated animals; and*~~

~~*(b) Is separate from, and in addition to, any other penalty, costs or fees awarded to the person or governmental entity that brought the action.*~~

~~*7. The civil remedy provided by this section is in addition to, and not exclusive of, any other available remedy or penalty.*~~

~~*8. In addition to any other remedy provided by law, any person may maintain an action against a manufacturer that violates the provisions of subsection 1, seek to enjoin the importation for profit, sale or offer for sale in this State a cosmetic described in subsection 1 and seek reasonable attorney's fees and costs.*~~

~~*9.]*~~ *No county, city, local government or other political subdivision of this State or agency thereof may establish or continue any prohibition on or relating to animal testing that is not identical to the prohibitions set forth in this section and that does not include the exemptions contained in this section.*

~~*[10.]*~~ *5. A violation of this section constitutes a deceptive trade practice for the purposes of NRS 598.0903 to 598.0999, inclusive.*

6. As used in this section:

(a) "Animal testing" means the internal or external application of a cosmetic, either in its final form or any ingredient thereof, to the skin, eyes or other body part of a live, nonhuman vertebrate.

(b) ~~*["Consumer" means a natural person.*~~

~~*(c)]*~~ *"Cosmetic" means any article intended to be rubbed, poured, sprinkled or sprayed on, introduced into or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness or altering the appearance, including, without limitation, personal hygiene products such as deodorant, shampoo or conditioner.*

~~*[(d)]*~~ *(c) "Ingredient" has the meaning ascribed to it in 21 C.F.R. § 700.3(e).*

~~*[(e)]*~~ *(d) "Manufacturer" means any person whose name appears on the label of a cosmetic pursuant to the requirements of 21 C.F.R. § 701.12.*

~~*[(f)]*~~ *(e) "Supplier" means any entity that supplies, directly or through a third party, any ingredient used by a manufacturer in the formulation of a cosmetic.*

Sec. 2. An inventory of cosmetics which is otherwise in violation of section 1 of this act on January 1, 2020, may be sold on or before June 30, 2020.

Sec. 3. This act becomes effective on January 1, 2020.

Senator Spearman moved that the Senate concur in Assembly Amendments Nos. 843, 967 to Senate Bill No. 197.

Remarks by Senator Spearman.

The amendments made five changes to Senate Bill No. 197. Amendment No. 843 prohibits a manufacturer from importing, selling or offering for sale any cosmetic for which the manufacturer knew or should have known animal testing was conducted; removes the misdemeanor penalty and instead, provides for civil penalties for a violation of this bill's provisions; authorizes any person to maintain an action against a manufacturer that violates the prohibition and to seek an injunction and reasonable attorney's fees and costs, and adds a definition of "consumer" as a natural person.

Amendment No. 967 removes the provisions providing for civil penalties for a violation of this bill's provisions and the authority for any person to maintain an action against a manufacturer that violates the provisions of this bill. Instead, the amendment provides a person's failure to comply with the provisions of this bill constitute a deceptive trade practice and is subject to civil and criminal penalties.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 207.

The following Assembly amendment was read:

Amendment No. 828.

JOINT SPONSORS: ASSEMBLYMEN CARRILLO, DURAN, MARTINEZ AND SMITH

SUMMARY—Revises provisions governing apprentices. (BDR 28-740)

AN ACT relating to apprentices; requiring a contractor or subcontractor to comply with certain requirements relating to the use of apprentices on public works; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the State Apprenticeship Council and requires the Council to establish standards for programs of apprenticeship. (NRS 610.030, 610.090, 610.095) The purposes of such programs include, without limitation: (1) creating of the opportunity for persons to obtain training that will equip those persons to obtain profitable employment and citizenship; and (2) establishing an organized program for the voluntary training of those persons by providing facilities for training and guidance in the arts and crafts of industry and trade. (NRS 610.020) Existing law sets forth the requirements for a public body which sponsors or finances a public work to award a contract to a contractor for the construction of the public work. (Chapter 338 of NRS) Such requirements include, without limitation: (1) the payment of the prevailing wage in the county in which the public work is located; and (2) the establishment of certain fair employment practices for contractors in connection with the performance of work under the contract awarded by the public body. (NRS 338.020, 338.125)

Section ~~[1]~~ 1.7 of this bill requires a contractor or subcontractor engaged on a public work to employ one or more apprentices for a certain percentage of the total hours of labor performed on a public work, depending on the type of work performed. Section ~~[1]~~ 1.7 authorizes the Labor Commissioner to adjust the percentage of total hours of labor required to be performed by an apprentice beginning on January 1, ~~[2022,]~~ 2021. Section ~~[1]~~ 1.7 also authorizes the Labor Commissioner to grant a modification or waiver from the requirements if the Labor Commissioner finds that there is good cause to do so. Section ~~[1]~~ 1.7 further requires that an apprentice who graduates from an apprenticeship program while employed on a public work be deemed: (1) an apprentice for certain purposes; and (2) a journeyman for certain other purposes, including, without limitation, the payment of wages. Section 1.7 also requires a contractor or subcontractor to enter into an apprenticeship agreement for all apprentices required to be used in the construction of a public work.

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

Section 1. Chapter 338 of NRS is hereby amended by adding thereto ~~[a new section to read as follows:]~~ the provisions set forth as sections 1.3 and 1.7 of this act.

Sec. 1.3. The Legislature hereby finds and declares that:

1. A skilled workforce in construction is essential to the economic well-being of this State;

2. Apprenticeship programs are a proven method of training a skilled workforce in construction; and

3. Requiring the use of apprentices on the construction of public works will ensure the availability of a skilled workforce in construction in the future for this State.

Sec. 1.7. 1. Notwithstanding any other provision of this chapter and except as otherwise provided in this section, a contractor or subcontractor engaged in vertical construction who employs a worker on a public work pursuant to NRS 338.040 shall use one or more apprentices for at least ~~[15]~~ 10 percent of the total hours of labor worked for each apprenticed craft or type of work to be performed on the public work ~~[.]~~ for which more than three workers are employed.

2. Notwithstanding any other provision of this chapter and except as otherwise provided in this section, a contractor or subcontractor engaged in horizontal construction who employs a worker on a public work pursuant to NRS 338.040 shall use one or more apprentices for at least ~~[5]~~ 3 percent of the total hours of labor worked for each apprenticed craft or type of work to be performed on the public work ~~[.]~~ for which more than three workers are employed.

3. On or after January 1, ~~[2022,]~~ 2021, the Labor Commissioner, in collaboration with the State Apprenticeship Council, may adopt regulations to ~~[modify]~~ increase the percentage of total hours of labor required to be

performed by an apprentice pursuant to subsection 1 or 2 by not more than 2 percentage points.

4. An apprentice who graduates from an apprenticeship program while employed on a public work shall:

(a) Be deemed an apprentice on the public work for the purposes of subsections 1 and 2.

(b) Be deemed a journeyman for all other purposes, including, without limitation, the payment of wages or the payment of wages and benefits to a journeyman covered by a collective bargaining agreement.

5. A contractor or subcontractor engaged on a public work is not required to use an apprentice in a craft or type of work ~~[that is not an apprenticed]~~ performed in a jurisdiction recognized by the State Apprenticeship Council as not having apprentices in that craft or type of work.

6. A public body may, upon the request of a contractor or subcontractor, submit a request to the Labor Commissioner to modify or waive the percentage of hours of labor provided by one or more apprentices required pursuant to subsection 1 or 2 ~~[.]~~ for good cause. A public body must submit such a request, ~~[including, without limitation, any supporting documentation, within 15 days after]~~ before an advertisement for bids has been placed, the opening of bids or the award of a contract for a public work ~~[.]~~ or after the public body has commenced work on the public work. Such a request must include any supporting documentation, including, without limitation, proof of denial of or failure to approve a request for apprentices pursuant to subparagraph (3) of paragraph (d) of subsection 10.

7. The Labor Commissioner shall issue a determination of whether to grant a modification or waiver requested pursuant to subsection 6 within 15 days after the receipt of such request. The Labor Commissioner may grant such a request if he or she makes a finding that there is good cause to modify or waive the percentage of hours of labor provided by one or more apprentices required pursuant to subsection 1 or 2.

8. A public body, contractor or subcontractor may request a hearing on the determination of the Labor Commissioner within 10 days after receipt of the determination of the Labor Commissioner. The hearing must be conducted in accordance with regulations adopted by the Labor Commissioner. If the Labor Commissioner does not receive a request for a hearing pursuant to this subsection, the determination of the Labor Commissioner is a final decision for the purposes of judicial review pursuant to chapter 233B of NRS.

9. A contractor or subcontractor engaged on a public work shall enter into an apprenticeship agreement for all apprentices required to be used in the construction of a public work. If the Labor Commissioner granted a modification or waiver pursuant to subsection 7 because the Labor Commissioner finds that a request for apprentices was denied or the request was not approved within 5 business days as described in subparagraph (3) of paragraph (d) of subsection 10 and apprentices are later provided, then the

contractor or subcontractor shall enter into an apprenticeship agreement for all apprentices later provided.

10. As used in this section:

(a) "Apprentice" means a person enrolled in an apprenticeship program recognized by the State Apprenticeship Council.

(b) "Apprenticed craft or type of work" means a craft or type of work for which there is an existing apprenticeship program recognized by the State Apprenticeship Council.

(c) "Apprenticeship program" means an apprenticeship program recognized by the State Apprenticeship Council.

(d) "Good cause" means:

(1) There are no apprentices available from an apprenticeship program ~~[;]~~ within the jurisdiction where the public work is to be completed as recognized by the State Apprenticeship Council;

(2) The contractor or subcontractor is required to perform uniquely complex or hazardous tasks on the public work that require the skill and expertise of a greater percentage of journeymen; or

(3) The contractor or subcontractor has requested apprentices from an apprenticeship program and the request has been denied ~~[.]~~ or the request has not been approved within 5 business days.

➥ The term does not include the refusal of a contractor or subcontractor to enter into an apprenticeship agreement pursuant to subsection 9.

(e) "Journeyman" has the meaning ascribed to it in NRS 624.260.

(f) "State Apprenticeship Council" means the State Apprenticeship Council created by NRS 610.030.

Sec. 2. NRS 338.015 is hereby amended to read as follows:

338.015 1. The Labor Commissioner shall enforce the provisions of NRS 338.010 to 338.130, inclusive ~~[.]~~ *, and section ~~[1]~~ 1.7 of this act.*

2. In addition to any other remedy or penalty provided in this chapter, if any person, including, without limitation, a public body, violates any provision of NRS 338.010 to 338.130, inclusive, *and section ~~[1]~~ 1.7 of this act,* or any regulation adopted pursuant thereto, the Labor Commissioner may, after providing the person with notice and an opportunity for a hearing, impose against the person an administrative penalty of not more than $5,000 for each such violation.

3. The Labor Commissioner may, by regulation, establish a sliding scale based on the severity of the violation to determine the amount of the administrative penalty to be imposed against the person pursuant to this section.

4. The Labor Commissioner shall report the violation to the Attorney General, and the Attorney General may prosecute the person in accordance with law.

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 7.5. The amendatory provisions of this act do not apply to a contract for a public work for which bids have been submitted before January 1, 2020.

Sec. 8. This act becomes effective on January 1, 2020.

Senator Parks moved that the Senate concur in Assembly Amendment No. 828 to Senate Bill No. 207.

Remarks by Senator Parks.

Assembly Amendment No. 828 to Senate Bill No. 207 revises provisions governing compensation of members of boards of trustees of general improvement districts. The amendment, among other changes, moves the date authorizing the adoption of regulations to January 1, 2021; reduces the minimum use of apprentices on vertical construction from 15 to 10 percent and from 5 to 3 percent of horizontal construction; authorizes the Labor Commissioner to grant a waiver from the labor requirements in certain circumstances if the public body contract or subcontractor submits documentation and evidence, and adds joint sponsors.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 230.

The following Assembly amendment was read:

Amendment No. 898.

JOINT SPONSORS: ASSEMBLYMEN SPIEGEL, EDWARDS, HARDY, ROBERTS AND TOLLES

SUMMARY—Revises provisions relating to certain real estate professions. (BDR 54-311)

AN ACT relating to real estate; revising provisions relating to advertisements by real estate licensees; revising educational requirements which must be satisfied by an applicant for licensure as a real estate salesperson, real estate broker or real estate broker-salesperson; revising provisions governing the maintenance of certain licenses by real estate brokers and owner-developers; revising provisions governing certain regulations of the Real Estate Commission relating to the curriculum and subject matter of continuing education; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth certain requirements for advertisements by persons who are licensed by the Real Estate Division of the Department of Business and Industry (NRS 645.315) Section 1 of this bill: (1) requires a licensee to include his or her license number in any such advertisement; and (2) requires the Real Estate Commission to establish by regulation the conditions and limitations under which a licensee may advertise under a nickname.

Existing law sets forth certain educational requirements which must be satisfied by an applicant for licensure as a real estate salesperson, real estate broker or real estate broker-salesperson. (NRS 645.343) Section 3.5 of this bill: (1) establishes a minimum number of total hours of instruction which must be included in a course of instruction for licensure as a real estate salesperson; and (2) requires an applicant for licensure as a real estate salesperson, real

estate broker or real estate broker-salesperson to complete a minimum number of hours of instruction on agency and the preparation of contracts for real estate transactions. Under section 6.5 of this bill, these requirements apply only to a person who submits an application for licensure to the Real Estate Division on or after ~~[July 1, 2019.]~~ January 1, 2020.

Existing law requires a real estate broker or owner-developer to prominently display in his or her place of business the licenses of all real estate broker-salespersons and real estate salespersons who are associated with the broker or employed by the owner-developer, as applicable. (NRS 645.530) Section 4 of this bill eliminates that requirement and instead requires the licenses to be kept in a secure manner and, upon request, made available for inspection by the public and the Real Estate Division during usual business hours.

Existing law authorizes the Real Estate Commission to establish by regulation a postlicensing curriculum of continuing education which must be completed by a person within the first year immediately after initial licensing of the person. (NRS 645.575) Section 5 of this bill ~~[: (1)]~~ requires the Commission to adopt regulations which require a minimum of 36 hours of continuing education, set forth certain subject matter in continuing education which must be completed by certain licensees and provide for an exemption from such subject matter requirements for a person who is ~~[70]~~ 65 years of age or older and who has been licensed in good standing as a real estate broker, real estate broker-salesperson or real estate salesperson in this State for 30 years or more. ~~[; (2) requires the postlicensing curriculum to be completed within the first year immediately after the initial license period rather than the first year immediately after initial licensing; (3) requires the regulations adopted by the Commission to establish the postlicensing curriculum to set forth the period within which each module of the postlicensing curriculum is required to be completed; and (4) authorizes the Commission to establish a different period within which each module of the postlicensing curriculum is required to be completed and authorizes such a period to be less than 1 year.]~~

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

Section 1. NRS 645.315 is hereby amended to read as follows:

645.315 1. In any advertisement through which a licensee offers to perform services for which a license is required pursuant to this chapter, the licensee shall ~~[:]~~ *include his or her license number and:*

(a) If the licensee is a real estate broker, disclose the name of any brokerage under which the licensee does business; or

(b) If the licensee is a real estate broker-salesperson or real estate salesperson, disclose the name of the brokerage with whom the licensee is associated.

2. If a licensee is a real estate broker-salesperson or real estate salesperson, the licensee shall not advertise solely under the licensee's own name when acting in the capacity as a broker-salesperson or salesperson. All such

advertising must be done under the direct supervision of and in the name of the brokerage with whom the licensee is associated.

3. The Commission shall by regulation establish the conditions and limitations under which a licensee may advertise under a nickname.

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 3.5. NRS 645.343 is hereby amended to read as follows:

645.343 1. In addition to the other requirements contained in this chapter, an applicant for an original real estate salesperson's license must furnish proof satisfactory to the Real Estate Division that the applicant has successfully completed a course of instruction *which consists of not less than 120 hours of instruction* in the principles, practices, procedures, law and ethics of real estate, which course may be an extension or correspondence course offered by the Nevada System of Higher Education, by any other accredited college or university or by any other college or school approved by the Commission. The course of instruction must include ~~[the]~~ *:*

(a) The subject of disclosure of required information in real estate transactions, including instruction on methods a seller may use to obtain the required information ~~[.]~~ *;*

(b) Not less than 15 hours of instruction in the preparation of contracts in real estate transactions to the extent allowed in the capacity of a licensee; and

(c) Not less than 15 hours of instruction on agency.

2. An applicant for an original real estate broker's or broker-salesperson's license must furnish proof satisfactory to the Real Estate Division that the applicant has successfully completed *:* ~~[45 semester units or the equivalent in quarter units of college level courses which include:]~~

(a) Three semester units or an equivalent number of quarter units in real estate law, including at least 18 classroom hours of the real estate law of Nevada ~~[and another course of equal length]~~ *;*

(b) Three semester units or an equivalent number of quarter units in the principles of real estate;

~~[(b)]~~ *(c)* Nine semester units or the equivalent in quarter units of college level courses in real estate appraisal and business or economics;

~~[(c)]~~ *(d)* Nine semester units or the equivalent in quarter units of college level courses in real estate, business or economics; ~~[and~~

~~(d)]~~ *(e)* Three semester units or an equivalent number of quarter units in broker management ~~[.]~~ *;*

(f) Not less than one semester unit or an equivalent number of quarter units of instruction in the preparation of contracts in real estate transactions to the extent allowed in the capacity of a licensee; and

(g) Not less than one semester unit or an equivalent number of quarter units of instruction on agency.

3. On and after January 1, 1986, in addition to other requirements contained in this chapter, an applicant for an original real estate broker's or broker-salesperson's license must furnish proof satisfactory to the Real Estate

Division that the applicant has completed 64 semester units or the equivalent in quarter units of college level courses. This educational requirement includes and is not in addition to the requirements listed in subsection 2.

4. For the purposes of this section, each person who holds a license as a real estate broker, broker-salesperson or salesperson, or an equivalent license, issued by a state or territory of the United States, or the District of Columbia, is entitled to receive credit for the equivalent of 16 semester units of college level courses for each 2 years of active experience that, during the immediately preceding 10 years, the person has obtained while he or she has held such a license, not to exceed 8 years of active experience. This credit may not be applied against the requirement in subsection 2 for three semester units or an equivalent number of quarter units in broker management or 18 classroom hours of the real estate law of Nevada.

5. An applicant for a broker's license pursuant to NRS 645.350 must meet the educational prerequisites applicable on the date his or her application is received by the Real Estate Division.

6. As used in this section, "college level courses" are courses offered by any accredited college or university or by any other institution which meet the standards of education established by the Commission. The Commission may adopt regulations setting forth standards of education which are equivalent to the college level courses outlined in this subsection. The regulations may take into account the standard of instructors, the scope and content of the instruction, hours of instruction and such other criteria as the Commission requires.

Sec. 4. NRS 645.530 is hereby amended to read as follows:

645.530 1. The license of each real estate broker-salesperson or salesperson must be delivered or mailed to the real estate broker with whom the licensee is associated or to the owner-developer by whom the licensee is employed and must be kept in the custody and control of the broker or owner-developer.

2. Each real estate broker shall:

(a) Display his or her license conspicuously in the broker's place of business. If a real estate broker maintains more than one place of business within the State, an additional license must be issued to the broker for each branch office so maintained by the broker, and the additional license must be displayed conspicuously in each branch office.

(b) ~~[Prominently display]~~ *Maintain* in his or her place of business the licenses of all real estate broker-salespersons and salespersons associated with him or her therein or in connection therewith. *The licenses must be kept in a secure manner and, upon request, made available for inspection by the public and the Division during usual business hours.*

3. Each owner-developer shall ~~[prominently display]~~ *maintain* in his or her place of business the license of each real estate broker-salesperson and salesperson employed by him or her. *The licenses must be kept in a secure*

manner and, upon request, made available for inspection by the public and the Division during usual business hours.

Sec. 5. NRS 645.575 is hereby amended to read as follows:

645.575 1. The Commission shall adopt regulations that prescribe the standards for the continuing education of persons licensed pursuant to this chapter.

2. The standards adopted pursuant to subsection 1 must ~~[permit]~~ *:*

(a) Require a minimum of 36 hours of continuing education; and

(b) Permit alternatives of subject material, taking cognizance of specialized areas of practice and alternatives in sources of programs considering availability in area and time. The standards must include, where qualified, generally accredited educational institutions, private vocational schools, educational programs and seminars of professional societies and organizations, other organized educational programs on technical subjects, or equivalent offerings. The Commission shall qualify only those educational courses that it determines address the appropriate subject matter and are given by an accredited university or community college. Subject to the provisions of this section, the Commission has exclusive authority to determine what is an appropriate subject matter for qualification as a continuing education course.

3. In addition to any other standards for continuing education that the Commission adopts by regulation pursuant to this section, the Commission ~~[may,]~~ *:*

(a) Shall, without limitation, adopt by regulation standards for continuing education that set forth certain mandatory subject matter which must be completed by every person who is licensed as a real estate broker, real estate broker-salesperson or real estate salesperson. Standards which are adopted pursuant to this section must authorize a person who is ~~[70]~~ 65 years of age or older to apply to the Division for an exemption from any requirement to complete continuing education other than the mandatory subject matter which is set forth in regulations adopted pursuant to this paragraph if the person has been licensed in good standing as a real estate broker, real estate broker-salesperson or real estate salesperson in this State for 30 years or longer at the time of his or her application for an exemption.

(b) May, without limitation, adopt by regulation standards for continuing education that:

~~[(a)]~~ *(1)* Establish a postlicensing curriculum of continuing education which must be completed by a person within the first year immediately after *the* initial licensing of the person.

~~[(b) *license period. The regulations adopted pursuant to this paragraph must set forth the period within which the person must complete each module of the postlicensing curriculum and may establish different periods within which each module of the postlicensing curriculum must be completed including, without limitation, a period of less than 1 year.]*~~

(2) Require a person whose license as a real estate broker or real estate broker-salesperson has been placed on inactive status for any reason for 1 year

or more or has been suspended or revoked to complete a course of instruction in broker management that is designed to fulfill the educational requirements for issuance of a license which are described in paragraph ~~[(d)]~~ *(e)* of subsection 2 of NRS 645.343, before the person's license is reissued or reinstated.

4. Except as otherwise provided in this subsection ~~[,]~~ *and regulations adopted pursuant to paragraph (a) of subsection 3,* the license of a real estate broker, broker-salesperson or salesperson must not be renewed or reinstated unless the Administrator finds that the applicant for the renewal license or for reinstatement to active status has completed the continuing education required by this chapter. Any amendment or repeal of a regulation does not operate to prevent an applicant from complying with this section for the next licensing period following the amendment or repeal.

Sec. 6. (Deleted by amendment.)

Sec. 6.5. The amendatory provisions of section 3.5 of this act apply only to an applicant who submits an application for licensure to the Real Estate Division of the Department of Business and Industry on or after ~~[July 1, 2019.]~~ January 1, 2020.

Sec. 7. 1. This section becomes effective upon passage and approval.

2. Section 3.5 of this act becomes effective:

(a) Upon passage and approval for the purposes of performing any preparatory administrative tasks and adopting any regulations necessary to carry out the provisions of this act; and

(b) On January 1, 2020, for all other purposes.

3. Sections 1, 4, 5 and 6.5 of this act ~~[becomes]~~ become effective on July 1, 2019.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 898 to Senate Bill No. 230.

Remarks by Senator Spearman.

Amendment No. 898 makes five changes to Senate Bill No. 230. The amendment adds various joint sponsors to the bill; decreases the age limitation relating to a continuing education exemption from 70 years of age, or older, to 65 years of age, or older; revises provisions concerning post-licensing curriculum of continuing education by retaining the requirement that a licensee complete such education within the first year immediately after obtaining an initial license and deletes language-requiring regulations to dictate when such training must be completed; changes the applicability of this bill for a person applying for a license from July 1, 2019, or after to January 1, 2020, or after, and changes the effective dates of the bill.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 242.

The following Assembly amendment was read:

Amendment No. 847.

SUMMARY—Revises provisions relating to peace officers. (BDR 23-1066)

AN ACT relating to peace officers; requiring that a suspended peace officer must be granted back pay under certain circumstances; defining "law enforcement agency" for certain purposes; requiring that the questioning of a peace officer by a superior officer cease under certain circumstances; prohibiting the disclosure or use of a peace officer's compelled statement in certain civil cases; limiting, with certain exceptions, the time in which a law enforcement agency may initiate an investigation into certain alleged misconduct of a peace officer; prohibiting, with limited exception, a law enforcement agency from reassigning a peace officer while he or she is under investigation; requiring, under certain circumstances, the dismissal of civil and administrative proceedings against a peace officer; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides certain rights to peace officers ~~[. (NRS 289.010-289.120)]~~ which are commonly known as the "Peace Officer Bill of Rights." (NRS 289.020-289.120) This bill makes various changes relating to those rights.

Section 1 of this bill provides if a peace officer is suspended by a law enforcement agency without pay pending the outcome of a criminal prosecution, the peace officer shall receive back pay if the case is dismissed or the peace officer is found not guilty and the officer is not subjected to punitive action by the law enforcement agency in connection with the misconduct allegations in question.

Section 2 of this bill requires the questioning of a peace officer by a superior officer to stop if the peace officer reasonably believes the questioning could result in punitive action and the peace officer requests representation. Section 2 also prohibits the use of a peace officer's compelled statement in a civil case against the peace officer without his or her consent, with limited exceptions.

Existing law authorizes the investigation of a peace officer in response to a complaint or allegation that the peace officer engaged in activities which could result in punitive action. (NRS 289.057) Section 4 of this bill prohibits a law enforcement agency from initiating such an investigation if the complaint or allegation is filed more than 1 year after the misconduct allegedly occurred unless the alleged misconduct is a crime punishable pursuant to state or federal law. Section 4 further provides that a law enforcement agency may not reopen an investigation if the agency determines that no misconduct occurred unless the law enforcement agency discovers new material evidence. Section 4 also prohibits , with limited exception, the reassignment of a peace officer without his or her consent if an investigation or hearing regarding alleged misconduct is pending.

Section 6 of this bill ~~[provides any]~~ requires a law enforcement agency conducting an interview, interrogation or hearing related to an investigation of a peace officer to allow a representative ~~[a]~~ of the peace officer ~~[elects to represent the officer during an interrogation or hearing regarding alleged~~

~~misconduct must be allowed]~~ to inspect ~~[any]~~ the following if related to the investigation and in the possession of the law enforcement agency: (1) physical evidence ~~[the law enforcement agency has in its possession related to the investigation.]~~ ; (2) audio recordings, photographs and video recordings; and (3) statements made by or attributable to the peace officer.

Under existing law, evidence obtained in violation of the rights of peace officers is inadmissible. (NRS 289.085) Section 7 of this bill provides instead that if evidence is obtained in violation of the rights of peace officers, the administrative proceeding or civil action filed against the peace officer must be dismissed.

Section 1.5 of this bill defines the term "law enforcement agency" for purposes of: (1) the Peace Officer Bill of Rights (NRS 289.020-289.120); (2) certain provisions of law relating to persons who possess some or all of the powers of peace officers (NRS 289.150-289.360); (3) certain provisions of law relating to advisory review boards (NRS 289.380-289.390); (4) certain provisions of law relating to certification and training of peace officers (NRS 289.450-289.650); and (5) certain provisions of law relating to the use of a choke hold by a peace officer (NRS 289.810).

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

Section 1. Chapter 289 of NRS is hereby amended by adding thereto a new section to read as follows:

If a law enforcement agency suspends a peace officer without pay pending the outcome of a criminal prosecution, the law enforcement agency shall award the peace officer back pay for the duration of the suspension if:

1. The charges against the peace officer are dismissed;

2. The peace officer is found not guilty at trial; or

3. The peace officer is not subjected to punitive action in connection with the alleged misconduct.

Sec. 1.5. NRS 289.010 is hereby amended to read as follows:

289.010 As used in this chapter, unless the context otherwise requires:

1. "Administrative file" means any file of a peace officer containing information, comments or documents about the peace officer. The term does not include any file relating to an investigation conducted pursuant to NRS 289.057 or a criminal investigation of a peace officer.

2. "Choke hold" means the holding of a person's neck in a manner specifically intended to restrict the flow of oxygen or blood to the person's lungs or brain. The term includes the arm-bar restraint, carotid restraint and lateral vascular neck restraint.

3. *"Law enforcement agency" means any agency, office, bureau, department, unit or division created by any statute, ordinance or rule which:*

(a) Has a duty to enforce the law; and

(b) Employs any person upon whom some or all of the powers of a peace officer are conferred pursuant to NRS 289.150 to 289.360, inclusive.

4. "Peace officer" means any person upon whom some or all of the powers of a peace officer are conferred pursuant to NRS 289.150 to 289.360, inclusive.

~~[4.]~~ *5.* "Punitive action" means any action which may lead to dismissal, demotion, suspension, reduction in salary, written reprimand or transfer of a peace officer for purposes of punishment.

Sec. 2. NRS 289.020 is hereby amended to read as follows:

289.020 1. A law enforcement agency shall not use punitive action against a peace officer if the peace officer chooses to exercise the peace officer's rights under any internal administrative grievance procedure.

2. If a peace officer is denied a promotion on grounds other than merit or other punitive action is used against the peace officer, a law enforcement agency shall provide the peace officer with an opportunity for a hearing.

3. *If a peace officer requests representation while being questioned by a superior officer on any matter that the peace officer reasonably believes could result in punitive action, the questioning must cease immediately and the peace officer must be allowed a reasonable opportunity to arrange for the presence and assistance of a representative before the questioning may resume.*

4. If a peace officer refuses to comply with ~~[a request]~~ *an order* by a superior officer to cooperate with the peace officer's own or any other law enforcement agency in a criminal investigation, the agency may charge the peace officer with insubordination.

5. Except as otherwise provided in this subsection, any statement a peace officer is compelled to make pursuant to this chapter shall not be disclosed or used in a civil case against the peace officer without the consent of the peace officer. Such a statement may be used in an administrative hearing or civil case regarding the employment of the peace officer. In ~~[such]~~ a civil case, the court may review the statement in camera to determine whether the statement is inconsistent with the testimony of the peace officer and release any inconsistent statement to the opposing party for purposes of impeachment.

Sec. 3. (Deleted by amendment.)

Sec. 4. NRS 289.057 is hereby amended to read as follows:

289.057 1. ~~[An]~~ *Except as otherwise provided in this subsection, an* investigation of a peace officer may be conducted in response to a complaint or allegation that the peace officer has engaged in activities which could result in punitive action. *A law enforcement agency shall not conduct an investigation pursuant to this subsection if the activities of the peace officer occurred more than 1 year from the date of the filing of a complaint or allegation with the law enforcement agency unless the alleged misconduct would be a crime punishable pursuant to state or federal law.*

2. Except as otherwise provided in a collective bargaining agreement, a law enforcement agency shall not suspend a peace officer without pay during or pursuant to an investigation conducted pursuant to this section until all investigations relating to the matter have concluded.

3. After the conclusion of the investigation:

(a) If the investigation causes a law enforcement agency to impose punitive action against the peace officer who was the subject of the investigation and the peace officer has received notice of the imposition of the punitive action, the peace officer or a representative authorized by the peace officer may, except as otherwise prohibited by federal or state law, review any administrative or investigative file maintained by the law enforcement agency relating to the investigation, including any recordings, notes, transcripts of interviews and documents.

(b) If, pursuant to a policy of a law enforcement agency or a labor agreement, the record of the investigation or the imposition of punitive action is subject to being removed from any administrative file relating to the peace officer maintained by the law enforcement agency, the law enforcement agency shall not, except as otherwise required by federal or state law, keep or make a record of the investigation or the imposition of punitive action after the record is required to be removed from the administrative file.

(c) If the law enforcement agency concludes that the peace officer did not violate a statute, policy, rule or regulation, the law enforcement agency shall not reopen the investigation unless the law enforcement agency discovers new material evidence related to the matter.

4. ~~*[4.]*~~ *Except as otherwise provided in subsection 5, a law enforcement agency shall not reassign a peace officer temporarily or permanently without his or her consent during or pursuant to an investigation conducted pursuant to this section or when there is a hearing relating to such an investigation that is pending.*

5. A law enforcement agency may reassign a peace officer temporarily or permanently without his or her consent during or pursuant to an investigation conducted pursuant to this section or when there is a hearing relating to such an investigation that is pending if the law enforcement agency finds, based on specific facts or circumstances, that reassignment of the peace officer is necessary to maintain the efficient operation of the law enforcement agency.

Sec. 5. (Deleted by amendment.)

Sec. 6. NRS 289.080 is hereby amended to read as follows:

289.080 1. Except as otherwise provided in subsection ~~[4,]~~ *5*, a peace officer who is the subject of an investigation conducted pursuant to NRS 289.057 may upon request have two representatives of the peace officer's choosing present with the peace officer during any phase of an interrogation or hearing relating to the investigation, including, without limitation, a lawyer, a representative of a labor union or another peace officer.

2. Except as otherwise provided in subsection ~~[4,]~~ *5*, a peace officer who is a witness in an investigation conducted pursuant to NRS 289.057 may upon request have two representatives of the peace officer's choosing present with the peace officer during an interview relating to the investigation, including, without limitation, a lawyer, a representative of a labor union or another peace officer. The presence of the second representative must not create an undue delay in either the scheduling or conducting of the interview.

3. A representative of a peace officer must assist the peace officer during the interview, interrogation or hearing.

4. The law enforcement agency conducting the interview, interrogation or hearing shall allow a representative of the peace officer to ~~[explain]~~ *:*

(a) Inspect ~~[all]~~ the following if related to the investigation and in the possession of the law enforcement agency:

(1) Physical evidence ~~[related to the investigation that is in the possession of the law enforcement agency, including, without limitation, audio]~~ ;

(2) Audio recordings, photographs ~~[,]~~ and video recordings ; and ~~[statements]~~

(3) Statements made by or attributed to the peace officer.

(b) Explain an answer provided by the peace officer or refute a negative implication which results from questioning of the peace officer but may require such explanation to be provided after the agency has concluded its initial questioning of the peace officer.

~~[4.]~~ *5.* A representative must not otherwise be connected to, or the subject of, the same investigation.

~~[5.]~~ *6.* Any information that a representative obtains from the peace officer who is a witness concerning the investigation is confidential and must not be disclosed.

~~[6.]~~ *7.* Any information that a representative obtains from the peace officer who is the subject of the investigation is confidential and must not be disclosed except upon the:

(a) Request of the peace officer; or

(b) Lawful order of a court of competent jurisdiction.

➥ A law enforcement agency shall not take punitive action against a representative for the representative's failure or refusal to disclose such information.

~~[7.]~~ *8.* The peace officer, any representative of the peace officer or the law enforcement agency may make a stenographic, digital or magnetic record of the interview, interrogation or hearing. If the agency records the proceedings, the agency shall at the peace officer's request and expense provide a copy of the:

(a) Stenographic transcript of the proceedings; or

(b) Recording on the digital or magnetic tape.

~~[8.]~~ *9.* After the conclusion of the investigation, the peace officer who was the subject of the investigation or any representative of the peace officer may, if the peace officer appeals a recommendation to impose punitive action, review and copy the entire file concerning the internal investigation, including, without limitation, any recordings, notes, transcripts of interviews and documents contained in the file.

Sec. 7. NRS 289.085 is hereby amended to read as follows:

289.085 If an arbitrator or court determines that evidence was obtained during an investigation of a peace officer concerning conduct that could result

in punitive action in a manner which violates any provision of NRS 289.010 to 289.120, inclusive, and ~~[that such evidence may be prejudicial to the peace officer, such evidence is inadmissible and]~~ *section 1 of this act*, the arbitrator or court shall ~~[exclude such evidence during any]~~ *dismiss with prejudice the* administrative proceeding commenced or civil action filed against the peace officer.

Sec. 8. NRS 289.090 is hereby amended to read as follows:

289.090 The provisions of *subsections 2* ~~*[, 3 and 4]*~~ *to 5, inclsuive, of* NRS 289.057 ~~[,]~~ *and NRS* 289.060, 289.070 and 289.080 do not apply to any investigation which concerns alleged criminal activities.

Sec. 8.5. NRS 617.357 is hereby amended to read as follows:

617.357 1. Each insurer shall submit to the Administrator a written report concerning each claim for compensation in which the claimant is a firefighter, police officer, arson investigator or emergency medical attendant that is filed with the insurer pursuant to NRS 617.453, 617.455, 617.457, 617.481, 617.485 or 617.487. The written report must be submitted to the Administrator within 30 days after the insurer accepts or denies the claim pursuant to NRS 617.356 and must include:

(a) A statement specifying the nature of the claim;

(b) A statement indicating whether the insurer accepted or denied the claim and the reasons for the acceptance or denial;

(c) A statement indicating the estimated medical costs for the claim; and

(d) Any other information required by the Administrator.

2. If a claim specified in subsection 1 is appealed or affirmed, modified or reversed on appeal, or is closed or reopened, the insurer shall notify the Administrator of that fact in writing within 30 days after the claim is appealed, affirmed, modified, reversed, closed or reopened.

3. On or before February 1 of each year, the Administrator shall prepare and make available to the general public a written report concerning claims specified in subsection 1. The written report must include:

(a) The information submitted to the Administrator by an insurer pursuant to this section during the immediately preceding year; and

(b) Any other information concerning those claims required by the Administrator.

4. As used in this section, the term "police officer" includes a peace officer as that term is defined in ~~[subsection 3 of]~~ NRS 289.010.

Sec. 9. (Deleted by amendment.)

Sec. 10. This act becomes effective on July 1, 2019.

Senator Parks moved that the Senate concur in Assembly Amendment No. 847 to Senate Bill No. 242.

Remarks by Senator Parks.

Assembly Amendment No. 847 to Senate Bill No. 242 revises provisions relating to peace officers. The amendment defines law enforcement agency; creates an exemption allowing for the reassignment of a peace officer without consent under certain circumstances; clarifies what types of information may be inspected by a representative of a peace officer who is under investigation,

and finally, replaces "misconduct in the office, incompetence, and neglect of duty" with "malfeasance or nonfeasance in the performance of his or her duties."

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 243.

The following Assembly amendment was read:

Amendment No. 762.

SUMMARY—Revises provisions relating to prevailing wages. (BDR 28-768)

AN ACT relating to public construction; revising the procedure for determining the prevailing rate of wages; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires that mechanics and workers employed on certain public construction projects be paid at least the wage prevailing in the county in which the project is located for the type of work that the mechanic or worker performs. (NRS 338.020) Existing law also prescribes the manner in which the Labor Commissioner must determine the prevailing wage for such a project. (NRS 338.030) Section 3 of this bill: (1) removes these specific requirements with which the Labor Commissioner must comply in determining the prevailing rate of wages; and (2) reduces the frequency by which the Labor Commissioner is required to survey contractors from annually to biennially. Because existing law authorizes the Labor Commissioner to adopt such regulations as necessary to enable him or her to carry out his or her duties, the Labor Commissioner may establish the manner of determining the prevailing rate of wages by regulation. (NRS 338.012)

Section 3 also changes the geographical area for which the prevailing rate of wages is determined from a county to a region. Section 1 of this bill establishes four such regions: (1) the Washoe Prevailing Wage Region; (2) the Northern Rural Prevailing Wage Region; (3) the Clark Prevailing Wage Region; and (4) the Southern Rural Prevailing Wage Region. Section 2 of this bill makes a conforming change. Thus, mechanics and workers employed on public construction projects on which prevailing wages are required to be paid must be paid at least the wage prevailing in the region in which the project is located for their craft or type of work.

Section 3 requires the Labor Commissioner to issue a determination of the prevailing rate of wages on October 1 of the odd-numbered year in which the survey was conducted and makes this rate effective for 2 years unless the rate is adjusted by the Labor Commissioner. Finally, section 3 requires the Labor Commissioner to adjust the prevailing rate of wages on October 1 of each ~~[odd-numbered]~~ even-numbered year ~~[and reissue the rate]~~ if: (1) the Labor Commissioner determined in the previous odd-numbered year that the prevailing rate of wages was collectively bargained and the collective bargaining agreement provides for such an adjustment; or (2) the Labor

Commissioner determined in the previous odd-numbered year that the prevailing rate of wages was not collectively bargained and any change in the Consumer Price Index for All Urban Consumers, West Region (All Items) has occurred since October 1 of the previous odd-numbered year. Section 3 requires the Labor Commissioner to reissue the rates, including any adjusted rates, on October 1 of each even-numbered year.

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

Section 1. Chapter 338 of NRS is hereby amended by adding thereto a new section to read as follows:

For the purpose of determining the prevailing rate of wages pursuant to NRS 338.030, four prevailing wage regions are hereby established in this State as follows:

1. The Washoe Prevailing Wage Region consisting of Washoe County;

2. The Northern Rural Prevailing Wage Region consisting of Carson City and the counties of Churchill, Douglas, Elko, Eureka, Humboldt, Lander, Lyon, Mineral, Storey, Pershing and White Pine;

3. The Clark Prevailing Wage Region consisting of Clark County; and

4. The Southern Rural Prevailing Wage Region consisting of the counties of Esmeralda, Lincoln and Nye.

Sec. 2. NRS 338.020 is hereby amended to read as follows:

338.020 1. Every contract to which a public body of this State is a party, requiring the employment of skilled mechanics, skilled workers, semiskilled mechanics, semiskilled workers or unskilled labor in the performance of public work, must contain in express terms the hourly and daily rate of wages to be paid each of the classes of mechanics and workers. The hourly and daily rate of wages must:

(a) Not be less than the rate of such wages then prevailing in the ~~[county]~~ *region* in which the public work is located, which prevailing rate of wages must have been determined in the manner provided in NRS 338.030; and

(b) Be posted on the site of the public work in a place generally visible to the workers.

2. When public work is performed by day labor, the prevailing wage for each class of mechanics and workers so employed applies and must be stated clearly to such mechanics and workers when employed.

3. Except as otherwise provided in subsection 4, a contractor or subcontractor shall pay to a mechanic or worker employed by the contractor or subcontractor on the public work not less than one and one-half times the prevailing rate of wages applicable to the class of the mechanic or worker for each hour the mechanic or worker works on the public work in excess of:

(a) Forty hours in any scheduled week of work by the mechanic or worker for the contractor or subcontractor, including, without limitation, hours worked for the contractor or subcontractor on work other than the public work; or

(b) Eight hours in any workday that the mechanic or worker was employed by the contractor or subcontractor, including, without limitation, hours worked

for the contractor or subcontractor on work other than the public work, unless by mutual agreement the mechanic or worker works a scheduled 10 hours per day for 4 calendar days within any scheduled week of work.

4. The provisions of subsection 3 do not apply to a mechanic or worker who is covered by a collective bargaining agreement that provides for the payment of wages at not less than one and one-half times the rate of wages set forth in the collective bargaining agreement for work in excess of:

(a) Forty hours in any scheduled week of work; or

(b) Eight hours in any workday unless the collective bargaining agreement provides that the mechanic or worker shall work a scheduled 10 hours per day for 4 calendar days within any scheduled week of work.

5. The prevailing wage and any wages paid for overtime pursuant to subsection 3 or 4 to each class of mechanics or workers must be in accordance with the jurisdictional classes recognized in the ~~[locality]~~ *region* where the work is performed.

6. Nothing in this section prevents an employer who is signatory to a collective bargaining agreement from assigning such work in accordance with established practice.

Sec. 3. 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]~~ *region established pursuant to section 1 of this act* in which the public work is to be performed for each craft or type of work.

2. The prevailing wage in each ~~[county, including Carson City,]~~ *such region* must be ~~[established as follows:~~

~~(a) The]~~ *determined by the* Labor Commissioner . *To determine the prevailing wage in each region, the Labor Commissioner* shall, ~~[annually,]~~ *in each ~~[even-numbered]~~ odd-numbered year,* survey contractors who have performed work in the ~~[county.]~~ *region.*

~~[(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)]~~ *3.* The Labor Commissioner shall determine the prevailing wage to be 90 percent of the rate determined pursuant to ~~[paragraphs (a), (b) and (c)]~~ *subsection 2* 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.]~~ *4.* Within 30 days after the determination is issued:

(a) A public body or person entitled under subsection ~~[6]~~ *7* 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.]~~ *region.*

~~[4.]~~ *5.* The Labor Commissioner shall hold a hearing in the ~~[locality]~~ *region* 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.]~~ *4.*

➥ The Labor Commissioner may hold only one hearing a year on the prevailing wage of any craft or type of work in any ~~[county.]~~ *region.*

~~[5.]~~ *6.* Notice of the hearing must be advertised in a newspaper ~~[nearest to the locality of]~~ *in the region in which* the work *is to be executed* once a week for 2 weeks before the time of the hearing.

~~[6.]~~ *7.* 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]~~ *region* or their representatives must be heard. From the evidence presented, the Labor Commissioner shall determine the prevailing wage.

~~[7.]~~ *8.* The wages so determined must be ~~[filed]~~ *:*

(a) Issued by the Labor Commissioner *on October 1 of the odd-numbered year in which the survey was conducted and, except as otherwise provided in subsection 9, remain effective for 2 years after that date;* and ~~[must be]~~

(b) Made available *by the Labor Commissioner* to any public body which awards a contract for any public work.

~~[8.]~~ *9. On October 1 of each ~~[odd-numbered]~~ even-numbered year, the Labor Commissioner shall:*

(a) Adjust the prevailing rate of wages:

(1) If the Labor Commissioner ~~[determines]~~ determined in the previous odd-numbered year that the prevailing rate of wages for a class of workers who perform the craft or type of work ~~[is]~~ was a wage which ~~[has been]~~ was collectively bargained ~~, [pursuant to subsection 3,]~~ in accordance with the signed collective bargaining agreement that is on file with the Labor Commissioner, if the collective bargaining agreement provides for such an adjustment on or before October 1 of that ~~[odd-numbered]~~ even-numbered year; or

(2) ~~[In]~~ If the Labor Commissioner determined in the previous odd-numbered year that the prevailing rate of wage for a class of workers who perform the craft or type of work was not a wage which was collectively bargained, in accordance with the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the United States

Department of Labor or, if that index ceases to be published by the United States Department of Labor, the published index that most closely resembles that index, as determined by the Labor Commissioner, if any change in that index has occurred since October 1 of the previous odd-numbered year; and

(b) Reissue the prevailing rate of wages for each class of workers who perform the craft or type of work, including any rates required to be adjusted pursuant to paragraph (a).

10. 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.

Sec. 4. (Deleted by amendment.)

Sec. 5. The provisions of NRS 338.030, as amended by section 3 of this act, apply to any rate of prevailing wages determined by the Labor Commissioner pursuant to that section on or after July 1, 2019.

Sec. 6. The amendatory provisions of this act do not apply to any contract to which the provisions of NRS 338.020 to 338.090, inclusive, apply, that is awarded before July 1, 2019.

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

Senator Parks moved that the Senate concur in Assembly Amendment No. 762 to Senate Bill No. 243.

Remarks by Senator Parks.

Amendment No. 762 requires the Labor Commissioner to survey contractors in odd-numbered years and adjust the prevailing-wage rates on October 1 of even-numbered years and clarifies if there are no collective-bargaining agreements, the prevailing wage should be adjusted based on changes in the Consumer Price Index.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 279.

The following Assembly amendment was read:

Amendment No. 763.

SUMMARY—Revises provisions relating to general improvement districts. (BDR 25-246)

AN ACT relating to general improvement districts; requiring the board of trustees of a general improvement district to follow certain procedures before selling real property owned by the district; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the board of trustees of a general improvement district to dispose of real property owned by the district. (NRS 318.160) This bill sets forth various requirements to be met in order for the board to sell such real property.

Section 2 of this bill: (1) requires, with limited exception, the board of trustees to obtain two independent appraisals of real property; and

(2) prohibits, with limited exception, the board from selling the real property for less than the ~~[appraised value.]~~ average of the appraisals. Section 3 of this bill requires the board to adopt procedures for creating and maintaining a list of qualified appraisers.

Section 4 of this bill requires a board of trustees, before ordering the sale of real property, to adopt a resolution at a public meeting: (1) declaring the intent of the board to sell the real property; (2) finding that the sale is in the best interest of the district; and (3) fixing a time for an additional public meeting of the board at which sealed bills for the real property will be considered. Section 4 also sets forth certain public notice requirements for: (1) the first meeting where the board may adopt such a resolution; and (2) the second meeting at which the property may be sold. Section 5 of this bill sets forth the procedures for selling the real property at the second meeting. Section 6 of this bill authorizes the board to not comply with such procedures if, under certain circumstances, the board sells the property to an adjacent property owner, the State or another governmental entity.

Section 7 of this bill authorizes the board of trustees to: (1) offer the property for sale a second time if the real property is not sold at the initial offering; and (2) list the property for sale with a real estate broker if the real property is not sold at the second offering.

Section 8 of this bill provides that any sale of real property by a board of trustees is void if the sale violates any of the requirements or procedures previously described.

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

Section 1. Chapter 318 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this act.

Sec. 2. *Except as otherwise provided in NRS 318.1177, 318.118 and 318.215:*

1. Before ordering any real property of the district for sale, the board of trustees must:

(a) Except as otherwise provided in this paragraph, obtain two independent appraisals of the real property. If the board of trustees holds a public hearing on the matter of the fair market value of the real property, one independent appraisal of the real property is sufficient before selling the real property. The appraisal or appraisals, as applicable, must have been prepared not more than 6 months before the date on which the real property is offered for sale.

(b) Select the one independent appraiser or two independent appraisers, as applicable, from the list of appraisers established pursuant to section 3 of this act.

(c) Verified the qualifications of each appraiser selected pursuant to paragraph (b). The determination of the board of trustees as to the qualifications of the appraiser is conclusive.

2. The board of trustees shall not sell the property for less than:

(a) If two independent appraisals were obtained pursuant to subsection 1, the ~~[highest appraised value.]~~ average of the appraisals of the real property.

(b) If one appraisal is obtained pursuant to subsection 1, the appraised value ~~[.]~~ of the real property.

Sec. 3. *1. The board of trustees shall adopt by resolution the procedures for creating and maintaining a list of appraisers qualified to conduct appraisals of real property offered for sale by the board. The list must:*

(a) Contain the names of all persons qualified to act as a general appraiser in the same county as the real property that may be appraised; and

(b) Be organized at random and rotated from time to time.

2. An appraiser chosen pursuant to subsection 1 must provide a disclosure statement which includes, without limitation, all sources of income that may constitute a conflict of interest and any relationship with the real property owner or the owner of an adjoining real property.

3. An appraiser shall not perform an appraisal on any real property for sale by the board of trustees if:

(a) The appraiser has an interest in the real property or an adjoining property;

(b) The real property is located in a county whose population is 45,000 or more and any person who is related to the appraiser has an interest in the real property or an adjoining property and the relationship between the appraiser and the person is within the third degree of consanguinity or affinity; or

(c) The real property is located in a county whose population is less than 45,000 and any person who is related to the appraiser has an interest in the real property or an adjoining property and the relationship between the appraiser and the person is within the second degree of consanguinity or affinity.

Sec. 4. *1. Except as otherwise provided in NRS 318.1177, 318.118 and 318.215 and section 6 of this act, before ordering the sale of any real property owned by the general improvement district, the board of trustees shall, in open meeting by a majority vote of the members, adopt a resolution declaring the intention of the board to sell the property at auction and finding that the sale is in the best interest of the district. The resolution must:*

(a) Describe the property proposed to be sold in such a manner as to identified the property.

(b) Specified the minimum price and the terms upon which the property will be sold.

(c) Fix a time, not less than 3 weeks thereafter, for a public meeting of the board of trustees to be held at its regular place of meeting, at which sealed bids will be received and considered.

2. Notice of the adoption of the resolution and of the time and place of holding the meeting must be given by:

(a) Posting copies of the resolution in three public places in the district not less than 15 days before the date of the meeting; and

(b) Causing to be published at least once a week for 3 successive weeks before the meeting, in a newspaper qualified under chapter 238 of NRS that is published in the county in which the real property is located, a notice setting forth:

(1) A description of the real property proposed to be sold at auction in such a manner as to identified the property;

(2) The minimum price of the real property proposed to be sold at auction; and

(3) The places at which the resolution described in subsection 1 has been posted pursuant to paragraph (a), and any other places at which copies of that resolution may be obtained.

➥ If no qualified newspaper is published within the county in which the real property is located, the required notice must be published in some qualified newspaper printed in the State of Nevada and having a general circulation within the county.

Sec. 5. *1. At the time and place fixed in the resolution for the meeting of the board of trustees adopted pursuant to section 4 of this act, all sealed bids which have been received must, in public session, be opened, examined and declared by the board. Of the bids submitted which conform to all terms and conditions specified in the resolution of intention to sell and which are made by responsible bidders, the bid which is the highest must be finally accepted, unless a higher oral bid is accepted or the board rejects all bids.*

2. Before accepting any written bid, the board shall call for oral bids. If, upon the call for oral bidding, any responsible person offers to buy the property upon the terms and conditions specified in the resolution, for a price exceeding by at least 5 percent the highest written bid, then the highest oral bid which is made by a responsible person must be finally accepted.

3. The final acceptance of a bid by the board may be made either at the same session or at any adjourned session of the same meeting held within the 10 days next following.

4. The board may, either at the same session or at any adjourned session of the same meeting held within the 10 days next following, if it deems the action to be for the best public interest, reject any and all bids, either written or oral, and withdraw the property from sale.

5. Any resolution of acceptance of any bid made by the board must authorize and direct the chair to execute a deed and to deliver it upon performance and compliance by the purchaser with all the terms or conditions of the purchaser's contract which are to be performed concurrently therewith.

6. All money received from sales of real property must be deposited forthwith with the treasurer of the board to be credited to the district fund.

7. The board may require any person requesting that real property be sold pursuant to the provisions of this section to deposit a sufficient amount of money to pay the costs to be incurred by the board in acting upon the application, including the costs of publication and the expenses of appraisal. This deposit must be refunded if the person making the deposit is not the

successful bidder. The costs of acting upon the application, including the costs of publication and the expenses of appraisal, must be borne by the successful bidder.

Sec. 6. *A board of trustees may sell any real property owned by the district without complying with the provisions of sections 4 and 5 of this act to:*

1. A person who owns real property located adjacent to the real property to be sold if the board has determined by resolution that the sale will be in the best interest of the district and the real property is a:

(a) Parcel that, as a result of its size, is too small to establish an economically viable use by anyone other than the person who owns real property adjacent to the real property for sale; or

(b) Parcel which is subject to a deed restriction prohibiting the use of the real property by anyone other than the person who owns real property adjacent to the real property for sale.

2. The State or another governmental entity if:

(a) The sale restricts the use of the real property to a public use; and

(b) The board adopts a resolution finding that the sale will be in the best interest of the district.

Sec. 7. *1. If real property that is offered for sale pursuant to sections 4 and 5 of this act is not sold at the initial offering of the contract for the sale of the real property, the board of trustees may offer the real property for sale a second time pursuant to sections 4 and 5 of this act. The board of trustees must obtain a new appraisal or appraisals, as applicable, of the real property before offering the real property for sale a second time if:*

(a) There is a material change relating to the title, zoning or an ordinance governing the use of the real property; or

(b) The appraisal or appraisals, as applicable, were prepared more than 6 months before the date on which the real property is offered for sale the second time.

2. If real property that is offered for sale pursuant to this section is not sold at the second offering of the contract for the sale of the real property, the board of trustees may list the real property for sale at the appraised value with a licensed real estate broker, provided that the broker or a person related to the broker within the first degree of consanguinity or affinity does not have an interest in the real property or an adjoining property. If the appraisal or appraisals, as applicable, were prepared more than 6 months before the date on which the real property is listed with a licensed real estate broker, the board must obtain one new appraisal of the real property before listing the real property for sale at the new appraised value.

Sec. 8. *Any sale of real property of a district that does not comply with the provisions of sections 2 to 7, inclusive, of this act is void.*

Sec. 9. NRS 318.160 is hereby amended to read as follows:

318.160 ~~[The]~~ *Except as otherwise provided in sections 2 to 8, inclusive, of this act, the* board shall have the power to acquire, dispose of and encumber

real and personal property, and any interest therein, including leases, easements, and revenues derived from the operation thereof. The constitutional and inherent powers of the legislature are hereby delegated to the board for the acquisition, disposal and encumbrance of property; but the board shall in no case receive title to property already devoted to public purpose or use, except with the consent of the owners of such property, and except upon approval of a majority of the board.

Sec. 10. NRS 318.220 is hereby amended to read as follows:

318.220 1. ~~[Any]~~ *Except as otherwise provided in sections 2 to 8, inclusive, of this act, any* municipality, county, special district or owner may sell, lease, grant, convey, transfer or pay over to any district, with or without consideration, any project or any part thereof or any interest in real or personal property or any money available for construction or improvement purposes, including the proceeds of bonds issued before, on or after March 30, 1959, for construction or improvement purposes which may be used by the district in the construction, improvement, maintenance or operation of any project.

2. Any municipality, county or special district is also authorized to transfer, assign and set over to any district any contracts which may have been awarded by the municipality, county or special district for the construction of projects not begun or, if begun, not completed.

3. The territory being served by any project or the territory within which the project is authorized to render service at the time of the acquisition of the project by a district must include the area served by the project and the area in which the project is authorized to serve at the time of acquisition and any other area into which the service may be extended within the district. If an election is required either by general law or charter provision to authorize the transfer, such election must be called and conducted as provided by law.

Sec. 11. NRS 318A.390 is hereby amended to read as follows:

318A.390 1. ~~[Any]~~ *Except as otherwise provided in sections 2 to 8, inclusive, of this act, any* county, city, special district or owner may sell, lease, grant, convey, transfer or pay over to any district, with or without consideration, any facility, improvement or project, or any part thereof, or any interest in real or personal property or any money available for the construction, improvement, maintenance or operation of any facility, improvement or project.

2. Any county, city or special district may transfer, assign and set over to any district any contracts which may have been awarded by the county, city or special district for the construction of facilities, improvements or projects not begun or completed.

Sec. 12. This act becomes effective on July 1, 2019.

Senator Parks moved that the Senate concur in Assembly Amendment No. 763 to Senate Bill No. 279.

Remarks by Senator Parks.

Assembly Amendment No. 763 to Senate Bill No. 279 requires a board of trustees to sell real property based on the average of two independent appraisals.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 302.

The following Assembly amendments were read:

Amendment No. 764.

SUMMARY—Revises provisions relating to personal information collected by governmental agencies. (BDR 52-547)

AN ACT relating to privacy; requiring a governmental agency to comply, to the extent practicable, with certain standards with respect to the collection, dissemination and maintenance of records containing personal information of a resident of this State; prohibiting the Legislative Auditor from including certain information in the report of an audit; requiring the Legislative Auditor to report certain information concerning the security of the information system of an agency of the State under certain circumstances; authorizing a governmental agency to require a person to submit a record containing personal information by electronic means; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a data collector, including a governmental agency, that maintains records which contain personal information of a resident of this State to implement and maintain reasonable security measures to protect such records. (NRS 603A.210) Section 1 of this bill requires a data collector that is a governmental agency to comply, to the extent practicable, with certain standards published by the Center for Internet Security, Inc. or the National Institute of Standards and Technology of the United States Department of Commerce with respect to the collection, dissemination and maintenance of records containing personal information. Section 1 requires the Office of Information Security of the Division of Enterprise Information Technology Services of the Department of Administration to create, maintain and make available to the public a list of controls and standards that the State is required to comply with pursuant to federal law that also satisfied the standards and controls set forth in section 1.

Existing law requires the Legislative Auditor to conduct a postaudit of all accounts, funds and other records of all agencies of the State to determine certain information, including the compliance of the agency with applicable laws and regulations. (NRS 218G.200) Section 2 of this bill specifies that such applicable laws and regulations include, without limitation, the standards regarding records containing personal information set forth in section 1. Section 1.5 of this bill ~~[provides that all records and information relating to an audit conducted for such purposes, other than a statement indicating whether the agency is complying with the standards set forth in section 1, are confidential.]~~ prohibits the Legislative Auditor from including in the report of an audit any information the Legislative Auditor determines could potentially expose this State to a breach of the security of an information system of an

agency of this State. Section 1.5 further requires the Legislative Auditor to report to the Governor, the Chair of the Legislative Commission, the Chair of the Audit Subcommittee of the Legislative Commission and the head of an affected agency any vulnerability in the information system of an agency of this State that the Legislative Auditor discovers during the course of an audit and determines poses a serious threat to the security of the information system.

Existing law authorizes each governmental agency of this State to determine whether, and the extent to which, it will accept electronic records. (NRS 719.350) Existing law prohibits a governmental agency from requiring a person to include personal information on any document submitted to the governmental agency on or after January 1, 2007, unless required pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant. (NRS 239B.030) Section 3 of this bill authorizes a governmental agency to require a person to submit a document that is required to contain personal information by electronic means. Section 3 further authorizes a governmental agency to establish procedures by which a person may apply for and receive a waiver from such a requirement.

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

Section 1. NRS 603A.210 is hereby amended to read as follows:

603A.210 1. A data collector that maintains records which contain personal information of a resident of this State shall implement and maintain reasonable security measures to protect those records from unauthorized access, acquisition, destruction, use, modification or disclosure.

2. *If a data collector is a governmental agency and maintains records which contain personal information of a resident of this State, the data collector shall, to the extent practicable, with respect to the collection, dissemination and maintenance of those records, comply with the current version of the CIS Controls as published by the Center for Internet Security, Inc. or its successor organization, or corresponding standards adopted by the National Institute of Standards and Technology of the United States Department of Commerce.*

3. A contract for the disclosure of the personal information of a resident of this State which is maintained by a data collector must include a provision requiring the person to whom the information is disclosed to implement and maintain reasonable security measures to protect those records from unauthorized access, acquisition, destruction, use, modification or disclosure.

~~[3.]~~ *4.* If a state or federal law requires a data collector to provide greater protection to records that contain personal information of a resident of this State which are maintained by the data collector and the data collector is in compliance with the provisions of that state or federal law, the data collector shall be deemed to be in compliance with the provisions of this section.

5. The Office of Information Security of the Division of Enterprise Information Technology Services of the Department of Administration shall create, maintain and make available to the public a list of controls and

standards with which the State is required to comply pursuant to any federal law, regulation or framework that also satisfied the controls and standards set forth in subsection 2.

Sec. 1.5. Chapter 218G of NRS is hereby amended by adding thereto a new section to read as follows:

1. A report of an audit conducted by the Legislative Auditor ~~[pursuant to NRS 218G.200 to determine whether an agency of the State is complying with the standards regarding records containing personal information set forth in NRS 603.210]~~ must not contain ~~[only a statement that the agency, as applicable:~~

~~(a) Has adequately complied with the standards set forth in NRS 603A.210; or~~

~~(b) Has not adequately complied with the standards set forth in NRS 603A.210.~~

~~2. Except as otherwise provided in subsection 1,]~~ any ~~[records or other]~~ information ~~[relating to an audit described in subsection 1, including, without limitation, any records containing information which would be required to be kept confidential pursuant to NRS 242.105, are confidential and not subject to inspection by the general public.]~~ that the Legislative Auditor determines could potentially expose this State to a breach of the security of an information system of an agency of this State.

2. If the Legislative Auditor discovers, in the course of an audit, a vulnerability in an information system of an agency of the State that the Legislative Auditor determines poses a serious threat to the security of the information system, the Legislative Auditor shall report the vulnerability immediately to the Governor, the Chair of the Legislative Commission, the Chair of the Audit Subcommittee and the head of the agency affected.

3. As used in this section, "information system" has the meaning ascribed to it in NRS 242.057.

Sec. 2. NRS 218G.200 is hereby amended to read as follows:

218G.200 1. The Legislative Auditor shall perform a postaudit of all accounts, funds and other records of all agencies of the State to determine one or any combination of the following:

(a) Whether the financial statements of the audited agency comply with generally accepted principles of accounting.

(b) The honesty and integrity of fiscal affairs, the accuracy and reliability of information and reports, and the effectiveness of the system of management controls of the audited agency.

(c) Compliance with all applicable laws and regulations ~~[.]~~ *, including, without limitation, compliance with the standards regarding records containing personal information set forth in NRS 603A.210.*

(d) Whether the operations of the agency of the State have been conducted in accordance with its contractual obligations.

(e) Whether control by management and the system of information provide an adequate and efficient system of records and accounting.

2. Every officer and employee of an agency of the State shall aid and assist the Legislative Auditor at such times as the Legislative Auditor requires in the inspection, examination and audit of any books, accounts and records in their possession.

Sec. 2.5. ~~[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 1.5 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.~~] (Deleted by amendment.)

Sec. 3. NRS 239B.030 is hereby amended to read as follows:

239B.030 1. Except as otherwise provided in subsections 2 , *3* and [6,] *8,* a person shall not include and a governmental agency shall not require a person to include any personal information about a person on any document that is recorded, filed or otherwise submitted to the governmental agency on or after January 1, 2007.

2. If personal information about a person is required to be included in a document that is recorded, filed or otherwise submitted to a governmental agency on or after January 1, 2007, pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant, a governmental agency shall ensure that the personal information is maintained in a confidential manner and may only disclose the personal information as required:

(a) To carry out a specific state or federal law; or

(b) For the administration of a public program or an application for a federal or state grant.

➥ Any action taken by a governmental agency pursuant to this subsection must not be construed as affecting the legality of the document.

3. *If personal information about a person is required to be included in a document that is recorded, filed or otherwise submitted to a governmental agency on or after January 1, 2021, pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant, a governmental agency may require a person to record, file or otherwise submit such a document by electronic means.*

4. A governmental agency may establish procedures by which a person may apply for and receive a waiver from a requirement imposed pursuant to subsection 3. Such procedures must:

(a) Authorize the governmental agency to waive a requirement imposed pursuant to subsection 3 for good cause shown;

(b) Require such a waiver to be effective for not less than 24 months; and

(c) Allow a person who has been granted a waiver to reapply for and obtain additional waivers.

5. A governmental agency shall take necessary measures to ensure that notice of the provisions of this section is provided to persons with whom it conducts business. Such notice may include, without limitation, posting notice in a conspicuous place in each of its offices.

~~[4.]~~ *6.* A governmental agency may require a person who records, files or otherwise submits any document to the governmental agency to provide an affirmation that the document does not contain personal information about any person or, if the document contains any such personal information, identification of the specific law, public program or grant that requires the inclusion of the personal information. A governmental agency may refuse to record, file or otherwise accept a document which does not contain such an affirmation when required or any document which contains personal information about a person that is not required to be included in the document pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant.

~~[5.]~~ *7.* Each governmental agency may ensure that any personal information contained in a document that has been recorded, filed or otherwise submitted to the governmental agency before January 1, 2007, which the governmental agency continues to hold is:

(a) Maintained in a confidential manner if the personal information is required to be included in the document pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant; or

(b) Obliterated or otherwise removed from the document, by any method, including, without limitation, through the use of computer software, if the personal information is not required to be included in the document pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant.

➥ Any action taken by a governmental agency pursuant to this subsection must not be construed as affecting the legality of the document.

~~[6.]~~ *8.* A person may request that a governmental agency obliterate or otherwise remove from any document submitted by the person to the governmental agency before January 1, 2007, any personal information about the person contained in the document that is not required to be included in the document pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant or, if the personal information is so required to be included in the document, the person may request that the governmental agency maintain the personal information in a confidential manner. If any documents that have been recorded, filed or otherwise submitted to a governmental agency:

(a) Are maintained in an electronic format that allows the governmental agency to retrieve components of personal information through the use of computer software, a request pursuant to this subsection must identified the components of personal information to be retrieved. The provisions of this

paragraph do not require a governmental agency to purchase computer software to perform the service requested pursuant to this subsection.

(b) Are not maintained in an electronic format or not maintained in an electronic format in the manner described in paragraph (a), a request pursuant to this subsection must describe the document with sufficient specificity to enable the governmental agency to identified the document.

➥ The governmental agency shall not charge any fee to perform the service requested pursuant to this subsection.

~~[7.]~~ *9.* As used in this section:

(a) "Governmental agency" means an officer, board, commission, department, division, bureau, district or any other unit of government of the State or a local government.

(b) "Personal information" has the meaning ascribed to it in NRS 603A.040.

Sec. 4. (Deleted by amendment.)

Sec. 5. 1. This section and section 1.5 of this act become effective upon passage and approval.

2. Sections 1, 2 and 3 of this act ~~[becomes]~~ become effective on January 1, 2021.

Amendment No. 922.

SUMMARY—Revises provisions relating to personal information collected by governmental agencies. (BDR 52-547)

AN ACT relating to privacy; requiring a governmental agency to comply, to the extent practicable, with certain standards with respect to the collection, dissemination and maintenance of records containing personal information of a resident of this State; prohibiting the Legislative Auditor from including certain information in the report of an audit; requiring the Legislative Auditor to report certain information concerning the security of the information system of an agency of the State under certain circumstances; authorizing a governmental agency to require a person to submit a record containing personal information by electronic means; requiring certain state agencies to remove data from certain electronic waste; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a data collector, including a governmental agency, that maintains records which contain personal information of a resident of this State to implement and maintain reasonable security measures to protect such records. (NRS 603A.210) Section 1 of this bill requires a data collector that is a governmental agency to comply, to the extent practicable, with certain standards published by the Center for Internet Security, Inc. or the National Institute of Standards and Technology of the United States Department of Commerce with respect to the collection, dissemination and maintenance of records containing personal information. Section 1 requires the Office of Information Security of the Division of Enterprise Information Technology Services of the Department of Administration to create, maintain and make

available to the public a list of controls and standards that the State is required to comply with pursuant to federal law that also satisfied the standards and controls set forth in section 1.

Existing law requires the Legislative Auditor to conduct a postaudit of all accounts, funds and other records of all agencies of the State to determine certain information, including the compliance of the agency with applicable laws and regulations. (NRS 218G.200) Section 2 of this bill specifies that such applicable laws and regulations include, without limitation, the standards regarding records containing personal information set forth in section 1. Section 1.5 of this bill prohibits the Legislative Auditor from including in the report of an audit any information the Legislative Auditor determines could potentially expose this State to a breach of the security of an information system of an agency of this State. Section 1.5 further requires the Legislative Auditor to report to the Governor, the Chair of the Legislative Commission, the Chair of the Audit Subcommittee of the Legislative Commission and the head of an affected agency any vulnerability in the information system of an agency of this State that the Legislative Auditor discovers during the course of an audit and determines poses a serious threat to the security of the information system.

Existing law authorizes each governmental agency of this State to determine whether, and the extent to which, it will accept electronic records. (NRS 719.350) Existing law prohibits a governmental agency from requiring a person to include personal information on any document submitted to the governmental agency on or after January 1, 2007, unless required pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant. (NRS 239B.030) Section 3 of this bill authorizes a governmental agency to require a person to submit a document that is required to contain personal information by electronic means. Section 3 further authorizes a governmental agency to establish procedures by which a person may apply for and receive a waiver from such a requirement.

Section 1.1 of this bill requires each court of justice in this State to permanently remove all data from electronic waste before disposing of such waste. Sections 1.3, 2.7, 5 and 6 of this bill similarly require the Legislative Counsel Bureau, certain state agencies, each school district and the Nevada System of Higher Education, respectively, to remove all data from electronic waste before disposing of such waste.

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

Section 1. NRS 603A.210 is hereby amended to read as follows:

603A.210 1. A data collector that maintains records which contain personal information of a resident of this State shall implement and maintain reasonable security measures to protect those records from unauthorized access, acquisition, destruction, use, modification or disclosure.

2. *If a data collector is a governmental agency and maintains records which contain personal information of a resident of this State, the data*

collector shall, to the extent practicable, with respect to the collection, dissemination and maintenance of those records, comply with the current version of the CIS Controls as published by the Center for Internet Security, Inc. or its successor organization, or corresponding standards adopted by the National Institute of Standards and Technology of the United States Department of Commerce.

3. A contract for the disclosure of the personal information of a resident of this State which is maintained by a data collector must include a provision requiring the person to whom the information is disclosed to implement and maintain reasonable security measures to protect those records from unauthorized access, acquisition, destruction, use, modification or disclosure.

~~[3.]~~ *4.* If a state or federal law requires a data collector to provide greater protection to records that contain ersonal information of a resident of this State which are maintained by the data collector and the data collector is in compliance with the provisions of that state or federal law, the data collector shall be deemed to be in compliance with the provisions of this section.

5. The Office of Information Security of the Division of Enterprise Information Technology Services of the Department of Administration shall create, maintain and make available to the public a list of controls and standards with which the State is required to comply pursuant to any federal law, regulation or framework that also satisfied the controls and standards set forth in subsection 2.

Sec. 1.1. Chapter 1 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before disposing of electronic waste, each court of justice in this State shall permanently remove any data stored on the electronic waste.

2. As used in this section, "electronic waste" means electronic equipment that has been discarded, is no longer wanted by the owner or for any other reason enters the waste collection, recovery, treatment, processing or recycling system.

Sec. 1.3. Chapter 218F of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before disposing of electronic waste, the Legislative Counsel Bureau shall permanently remove any data stored on the electronic waste.

2. As used in this section, "electronic waste" means electronic equipment that has been discarded, is no longer wanted by the owner or for any other reason enters the waste collection, recovery, treatment, processing or recycling system.

Sec. 1.5. Chapter 218G of NRS is hereby amended by adding thereto a new section to read as follows:

1. A report of an audit conducted by the Legislative Auditor must not contain any information that the Legislative Auditor determines could potentially expose this State to a breach of the security of an information system of an agency of this State.

2. If the Legislative Auditor discovers, in the course of an audit, a vulnerability in an information system of an agency of the State that the Legislative Auditor determines poses a serious threat to the security of the information system, the Legislative Auditor shall report the vulnerability immediately to the Governor, the Chair of the Legislative Commission, the Chair of the Audit Subcommittee and the head of the agency affected.

3. As used in this section, "information system" has the meaning ascribed to it in NRS 242.057.

Sec. 2. NRS 218G.200 is hereby amended to read as follows:

218G.200 1. The Legislative Auditor shall perform a postaudit of all accounts, funds and other records of all agencies of the State to determine one or any combination of the following:

(a) Whether the financial statements of the audited agency comply with generally accepted principles of accounting.

(b) The honesty and integrity of fiscal affairs, the accuracy and reliability of information and reports, and the effectiveness of the system of management controls of the audited agency.

(c) Compliance with all applicable laws and regulations ~~[.]~~ *, including, without limitation, compliance with the standards regarding records containing personal information set forth in NRS 603A.210.*

(d) Whether the operations of the agency of the State have been conducted in accordance with its contractual obligations.

(e) Whether control by management and the system of information provide an adequate and efficient system of records and accounting.

2. Every officer and employee of an agency of the State shall aid and assist the Legislative Auditor at such times as the Legislative Auditor requires in the inspection, examination and audit of any books, accounts and records in their possession.

Sec. 2.5. (Deleted by amendment.)

Sec. 2.7. Chapter 232 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before disposing of electronic waste, each state agency shall permanently remove any data stored on the electronic waste.

2. As used in this section, "electronic waste" means electronic equipment that has been discarded, is no longer wanted by the owner or for any other reason enters the waste collection, recovery, treatment, processing or recycling system.

Sec. 3. NRS 239B.030 is hereby amended to read as follows:

239B.030 1. Except as otherwise provided in subsections 2 *, 3* and ~~[6,]~~ *8,* a person shall not include and a governmental agency shall not require a person to include any personal information about a person on any document that is recorded, filed or otherwise submitted to the governmental agency on or after January 1, 2007.

2. If personal information about a person is required to be included in a document that is recorded, filed or otherwise submitted to a governmental

agency on or after January 1, 2007, pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant, a governmental agency shall ensure that the personal information is maintained in a confidential manner and may only disclose the personal information as required:

(a) To carry out a specific state or federal law; or

(b) For the administration of a public program or an application for a federal or state grant.

➥ Any action taken by a governmental agency pursuant to this subsection must not be construed as affecting the legality of the document.

3. *If personal information about a person is required to be included in a document that is recorded, filed or otherwise submitted to a governmental agency on or after January 1, 2021, pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant, a governmental agency may require a person to record, file or otherwise submit such a document by electronic means.*

4. A governmental agency may establish procedures by which a person may apply for and receive a waiver from a requirement imposed pursuant to subsection 3. Such procedures must:

(a) Authorize the governmental agency to waive a requirement imposed pursuant to subsection 3 for good cause shown;

(b) Require such a waiver to be effective for not less than 24 months; and

(c) Allow a person who has been granted a waiver to reapply for and obtain additional waivers.

5. A governmental agency shall take necessary measures to ensure that notice of the provisions of this section is provided to persons with whom it conducts business. Such notice may include, without limitation, posting notice in a conspicuous place in each of its offices.

~~[4.]~~ *6.* A governmental agency may require a person who records, files or otherwise submits any document to the governmental agency to provide an affirmation that the document does not contain personal information about any person or, if the document contains any such personal information, identification of the specific law, public program or grant that requires the inclusion of the personal information. A governmental agency may refuse to record, file or otherwise accept a document which does not contain such an affirmation when required or any document which contains personal information about a person that is not required to be included in the document pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant.

~~[5.]~~ *7.* Each governmental agency may ensure that any personal information contained in a document that has been recorded, filed or otherwise submitted to the governmental agency before January 1, 2007, which the governmental agency continues to hold is:

(a) Maintained in a confidential manner if the personal information is required to be included in the document pursuant to a specific state or federal

law, for the administration of a public program or for an application for a federal or state grant; or

(b) Obliterated or otherwise removed from the document, by any method, including, without limitation, through the use of computer software, if the personal information is not required to be included in the document pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant.

➥ Any action taken by a governmental agency pursuant to this subsection must not be construed as affecting the legality of the document.

~~[6.]~~ *8.* A person may request that a governmental agency obliterate or otherwise remove from any document submitted by the person to the governmental agency before January 1, 2007, any personal information about the person contained in the document that is not required to be included in the document pursuant to a specific state or federal law, for the administration of a public program or for an application for a federal or state grant or, if the personal information is so required to be included in the document, the person may request that the governmental agency maintain the personal information in a confidential manner. If any documents that have been recorded, filed or otherwise submitted to a governmental agency:

(a) Are maintained in an electronic format that allows the governmental agency to retrieve components of personal information through the use of computer software, a request pursuant to this subsection must identified the components of personal information to be retrieved. The provisions of this paragraph do not require a governmental agency to purchase computer software to perform the service requested pursuant to this subsection.

(b) Are not maintained in an electronic format or not maintained in an electronic format in the manner described in paragraph (a), a request pursuant to this subsection must describe the document with sufficient specificity to enable the governmental agency to identified the document.

➥ The governmental agency shall not charge any fee to perform the service requested pursuant to this subsection.

~~[7.]~~ *9.* As used in this section:

(a) "Governmental agency" means an officer, board, commission, department, division, bureau, district or any other unit of government of the State or a local government.

(b) "Personal information" has the meaning ascribed to it in NRS 603A.040.

Sec. 4. (Deleted by amendment.)

Sec. 5. Chapter 386 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before disposing of electronic waste, each school district shall permanently remove any data stored on the electronic waste.

2. As used in this section, "electronic waste" means electronic equipment that has been discarded, is no longer wanted by the owner or for any other

reason enters the waste collection, recovery, treatment, processing or recycling system.

Sec. 6. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before disposing of electronic waste, the System shall permanently remove any data stored on the electronic waste.

2. As used in this section, "electronic waste" means electronic equipment that has been discarded, is no longer wanted by the owner or for any other reason enters the waste collection, recovery, treatment, processing or recycling system.

~~[Sec. 5.]~~ *Sec. 7.* 1. This section and section 1.5 of this act become effective upon passage and approval.

2. Sections 1, 1.1, 1.3, 2 ~~[and]~~ , 2.7, 3 , 5 and 6 of this act become effective on January 1, 2021.

Senator Spearman moved that the Senate concur in Assembly Amendments Nos. 764, 922 to Senate Bill No. 302.

Remarks by Senator Spearman.

Assembly Amendments Nos. 764 and 922 made various changes to Senate Bill No. 302. The amendments require Legislative Counsel Bureau audit reports must not contain any information that expose the State to a potential information security breach; requires the Legislative Auditor to immediately report any serious security vulnerabilities he or she discovers to the Governor, the Chair of the Legislative Commission, the Chair of the Audit Subcommittee and the head of the agency affected; requires each Court of Justice in this State, the Legislative Counsel Bureau, certain State agencies, each school district and the Nevada System of Higher Education to permanently remove all data from electronic waste before disposing of such waste, and changed the effective date for certain provisions of the bill.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 311.

The following Assembly amendment was read:

Amendment No. 916.

SENATORS PARKS, D. HARRIS, BROOKS; SPEARMAN AND WOODHOUSE

JOINT SPONSORS: ASSEMBLYMEN JAUREGUI, MCCURDY, SPIEGEL AND TOLLES

SUMMARY— ~~[Prohibits]~~ Revises provisions prohibiting certain discriminatory practices against a person seeking credit. (BDR 52-1048)

AN ACT relating to credit; prohibiting discrimination against a person who seeks to obtain credit; revising provisions governing discrimination based on the marital status of a person who seeks to obtain credit; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires that any person seeking credit be afforded equal opportunity to have their creditworthiness evaluated under the same relevant economic standards and without any discrimination on the basis of their sex or marital status. (NRS 598B.020, 598B.100) Section 2 of this bill defines marital

status. Section 3 of this bill permits an applicant for credit who has no credit history and was married to request that a creditor deem the applicant's credit history to be identical to that of the applicant's spouse during their marriage. Under section 3, the failure of a creditor to comply with such a request is deemed to be discrimination based on marital status. Sections ~~[1]~~ 4 and ~~[3]~~ 7 of this bill expand the protection against discrimination to include race, color, creed, religion, disability, national origin or ancestry, sexual orientation, and gender identity or expression. Section ~~[2]~~ 6 of this bill requires the Commissioner of Financial Institutions to study the nature and extent of any discrimination based on race, color, creed, religion, disability, national origin or ancestry, sexual orientation, and gender identity or expression. Section ~~[2]~~ 6 also requires the Commissioner of Financial Institutions to cooperate with and assist in programs to prevent or eliminate such discrimination.

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

Section 1. Chapter 598B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. "Marital status" means all states of being married or unmarried, and includes, without limitation, the states of being single, married, separated, divorced or widowed.

Sec. 3. 1. If an applicant for credit:

(a) Has no credit history;

(b) Was or is married;

(c) Requests that the creditor deem the credit history of the applicant to be identical to the credit history of the applicant's spouse which was established during the marriage referenced in paragraph (b); and

(d) If requested by the creditor, provides, with regard to the marriage referenced in paragraph (b), evidence of:

(1) The existence of the marriage; and

(2) The date of the marriage and, if applicable, the date the marriage ended,

➥ The creditor must deem the credit history of the applicant to be identical to the credit history of the applicant's spouse which was established during the marriage referenced in paragraph (b).

2. Violation of this section by a creditor shall be deemed to be discrimination based on marital status.

Sec. 4. NRS 598B.020 is hereby amended to read as follows:

598B.020 It is hereby declared to be the public policy of the State of Nevada that all people in the State desiring to obtain credit shall be afforded equal opportunity to have their creditworthiness evaluated under the same relevant economic standards and without any discrimination on the basis of their *race, color, creed, religion, disability, national origin or ancestry,* sex *, sexual orientation, gender identity or expression,* or marital status.

Sec. 5. NRS 598B.030 is hereby amended to read as follows:

598B.030 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 598B.040 to 598B.080, inclusive, *and section 2 of this act* have the meanings ascribed to them in such sections.

~~[Sec. 2.]~~ *Sec. 6.* NRS 598B.090 is hereby amended to read as follows:

598B.090 The Commissioner of Financial Institutions through the Division shall:

1. Administer the provisions of this chapter;

2. Study the nature and extent of any discrimination as to *race, color, creed, religion, disability, national origin or ancestry,* sex *, sexual orientation, gender identity or expression,* or marital status in credit practices in this state; and

3. Cooperate with and assist all public and private agencies, organizations and institutions which are formulating or carrying on programs to prevent or eliminate discrimination on the basis of *race, color, creed, religion, disability, national origin or ancestry,* sex *, sexual orientation, gender identity or expression,* or marital status in credit practices.

~~[Sec. 3.]~~ *Sec. 7.* NRS 598B.100 is hereby amended to read as follows:

598B.100 It is unlawful for any creditor to discriminate against any applicant on the basis of the applicant's *race, color, creed, religion, disability, national origin or ancestry,* sex *, sexual orientation, gender identity or expression,* or marital status with respect to any aspect of a credit transaction.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 916 to Senate Bill No. 311.

Remarks by Senator Spearman.

Assembly Amendment No. 916 to Senate Bill No. 311 makes three changes. The amendment requires a creditor to deem the credit history of a credit applicant to be identical to the credit history of that applicant's spouse under certain circumstances; defines "marital status" to clarify that discrimination based on any type of marital status is prohibited, and adds various cosponsors and joint sponsors to the bill.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 316.

The following Assembly amendment was read:

Amendment No. 782.

SUMMARY—Revises provisions governing public nuisances. (BDR 15-53)

AN ACT relating to public nuisances; making it a public nuisance for a person to engage in certain activities relating to highways, roads, state lands or other public lands or lands dedicated to public use; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law states that: (1) a public nuisance is a crime against the order and economy of the State; and (2) a person commits a public nuisance if he or she engages in various activities, including without limitation, unlawfully interfering with or obstructing a street, bridge or highway. (NRS 202.450) A

person who commits or maintains a public nuisance for which no special punishment is prescribed is guilty of a misdemeanor, and a court may order the person to abate the nuisance and pay a civil penalty of not less than $500 but not more than $5,000. (NRS 202.470, 202.480) Section 3.2 of this bill expands existing law by making it a public nuisance for a person, by force, threat, intimidation or any other unlawful means, to prevent or obstruct the free passage or transit over or through certain highways, roads, state lands or other public lands or lands dedicated to public use or to knowingly misrepresent the status of or assert any right to the exclusive use and occupancy of those highways, roads, state lands or other public lands or lands dedicated to public use, if the person has no leasehold interest in or claim or color of title to the highway, road, state land or other public land or land dedicated to public use. Sections 3.4-3.8 of this bill make conforming changes.

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

Section 1. (Deleted by amendment.)

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 3.2. NRS 202.450 is hereby amended to read as follows:

202.450 1. A public nuisance is a crime against the order and economy of the State.

2. Every place:

(a) Wherein any gambling, bookmaking or pool selling is conducted without a license as provided by law, or wherein any swindling game or device, or bucket shop, or any agency therefor is conducted, or any article, apparatus or device useful therefor is kept;

(b) Wherein any fighting between animals or birds is conducted;

(c) Wherein any dog races are conducted as a gaming activity;

(d) Wherein any intoxicating liquors are kept for unlawful use, sale or distribution;

(e) Wherein a controlled substance, immediate precursor or controlled substance analog is unlawfully sold, served, stored, kept, manufactured, used or given away;

(f) That is regularly and continuously used by the members of a criminal gang to engage in, or facilitate the commission of, crimes by the criminal gang; or

(g) Where vagrants resort,

➥ is a public nuisance.

3. Every act unlawfully done and every omission to perform a duty, which act or omission:

(a) Annoys, injures or endangers the safety, health, comfort or repose of any considerable number of persons;

(b) Offends public decency;

(c) Unlawfully interferes with, befouls, obstructs or tends to obstruct, or renders dangerous for passage, a lake, navigable river, bay, stream, canal,

ditch, millrace or basin, or a public park, square, street, alley, bridge, causeway or highway; or

(d) In any way renders a considerable number of persons insecure in life or the use of property,

➥ is a public nuisance.

4. A building or place which was used for the purpose of unlawfully manufacturing a controlled substance, immediate precursor or controlled substance analog is a public nuisance if the building or place has not been deemed safe for habitation by the board of health and:

(a) The owner of the building or place allows the building or place to be used for any purpose before all materials or substances involving the controlled substance, immediate precursor or controlled substance analog have been removed from or remediated on the building or place by an entity certified or licensed to do so; or

(b) The owner of the building or place fails to have all materials or substances involving the controlled substance, immediate precursor or controlled substance analog removed from or remediated on the building or place by an entity certified or licensed to do so within 180 days after the building or place is no longer used for the purpose of unlawfully manufacturing a controlled substance, immediate precursor or controlled substance analog.

5. *It is a public nuisance for any person:*

(a) By force, threat or intimidation, or by fencing or otherwise enclosing, or by any other unlawful means, to prevent or obstruct the free passage or transit over or through any:

(1) Highway designated as a United States highway;

(2) Highway designated as a state highway pursuant to NRS 408.285;

(3) Main , ~~*[or]*~~ *general* *or minor* *county road designated pursuant to NRS 403.170;*

(4) Public road, as defined in subsection 2 of NRS 405.191;

(5) State land or other public land; or

~~*[(5)]*~~ *(6) Land dedicated to public use; or*

(b) To knowingly misrepresent the status of or assert any right to the exclusive use and occupancy of such a highway, road, state land or other public land or land dedicated to public use,

➥ *if the person has no leasehold interest, claim or color of title, made or asserted in good faith, in or to the highway, road, state land or other public land or land dedicated to public use.*

6. Agricultural activity conducted on farmland consistent with good agricultural practice and established before surrounding nonagricultural activities is not a public nuisance unless it has a substantial adverse effect on the public health or safety. It is presumed that an agricultural activity which does not violate a federal, state or local law, ordinance or regulation constitutes good agricultural practice.

~~[6.]~~ *7.* A shooting range is not a public nuisance with respect to any noise attributable to the shooting range if the shooting range is in compliance with the provisions of all applicable statutes, ordinances and regulations concerning noise:

(a) As those provisions existed on October 1, 1997, for a shooting range that begins operation on or before October 1, 1997; or

(b) As those provisions exist on the date that the shooting range begins operation, for a shooting range in operation after October 1, 1997.

➥ A shooting range is not subject to any state or local law related to the control of noise that is adopted or amended after the date set forth in paragraph (a) or (b), as applicable, and does not constitute a nuisance for failure to comply with any such law.

~~[7.]~~ *8.* A request for emergency assistance by a tenant as described in NRS 118A.515 and 118B.152 is not a public nuisance.

~~[8.]~~ *9.* As used in this section:

(a) "Board of health" has the meaning ascribed to it in NRS 439.4797.

(b) "Controlled substance analog" has the meaning ascribed to it in NRS 453.043.

(c) "Criminal gang" has the meaning ascribed to it in NRS 193.168.

(d) "Immediate precursor" has the meaning ascribed to it in NRS 453.086.

(e) "Shooting range" has the meaning ascribed to it in NRS 40.140.

(f) "State land" has the meaning ascribed to it in NRS 383.425.

Sec. 3.4. NRS 244.363 is hereby amended to read as follows:

244.363 Except as otherwise provided in subsection 3 of NRS 40.140 and subsection ~~[6]~~ *7* of NRS 202.450, the boards of county commissioners in their respective counties may, by ordinance regularly enacted, regulate, control and prohibit, as a public nuisance, excessive noise which is injurious to health or which interferes unreasonably with the comfortable enjoyment of life or property within the boundaries of the county.

Sec. 3.6. NRS 266.335 is hereby amended to read as follows:

266.335 The city council may:

1. Except as otherwise provided in subsections 3 and 4 of NRS 40.140 and subsections ~~[6]~~ *7* and ~~[7]~~ *8* of NRS 202.450, determine by ordinance what shall be deemed nuisances.

2. Provide for the abatement, prevention and removal of the nuisances at the expense of the person creating, causing or committing the nuisances.

3. Provide that the expense of removal is a lien upon the property upon which the nuisance is located. The lien must:

(a) Be perfected by recording with the county recorder a statement by the city clerk of the amount of expenses due and unpaid and describing the property subject to the lien.

(b) Be coequal with the latest lien thereon to secure the payment of general taxes.

(c) Not be subject to extinguishment by the sale of any property because of the nonpayment of general taxes.

(d) Be prior and superior to all liens, claims, encumbrances and titles other than the liens of assessments and general taxes.

4. Provide any other penalty or punishment of persons responsible for the nuisances.

Sec. 3.8. NRS 268.412 is hereby amended to read as follows:

268.412 Except as otherwise provided in subsection 3 of NRS 40.140 and subsection ~~[6]~~ *7* of NRS 202.450, the city council or other governing body of a city may, by ordinance regularly enacted, regulate, control and prohibit, as a public nuisance, excessive noise which is injurious to health or which interferes unreasonably with the comfortable enjoyment of life or property within the boundaries of the city.

Sec. 4. This act becomes effective on July 1, 2019.

Senator Scheible moved that the Senate concur in Assembly Amendment No. 782 to Senate Bill No. 316.

Remarks by Senator Scheible.

Assembly Amendment No. 782 to Senate Bill No. 316 revises section 3.2 of the bill by adding a reference to "minor county road" and "public roads."

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 345.

The following Assembly amendment was read:

Amendment No. 758.

JOINT SPONSORS: ASSEMBLYMEN TITUS, WHEELER ~~[,]~~, TOLLES; AND ELLISON

SUMMARY—Revises provisions governing estate distilleries. (BDR 52-980)

AN ACT relating to estate distilleries; authorizing brew pubs and certain wineries to transfer certain malt beverages and wine in bulk to an estate distillery; authorizing a wholesale dealer of liquor to make such a transfer; authorizing an estate distillery to receive malt beverages and wine in bulk for the purpose of distillation and blending; revising when certain spirits that are received or transferred in bulk are subject to taxation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the operation of brew pubs, estate distilleries and wineries. (NRS 597.230, 597.237 and 597.240) Existing law requires an estate distillery to ensure that none of the spirits manufactured at the estate distillery are derived from neutral or distilled spirits manufactured by another manufacturer. (NRS 597.237)

Section 2 of this bill ~~[removes the requirement that none of the spirits manufactured at an estate distillery be derived from neutral or distilled spirits manufactured by another manufacturer. Section 2 also]~~ authorizes an estate distillery to blend and distill wines and malt beverages, provided such wines

and malt beverages are acquired from a licensed brew pub or winery in this State meeting certain requirements.

Sections ~~[1.5, 2, 2.3, 2.5 and 2.7]~~ 1.3-2.9 of this bill authorize an estate distillery to receive from a licensed wholesale dealer of liquor, brew pub or winery in this State meeting certain requirements, in bulk, wine or malt beverages for the purpose of distillation and blending. Sections 1.5, 2.5 and 2.7-2.9 authorize such transfers to be made: (1) by a licensed wholesale dealer of liquor; or (2) directly by a licensed brew pub or winery to an estate distillery only if no licensed wholesale dealer of liquor is able or willing to make the transfer and a special permit for the transportation of the wine or malt beverages is obtained under existing law from the Department of Taxation. Sections 1.5, 2, 2.3, 2.5 and 2.7 provide that wine and malt beverages so received by an estate distillery are taxable only when the wine or malt beverages are distilled or blended, or both, bottled in original packages for sale within this State and removed from the federally bonded premises of the estate distillery.

Existing law authorizes an estate distillery to transfer in bulk neutral or distilled spirits to a supplier. Existing law provides that any such transfer is taxable only when the neutral or distilled spirits are rectified and bottled in original packages for sale within this State. (NRS 597.237) Section 2 provides that neutral or distilled spirits which are so received are taxable only when they are bottled in original packages for sale within this State and are removed from the federally bonded premises of the supplier.

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

Section 1. (Deleted by amendment.)

Sec. 1.3. NRS 597.150 is hereby amended to read as follows:

597.150 "Wholesaler" means any person, partnership, corporation or other form of business enterprise licensed by the Nevada Tax Commission to sell malt beverages, distilled spirits and wines, or all of them, as it is originally packaged to retail liquor stores or to another licensed wholesaler, *or to transfer malt beverages and wine to an estate distillery pursuant to NRS 597.230 and 597.240, respectively,* but not to sell to the consumer or general public.

Sec. 1.5. NRS 597.230 is hereby amended to read as follows:

597.230 1. In any county, a person may operate a brew pub:

(a) In any redevelopment area established in that county pursuant to chapter 279 of NRS;

(b) In any historic district established in that county pursuant to NRS 384.005;

(c) In any retail liquor store as that term is defined in NRS 369.090; or

(d) In any other area in the county designated by the board of county commissioners for the operation of brew pubs. In a city which is located in that county, a person may operate a brew pub in any area in the city designated by the governing body of that city for the operation of brew pubs.

➥ A person who operates one or more brew pubs may not manufacture more than 40,000 barrels of malt beverages for all the brew pubs he or she operates in this State in any calendar year.

2. The premises of any brew pub operated pursuant to this section must be conspicuously identified as a "brew pub."

3. Except as otherwise provided in subsection 4, a person who operates one or more brew pubs pursuant to this section may, upon obtaining a license pursuant to chapter 369 of NRS and complying with any other applicable governmental requirements:

(a) Manufacture and store malt beverages on the premises of one or more of the brew pubs and:

(1) Sell and transport the malt beverages manufactured on the premises to a person holding a valid wholesale wine and liquor dealer's license or wholesale beer dealer's license issued pursuant to chapter 369 of NRS.

(2) Donate for charitable or nonprofit purposes and, for the purposes of the donation, transport the malt beverages manufactured on the premises in accordance with the terms and conditions of a special permit for the transportation of the malt beverages obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450.

(3) Transfer in bulk the malt beverages manufactured on the premises :

(I) To a person holding a valid wholesale wine and liquor dealer's license or wholesale beer dealer's license issued pursuant to chapter 369 of NRS for the purpose of transferring in bulk the malt beverages to an estate distillery for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237; or

(II) If there is no wholesaler who is able or willing to accept and transfer in bulk the malt beverages pursuant to sub-subparagraph (I), to a person holding a valid license to operate an estate distillery issued pursuant to chapter 369 of NRS for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237 ~~[.]~~ and must be performed in accordance with the terms and conditions of a special permit for the transportation of the malt beverages obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450.

(b) Manufacture and store malt beverages on the premises of one or more of the brew pubs and transport the malt beverages manufactured on the premises to a retailer, other than a person who operates a brew pub pursuant to this section, that holds a valid license pursuant to chapter 369 of NRS for the purpose of selling the malt beverages at a special event in accordance with the terms and conditions of a special permit for the transportation of the malt beverages obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450. For the purposes of this paragraph, the person who operates one or more brew pubs shall not obtain more than 20 such special permits for the transportation of the malt beverages from the Department of Taxation pursuant to subsection 4 of NRS 369.450 within a calendar year.

(c) Sell at retail, not for resale, malt beverages manufactured on or off the premises of one or more of the brew pubs for consumption on the premises.

(d) Sell at retail, not for resale, in packages sealed on the premises of one or more of the brew pubs, malt beverages, including malt beverages in unpasteurized form, manufactured on the premises for consumption off the premises.

4. The amount of malt beverages sold pursuant to paragraphs (b), (c) and (d) of subsection 3 must not exceed a total of 5,000 barrels in any calendar year. Of the 5,000 barrels, not more than 1,000 barrels may be sold in kegs.

Sec. 2. NRS 597.237 is hereby amended to read as follows:

597.237 1. A person may operate an estate distillery if the person:

(a) Obtains a license for the facility pursuant to chapter 369 of NRS;

(b) Complies with the requirements of this chapter; and

(c) Complies with any other applicable governmental requirements.

2. A person who operates an estate distillery pursuant to this section may:

(a) In addition to manufacturing spirits from agricultural raw materials through distillation, blend, age, store and bottle the spirits so manufactured. The person operating the estate distillery shall ensure that none of the spirits manufactured at the estate distillery are derived from neutral or distilled spirits manufactured by another ~~[manufacturer.]~~ *manufacturer, except as authorized by paragraph (b).*

(b) *Blend and distill wines or malt beverages, provided any such wine or malt beverage was manufactured by:*

(1) A brew pub licensed pursuant to NRS 597.230;

(2) A winery that has been issued a wine-maker's license pursuant to NRS 369.200 on or before September 30, 2015; or

(3) A winery that has been issued a wine-maker's license pursuant to NRS 369.200 on or after October 1, 2015, if 25 percent or more of the wine produced, blended or aged by the winery is produced, blended or aged from fruit grown in this State.

(c) Except as otherwise provided in paragraphs ~~[(f) and (g),]~~ *(g) and (h),* in any calendar year, sell and transport in Nevada not more than a combined total of 75,000 cases of spirits at the estate distillery to a person who holds a license to engage in business as a wholesale dealer of liquor pursuant to chapter 369 of NRS.

~~[(c)]~~ *(d)* In any calendar year, manufacture for exportation to another state, not more than a combined total of 400,000 cases of spirits at all the estate distilleries the person operates.

~~[(d)]~~ *(e)* On the premises of the estate distillery, serve samples of the spirits manufactured at the estate distillery. Any such samples must not exceed, per person, per day, 4 fluid ounces in volume.

~~[(e)]~~ *(f)* On the premises of the estate distillery, sell the spirits manufactured at the estate distillery at retail for consumption on or off the premises. Any such spirits sold at retail for off-premises consumption must not exceed, per person, per month, 1 case of spirits and not exceed, per person,

per year, 6 cases of spirits. The total amount of such spirits sold at retail for off-premises consumption must not exceed 7,500 cases per year. Spirits purchased on the premises of an estate distillery must not be resold by the purchaser or any retail liquor store. A person who operates an estate distillery shall prominently display on the premises a notice that the resale of spirits purchased on the premises is prohibited.

~~[(f)]~~ *(g)* Donate for charitable or nonprofit purposes and transport neutral or distilled spirits manufactured at the estate distillery in accordance with the terms and conditions of a special permit for the transportation of the neutral or distilled spirits obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450.

~~[(g)]~~ *(h)* Transfer in bulk neutral or distilled spirits manufactured at the estate distillery to a supplier. Any such transfer:

(1) Is taxable only when the neutral or distilled spirits are rectified and bottled in original packages for sale within this State ~~[,]~~ *and removed from the federally bonded premises of the supplier;* and

(2) Is not a sale for the purposes of paragraph ~~[(b)]~~ *(c)* or manufacturing for exportation for the purposes of paragraph ~~[(c).]~~ *(d).*

(i) Subject to the provisions of subsection 3, receive wine or malt beverages in bulk from a person described in subparagraph (1), (2) or (3) of paragraph (b) , or from a wholesale dealer of alcoholic beverages who is licensed under chapter 369 of NRS and who is transferring such wine or malt beverages pursuant to NRS 597.230 or 597.240, for the purpose of distillation and blending. Wine and malt beverages so received are taxable only when the wine and malt beverages are:

(1) Distilled, blended or both, and bottled in original packages for sale within this State; and

(2) Removed from the federally bonded premises of the estate distillery.

3. A person who operates an estate distillery shall not receive a shipment of wine or malt beverages:

(a) Unless the person first notifies the Department of Taxation that the distillery will receive such a shipment; and

(b) Except as authorized by paragraph (i) of subsection 2.

4. Spirits manufactured by an estate distillery pursuant to this section may be sold in this State only after bottling in original packages.

Sec. 2.3. NRS 597.237 is hereby amended to read as follows:

597.237 1. A person may operate an estate distillery if the person:

(a) Obtains a license for the facility pursuant to chapter 369 of NRS;

(b) Complies with the requirements of this chapter; and

(c) Complies with any other applicable governmental requirements.

2. A person who operates an estate distillery pursuant to this section may:

(a) In addition to manufacturing spirits from agricultural raw materials through distillation, blend, age, store and bottle the spirits so manufactured. The person operating the estate distillery shall ensure that none of the spirits manufactured at the estate distillery are derived from neutral or distilled spirits

manufactured by another ~~[manufacturer.]~~ *manufacturer, except as authorized by paragraph (b).*

(b) *Blend and distill wines or malt beverages, provided any such wine or malt beverage was manufactured by:*

(1) A brew pub licensed pursuant to NRS 597.230;

(2) A winery that has been issued a wine-maker's license pursuant to NRS 369.200 if 25 percent or more of the wine produced, blended or aged by the winery is produced, blended or aged from fruit grown in this State.

(c) Except as otherwise provided in paragraphs ~~[(f) and (g),]~~ *(g) and (h),* in any calendar year, sell and transport in Nevada not more than a combined total of 75,000 cases of spirits at the estate distillery to a person who holds a license to engage in business as a wholesale dealer of liquor pursuant to chapter 369 of NRS.

~~[(c)]~~ *(d)* In any calendar year, manufacture for exportation to another state, not more than a combined total of 400,000 cases of spirits at all the estate distilleries the person operates.

~~[(d)]~~ *(e)* On the premises of the estate distillery, serve samples of the spirits manufactured at the estate distillery. Any such samples must not exceed, per person, per day, 4 fluid ounces in volume.

~~[(e)]~~ *(f)* On the premises of the estate distillery, sell the spirits manufactured at the estate distillery at retail for consumption on or off the premises. Any such spirits sold at retail for off-premises consumption must not exceed, per person, per month, 1 case of spirits and not exceed, per person, per year, 6 cases of spirits. The total amount of such spirits sold at retail for off-premises consumption must not exceed 7,500 cases per year. Spirits purchased on the premises of an estate distillery must not be resold by the purchaser or any retail liquor store. A person who operates an estate distillery shall prominently display on the premises a notice that the resale of spirits purchased on the premises is prohibited.

~~[(f)]~~ *(g)* Donate for charitable or nonprofit purposes and transport neutral or distilled spirits manufactured at the estate distillery in accordance with the terms and conditions of a special permit for the transportation of the neutral or distilled spirits obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450.

~~[(g)]~~ *(h)* Transfer in bulk neutral or distilled spirits manufactured at the estate distillery to a supplier. Any such transfer:

(1) Is taxable only when the neutral or distilled spirits are rectified and bottled in original packages for sale within this State ~~[;]~~ *and removed from the federally bonded premises of the supplier;* and

(2) Is not a sale for the purposes of paragraph ~~[(b)]~~ *(c)* or manufacturing for exportation for the purposes of paragraph ~~[(c).]~~ *(d).*

(i) Subject to the provisions of subsection 3, receive wine or malt beverages in bulk from a person described in subparagraph (1) or (2) of paragraph (b) , or from a wholesale dealer of alcoholic beverages who is licensed under chapter 369 of NRS and who is transferring such wine or malt beverages

pursuant to NRS 597.230 or 597.240, for the purpose of distillation and blending. Wine and malt beverages so received are taxable only when the wine and malt beverages are:

(1) Distilled, blended or both, and bottled in original packages for sale within this State; and

(2) Removed from the federally bonded premises of the estate distillery.

3. A person who operates an estate distillery shall not receive a shipment of wine or malt beverages:

(a) Unless the person first notifies the Department of Taxation that the distillery will receive such a shipment; and

(b) Except as authorized by paragraph (i) of subsection 2.

4. Spirits manufactured by an estate distillery pursuant to this section may be sold in this State only after bottling in original packages.

Sec. 2.5. NRS 597.240 is hereby amended to read as follows:

597.240 1. A winery that is federally bonded and permitted by the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the Treasury, including, without limitation, an alternating proprietorship of not more than four such wineries, and that has been issued a wine-maker's license pursuant to NRS 369.200 may:

(a) Produce, bottle, blend and age wine.

(b) Import wine or juice from a winery that is located in another state and that is federally bonded and permitted by the Alcohol and Tobacco Tax and Trade Bureau, to be fermented into wine or, if already fermented, to be mixed with other wine or aged in a suitable cellar, or both.

2. A winery that has been issued a wine-maker's license pursuant to NRS 369.200 on or before September 30, 2015, may:

(a) Sell at retail or serve by the glass, on its premises and at one other location, wine produced, blended or aged by the winery. The amount of wine sold at a location other than on the premises of the winery may not exceed 50 percent of the total volume of the wine sold by the winery.

(b) Serve by the glass, on its premises, any alcoholic beverage.

(c) Transfer in bulk wine produced, blended or aged by the winery :

(1) To a person holding a valid wholesale wine and liquor dealer's license issued pursuant to chapter 369 of NRS for the purpose of transferring in bulk the wine to an estate distillery for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237; or

(2) If there is no wholesaler who is able or willing to accept and transfer in bulk the wine pursuant to subparagraph (1), to a person holding a valid license to operate an estate distillery issued pursuant to chapter 369 of NRS for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237 ~~[.]~~ and must be performed in accordance with the terms and conditions of a special permit for the transportation of the wine obtained from the Department of Taxation pursuant to subsection 4 of NRS 369.450.

3. A winery that is issued a wine-maker's license pursuant to NRS 369.200 on or after October 1, 2015:

(a) If 25 percent or more of the wine produced, blended or aged by the winery is produced, blended or aged from fruit grown in this State, may ~~[sell:]~~ *:*

(1) Sell at retail or serve by the glass, on its premises, wine produced, blended or aged by the winery.

(2) Transfer in bulk wine produced, blended or aged by the winery :

(I) To a person holding a valid wholesale wine and liquor dealer's license issued pursuant to chapter 369 of NRS for the purpose of transferring in bulk the wine to an estate distillery for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237; or

(II) If there is no wholesaler who is able or willing to accept and transfer in bulk the wine pursuant to sub-subparagraph (I), to a person holding a valid license to operate an estate distillery issued pursuant to chapter 369 of NRS for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237.

(b) If less than 25 percent of the wine produced, blended or aged by the winery is produced, blended or aged from fruit grown in this State, may sell at retail or serve by the glass, on its premises, not more than 1,000 cases of wine produced, blended or aged by the winery per calendar year.

4. The owner or operator of a winery shall not:

(a) Except as otherwise provided in paragraph (b) of subsection 2, sell alcoholic beverages on the premises of the winery other than wine produced, blended or aged by the winery.

(b) Produce, blend or age wine at any location other than on the premises of the winery.

5. The State Board of Agriculture may adopt regulations for the purposes of ensuring that a winery is in compliance with any requirements established by the Federal Government for labeling bottles of wine produced, blended or aged by the winery.

6. For the purposes of this section, an instructional wine-making facility is not a winery.

Sec. 2.7. NRS 597.240 is hereby amended to read as follows:

597.240 1. A winery that is federally bonded and permitted by the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the Treasury, including, without limitation, an alternating proprietorship of not more than four such wineries, and that has been issued a wine-maker's license pursuant to NRS 369.200 may:

(a) Produce, bottle, blend and age wine.

(b) Import wine or juice from a winery that is located in another state and that is federally bonded and permitted by the Alcohol and Tobacco Tax and Trade Bureau, to be fermented into wine or, if already fermented, to be mixed with other wine or aged in a suitable cellar, or both.

2. A winery that has been issued a wine-maker's license pursuant to NRS 369.200 on or before September 30, 2015, may:

(a) Within the limits prescribed by subsection 3, sell at retail or serve by the glass, on its premises and at one other location, wine produced, blended or aged by the winery. The amount of wine sold at a location other than on the premises of the winery may not exceed 50 percent of the total volume of the wine sold by the winery.

(b) Serve by the glass, on its premises, any alcoholic beverage.

3. A winery that is issued a wine-maker's license pursuant to NRS 369.200:

(a) If 25 percent or more of the wine produced, blended or aged by the winery is produced, blended or aged from fruit grown in this State, may ~~[sell:]~~ *:*

(1) Sell at retail or serve by the glass, on its premises and, if applicable, at one other location, wine produced, blended or aged by the winery.

(2) Transfer in bulk wine produced, blended or aged by the winery :

(I) To a person holding a valid wholesale wine and liquor dealer's license issued pursuant to chapter 369 of NRS for the purpose of transferring in bulk the wine to an estate distillery for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237; or

(II) If there is no wholesaler who is able or willing to accept and transfer in bulk the wine pursuant to sub-subparagraph (I), to a person holding a valid license to operate an estate distillery issued pursuant to chapter 369 of NRS for the purpose of distillation and blending, which transfer is taxable only as provided in NRS 597.237.

(b) If less than 25 percent of the wine produced, blended or aged by the winery is produced, blended or aged from fruit grown in this State, may sell at retail or serve by the glass, on its premises and, if applicable, at one other location, not more than 1,000 cases of wine produced, blended or aged by the winery per calendar year.

4. The owner or operator of a winery shall not:

(a) Except as otherwise provided in paragraph (b) of subsection 2, sell alcoholic beverages on the premises of the winery other than wine produced, blended or aged by the winery.

(b) Produce, blend or age wine at any location other than on the premises of the winery.

5. The State Board of Agriculture may adopt regulations for the purposes of ensuring that a winery is in compliance with any requirements established by the Federal Government for labeling bottles of wine produced, blended or aged by the winery.

6. For the purposes of this section, an instructional wine-making facility is not a winery.

Sec. 2.8. NRS 369.130 is hereby amended to read as follows:

369.130 As used in this chapter, "wholesale dealer" or "wholesaler" means a person licensed to sell liquor as it is originally packaged to retail liquor stores

or to another licensed wholesaler, *or to transfer malt beverages and wine to an estate distillery pursuant to NRS 597.230 and 597.240, respectively,* but not to sell to the consumer or general public.

Sec. 2.9. NRS 369.470 is hereby amended to read as follows:

369.470 Wholesale dealers' licenses shall permit the holders thereof to sell liquor to wholesalers, retailers and those instrumentalities of the Armed Forces of the United States specified in NRS 369.335 only anywhere in Nevada ~~[.]~~ , *or to transfer malt beverages and wine to an estate distillery pursuant to NRS 597.230 and 597.240, respectively.* Sale by a wholesaler to itself as a retailer is not the transaction of a bona fide wholesale business.

Sec. 3. 1. This section and sections 1.3, 1.5, 2 , ~~[and]~~ 2.5 , 2.8 and 2.9 of this act become effective on July 1, 2019.

2. Sections 2.3 and 2.7 of this act become effective on October 1, 2025.

Senator Dondero Loop moved that the Senate concur in Assembly Amendment No. 758 to Senate Bill No. 345.

Remarks by Senator Dondero Loop.

Assembly Amendment No. 758 to Senate Bill No. 345 allows a licensee to transfer malt beverages in bulk through a wholesaler to a person holding a valid license to operate in a State distillery. In the event a wholesaler is unable or unwilling to transfer, a licensee may transfer the malt beverages, in bulk, directly. It also retains deleted language that the person operating the estate distillery shall assure none of the spirits manufactured at the estate distillery are derived from neutral or distilled spirits manufactured by another manufacturer. It makes conforming changes throughout the bill and adds an additional primary joint sponsor to the bill.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 355.

The following Assembly amendment was read:

Amendment No. 759.

SUMMARY—Revises provisions relating to ~~[certain regulatory bodies which administer occupational licensing.]~~ Oriental medicine. (BDR 54-856)

AN ACT relating to ~~[regulatory bodies; revising provisions governing the scope of practice of physical therapists relating to the use of the technique of dry needling;]~~ Oriental medicine; revising provisions governing the duties and powers of the State Board of Oriental Medicine; revising provisions governing the scope of practice and licensing of doctors of Oriental medicine; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth provisions governing the licensure and regulation of ~~[physical therapists and]~~ doctors of Oriental medicine. ~~[(Chapters]~~ (Chapter 634A ~~[and 640]~~ of NRS) ~~[Existing law defines the scope of practice of physical therapy and restricts persons licensed to practice physical therapy from practicing other forms of healing. (NRS 640.024, 640.190)]~~ Section 3 of this bill provides that the practice of Oriental medicine specifically includes dry needling as well as moxibustion . ~~[and cupping. Section 12 of this bill includes within the practice of physical therapy the use of the technique of dry~~

~~needling, which is defined in section 11.5 of this bill. Section 12.5 of this bill requires the Nevada Physical Therapy Board to prescribe by regulation the scope of the use of the technique of dry needling by a physical therapist and requires that the regulations establish requirements for training that a physical therapist must successfully complete to administer treatment through the use of the technique of dry needling. Section 3.5 of this bill provides that a person is not practicing the healing art of Oriental medicine if the person is authorized to practice another healing art and is practicing within the scope of that authority, such as if a physical therapist is administering treatment through the technique of dry needling within the scope authorized pursuant to the regulations adopted by the Nevada Physical Therapy Board.]~~

Section 2 of this bill authorizes the State Board of Oriental Medicine to issue an endorsement to practice acupuncture point injection therapy to a doctor of Oriental medicine who meets certain requirements. Section 14.5 of this bill eliminates the requirement in existing law that an applicant for the issuance or renewal of a license to practice Oriental medicine attest to knowledge of and compliance with certain guidelines of the Centers for Disease Control and Prevention concerning the prevention of transmission of infectious agents through safe and appropriate injection practices. (NRS 634A.144)

Section 5 of this bill eliminates the authority of the Board in existing law to fix and pay a salary to the Secretary-Treasurer. (NRS 634A.060) Section 6 of this bill eliminates the requirement in existing law that the Board establish and maintain a list of accredited schools and colleges of Oriental medicine. (NRS 634A.080)

Existing law authorizes the establishment and maintenance of a school or college of Oriental medicine in this State if its establishment and curriculum is approved by the Board. (NRS 634A.090) Section 7 of this bill: (1) eliminates the requirement that the Board annually approve the curriculum; and (2) requires that the school or college be accredited by or have received at least candidacy status for accreditation from the Accreditation Commission for Acupuncture and Oriental Medicine or its successor organization and hold a current license issued by the Commission on Postsecondary Education. Section 4 of this bill makes a conforming change.

Existing law requires an applicant for a license to practice as a doctor of Oriental medicine to: (1) pass a national examination in Oriental medicine administered by a national organization approved by the Board and a practical examination approved by the Board that tests certain subject areas; and (2) meet certain educational and other requirements. (NRS 634A.120, 634A.140) Section 8 of this bill requires such an applicant to pass each examination required and administered by the National Certification Commission for Acupuncture and Oriental Medicine or its successor organization for certification in Oriental medicine. Additionally, section 8 eliminates several subjects on the examination approved by the Board. For issuance of a license, section 9 of this bill: (1) revises the educational requirements; (2) requires applicants to hold a current certification in Oriental medicine issued by the

National Certification Commission for Acupuncture and Oriental Medicine or its successor organization; and (3) authorizes the counting of certain work experience in lieu of educational experience for applicants who attended a school or college of Oriental medicine before January 1, 2008.

Sections 10 and 11 of this bill consolidate the requirements relating to the renewal of a license.

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

Section 1. (Deleted by amendment.)

Sec. 2. Chapter 634A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A doctor of Oriental medicine licensed pursuant to this chapter may apply to the Board for an endorsement to practice acupuncture point injection therapy. The applicant must submit with his or her application proof that the applicant has:

(a) Successfully completed postgraduate coursework approved by the National Certification Commission for Acupuncture and Oriental Medicine or a successor organization which provides at least 24 hours of instruction provided in person, including, without limitation, at least 8 hours of instruction received by practicum and 2 hours of training in the administration of intramuscular epinephrine; and

(b) Obtained or otherwise carries a policy of professional liability insurance which insures the applicant against any liability arising from the provision of acupuncture point injection therapy by the applicant.

2. The Board shall issue an endorsement to practice acupuncture point injection therapy to an applicant who meets the requirements of subsection 1.

3. A licensee who is issued an endorsement to practice acupuncture point injection therapy may only inject substances for which the licensee has received training which may include, without limitation, nutritional, homeopathic and herbal substances.

4. As used in this section, "acupuncture point injection therapy" means the subcutaneous, intramuscular and intradermal injection of substances to stimulate acupuncture points, ashi points and trigger points to relieve pain and prevent illness.

Sec. 3. NRS 634A.020 is hereby amended to read as follows:

634A.020 As used in this chapter, unless the context otherwise requires:

1. "Acupuncture" means the insertion of needles into the human body by piercing the skin of the body to control ~~*[,]*~~ and regulate ~~[,]~~ the flow and balance of energy in the body and to cure, relieve or palliate ~~[:]~~ *the body for therapeutic purposes, including, without limitation:*

(a) Any ailment or disease of the mind or body; or

(b) Any wound, bodily injury or deformity . ~~*[; or*~~

~~*(c) The flow and balance of energy in the body.]*~~

2. "Board" means the State Board of Oriental Medicine.

3. "Doctor of Oriental medicine" means a person who is licensed under the provisions of this chapter to practice as a doctor of Oriental medicine.

4. *"Dry needling":*

(a) Means an advanced needling skill or technique limited to the treatment of myofascial pain, using a single-use, single-insertion, sterile needle without the use of heat, cold or any other added modality or medication, which is inserted into the skin or underlying tissue to stimulate a trigger point.

(b) Does not include:

(1) The stimulation of an auricular point;

(2) Utilization of a distal point or nonlocal point;

(3) Needle retention;

(4) Application of a retained electrical stimulation lead; or

(5) The teaching or application of other acupuncture theory.

5. "Herbal medicine" and "practice of herbal medicine" mean suggesting, recommending, prescribing or directing the use of herbs for the cure, relief or palliation of any ailment or disease of the mind or body, or for the cure or relief of any wound, bodily injury or deformity.

~~[5.]~~ *6.* "Herbs" means ~~[plants or parts of plants valued for medicinal qualities.~~

~~6.]~~ *any plant or part of a plant which is not prohibited by the laws of the United States or this State and is used in tests or examinations in the practice of Oriental medicine.*

7. "Oriental medicine" means ~~[that]~~ *a* system of the healing art which places the chief emphasis on the flow and balance of energy in the body mechanism as being the most important single factor in maintaining the well being of the organism in health and disease. The term includes *, without limitation,* the practice of acupuncture *,* ~~[and]~~ herbal medicine *, moxibustion, [cupping,] dry needling* and other services approved by the Board.

Sec. 3.5. ~~[NRS 634A.025 is hereby amended to read as follows:~~

~~634A.025 1. This chapter does not apply to Oriental physicians who are:~~

~~(a) Called into this State for consultation; or~~

~~(b) Temporarily exempt from licensure pursuant to NRS 634A.163 and are practicing Oriental medicine within the scope of the exemption.~~

~~2. This chapter does not apply to a practitioner of acupuncture:~~

~~(a) Who is employed by an accredited school of Oriental medicine located in this State;~~

~~(b) Who is licensed to practice acupuncture in another state or jurisdiction; and~~

~~(c) Whose practice of acupuncture in this State:~~

~~(1) Is limited to teaching, supervising or demonstrating the methods and practices of acupuncture to students in a clinical setting; and~~

~~(2) Does not involve the acceptance of payment from any patient for services relating to his or her practice of acupuncture.~~

~~3. This chapter does not apply to [a] :~~

~~*(a) A* physician who is licensed pursuant to chapter 630 or 633 of NRS.~~

~~*(b) Any other person authorized to practice any other healing art under this title who does so within the scope of that authority.*~~

~~4. This chapter does not prohibit:~~

~~(a) Gratuitous services of druggists or other persons in cases of emergency.~~

~~(b) The domestic administration of family remedies.~~

~~(c) Any person from assisting any person in the practice of the healing arts licensed under this chapter, except that such person may not insert needles into the skin or prescribe herbal medicine.~~

~~5. For the purposes of this section, "accredited school of Oriental medicine" means a school that has received at least candidacy status for institutional accreditation from the Accreditation Commission for Acupuncture and Oriental Medicine, or its successor organization.]~~ (Deleted by amendment.)

Sec. 4. NRS 634A.040 is hereby amended to read as follows:

634A.040 1. The Governor shall appoint four members to the Board who:

(a) Have a license issued pursuant to this chapter;

(b) Currently engage in the practice of Oriental medicine in this State, and have engaged in the practice of Oriental medicine in this State for at least 3 years preceding appointment to the Board;

(c) Are citizens of the United States; and

(d) Are residents of the State of Nevada and have been for at least 1 year preceding appointment to the Board.

2. The Governor shall appoint one member to the Board who:

(a) Is licensed pursuant to chapter 630 of NRS by the Board of Medical Examiners as a physician;

(b) Does not engage in the administration of a facility for Oriental medicine or a school for Oriental medicine;

(c) Does not have a pecuniary interest in any matter pertaining to Oriental medicine, except as a patient or potential patient;

(d) Is a citizen of the United States; and

(e) Is a resident of the State of Nevada and has been for at least 1 year preceding appointment to the Board.

3. The Governor shall appoint one member to the Board who:

(a) Does not engage in the administration of a facility for Oriental medicine or a school for Oriental medicine;

(b) Does not have a pecuniary interest in any matter pertaining to Oriental medicine, except as a patient or potential patient;

(c) Is a citizen of the United States; and

(d) Is a resident of the State of Nevada and has been for at least 1 year preceding appointment to the Board.

4. The Governor shall appoint one member to the Board who represents a school or college of Oriental medicine ~~[whose establishment has been approved by the Board]~~ *established* pursuant to NRS 634A.090.

Sec. 5. NRS 634A.060 is hereby amended to read as follows:

634A.060 The Board shall annually elect from its members a President, Vice President and Secretary-Treasurer . ~~[, and may fix and pay a salary to the Secretary-Treasurer.]~~

Sec. 6. NRS 634A.080 is hereby amended to read as follows:

634A.080 The Board shall:

1. Hold meetings at least once a year and at any other time at the request of the President or the majority of the members;

2. Have and use a common seal;

3. Deposit in interest-bearing accounts in the State of Nevada all money received under the provisions of this chapter, which must be used to defray the expenses of the Board;

4. ~~[Establish and maintain a list of accredited schools and colleges of Oriental medicine that are approved by the Board;~~

~~5.]~~ Operate on the basis of the Fiscal Year beginning July 1 and ending June 30; and

~~[6.]~~ *5.* Keep a record of its proceedings which must be open to the public at all times and which must contain the name and business address of every registered licensee in this State.

Sec. 7. NRS 634A.090 is hereby amended to read as follows:

634A.090 1. A school or college of Oriental medicine may be established and maintained in this State only if:

(a) Its establishment is approved by the Board; ~~[and]~~

(b) ~~[Its curriculum is approved annually by the Board for content and quality of instruction in accordance with the requirements of this chapter.]~~ *It is accredited by or has received at least candidacy status for institutional accreditation from the Accreditation Commission for Acupuncture and Oriental Medicine or its successor organization; and*

(c) It holds a current license issued by the Commission on Postsecondary Education.

2. The Board may prescribe the course of study required for the degree of doctor of Oriental medicine.

Sec. 8. NRS 634A.120 is hereby amended to read as follows:

634A.120 1. Each applicant for a license to practice as a doctor of Oriental medicine must pass:

(a) ~~[An examination in Oriental medicine that is administered by a national organization approved by the Board;]~~ *Each examination required and administered by the National Certification Commission for Acupuncture and Oriental Medicine or its successor organization for certification in Oriental medicine;* and

(b) ~~[A practical]~~ *An* examination approved by the Board that tests the applicant's knowledge and understanding of ~~[:~~

~~(1) Basic medical science;~~

~~(2) Acupuncture;~~

~~(3) Herbal medicine;~~

~~(4) Oriental medicine;~~

~~(5) English proficiency; and~~

~~(6) The~~ *the* laws and regulations of this State relating to health and safety in the practice of Oriental medicine.

2. The Board may establish by regulation ~~[:]~~ *for the examination required by paragraph (b) of subsection 1:*

(a) Additional subject areas to be included in the ~~[practical]~~ examination; and

(b) Specific methods for the administration of the ~~[practical]~~ examination, including, but not limited to, written, oral, demonstrative, practical or any combination thereof.

3. The Board shall contract for the preparation, administration and grading of the ~~[practical]~~ examination ~~[.]~~ *required by paragraph (b) of subsection 1.*

4. Except as otherwise provided in subsection 5, the Board shall offer the ~~[practical]~~ examination *required by paragraph (b) of subsection 1* at least two times each year at a time and place established by the Board.

5. The Board may cancel a scheduled ~~[practical]~~ examination *required by paragraph (b) of subsection 1* if, within 60 days before the examination, the Board has not received a request to take the examination.

6. A person who fails the ~~[practical]~~ examination *required by paragraph (b) of subsection 1* may retake the examination.

Sec. 9. NRS 634A.140 is hereby amended to read as follows:

634A.140 *1.* The Board shall issue a license to practice as a doctor of Oriental medicine to an applicant who:

~~[1.]~~ *(a)* Has:

~~[(a)]~~ *(1)* Successfully completed an accredited 4-year program of study, or its equivalent, in Oriental medicine at a school or college of Oriental medicine *accredited by the Accreditation Commission for Acupuncture and Oriental Medicine or its successor organization* that ~~[is approved]~~ *meets any requirements prescribed* by the Board ~~[.]~~ *pursuant to NRS 634A.090, including, without limitation, requirements concerning clinical and didactic components;*

~~[(b)]~~ *(2)* Earned a bachelor's degree *, or completed a combined bachelor's and master's degree program in Oriental medicine,* from an accredited college or university in the United States;

~~[(c)]~~ *(3)* Passed an investigation of his or her background and personal history conducted by the Board; and

~~[(d)]~~ *(4)* Passed the examinations required by NRS 634A.120; ~~[or]~~ *and*

(b) Holds a current certification in Oriental medicine issued by the National Certification Commission for Acupuncture and Oriental Medicine or its successor organization.

2. *Except as otherwise provided in subsection 3, the Board may issue a license to practice as a doctor of Oriental medicine to an applicant who:*

(a) Has:

~~[(a)]~~ *(1)* Successfully completed a 4-year program of study, or its equivalent, in Oriental medicine at a school or college of Oriental medicine that is approved by the Board ~~[;~~

~~(b)]~~ *and meets any requirements prescribed by the Board pursuant to NRS 634A.090, including, without limitation, requirements concerning clinical and didactic components;*

(2) Lawfully practiced Oriental medicine in another state or foreign country for at least 4 years;

~~[(c)]~~ *(3)* Passed an investigation of his or her background and personal history conducted by the Board; and

~~[(d)]~~ *(4)* Passed the examinations required by NRS 634A.120 ~~[.]~~ *; and*

(b) Holds a current certification in Oriental medicine issued by the National Certification Commission for Acupuncture and Oriental Medicine or its successor organization.

3. The Board may issue a license to practice as a doctor of Oriental medicine to an applicant who:

(a) Has:

(1) Successfully completed a program in Oriental medicine from a school or college of Oriental medicine accredited by the Accreditation Commission for Acupuncture and Oriental Medicine or its successor organization before January 1, 2008, that included the study of herbology;

(2) Practiced Oriental medicine pursuant to the laws of another state or territory of the United States, the District of Columbia, or foreign country for at least 6 of the 8 years immediately preceding the date of the application;

(3) Passed an investigation of his or her background and personal history conducted by the Board; and

(4) Passed the examinations required by NRS 634A.120; and

(b) Holds a current certification in Oriental medicine issued by the National Certification Commission for Acupuncture and Oriental Medicine or its successor organization.

Sec. 10. NRS 634A.160 is hereby amended to read as follows:

634A.160 ~~[1.]~~ Every license must be displayed in the office, place of business or place of employment of the holder thereof.

~~[2. Every person holding a license shall pay to the Board on or before February 1 of each year, the annual fee for a license required pursuant to subsection 4. The holder of a license shall submit with the fee all information required to complete the renewal of the license. If the holder of a license fails to pay the fee or submit all required information, the license must be suspended. The license may be reinstated by payment of the required fee and submission of all required information within 90 days after February 1.~~

~~3. A license which is suspended for more than 3 months under the provisions of subsection 2 may be cancelled by the Board after 30 days' notice to the holder of the license.~~

~~4. The annual fee for a license must be prescribed annually by the Board and must not exceed $1,000.]~~

Sec. 11. NRS 634A.167 is hereby amended to read as follows:

634A.167 1. To renew a license issued pursuant to this chapter, each person must, on or before February 1 of each year:

(a) Apply to the Board for renewal;

(b) Pay the annual fee for a license prescribed by the Board ~~[.;]~~ *, which must not exceed $1,000;*

(c) Submit evidence to the Board of completion of the requirements for continuing education; and

(d) Submit all information required to complete the renewal.

2. The Board shall, as a prerequisite for the renewal or reinstatement of a license, require each holder of a license to comply with the requirements for continuing education adopted by the Board.

3. If the holder of a license fails to pay the fee or submit all required information by February 1 of each year, the license expires automatically. The license may be reinstated by payment of the required fee and submission of all required information within 90 days after the expiration of the license pursuant to this subsection.

Sec. 11.5. ~~[Chapter 640 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~*"Dry needling" means a skilled technique performed by a physical therapist using filiform needles to penetrate the skin or underlying tissue to effect change in body structures and functions for the evaluation and management of neuromusculoskeletal conditions, pain, movement, impairment and disability.]*~~ (Deleted by amendment.)

Sec. 11.7. ~~[NRS 640.011 is hereby amended to read as follows:~~

~~640.011 As used in this chapter, unless the context otherwise requires, the terms defined in NRS 640.013 to 640.026, inclusive, *and section 11.5 of this act* have the meanings ascribed to them in those sections.]~~ (Deleted by amendment.)

Sec. 12. ~~[NRS 640.024 is hereby amended to read as follows:~~

~~640.024 "Practice of physical therapy":~~

~~1. Includes:~~

~~(a) The performing and interpreting of tests and measurements as an aid to evaluation or treatment;~~

~~(b) The planning of initial and subsequent programs of treatment on the basis of the results of tests; [and]~~

~~(c) The administering of treatment through the use of therapeutic exercise and massage, the mobilization of joints by the use of therapeutic exercise without chiropractic adjustment, mechanical devices, and therapeutic agents which employ the properties of air, water, electricity, sound and radiant energy ; [.] *and*~~

~~*(d) The use of the technique of dry needling*.~~

~~2. Does not include:~~

~~(a) The diagnosis of physical disabilities;~~

~~(b) The use of roentgenic rays or radium;~~

~~(c) The use of electricity for cauterization or surgery; or~~

~~(d) The occupation of a masseur who massages only the superficial soft tissues of the body.]~~ (Deleted by amendment.)

Sec. 12.5. ~~[NRS 640.050 is hereby amended to read as follows:~~

~~640.050 1. The Board shall:~~

~~(a) Enforce the provisions of this chapter and any regulations adopted pursuant thereto;~~

~~(b) Evaluate the qualifications and determine the eligibility of an applicant for a license as a physical therapist or physical therapist assistant and, upon payment of the applicable fee, issue the appropriate license to a qualified applicant;~~

~~(c) Investigate any complaint filed with the Board against a licensee; and~~

~~(d) Unless the Board determines that extenuating circumstances exist, forward to the appropriate law enforcement agency any substantiated information submitted to the Board concerning a person who practices as a physical therapist or physical therapist assistant without a license.~~

~~2. The Board may adopt reasonable regulations to carry this chapter into effect, including, but not limited to, regulations concerning the:~~

~~(a) Issuance and display of licenses.~~

~~(b) Supervision of physical therapist assistants and physical therapist technicians.~~

~~*3. The Board shall prescribe by regulation the scope of the use of the technique of dry needling by a physical therapist. The regulations must, without limitation, establish requirements for training that a physical therapist must successfully complete before administering treatment through the use of the technique of dry needling.*~~

~~[3.]~~ *4.* ~~The Board shall prepare and maintain a record of its proceedings, including, without limitation, any disciplinary proceedings.~~

~~[4.]~~ *5.* ~~The Board shall maintain a list of licensed physical therapists authorized to practice physical therapy and physical therapist assistants licensed to assist in the practice of physical therapy in this State.~~

~~[5.]~~ *6.* ~~The Board may:~~

~~(a) Maintain offices in as many localities in the State as it finds necessary to carry out the provisions of this chapter.~~

~~(b) Employ attorneys, investigators and other professional consultants and clerical personnel necessary to the discharge of its duties.~~

~~(c) Adopt a seal of which a court may take judicial notice.~~

~~[6.]~~ *7.* ~~Any member or agent of the Board may enter any premises in this State where a person who holds a license issued pursuant to the provisions of this chapter practices physical therapy or as a physical therapist assistant and inspect the premises to determine whether a violation of any provision of this chapter or any regulation adopted pursuant thereto has occurred, including, without limitation, an inspection to determine whether any person at the premises is practicing physical therapy or as a physical therapist assistant~~

~~without the appropriate license issued pursuant to the provisions of this chapter.~~

~~[7.] 8. Any voting member of the Board may administer an oath to a person testifying in a matter that relates to the duties of the Board.]~~ (Deleted by amendment.)

Sec. 13. (Deleted by amendment.)

Sec. 14. (Deleted by amendment.)

Sec. 14.5. NRS 634A.144 is hereby repealed.

Sec. 15. This act becomes effective upon passage and approval for the purposes 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.

TEXT OF REPEALED SECTION

634A.144 Board prohibited from issuing or renewing license unless applicant attests to certain information related to safe and appropriate injection practices. The Board shall not issue or renew a license to practice Oriental medicine unless the applicant for issuance or renewal of the license attests to knowledge of and compliance with the guidelines of the Centers for Disease Control and Prevention concerning the prevention of transmission of infectious agents through safe and appropriate injection practices.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 759 to Senate Bill No. 355.

Remarks by Senator Spearman.

Assembly Amendment No. 759 makes four changes to Senate Bill No. 355. It deletes the word "cupping" from the list of practices included in the definition of oriental medicine; deletes language that makes the chapter of *Nevada Revised Statutes* (NRS) governing doctors of oriental medicine not applicable to any other person authorized to practice in any other healing art under Title 54 of NRS who does so within the scope of that authority. It repeals provisions which prohibit the State Board of Oriental Medicine from issuing or renewing licenses unless an applicant attests to certain information related to safe and appropriate injection practices, and removed all provisions relating to the chapter of NRS governing physical therapy.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 365.

The following Assembly amendment was read:

Amendment No. 768.

SUMMARY—Revises provisions relating to health insurance. (BDR 57-684)

AN ACT relating to health insurance; making various changes concerning health carriers granting third-party access to certain provider networks; providing administrative penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, health carriers may establish networks of providers of health care to provide health care services to covered persons. (Chapter 687B

of NRS) Providers of health care include, but are not limited to, physicians, nurses, chiropractors, dentists and physical therapists. (NRS 687B.660). Section 1 of this bill provides that it is an unfair method of competition subject to an administrative fine pursuant to NRS 686A.187 to knowingly utilize a provider of health care's contractual discount without a contractual relationship. Sections 7-11 of this bill establish a contractually protected system for health carriers to enter contracts with third parties to give them access to certain provider network contracts and information about a provider of health care's services and discounts. Section 7 excludes certain insurance plans and coverages from the provisions of this bill. Section 8 of the bill requires certain disclosures in a health carrier's provider network contracts with providers of health care and authorizes third parties to sign a contract to access a network contract. Section 8 also requires that a health carrier maintain a website with certain information about third parties which have access to the network contract. Section 9 of this bill allows a third party to enter contracts with other third parties under the same terms and conditions as their contract. Section 10 of this bill requires a third party to establish a website to identify other entities to which it has granted access to provider network contracts. Section 11 of this bill requires that health carriers and third parties comply with sections 8 and 10 when submitting remittance advice and explanation of payments to providers of health care.

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

Section 1. Chapter 686A of NRS is hereby amended by adding thereto a new section to read as follows:

It constitutes an unfair method of competition or an unfair or deceptive act or practice in the business of insurance to knowingly access or utilize a contractual discount of a provider of health care pursuant to a provider network contract without a contractual relationship with the provider of health care, health carrier or third party as specified in sections 7 to 11, inclusive, of this act.

Sec. 2. NRS 686A.010 is hereby amended to read as follows:

686A.010 The purpose of NRS 686A.010 to 686A.310, inclusive, *and section 1 of this act,* is to regulate trade practices in the business of insurance in accordance with the intent of Congress as expressed in the Act of Congress approved March 9, 1945, being c. 20, 59 Stat. 33, also designated as 15 U.S.C. §§ 1011 to 1015, inclusive, and Title V of Public Law 106-102, 15 U.S.C. §§ 6801 et seq.

Sec. 3. Chapter 687B of NRS is hereby amended by adding thereto the provisions set forth as sections 4 to 11, inclusive, of this act.

Sec. 4. *"Direct notification" means a written or electronic communication from a health carrier to a provider of health care documenting third-party access to a network.*

Sec. 5. *"Provider network contract" means a contract between a health carrier and a provider of health care specifying the rights and responsibilities*

of the health carrier and the provider of health care for delivery of health care services pursuant to a network plan.

Sec. 6. *"Third party" means an organization that enters into a contract with a health carrier or with another third party to gain access to a provider network contract.*

Sec. 7. *Sections 7 to 11, inclusive, of this act, do not apply:*

1. To provider network contracts for health care services provided to covered persons under Medicare or the State Plan for Medicaid, or the Children's Health Insurance Program.

2. In circumstances where access to the provider network contract is granted to an entity operating under the same brand license program as the contracting entity.

3. To a health benefit plan which provides:

(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) Coverage for on-site medical clinics.

(d) Coverage under a blanket student accident and health insurance policy.

(e) Other similar insurance coverage specified pursuant to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, under which benefits for medical care are secondary or incidental to other insurance benefits.

4. To credit insurance.

5. To 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.

6. To the following benefits if the benefits are provided under a separate policy, certificate or contract, there is no coordination between the provisions 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.

7. To 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, TRICARE, 10 U.S.C. §§ 1071 et seq.; and

(c) Similar supplemental coverage provided under a group health plan.

Sec. 8. *1. A health carrier shall not grant access to services and contractual discounts of a provider of health care pursuant to a provider network contract unless:*

(a) The provider network contract specifically states that the health carrier may enter into an agreement with a third party allowing the third party to obtain the rights and responsibilities of the health carrier under the provider network contract as if the third party were the health carrier; and

(b) The third party accessing the provider network contract is contractually obligated to comply with all applicable terms, limitations and conditions of the provider network contract.

2. A health carrier that grants access to services and contractual discounts of a provider of health care pursuant to a provider network contract shall:

(a) Identify and provide to the provider of health care, upon request at the time a provider network contract is entered into with a provider of health care, a written or electronic list of all third parties known at the time of contracting to which the health carrier has or will grant access to the services and contractual discounts of a provider of health care pursuant to a provider network contract.

(b) Maintain an Internet website or other readily available mechanism, such as a toll-free telephone number, through which a provider of health care may obtain a listing, at least every 90 days, of the third parties with which the health carrier or another third party has executed contracts to grant access to such services and contractual discounts of a provider of health care pursuant to a provider network contract.

(c) Provide the third party with sufficient information regarding the provider network contract to enable the third party to comply with all relevant terms, limitations and conditions of the provider network contract.

(d) Require that the third party who contracts with the health carrier to gain access to the provider network contract identify the source of the contractual discount taken by the third party on each remittance advice or explanation of payment form furnished to a provider of health care when such discount is pursuant to the provider network contract of the health carrier.

(e) Notify the third party who contracts with the health carrier to gain access to the provider network contract of the termination of the provider network contract not later than 90 days prior to the effective date of the final termination of the provider network contract. The notice required under this paragraph may be delivered through any reasonable means, including, without limitation, a written notice, electronic communication, or an update to an electronic database or other provider of health care listing.

(f) Require that those that are by contract eligible to claim the right to access a discounted rate of a provider of health care to cease claiming entitlement to those rates or other contracted rights or obligations for services rendered after termination of the provider network contract.

3. Subject to any continuity of care requirements, agreements or contractual provisions:

(a) Not less than 30 days before the date of termination of a provider network contract, a health carrier shall provide written notification of the contract termination to the affected providers of health care and covered persons;

(b) A third party's right to access services and contractual discounts of a provider of health care pursuant to a provider network contract shall terminate not earlier than 90 days after the provider network contract is terminated;

(c) Claims for health care services performed after the termination date of the provider network contract are not eligible for processing and payment in accordance with the provider network contract; and

(d) Claims for health care services performed before the termination date of the provider network contract, but processed after the termination date, are eligible for processing and payment in accordance with the provider network contract.

4. All information made available to a provider of health care in accordance with the requirements of sections 7 to 11, inclusive, of this act is confidential and must not be disclosed to any person or entity not involved in the provider of health care's practice or business or the administration thereof without the prior written consent of the health carrier.

5. Nothing contained in sections 7 to 11, inclusive, of this act shall be construed to prohibit a health carrier from requiring the provider of health care to execute a reasonable confidentiality agreement to ensure that confidential or proprietary information disclosed by the health carrier is not used for any purpose other than the direct practice or business management or billing activities of the provider of health care.

Sec. 9. *1. A third party, having itself been granted access to services and contractual discounts of a provider of health care pursuant to a provider network contract, that subsequently grants access to another third party, is obligated to comply with the rights and responsibilities imposed on contracting entities pursuant to sections 8 and 10 of this act.*

2. A third party that enters into a contract with another third party to access services and contractual discounts of a provider of health care pursuant to a provider network contract is obligated to comply with the rights and responsibilities imposed on third parties under this section.

Sec. 10. *1. A third party shall inform the health carrier and providers of health care under the provider network contract of the health carrier of the location of a website, toll-free number, or other readily available mechanism to identify the name of a person or entity to which the third party subsequently*

grants access to the services and contractual discounts of the provider of health care pursuant to the provider network contract.

2. The website must be updated on a routine basis when additional persons or entities are granted access. The website must be updated every 90 days to reflect all current persons and entities with access. Upon request, a health carrier shall make access to information available to a provider of health care via telephone or through direct notification.

Sec. 11. *1. A health carrier and third parties are obligated to comply with sections 8 and 10 of this act concerning the services referenced on a remittance advice or explanation of payment. A provider of health care may refuse the discount taken on the remittance advice or explanation of payment if the discount is taken without a contractual basis or in violation of section 7 or 9 of this act. An error in the remittance advice or explanation of payment may be corrected not more than 30 days after given notice of the error by the provider of health care.*

2. A health carrier may not lease, rent or otherwise grant to a third party, access to a provider network contract unless the third party accessing the provider network contract is:

(a) A payer or third party, administrator or other entity that administers or processes claims on behalf of the payer;

(b) A preferred provider of health care organization or preferred provider of health care network, including a physician organization or a physician-hospital organization; or

(c) An entity engaged in the electronic claims transport between the health carrier and the payer that does not provide access to the services and discounts of a provider of health care to any other third party.

Sec. 12. NRS 687B.600 is hereby amended to read as follows:

687B.600 As used in NRS 687B.600 to 687B.850, inclusive, *and sections 4 to 11, inclusive, of this act,* unless the context otherwise requires, the words and terms defined in NRS 687B.605 to 687B.665, inclusive, *and sections 4, 5 and 6 of this act* have the meanings ascribed to them in those sections.

Sec. 13. This act becomes effective upon passage and approval for the purposes of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and on January 1, 2020, for all other purposes.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 768 to Senate Bill No. 365.

Remarks by Senator Spearman.

Amendment No. 768 to Senate Bill No. 365 removed limited scope dental benefits from the list of benefits excluded from this bill's provisions.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 371.

The following Assembly amendment was read:

Amendment No. 842.

SUMMARY—Revises provisions relating to maintenance of manufactured home parks and repairs of manufactured homes. (BDR 10-303)

AN ACT relating to manufactured homes; revising requirements relating to the maintenance of a manufactured home park or repair of a manufactured home in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a landlord of a manufactured home park to maintain the manufactured home park, and certain portions of and structures within the manufactured home park, in specified manners. (NRS 118B.090) Section 1 of this bill authorizes, under certain circumstances, a person to perform such maintenance without obtaining a license. Specifically, section 1 authorizes a person who is licensed as a contractor to perform any such maintenance if the maintenance does not affect the fuel systems or structural systems of a manufactured home. In addition, section 1 allows a person who does not have any type of license to perform any such maintenance if it: (1) does not affect the fuel systems or structural systems of a manufactured home; (2) does not require a permit; and (3) has a value of less than $1,000 and is not required to be performed by a licensed contractor. Further, section 1 provides for certain complaints to be filed with the Housing Division of the Department of Business and Industry and certain final orders relating to such complaints to be forwarded to the State Contractors' Board [.] for further disciplinary action.

Existing law requires most repairs performed on a manufactured home to be performed by a person licensed to make such repairs. (NRS 118B.097) Section 2 of this bill authorizes, under the same circumstances, a person to perform such repairs without obtaining a license and for complaints to be filed with the Division and certain final orders to be forwarded to the State Contractors' Board [.] for further disciplinary action.

Sections 3-5 of this bill make conforming changes.

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

Section 1. NRS 118B.090 is hereby amended to read as follows:

118B.090 1. The landlord shall:

(a) Maintain all common areas of the park in a clean and safe condition;

(b) Maintain in good working order all electrical, plumbing and sanitary facilities, appliances and recreational facilities which the landlord furnishes;

(c) Maintain in a safe and secure location individual mail boxes for the tenants if the mail is delivered to the landlord for distribution to the tenants;

(d) Maintain all driveways within the park and sidewalks adjacent to the street; and

(e) Remove snow from the sidewalks and streets within the park, and from sidewalks adjacent to the street.

2. Except as otherwise provided in this subsection, the maintenance required by paragraph (a) of subsection 1 includes maintaining, in good working order, any aboveground or underground utility service apparatus located on each manufactured home lot, up to the disconnection point, which is not an appurtenance of the manufactured home. Maintenance is not required on any such apparatus that has been damaged by the tenant of the manufactured home lot.

3. ~~[Any]~~ *Except as otherwise provided in subsections 4 and 5, any* maintenance ~~[to a utility service apparatus, as]~~ described in ~~[subsection 2,]~~ *this section* may be performed legally only by a person who is qualified by licensure *pursuant to chapter 489 of NRS* to perform such maintenance, and:

(a) A person shall not perform the maintenance unless the person has such qualifications; and

(b) The landlord, or his or her agent or employee, shall not employ a third party to perform the maintenance if he or she knows, or in light of all of the surrounding facts and circumstances reasonably should know, that the third party does not have such qualifications.

4. A person may perform any maintenance described in this section without obtaining a license pursuant to chapter 489 of NRS if:

(a) The maintenance does not affect the fuel systems or structural systems of a manufactured home; and

(b) The person performing the maintenance is appropriately licensed pursuant to chapter 624 of NRS.

5. A person may perform any maintenance described in this section without obtaining a license pursuant to chapter 489 or 624 of NRS if:

(a) The maintenance does not affect the fuel systems or structural systems of a manufactured home;

(b) The maintenance does not require a permit before the maintenance may be performed; and

(c) The value of the maintenance is less than $1,000 and the provisions of chapter 624 of NRS do not require the person to be licensed pursuant to chapter 624 of NRS to perform the maintenance.

6. Any complaint concerning maintenance performed pursuant to this section by a person licensed pursuant to chapter 624 of NRS:

(a) May be filed with the ~~[State Contractors' Board;]~~ Division; and

(b) If ~~[received by the Administrator or the Division, may be forwarded by]~~ the ~~[Administrator or the Division, as applicable,]~~ Division issues a final order finding that an act or omission occurred which is a ground for disciplinary action pursuant to NRS 489.416, the Division shall forward the final order and any related findings and conclusions to the State Contractors' Board ~~[.]~~ for consideration of further disciplinary action pursuant to chapter 624 of NRS.

Sec. 2. NRS 118B.097 is hereby amended to read as follows:

118B.097 1. ~~[If a]~~ *Except as otherwise provided in subsections 3 and 4, any* repair to a manufactured home *, including, without limitation, any repair*

which may affect the structural, electrical, plumbing, drainage, roofing, mechanical or solid fuel burning systems of the home, or requires a permit before the repair may be ~~[made, the repair]~~ *performed*, may be performed legally only by a person who is qualified by licensure *pursuant to chapter 489 of NRS* to perform such a repair, and:

(a) A person shall not perform the repair unless the person has such qualifications; and

(b) A tenant or a landlord, or his or her agent or employee, shall not employ a third party to perform the repair if he or she knows or, in light of all the surrounding facts and circumstances, reasonably should know that the third party does not have such qualifications.

2. The Administrator shall adopt regulations to specify the repairs that a person without an applicable license may make to a manufactured home in accordance with the provisions of this section and chapter 489 of NRS.

3. A person may perform any repair described in this section without obtaining a license pursuant to chapter 489 of NRS if:

(a) The repair does not affect the fuel systems or structural systems of the manufactured home; and

(b) The person performing the repair is appropriately licensed pursuant to chapter 624 of NRS.

4. A person may perform any repair described in this section without obtaining a license pursuant to chapter 489 or 624 of NRS if:

(a) The repair does not affect the fuel systems or structural systems of the manufactured home;

(b) The repair does not require a permit before the repair may be performed; and

(c) The value of the ~~[maintenance]~~ repair is less than $1,000 and the provisions of chapter 624 of NRS do not require the person to be licensed pursuant to chapter 624 of NRS to perform the repair.

5. Any complaint concerning any repair performed pursuant to this section by a person licensed pursuant to chapter 624 of NRS:

(a) May be filed with the ~~[State Contractors' Board;]~~ Division; and

(b) If ~~[received by the Administrator or the Division, may be forwarded by the Administrator or]~~ the Division issues a final order finding that an act or omission occurred which is a ground for disciplinary action pursuant to NRS 489.416, the Division ~~[, as applicable,]~~ shall forward the final order and any related findings and conclusions to the State Contractors' Board ~~[.]~~ for consideration of further disciplinary action pursuant to chapter 624 of NRS.

Sec. 3. NRS 624.215 is hereby amended to read as follows:

624.215 1. For the purpose of classification, the contracting business includes the following branches:

(a) General engineering contracting.

(b) General building contracting.

(c) Specialty contracting.

➥ General engineering contracting and general building contracting are mutually exclusive branches.

2. A general engineering contractor is a contractor whose principal contracting business is in connection with fixed works, including irrigation, drainage, water supply, water power, flood control, harbors, railroads, highways, tunnels, airports and airways, sewers and sewage disposal systems, bridges, inland waterways, pipelines for transmission of petroleum and other liquid or gaseous substances, refineries, chemical plants and industrial plants requiring a specialized engineering knowledge and skill, power plants, piers and foundations and structures or work incidental thereto.

3. A general building contractor is a contractor whose principal contracting business is in connection with the construction or remodeling of buildings or structures for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in their construction the use of more than two unrelated building trades or crafts, upon which he or she is a prime contractor and where the construction or remodeling of a building is the primary purpose. Unless he or she holds the appropriate specialty license, a general building contractor may only contract to perform specialty contracting if he or she is a prime contractor on a project. A general building contractor shall not perform specialty contracting in plumbing, electrical, refrigeration and air-conditioning or fire protection without a license for the specialty. A person *who is licensed pursuant to chapter 489 of NRS and* who exclusively constructs or repairs mobile homes, manufactured homes or commercial coaches is not a general building contractor.

4. A specialty contractor is a contractor whose operations as such are the performance of construction work requiring special skill and whose principal contracting business involves the use of specialized building trades or crafts.

5. This section does not prevent the Board from establishing, broadening, limiting or otherwise effectuating classifications in a manner consistent with established custom, usage and procedure found in the building trades. The Board is specifically prohibited from establishing classifications in such a manner as to determine or limit craft jurisdictions.

Sec. 4. NRS 624.284 is hereby amended to read as follows:

624.284 ~~[A]~~ *Except as otherwise provided in subsection 4 of NRS 118B.090 or subsection 2 of 118B.097, a* contractor's license issued pursuant to this chapter does not authorize a contractor to construct or repair a mobile home, manufactured home, manufactured building or commercial coach or factory-built housing.

Sec. 5. NRS 624.3015 is hereby amended to read as follows:

624.3015 The following acts, among others, constitute cause for disciplinary action under NRS 624.300:

1. Acting in the capacity of a contractor beyond the scope of the license.

2. Bidding to contract or contracting for a sum for one construction contract or project in excess of the limit placed on the license by the Board.

3. Knowingly bidding to contract or entering into a contract with a contractor for work in excess of his or her limit or beyond the scope of his or her license.

4. Knowingly entering into a contract with a contractor while that contractor is not licensed.

5. Constructing or repairing a mobile home, manufactured home, manufactured building or commercial coach or factory-built housing unless the contractor:

(a) Is licensed pursuant to NRS 489.311; ~~[or]~~

(b) Owns, leases or rents the mobile home, manufactured home, manufactured building, commercial coach or factory-built housing ~~[.]~~ *; or*

(c) Is authorized to perform the work pursuant to subsection 4 of NRS 118B.090 or subsection 2 of 118B.097.

6. Engaging in any work or activities that require a contractor's license while the license is placed on inactive status pursuant to NRS 624.282.

Sec. 6. This act becomes effective on July 1, 2019.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 842 to Senate Bill No. 371.

Remarks by Senator Spearman.

Amendment No. 842 to Senate Bill No. 371 authorizes the Housing Division of the Department of Business and Industry to receive complaints concerning work performed by a person licensed as a contractor and, in case of a violation, requires the Division to forward its final decision and order to the Nevada State Contractors' Board for further disciplinary actions.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 397.

The following Assembly amendment was read:

Amendment No. 872.

SUMMARY—Revises provisions governing contractors. (BDR 54-304)

AN ACT relating to contractors; authorizing a contractor, under certain circumstances, to perform work for which the contractor does not have a license in the applicable classification or subclassification; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law generally requires a person to be licensed as a contractor to engage in the business of constructing, altering or repairing any structure or other improvement. (NRS 624.020, 624.700)

Existing law also requires the State Contractors' Board to adopt regulations for the classification and subclassification of contractors, and authorizes the Board to limit the field and scope of the operations of a licensed contractor to those in which the contractor is classified. (NRS 624.220) However, existing law provides various exceptions to the licensure requirement for contractors, such as when a person, under certain circumstances, performs work to repair or maintain property when the value of the work, including both labor and

materials, is less than $1,000. (NRS 624.031) Existing law also authorizes a specialty contractor to perform work for which the contractor does not have a license of the appropriate classification or subclassification when that work is incidental and supplemental to the performance of work for which the contractor is appropriately licensed. (NRS 624.220) Section 4 of this bill authorizes a licensed contractor to perform work for which the contractor does not have a license in the applicable classification or subclassification if: (1) the value of the work is less than $1,000 and does not require a permit; and (2) the work is not of a type performed by a plumbing, electrical, refrigeration or air-conditioning contractor. Sections 2, 3 and 5 of this bill make conforming changes relating to section 4.

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

Section 1. (Deleted by amendment.)

Sec. 2. NRS 624.212 is hereby amended to read as follows:

624.212 1. The Executive Officer, on behalf of the Board, shall issue an order to cease and desist to any person:

(a) Acting as a contractor, including, without limitation, commencing work as a contractor; or

(b) Submitting a bid on a job situated in this State,

➥ without an active license of the proper classification issued pursuant to this chapter. The order must be served personally or by certified mail and is effective upon receipt.

2. If it appears that any person has engaged in acts or practices which constitute a violation of this chapter or the violation of an order issued pursuant to subsection 1, the Board may request the Attorney General, the district attorney of the county in which the alleged violation occurred or the district attorney of any other county in which that person maintains a place of business or resides to apply on behalf of the Board to the district court for an injunction restraining the person from acting in violation of this chapter. Upon a proper showing, a temporary restraining order, a preliminary injunction or a permanent injunction may be granted. The Board as plaintiff in the action is not required to prove any irreparable injury.

3. In seeking injunctive relief against any person for an alleged violation of NRS 624.700, it is sufficient to allege that the person did, upon a certain day and in a certain county of this State:

(a) Act as a contractor, including, without limitation, commence work as a contractor; or

(b) Submit a bid on a job situated in this State,

➥ without having an active license of the proper classification issued pursuant to this chapter, without alleging any further or more particular facts concerning the matter.

4. The issuance of a restraining order or an injunction does not relieve the person against whom the restraining order or injunction is issued from criminal prosecution for practicing without a license.

5. If the court finds that a person willfully violated an order issued pursuant to subsection 1, it shall impose a fine of not less than $250 nor more than $1,000 for each violation of the order.

6. For the purposes of this section, a person shall be deemed to have ~~[an active]~~ a valid license ~~[of the proper classification]~~ if the person has an active license and is performing work in conformity with the requirements of subsection 4 of NRS 624.220.

Sec. 3. NRS 624.215 is hereby amended to read as follows:

624.215 1. For the purpose of classification, the contracting business includes the following branches:

(a) General engineering contracting.

(b) General building contracting.

(c) Specialty contracting.

➥ General engineering contracting and general building contracting are mutually exclusive branches.

2. A general engineering contractor is a contractor whose principal contracting business is in connection with fixed works, including irrigation, drainage, water supply, water power, flood control, harbors, railroads, highways, tunnels, airports and airways, sewers and sewage disposal systems, bridges, inland waterways, pipelines for transmission of petroleum and other liquid or gaseous substances, refineries, chemical plants and industrial plants requiring a specialized engineering knowledge and skill, power plants, piers and foundations and structures or work incidental thereto.

3. A general building contractor is a contractor whose principal contracting business is in connection with the construction or remodeling of buildings or structures for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in their construction the use of more than two unrelated building trades or crafts, upon which he or she is a prime contractor and where the construction or remodeling of a building is the primary purpose. Unless he or she holds the appropriate specialty license, a general building contractor may only contract to perform specialty contracting if he or she is a prime contractor on a project. ~~[A]~~ *Except as otherwise provided in subsection 4 of NRS 624.220, a* general building contractor shall not perform specialty contracting in plumbing, electrical, refrigeration and air-conditioning or fire protection without a license for the specialty. A person who exclusively constructs or repairs mobile homes, manufactured homes or commercial coaches is not a general building contractor.

4. A specialty contractor is a contractor whose operations as such are the performance of construction work requiring special skill and whose principal contracting business involves the use of specialized building trades or crafts.

5. This section does not prevent the Board from establishing, broadening, limiting or otherwise effectuating classifications in a manner consistent with established custom, usage and procedure found in the building trades. The

Board is specifically prohibited from establishing classifications in such a manner as to determine or limit craft jurisdictions.

Sec. 4. NRS 624.220 is hereby amended to read as follows:

624.220 1. The Board shall adopt regulations necessary to effect the classification and subclassification of contractors in a manner consistent with established usage and procedure as found in the construction business, and may limit the field and scope of the operations of a licensed contractor to those in which the contractor is classified and qualified to engage as defined by NRS 624.215 and the regulations of the Board.

2. The Board shall limit the field and scope of the operations of a licensed contractor by establishing a monetary limit on a contractor's license, and the limit must be the maximum contract a licensed contractor may undertake on one or more construction contracts on a single construction site or subdivision site for a single client. The Board may take any other action designed to limit the field and scope of the operations of a contractor as may be necessary to protect the health, safety and general welfare of the public. The limit must be determined after consideration of the factors set forth in NRS 624.260 to 624.265, inclusive.

3. A licensed contractor may request that the Board increase the monetary limit on his or her license, either on a permanent basis or for a single construction project. A request submitted to the Board pursuant to this subsection must be in writing on a form prescribed by the Board and accompanied by such supporting documentation as the Board may require. A request submitted pursuant to this section for a single construction project must be submitted to the Board at least 5 working days before the date on which the licensed contractor intends to submit a bid for the project and must be approved by the Board before the submission of a bid by the contractor for the project.

4. Subject to the provisions of regulations adopted pursuant to subsection 5, nothing contained in this section prohibits ~~[a]~~ *:*

(a) A specialty contractor from taking and executing a contract involving the use of two or more crafts or trades, if the performance of the work in the crafts or trades, other than in which the specialty contractor is licensed, is incidental and supplemental to the performance of work in the craft for which the specialty contractor is licensed.

(b) Except as otherwise provided in this paragraph, a licensed contractor from performing work of a type for which the contractor does not have a license in the applicable classification or subclassification if the value of the work is less than $1,000, including labor and materials, and the work does not require a permit. A licensed contractor shall not perform work of a type for which the contractor does not have a license in the applicable classification or subclassification if the work is of a type performed by a plumbing, electrical, refrigeration or air-conditioning contractor.

5. The Board shall adopt regulations establishing a specific limit on the amount of asbestos that a licensed contractor with a license that is not classified

for the abatement or removal of asbestos may abate or remove pursuant to subsection 4.

Sec. 5. NRS 624.341 is hereby amended to read as follows:

624.341 1. If the Board or its designee, based upon a preponderance of the evidence, has reason to believe that a person has:

(a) Acted as a contractor without an active license of the proper classification issued pursuant to this chapter, the Board or its designee, as appropriate, shall issue or authorize the issuance of a written administrative citation to the person.

(b) Committed any other act which constitutes a violation of this chapter or the regulations of the Board, the Board or its designee, as appropriate, may issue or authorize the issuance of a written administrative citation to the person.

2. A citation issued pursuant to this section may include, without limitation:

(a) An order to take action to correct a condition resulting from an act that constitutes a violation of this chapter or the regulations of the Board, at the person's cost;

(b) An order to pay an administrative fine not to exceed $50,000, except as otherwise provided in subsection 1 of NRS 624.300; and

(c) An order to reimburse the Board for the amount of the expenses incurred to investigate the complaint.

3. If a written citation issued pursuant to this section includes an order to take action to correct a condition resulting from an act that constitutes a violation of this chapter or the regulations of the Board, the citation must state the time permitted for compliance, which must be not less than 15 business days after the date the person receives the citation, and specifically describe the action required to be taken.

4. The sanctions authorized by this section are separate from, and in addition to, any other remedy, civil or criminal, authorized by this chapter.

5. The failure of an unlicensed person to comply with a citation or order after it is final is a misdemeanor. If an unlicensed person does not pay an administrative fine imposed pursuant to this section within 60 days after the order of the Board becomes final, the order may be executed upon in the same manner as a judgment issued by a court.

6. For the purposes of this section, a person shall be deemed to have an active license of the proper classification if the person has an active license and is performing work in conformity with the requirements of subsection 4 of NRS 624.220.

Sec. 6. This act becomes effective on July 1, 2019.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 872 to Senate Bill No. 397.

Remarks by Senator Spearman.

Amendment No. 872 to Senate Bill No. 397 revised language that a person shall be deemed to have a valid contractor's license if the person has an active license and is performing work in conformity with certain requirements.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 441.

The following Assembly amendment was read:

Amendment No. 787.

SUMMARY—Provides for the separate regulation of online charter schools. (BDR 34-392)

AN ACT relating to education; revising provisions relating to programs of distance education; establishing provisions relating to charter schools for distance education; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a school district or charter school to provide a program of distance education if the school district or charter school satisfies certain requirements. (NRS 388.838) Sections 6-14 of this bill establish provisions for a charter school to operate exclusively as a charter school for distance education. Section 11 of this bill authorizes a charter school sponsored by the State Public Charter School Authority or a committee to form a charter school or charter management organization that has applied for sponsorship from the Authority to apply to the Authority for authorization to operate as a charter school for distance education. Section 11 requires a charter school, committee to form a charter school or charter management organization to satisfy certain requirements to be authorized as a charter school for distance education. Section 11 also requires a charter contract to operate a charter school for distance education to include certain provisions. Section 12 of this bill authorizes a charter school for distance education to use certain methods to collect certain information. Section 13 of this bill designates the Authority as the local educational agency for all charter schools for distance education sponsored by the Authority and authorizes the ~~[Authority]~~ Department of Education to deem a charter school for distance education sponsored by the Authority a local educational agency. Section 14 of this bill requires the ~~[Authority]~~ Department to adopt certain regulations. Section 15 of this bill provides that a charter school that has an existing written charter or charter contract with the Authority to operate a program of distance education entered into on or before July 31, 2019, is deemed a charter school for distance education.

Existing law requires a pupil who wishes to enroll full-time in a program of distance education to receive permission from the board of trustees of the school district where the pupil resides. (NRS 388.854) Section 3 of this bill removes that requirement. Section 5 of this bill prohibits a charter school sponsored by a school district that offers a full-time program of distance

education from enrolling a pupil in the program who resides outside that school district.

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

Section 1. (Deleted by amendment.)

Sec. 2. (Deleted by amendment.)

Sec. 3. NRS 388.854 is hereby amended to read as follows:

388.854 1. ~~[Before a pupil may enroll full-time in a program of distance education that is provided by a school district other than the school district in which the pupil resides, the pupil must obtain the written permission of the board of trustees of the school district in which the pupil resides. Except as otherwise provided in NRS 388.850 or other specific statute, a board of trustees from whom permission is requested pursuant to this subsection shall grant the requested permission.~~

~~2.]~~ A pupil who enrolls part-time in a program of distance education that is provided by a school district other than the school district in which the pupil resides or that is provided by a charter school is not required to obtain the approval of the board of trustees of the school district in which the pupil resides.

~~[3. If the board of trustees of a school district grants permission for a pupil to enroll full-time in a program of distance education pursuant to subsection 1 or if]~~

2. If a pupil enrolls part-time in a program of distance education pursuant to subsection ~~[2,]~~ *1,* the board of trustees of the school district in which the pupil resides shall enter into a written agreement with the board of trustees of the school district or the governing body of the charter school, as applicable, that provides the program of distance education. ~~[If the pupil enrolls part-time in a program of distance education, the]~~ *The* agreement must include, without limitation, the amount of the apportionment provided to the school district where the pupil resides that will be allocated pursuant to paragraph (a) of subsection 2 of NRS 387.124 to the school district or charter school, as applicable, that provides the program of distance education.

~~[4.]~~ *3.* A separate agreement must be prepared for each year that a pupil enrolls *part-time* in a program of distance education. ~~[If permission is granted pursuant to subsection 1, the written agreement required by this subsection is not a condition precedent to the pupil's enrollment in the program of distance education.~~

~~5.]~~ *4.* If the school district in which the pupil resides and the board of trustees of the school district or governing body of the charter school, as applicable, that provides the program of distance education in which the pupil is enrolled part-time are unable to reach an agreement as required pursuant to subsection ~~[3,]~~ *2,* the Superintendent of Public Instruction will determine the amount of the apportionment which the school district where the pupil resides will be required to allocate pursuant to paragraph (a) of subsection 2 of

NRS 387.124 to the school district or charter school, as applicable, that provides the program of distance education.

Sec. 4. Chapter 388A of NRS is hereby amended by adding thereto the provisions set forth as sections 5 to 14, inclusive, of this act.

Sec. 5. *A charter school that is sponsored by a school district and that offers a full-time program of distance education may not enroll a pupil in the program who does not reside in that school district.*

Sec. 6. *As used in sections 6 to 14, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 7 to 10, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 7. *"Charter school for distance education" means a charter school that provides a full-time program of distance education.*

Sec. 8. *"Course of distance education" has the meaning ascribed to it in NRS 388.823.*

Sec. 9. *"Distance education" has the meaning ascribed to it in NRS 388.826.*

Sec. 10. *"Program of distance education" has the meaning ascribed to it in NRS 388.829.*

Sec. 11. *1. A charter school that is sponsored by the State Public Charter School Authority, or a committee to form a charter school or charter management organization that has submitted an application to be sponsored by the State Public Charter School Authority, may apply to the State Public Charter School Authority for authorization to operate as a charter school for distance education. The charter school, committee to form a charter school or charter management organization shall include in its application to the State Public Charter School Authority a description of:*

(a) The support available to each pupil, in his or her home or community, including, without limitation, the availability and frequency of interactions between the pupil and teachers;

(b) The methods the charter school for distance education will use to administer any test, exam or assessment required by state or federal law;

(c) The methods the charter school for distance education will use to assess the academic success of pupils; and

(d) The criteria pupils must meet to be eligible for enrollment at the charter school for distance education and the process for accepting pupils.

2. The State Public Charter School Authority may authorize:

(a) A charter school to operate as a charter school for distance education if the charter school satisfies the requirements of subsection 1.

(b) A committee to form a charter school or a charter management organization to form or operate, as applicable, a charter school for distance education if the committee to form a charter school or charter management organization satisfies the requirements of subsection 1 and of subsection 3 of NRS 388A.249.

3. The State Public Charter School Authority shall adopt a standard charter contract that meets the requirements for charter contracts pursuant to NRS 388A.270 to be used for each charter school for distance education.

4. In addition to any other provisions required by law, a charter contract to operate a charter school for distance education entered into on or after July 31, 2019, must include a description of:

(a) The support available to each pupil, in his or her home or community, including, without limitation, the availability and frequency of interactions between the pupil and teachers;

(b) The methods the charter school for distance education will use to administer any test, exam or assessment required by state or federal law;

(c) The methods the charter school for distance education will use to assess the academic success of pupils; and

(d) The criteria pupils must meet to be eligible for enrollment at the charter school for distance education and the process for accepting pupils.

Sec. 12. *For the purposes of collecting the information required pursuant to NRS 385A.240 on the attendance, truancy and transiency of pupils, a charter school for distance education may consider the following information:*

1. The amount of time each pupil spends on a computer, television, Internet website or other means of communication used to administer the program of distance education.

2. The progress of each pupil in completing tasks during a specific period of time.

3. The number of lessons and units completed by each pupil.

Sec. 13. *1. Except as otherwise provided in subsection 2, the State Public Charter School Authority is hereby deemed a local educational agency for all charter schools for distance education which are sponsored by the State Public Charter School Authority.*

2. The ~~[State Public Charter School Authority]~~ Department may adopt regulations to deem a charter school for distance education sponsored by the State Public Charter School Authority a local educational authority. Such a determination must be made on or before March 1 of each even-numbered year and does not become effective until July 1 of the next even-numbered year.

Sec. 14. *The ~~[State Public Charter School Authority]~~ Department shall adopt any regulations necessary to carry out the provisions of sections 5 to 14, inclusive, of this act, including, without limitation, regulations for:*

1. The delegation of oversight responsibilities to any subcommittee of the State Public Charter School Authority.

2. Establishing different requirements for the operation or regulation of or any other matter that requires the different treatment of charter schools for distance education sponsored by the State Public Charter School Authority and traditional charter schools sponsored by the State Public Charter School Authority.

3. Determining when a pupil enrolled at a charter school for distance education may be suspended or expelled from such charter school pursuant to

NRS 388A.495 for failing to actively participate in the charter school for distance education.

Sec. 15. 1. A charter school sponsored by the State Public Charter School Authority that operates a full-time program of distance education that has an existing written charter or charter contract, as applicable, with the State Public Charter School Authority before July 31, 2019, shall be deemed to be a charter school for distance education that has entered into a charter contract with the State Public Charter School Authority on or after July 31, 2019.

2. The current written charter or charter contract, as applicable, of a charter school deemed to be a charter school for distance education pursuant to this section shall remain in effect until the expiration of the written charter or charter contract, as applicable, unless the written charter is revoked or the charter contract is terminated pursuant to NRS 388A.300.

Sec. 16. This act becomes effective upon passage and approval.

Senator Denis moved that the Senate concur in Assembly Amendment No. 787 to Senate Bill No. 441.

Remarks by Senator Denis.

Amendment No. 787 to Senate Bill No. 441 specifies Nevada's Department of Education retains the authority to adopt regulations rather than the State Public Charter School Authority.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 453.

The following Assembly amendment was read:

Amendment No. 788.

SUMMARY—Revises the eligibility requirements for the Governor Guinn Millennium Scholarship Program. (BDR 34-383)

AN ACT relating to the Governor Guinn Millennium Scholarship Program; increasing the grade point average required during the first year of enrollment to retain eligibility for a scholarship; ~~[making a recipient ineligible for the scholarship if he or she fails to maintain the required grade point average during any two semesters;]~~ and providing other matters properly relating thereto.

Legislative Counsel's Digest:

During the first year of enrollment in the Governor Guinn Millennium Scholarship Program, existing law requires a recipient to maintain at least a 2.60 grade point average during each semester and then to maintain a 2.75 grade point average during each semester in the second and each subsequent year of enrollment. ~~[If a recipient fails to maintain the required grade point average, the recipient loses funding for a semester, but may regain eligibility under certain circumstances.]~~ (NRS 396.934) Section 1 of this bill raises the required grade point average to 2.75 ~~[during each semester of each year of]~~ for each semester of enrollment ~~[and permits a recipient who fails to maintain the required grade point average in one semester to continue eligibility without penalty, but permanently loses eligibility if the student does~~

~~not meet eligibility requirements during any subsequent semester.]~~ in the Program, which means the required grade point average is increased from 2.60 to 2.75 for each semester of the first year of enrollment in the Program.

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

Section 1. NRS 396.934 is hereby amended to read as follows:

396.934 1. Except as otherwise provided in this section, within the limits of money available in the Trust Fund, a student who is eligible for a Millennium Scholarship is entitled to receive:

(a) If he or she is enrolled in a community college within the System, including, without limitation, a summer academic term, $40 per credit for each lower division course and $60 per credit for each upper division course in which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the community college that are not otherwise satisfied by other grants or scholarships, whichever is less. The Board of Regents shall provide for the designation of upper and lower division courses for the purposes of this paragraph.

(b) If he or she is enrolled in a state college within the System, including, without limitation, a summer academic term, $60 per credit for which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the state college that are not otherwise satisfied by other grants or scholarships, whichever is less.

(c) If he or she is enrolled in another eligible institution, including, without limitation, a summer academic term, $80 per credit for which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the university that are not otherwise satisfied by other grants or scholarships, whichever is less.

(d) If he or she is enrolled in more than one eligible institution, including, without limitation, a summer academic term, the amount authorized pursuant to paragraph (a), (b) or (c), or a combination thereof, in accordance with procedures and guidelines established by the Board of Regents.

➥ In no event may a student who is eligible for a Millennium Scholarship receive more than the cost of 15 semester credits per semester pursuant to this subsection.

2. No student may be awarded a Millennium Scholarship:

(a) To pay for remedial courses.

(b) For a total amount in excess of $10,000.

3. A student who receives a Millennium Scholarship shall:

(a) Make satisfactory academic progress toward a recognized degree or certificate, as determined by the Board of Regents pursuant to subsection 8; and

(b) ~~[If the student graduated from high school after May 1, 2003, maintain:~~

~~(1) At least a 2.60 grade point average on a 4.0 grading scale for each semester during the first year of enrollment in the Governor Guinn Millennium Scholarship Program.~~

~~(2) At~~ *Maintain at* least a 2.75 grade point average on a 4.0 grading scale for each semester ~~[during the second year]~~ of enrollment in the Governor Guinn Millennium Scholarship Program . ~~[and for each semester during each year of enrollment thereafter.]~~

4. A student who receives a Millennium Scholarship is encouraged to volunteer at least 20 hours of community service for this State, a political subdivision of this State or a charitable organization that provides service to a community or the residents of a community in this State during each year in which the student receives a Millennium Scholarship.

5. If a student does not satisfy the requirements of subsection 3 during one semester ~~*[any two semesters]*~~ of enrollment, excluding a summer academic term, he or she is not eligible for the Millennium Scholarship for the ~~*[any]*~~ succeeding semester of enrollment . If such a student:

(a) Subsequently satisfies the requirements of subsection 3 in a semester in which he or she is not eligible for the Millennium Scholarship, the student is eligible for the Millennium Scholarship for the student's next semester of enrollment.

(b) Fails a second time to satisfy the requirements of subsection 3 during any subsequent semester, excluding a summer academic term, the student is no longer eligible for a Millennium Scholarship. ~~*[following the second semester in which the student did not satisfy the requirements.]*~~

6. A Millennium Scholarship must be used only:

(a) For the payment of registration fees and laboratory fees and expenses;

(b) To purchase required textbooks and course materials; and

(c) For other costs related to the attendance of the student at the eligible institution.

7. The Board of Regents shall certify a list of eligible students to the State Treasurer. The State Treasurer shall disburse a Millennium Scholarship for each semester on behalf of an eligible student directly to the eligible institution in which the student is enrolled, upon certification from the eligible institution of the number of credits for which the student is enrolled, which must meet or exceed the minimum number of credits required for eligibility and certification that the student is in good standing and making satisfactory academic progress toward a recognized degree or certificate, as determined by the Board of Regents pursuant to subsection 8. The Millennium Scholarship must be administered by the eligible institution as other similar scholarships are administered and may be used only for the expenditures authorized pursuant to subsection 6. If a student is enrolled in more than one eligible institution, the Millennium Scholarship must be administered by the eligible institution at which the student is enrolled in a program of study leading to a recognized degree or certificate.

8. The Board of Regents shall establish:

(a) Criteria for determining whether a student is making satisfactory academic progress toward a recognized degree or certificate for purposes of subsection 7.

(b) Procedures to ensure that all money from a Millennium Scholarship awarded to a student that is refunded in whole or in part for any reason is refunded to the Trust Fund and not the student.

(c) Procedures and guidelines for the administration of a Millennium Scholarship for students who are enrolled in more than one eligible institution.

Sec. 2. This act becomes effective upon passage and approval for the purposes 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, 2020, for all other purposes.

Senator Denis moved that the Senate concur in Assembly Amendment No. 788 to Senate Bill No. 453.

Remarks by Senator Denis.

Amendment No. 788 to Senate Bill No. 453 removes provisions that would have allowed a student who fails to maintain the required grade point average to continue eligibility without penalty in the following semester.

Motion carried by a constitutional majority.

Bill ordered enrolled.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Parks moved that the consideration of Senate Bill No. 463 be taken from the Unfinished Business File.

Motion carried.

UNFINISHED BUSINESS

CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 469.

The following Assembly amendment was read:

Amendment No. 859.

SUMMARY—Revises provisions relating to the reorganization of certain school districts. (BDR 34-818)

AN ACT relating to education; clarifying that a large school district is responsible for utilities for each local school precinct; revising the number of local school precincts in a large school district that a school associate superintendent is authorized to oversee; revising provisions relating to the allocation of money by such a large school district to local school precincts to carry out the responsibilities transferred to the precincts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prescribes requirements for the transition and restructuring of school districts which have more than 100,000 pupils enrolled in its public schools (currently the Clark County School District) from a centralized operational model to a more decentralized and autonomous site-based operational model. (NRS 388G.500-388G.810) To accomplish this, existing law: (1) deems each public school within a large school district, other than a charter school or a university school for profoundly gifted pupils, to be a local school precinct which is operated under site-based decision-making; and (2)

provides to the local school precincts the authority to carry out certain responsibilities which have traditionally been carried out by the large school district. (NRS 388G.600)

Existing law: (1) requires the superintendent of schools of a large school district to transfer certain responsibilities to each local school precinct; and (2) provides that the large school district remains responsible for paying for and carrying out all other responsibilities necessary for the operation of the local school precincts. (NRS 388G.610) Section 1 of this bill clarifies that the large school district remains responsible for utilities.

Existing law requires the superintendent of schools of a large school district to assign a school associate superintendent to oversee local school precincts, but prohibits such a person from being assigned to oversee more than 25 local school precincts. (NRS 388G.620) Section 1.5 of this bill removes this prohibition, therefore authorizing a school associate superintendent to oversee more than 25 local school precincts.

~~[Existing law requires the superintendent of schools of a large school district to annually make certain estimates regarding the funding received by the school district and to estimate the amount of money that will be allocated to the local school precincts for the next school year. Existing law prescribes certain money of the large school district as restricted and requires the amount allocated to the local school precincts be a certain percentage of the total amount of unrestricted money of the large school district. (NRS 388G.660) Section 2.5 of this bill classifies as restricted the money that is necessary for a large school district to carry out the responsibilities that are not transferred to the local school precinct and increases the percentage of the unrestricted money to be allocated to the local school precincts from 85 percent to 90 percent.]~~

Existing law sets forth the manner in which a large school district is required to determine the allocation that will be made to each local school precinct, which must be on a per pupil basis. (NRS 388G.670) Existing law requires the superintendent of schools of a large school district to inform each local school precinct on or before January 15 of each year of the estimated amount of money that will be allocated to the local school precinct for the next school year, based upon: (1) for an existing local school precinct, the actual number of pupils who attended the local school precinct as reported during the previous calendar quarter; or (2) for a new local school precinct, the estimated number of pupils who will attend the new school and the effect on any existing local school precinct. (NRS 388G.680) For purposes of this allocation, section 3 of this bill changes the measure for determining the number of pupils for existing local school precincts from actual numbers to estimates by the large school district, which is the same measure as is used for determining the number of pupils for a new local school precinct.

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

Section 1. NRS 388G.610 is hereby amended to read as follows:

388G.610 1. Except as otherwise provided in this section, the superintendent shall transfer authority to each local school precinct to carry out responsibilities in accordance with this section and the plan of operation approved for the local school precinct.

2. The superintendent shall transfer to each local school precinct the authority to carry out the following responsibilities:

(a) Select for the local school precinct the:

(1) Teachers;

(2) Administrators other than the principal; and

(3) Other staff who work under the direct supervision of the principal.

(b) Direct the supervision of the staff of the local school precinct, including, without limitation, taking any necessary disciplinary action which does not involve a violation of law or which does not require an investigation to comply with the law.

(c) Procure such equipment, services and supplies as the local school precinct deems necessary or advisable to carry out the plan of operation for the local school precinct. Equipment, services and supplies may be procured from the large school district in which the local school precinct is located or elsewhere, but such procurement must be carried out in accordance with the applicable policies of the large school district.

(d) Develop a balanced budget for the local school precinct for the use of the money allocated to the local school precinct, which must include, without limitation, the manner in which to expend any money not used for the purposes described in paragraphs (a), (b) and (c).

(e) Any other responsibility for which authority is transferred pursuant to subsection 7.

3. Except as otherwise provided in subsection 7, a large school district shall remain responsible for paying for and carrying out all other responsibilities necessary for the operation of the local school precincts and the large school district
which have not been transferred to the local school precincts pursuant to subsection 2, including, without limitation, responsibility for:

(a) Negotiating the salaries, benefits and other conditions of employment of administrators, teachers and other staff necessary for the operation of the local school precinct;

(b) Transportation services;

(c) Food services;

(d) Risk management services;

(e) Financial services, including payroll services;

(f) Qualifying employees for any position within the large school district;

(g) Services to promote and ensure equity and diversity;

(h) Services to ensure compliance with all laws relating to civil rights;

(i) Identification, evaluation, program placement, pupil assignment and other services provided to pupils pursuant to the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., and the regulations adopted pursuant

thereto, or pursuant to section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and the regulations adopted pursuant thereto;

(j) Legal services;

(k) Maintenance and repair of buildings;

(l) Maintenance of the grounds of the local school precinct;

(m) Custodial services;

(n) Implementation of the master plan developed for English learners;

(o) Internal audits;

(p) Information technology services;

(q) Police services;

(r) Emergency management services;

(s) Carrying out state mandated assessments and accountability reports; ~~[and]~~

(t) Capital projects ~~[.]~~ *; and*

(u) Utilities.

4. To the greatest extent possible, the principal of a local school precinct shall select teachers who are licensed and in good standing before selecting substitutes to teach at the local school precinct. The principal, in consultation with the organizational team, shall make every effort to ensure that effective licensed teachers are employed at the local school precinct.

5. If a large school district is unable to provide any necessary maintenance or repair of the buildings or grounds of a local school precinct in a timely manner, the large school district must, at the expense of the large school district, procure any equipment, services and supplies necessary from another entity or business to provide such maintenance or repair for the local school precinct or take any other necessary action.

6. To the extent that any member of the staff of central services is assigned to provide services at a local school precinct on a temporary or permanent basis, the decision regarding the assignment and any subsequent reassignment of the member of the staff must be made in consultation with the principal of the local school precinct and the school associate superintendent.

7. On or before January 15 of each year, the superintendent shall determine, in consultation with the principals, school associate superintendents and organizational teams of each local school precinct, any additional authority that is not listed in subsection 2 to recommend transferring to one or more local school precincts. Such authority may include the authority to carry out any of the responsibilities listed in subsection 3 which is not prohibited by law, other than the responsibility for capital projects, if it is determined that transferring the authority will serve the best interests of the pupils. The recommendation to transfer authority to one or more local school precincts must be submitted for approval by the board of trustees of the large school district. The board of trustees of the large school district shall consider such a recommendation and determine whether to approve the transfer of additional authority at its next regularly scheduled meeting if submitted within 5 working

days before the next regularly scheduled meeting and otherwise the recommendation shall be considered at the following meeting.

8. If the authority to carry out any responsibility is transferred to a local school precinct pursuant to subsection 7, the large school district must allocate additional money to the local school precinct in an amount equal to the amount that would otherwise be paid by the large school district to carry out the responsibility.

Sec. 1.5. NRS 388G.620 is hereby amended to read as follows:

388G.620 1. The superintendent shall assign a school associate superintendent to oversee ~~[each]~~ *one or more* local school ~~[precinct. Each school associate superintendent must not be assigned to oversee more than 25 local school]~~ precincts.

2. Whenever a vacancy occurs in the position of school associate superintendent, the superintendent shall post notice of the vacancy. The superintendent shall interview qualified candidates for the vacant position. At least one, but not more than two representatives of the principals of the local school precincts overseen by the vacant position must be allowed to participate in interviewing candidates for the vacant position. If the local governmental agency which has the most schools that are overseen by the vacant position is:

(a) A city, the governing body of the city may appoint one representative to participate in interviewing candidates for the vacant position.

(b) Not a city, the board of county commissioners for the county in which the large school district is located may appoint one representative to participate in interviewing candidates for the vacant position.

3. Each person who participates in interviewing candidates pursuant to subsection 2 shall comply with all laws that apply to an employer when making a decision about employment.

4. Upon completion of the interviews pursuant to subsection 2 and before the superintendent makes a final determination about which candidate to hire, the superintendent must notify the governing body of the city or the board of county commissioners for the county, as applicable, regarding the candidate whom the superintendent intends to hire. After receiving such notice, the governing body of the city or the board of county commissioners, as applicable, may hold a public meeting within 10 days to question the superintendent and the candidate for the vacant position and receive public input. After any such meeting or, if no such meeting is held, after 10 days, the superintendent shall, in his or her sole discretion, hire a candidate for the vacant position.

5. After the school associate superintendent is hired, the superintendent may, in his or her sole discretion, reassign and make other employment decisions concerning the school associate superintendent.

Sec. 2. (Deleted by amendment.)

Sec. 2.5. ~~[NRS 388G.660 is hereby amended to read as follows:~~

~~388G.660 1. On or before January 15 of each year, the superintendent shall establish for the next school year:~~

~~(a) The estimated total amount of money to be received by the large school district from all sources, including any year-end balance that is carried forward, and shall identify the sources of such a year-end balance and whether the year-end balance is restricted. If the year-end balance is restricted, the superintendent shall identify the source of the restriction and the total of amount of money to be received by the large school district that is unrestricted. Money may only be identified as restricted if it [is] :~~

~~*(1) Is* required by state or federal law [, if it is] ;~~

~~*(2) Is* proscribed by the Department ;~~

~~*(3) Is necessary for the large school district to carry out its responsibilities pursuant to subsection 3 of NRS 388G.610;* or [if it has]~~

~~*(4) Has* been otherwise encumbered.~~

~~(b) The estimated percentage of the amount of money determined pursuant to paragraph (a) to be unrestricted that will be allocated to the local school precincts. The percentage must equal:~~

~~(1) For the first school year in which the large school district operates pursuant to the provisions of NRS 388G.500 to 388G.810, inclusive, not less than 80 percent of the total amount of money from all sources received by the large school district that is unrestricted for the school year; [and]~~

~~(2) For each subsequent school year [,] *until 2019*, 85 percent of the total amount of money from all sources received by the large school district that is unrestricted for the school year [.] *; and*~~

~~*(3) For the school year beginning in 2019 and each subsequent school year, 90 percent of the total amount of money from all sources received by the large school district that is unrestricted for the school year.*~~

~~(c) The estimated amount of categorical funding to be received by the large school district and whether such funding is restricted in a manner that prohibits the large school district from including that categorical funding in the amount of funding per pupil that is allocated to the local school precincts.~~

~~(d) The total estimated amount of money that will be allocated to each local school precinct as determined pursuant to NRS 388G.680.~~

~~2. The superintendent shall post the information established pursuant to subsection 1 on the Internet website of the large school district and make the information available to any person upon request.]~~ (Deleted by amendment.)

Sec. 3. NRS 388G.680 is hereby amended to read as follows:

388G.680 1. On or before January 15 of each year, the superintendent shall inform each local school precinct of the estimated amount of money that will be allocated to the local school precinct for the next school year. The allocation must be based upon *estimates by the large school district of* the number of pupils in each category who *will* attend the local school precinct after applying the appropriate weight to each category of pupil as determined pursuant to NRS 388G.670.

2. ~~[Except as otherwise provided in subsections 3 and 4, the number and category of pupils must be determined based upon the report of the pupils~~

~~attending each local school precinct for the previous calendar quarter pursuant to NRS 387.1223.~~

~~3.~~ If an additional local school precinct is added in the large school district, for the purpose of determining the first allocation for the new local school precinct, the large school district must estimate the number of pupils in each category who will attend the new local school precinct and the effect on any existing local school precinct. If the opening of a new local school precinct is anticipated to reduce the number of pupils who will attend another local school precinct, for purposes of determining the allocation, the number of pupils must be adjusted accordingly.

~~4.~~ *3.* The estimated amount of money allocated to each local school precinct for the next school year must be adjusted on or before November 1 of each year to reflect the actual number of pupils in each category who attend the local school precinct.

Sec. 4. This act becomes effective on July 1, 2019.

Senator Denis moved that the Senate concur in Assembly Amendment No. 859 to Senate Bill No. 469.

Remarks by Senator Denis.

Assembly Amendment No. 859 to Senate Bill No. 469 deletes section 2.5 which would have allowed a large school district to identify money used to pay certain expenses as restricted and requires such a district to allocate 90 percent of the money not identified as restricted to local school precincts.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 470.

The following Assembly amendment was read:

Amendment No. 732.

SUMMARY—Revises provisions relating to health care. (BDR 40-785)

AN ACT relating to health care; requiring the State Board of Health to require a medical facility , facility for the dependent or facility which is otherwise required to be licensed by regulations adopted by the Board to conduct training relating specifically to cultural competency for certain agents and employees of ~~[the medical]~~ such a facility; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 4.5 of this bill requires the State Board of Health to, by regulation, require a medical facility , facility for the dependent or facility which is otherwise required to be licensed by regulations adopted by the Board pursuant to NRS 449.0303 to conduct training relating specifically to cultural competency for any agent or employee of ~~[the medical]~~ such a facility who provides care to a patient or resident of the ~~[medical]~~ facility. Section 4.5 provides that such cultural competency training is required so that such an agent or employee may better understand patients or residents who ~~[are from]~~ have different ~~[cultures and]~~ cultural backgrounds, including patients or

residents who are: (1) from various gender, racial and ethnic backgrounds; (2) from various religious backgrounds; (3) lesbian, gay, bisexual, transgender and questioning persons; (4) children and senior citizens; (5) persons with a mental or physical disability; and (6) part of any other population, as determined by the Board. Section 4.5 requires such training to be provided through a course or program that is approved by the Department of Health and Human Services.

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

Section 1. (Deleted by amendment.)

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 4.5. Chapter 449 of NRS is hereby amended by adding thereto a new section to read as follows:

1. To enable an agent or employee of a medical facility , facility for the dependent or facility which is otherwise required by regulations adopted by the Board pursuant to NRS 449.0303 to be licensed who provides care to a patient or resident of the ~~[medical]~~ facility to more effectively treat patients ~~[,]~~ or care for residents, as applicable, the Board shall, by regulation, require such a ~~[medical]~~ facility to conduct training relating specifically to cultural competency for any agent or employee of the ~~[medical]~~ facility who provides care to a patient or resident of the ~~[medical]~~ facility so that such an agent or employee may better understand patients or residents who ~~[are from]~~ have different ~~[cultures and]~~ cultural backgrounds, including, without limitation, patients or residents who are:

(a) From various gender, racial and ethnic backgrounds;

(b) From various religious backgrounds;

(c) Lesbian, gay, bisexual, transgender and questioning persons;

(d) Children and senior citizens;

(e) Persons with a mental or physical disability; and

(f) Part of any other population that such an agent or employee may need to better understand, as determined by the Board.

2. The training relating specifically to cultural competency conducted by a medical facility , facility for the dependent or facility which is otherwise required by regulations adopted by the Board pursuant to NRS 449.0303 to be licensed pursuant to subsection 1 must be provided through a course or program that is approved by the Department of Health and Human Services.

Sec. 5. This act becomes effective on July 1, 2019.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 732 to Senate Bill No. 470.

Remarks by Senator Spearman.

Amendment No. 732 to Senate Bill No. 470 requires employees at additional facilities to receive the mandatory training, specifically employees who provide direct care in all facilities for the dependent or any facility which is otherwise required by regulations adopted by the State Board of Health pursuant to Nevada Revised Statute 449.0303 to be licensed. This aligns the facilities with Senate Bill No. 364.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 475.

The following Assembly amendment was read:

Amendment No. 874.

SUMMARY—Revises provisions relating to the evaluation of educational employees and makes various other changes to provisions relating to education. (BDR 34-816)

AN ACT relating to education; requiring the development of an electronic tool for providing documents concerning evaluations of educational employees to the employees; requiring certain licensed educational personnel to be evaluated pursuant to the statewide performance evaluation system; reducing the percentage of the evaluation of a teacher or certain administrators comprised by pupil performance; requiring the evaluator of an educational employee to consider certain factors relating to the ratios of pupils per licensed teacher; removing certain sanctions for a teacher or administrator whose performance is designated as developing; requiring a study of the impact and validity of the statewide performance evaluation system; requiring the Department of Education, in collaboration with the Teachers and Leaders Council, to make certain recommendations concerning the statewide performance evaluation system; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the State Board of Education to establish a statewide performance evaluation system for evaluating the performance of educational employees. (NRS 391.465) Section 1 of this bill requires the Department of Education to develop an electronic tool for providing documents concerning such evaluations to educational employees. Section 2 of this bill makes a conforming change.

Existing law prescribes separate requirements concerning the evaluation of teachers and administrators, including: (1) administrators who provide primarily administrative services at the school level; and (2) administrators at the district level who provide direct supervision of the principal of a school. (NRS 391.680-391.720) Existing law additionally authorizes the State Board to provide for evaluations of counselors, librarians and other licensed educational personnel, except for teachers and administrators. (NRS 391.675) Section 6 of this bill instead requires such other licensed educational personnel to be evaluated annually in a similar manner to teachers. Sections ~~[3-5]~~ 3, 5 and 7 of this bill make conforming changes.

Existing law requires pupil growth to account for 40 percent of the evaluation of a teacher or administrator who provides direct instructional services to pupils at a school. (NRS 391.465, 391.480) Section 4 of this bill instead requires pupil growth to account for ~~[20]~~ 15 percent of the evaluation of a teacher or such an administrator ~~[for]~~ beginning with the 2019-2020

school year. ~~[Section 4.5 decreases this percentage to 15 percent for each school year thereafter.]~~ Section 4 also requires an administrator who performs such an evaluation to consider any effects of the ratios of pupils per teacher that exceed the recommended ratios prescribed by the State Board. Section 10 of this bill requires the Department, in collaboration with the Teachers and Leaders Council, to make recommendations to the State Board concerning the necessary changes to the statewide performance evaluation system to address the reduced weight of pupil growth in evaluations.

Existing law requires the overall performance of an educational employee to be designated as highly effective, effective, developing or ineffective. (NRS 391.465) Existing law: (1) authorizes a school district not to renew the contract of a probationary teacher or certain administrators whose performance is designated as developing or ineffective; and (2) requires a postprobationary employee whose performance is designated as developing or ineffective for 2 consecutive years to serve an additional probationary period. (NRS 391.725, 391.730) Section 7 of this bill removes authorization for a school district not to renew the contract of a probationary teacher or administrator whose performance is designated as developing. Section 8 of this bill removes the requirement that a postprobationary employee whose performance is designated as developing for 2 consecutive years must serve an additional probationary period. Section 9 of this bill requires the Department to enter into a contract with a consultant to study the impact and validity of the statewide performance evaluation system.

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

Section 1. Chapter 391 of NRS is hereby amended by adding thereto a new section to read as follows:

The Department shall, in consultation with the boards of trustees of school districts and the Council, develop an electronic tool for providing documents concerning evaluations conducted pursuant to NRS 391.680 to 391.730, inclusive, to teachers, administrators and other licensed educational personnel. The tool must allow an administrator who conducts an evaluation to:

1. Immediately share documents concerning the evaluation with the teacher, administrator or other licensed educational employee who is the subject of the evaluation; and

2. Recommend professional development courses to improve the performance and knowledge of the teacher, administrator or other licensed educational employee who is the subject of the evaluation.

Sec. 2. NRS 391.450 is hereby amended to read as follows:

391.450 As used in NRS 391.450 to 391.485, inclusive, *and section 1 of this act,* "Council" means the Teachers and Leaders Council of Nevada created by NRS 391.455.

Sec. 3. NRS 391.460 is hereby amended to read as follows:

391.460 1. The Council shall:

(a) Make recommendations to the State Board concerning the adoption of regulations for establishing a statewide performance evaluation system to ensure that teachers, administrators who provide primarily administrative services at the school level , ~~[and]~~ administrators at the district level who provide direct supervision of the principal of a school, and who do not provide primarily direct instructional services to pupils, *and other licensed educational personnel*, regardless of whether licensed as a teacher or administrator, including, without limitation, a principal and vice principal are:

(1) Evaluated using multiple, fair, timely, rigorous and valid methods, which includes evaluations based upon pupil growth as required by NRS 391.465;

(2) Afforded a meaningful opportunity to improve their effectiveness through professional development that is linked to their evaluations; and

(3) Provided with the means to share effective educational methods with other teachers , ~~[and]~~ administrators *and other licensed educational personnel* throughout this State.

(b) Develop and recommend to the State Board a plan, including duties and associated costs, for the development and implementation of the performance evaluation system by the Department and school districts.

(c) Consider the role of professional standards for teachers , ~~[and]~~ administrators *and other licensed educational personnel* to which paragraph (a) applies and, as it determines appropriate, develop a plan for recommending the adoption of such standards by the State Board.

(d) Develop and recommend to the State Board a process for peer observations of teachers by qualified educational personnel which is designed to provide assistance to teachers in meeting the standards of effective teaching, and includes, without limitation, conducting observations, participating in conferences before and after observations of the teacher and providing information and resources to the teacher about strategies for effective teaching.

2. The performance evaluation system recommended by the Council must ensure that:

(a) Data derived from the evaluations is used to create professional development programs that enhance the effectiveness of teachers , ~~[and]~~ administrators ~~[,]~~ and *other licensed educational personnel; and*

(b) A timeline is included for monitoring the performance evaluation system at least annually for quality, reliability, validity, fairness, consistency and objectivity.

3. The Council may establish such working groups, task forces and similar entities from within or outside its membership as necessary to address specific issues or otherwise to assist in its work.

4. The State Board shall consider the recommendations made by the Council pursuant to this section and shall adopt regulations establishing a statewide performance evaluation system as required by NRS 391.465.

Sec. 4. NRS 391.465 is hereby amended to read as follows:

391.465 1. The State Board shall, based upon the recommendations of

the Teachers and Leaders Council of Nevada submitted pursuant to NRS 391.460, adopt regulations establishing a statewide performance evaluation system which incorporates multiple measures of an employee's performance. Except as otherwise provided in subsection 3, the State Board shall prescribe the tools to be used by a school district for obtaining such measures.

2. The statewide performance evaluation system must:

(a) Require that an employee's overall performance is determined to be:

(1) Highly effective;

(2) Effective;

(3) Developing; or

(4) Ineffective.

(b) Include the criteria for making each designation identified in paragraph (a) ~~[.]~~ *, which must include, without limitation, consideration of whether the classes for which the employee is responsible exceed the applicable recommended ratios of pupils per licensed teacher prescribed by the State Board pursuant to NRS 388.890 and, if so, the degree to which the ratios affect:*

(1) The ability of the employee to carry out his or her professional responsibilities; and

(2) The instructional practices of the employee.

(c) Except as otherwise provided in subsections 2 and 3 of NRS 391.695 and subsections 2 and 3 of NRS 391.715, require that pupil growth, as determined pursuant to NRS 391.480, account for ~~[40 20]~~ *15* percent of the evaluation ~~[.]~~ *of a teacher or administrator who provides direct instructional services to pupils at a school in a school district.*

(d) Include an evaluation of whether the teacher, or administrator who provides primarily administrative services at the school level or administrator at the district level who provides direct supervision of the principal of a school, and who does not provide primarily direct instructional services to pupils, regardless of whether the probationary administrator is licensed as a teacher or administrator, including, without limitation, a principal and vice principal ~~[,]~~ *or licensed educational employee, other than a teacher or administrator,* employs practices and strategies to involve and engage the parents and families of pupils.

(e) Include a process for peer observations of teachers by qualified educational personnel which is designed to provide assistance to teachers in meeting the standards of effective teaching, and includes, without limitation, conducting observations, participating in conferences before and after observations of the teacher and providing information and resources to the teacher about strategies for effective teaching. The regulations must include the criteria for school districts to determine which educational personnel are qualified to conduct peer observations pursuant to the process.

3. A school district may apply to the State Board to use a performance evaluation system and tools that are different than the evaluation system and

tools prescribed pursuant to subsection 1. The application must be in the form prescribed by the State Board and must include, without limitation, a description of the evaluation system and tools proposed to be used by the school district. The State Board may approve the use of the proposed evaluation system and tools if it determines that the proposed evaluation system and tools apply standards and indicators that are equivalent to those prescribed by the State Board.

4. An administrator at the district level who provides direct supervision of the principal of a school and who also serves as the superintendent of schools of a school district must not be evaluated using the statewide performance evaluation system.

Sec. 4.5. ~~[NRS 391.465 is hereby amended to read as follows:~~

~~391.465 1. The State Board shall, based upon the recommendations of the Teachers and Leaders Council of Nevada submitted pursuant to NRS 391.460, adopt regulations establishing a statewide performance evaluation system which incorporates multiple measures of an employee's performance. Except as otherwise provided in subsection 3, the State Board shall prescribe the tools to be used by a school district for obtaining such measures.~~

~~2. The statewide performance evaluation system must:~~

~~(a) Require that an employee's overall performance is determined to be:~~

~~(1) Highly effective;~~

~~(2) Effective;~~

~~(3) Developing; or~~

~~(4) Ineffective.~~

~~(b) Include the criteria for making each designation identified in paragraph (a).~~

~~(c) Except as otherwise provided in subsections 2 and 3 of NRS 391.695 and subsections 2 and 3 of NRS 391.715, require that pupil growth, as determined pursuant to NRS 391.480, account for [20] *15* percent of the evaluation of a teacher or administrator who provides direct instructional services to pupils at a school in a school district.~~

~~(d) Include an evaluation of whether the teacher, or administrator who provides primarily administrative services at the school level or administrator at the district level who provides direct supervision of the principal of a school, and who does not provide primarily direct instructional services to pupils, regardless of whether the probationary administrator is licensed as a teacher or administrator, including, without limitation, a principal and vice principal or licensed educational employee, other than a teacher or administrator, employs practices and strategies to involve and engage the parents and families of pupils.~~

~~(e) Include a process for peer observations of teachers by qualified educational personnel which is designed to provide assistance to teachers in meeting the standards of effective teaching, and includes, without limitation, conducting observations, participating in conferences before and after~~

~~observations of the teacher and providing information and resources to the teacher about strategies for effective teaching. The regulations must include the criteria for school districts to determine which educational personnel are qualified to conduct peer observations pursuant to the process.~~

~~3. A school district may apply to the State Board to use a performance evaluation system and tools that are different than the evaluation system and tools prescribed pursuant to subsection 1. The application must be in the form prescribed by the State Board and must include, without limitation, a description of the evaluation system and tools proposed to be used by the school district. The State Board may approve the use of the proposed evaluation system and tools if it determines that the proposed evaluation system and tools apply standards and indicators that are equivalent to those prescribed by the State Board.~~

~~4. An administrator at the district level who provides direct supervision of the principal of a school and who also serves as the superintendent of schools of a school district must not be evaluated using the statewide performance evaluation system.]~~ (Deleted by amendment.)

Sec. 5. NRS 391.485 is hereby amended to read as follows:

391.485 1. The State Board shall annually review the statewide performance evaluation system to ensure accuracy and reliability. Such a review must include, without limitation, an analysis of the:

(a) Number and percentage of teachers , ~~[and]~~ administrators *and other licensed educational personnel* who receive each designation identified in paragraph (a) of subsection 2 of NRS 391.465 in each school, school district, and the State as a whole;

(b) Data used to evaluate pupil growth in each school, school district and the State as a whole, including, without limitation, any observations; and

(c) Effect of the evaluations conducted pursuant to the statewide system of accountability for public schools on the academic performance of pupils enrolled in the school district in each school and school district, and the State as a whole.

2. The board of trustees of each school district shall annually review the manner in which schools in the school district carry out the evaluation of teachers , ~~[and]~~ administrators *and other licensed educational personnel* pursuant to the statewide performance evaluation system.

3. The Department may review the manner in which the statewide performance evaluation system is carried out by each school district, including, without limitation, the manner in which the learning goals for pupils are established and evaluated pursuant to NRS 391.480.

Sec. 6. NRS 391.675 is hereby amended to read as follows:

391.675 *1.* The State Board ~~[may provide]~~ *shall adopt regulations providing* for evaluations of counselors, librarians and other licensed educational personnel, except for teachers and administrators, and determine the manner in which to measure the performance of such personnel, including,

without limitation, whether to use pupil achievement data as part of the evaluation. *The regulations adopted pursuant to this section must require:*

(a) The evaluation of each counselor, librarian or other licensed educational employee at least once each school year; and

(b) Such evaluations to be conducted, to the extent practicable, in a similar manner to the evaluations of teachers conducted pursuant to NRS 391.680 to 391.695, inclusive.

2. The counselor, librarian or other licensed educational employee must receive a copy of each evaluation not later than 15 days after the evaluation. A copy of the evaluation and the response of the employee must be permanently attached to the personnel file of the employee. Upon the request of the counselor, librarian or other licensed educational employee, a reasonable effort must be made to assist the employee to improve his or her performance based upon the recommendations reported in the evaluation of the employee.

Sec. 7. NRS 391.725 is hereby amended to read as follows:

391.725 1. If a written evaluation of a probationary teacher, ~~[or]~~ a probationary administrator who provides primarily administrative services at the school level and who does not provide primarily direct instructional services to pupils, regardless of whether the probationary administrator is licensed as a teacher or administrator, including, without limitation, a principal and vice principal ~~[,]~~ *or a probationary licensed educational employee, other than a teacher or administrator,* designates the overall performance of the teacher , ~~[or]~~ administrator *or probationary licensed educational employee* as ~~["developing" or]~~ "ineffective":

(a) The written evaluation must include the following statement: "Please be advised that, pursuant to Nevada law, your contract may not be renewed for the next school year. If you receive ~~[a 'developing' or]~~ *an* 'ineffective' evaluation and are reemployed for a second or third year of your probationary period, you may request that your next evaluation be conducted by another administrator. You may also request, to the administrator who conducted the evaluation, reasonable assistance in improving your performance based upon the recommendations reported in the evaluation for which you request assistance, and upon such request, a reasonable effort will be made to assist you in improving your performance."

(b) The probationary teacher , ~~[or]~~ probationary administrator ~~[,]~~ *or probationary licensed educational employee,* as applicable, must acknowledge in writing that he or she has received and understands the statement described in paragraph (a).

2. If a probationary teacher , ~~[or]~~ probationary administrator *or probationary licensed educational employee, other than a teacher or administrator,* to which subsection 1 applies requests that his or her next evaluation be conducted by another administrator in accordance with the notice required by subsection 1, the administrator conducting the evaluation must be:

(a) Employed by the school district or, if the school district has five or fewer administrators, employed by another school district in this State; and

(b) Selected by the probationary teacher , ~~[or]~~ probationary administrator ~~[,]~~ *or probationary licensed educational employee, other than a teacher or administrator,* as applicable, from a list of three candidates submitted by the superintendent.

3. If a probationary teacher , ~~[or]~~ probationary administrator *or probationary licensed educational employee, other than a teacher or administrator* to which subsection 1 applies requests assistance in improving performance reported in his or her evaluation, the administrator who conducted the evaluation shall ensure that a reasonable effort is made to assist the probationary teacher , ~~[or]~~ probationary administrator *or probationary licensed educational employee, as applicable,* in improving his or her performance.

Sec. 8. NRS 391.730 is hereby amended to read as follows:

391.730 Except as otherwise provided in NRS 391.825, a postprobationary employee who receives an evaluation designating his or her overall performance as:

1. ~~[Developing;~~

~~2.]~~ Ineffective; or

~~[3.]~~ *2.* Developing during 1 year of the 2-year consecutive period and ineffective during the other year of the period,

➥ for 2 consecutive school years shall be deemed to be a probationary employee for the purposes of NRS 391.650 to 391.830, inclusive, and must serve an additional probationary period in accordance with the provisions of NRS 391.820.

Sec. 9. The Department of Education shall:

1. Enter into a contract with a consultant to study the impact and validity of the statewide performance evaluation system established pursuant to NRS 391.465 ~~[.]~~ , as amended by section 4 of this act.

2. Request an allocation by the Interim Finance Committee from the Contingency Account pursuant to NRS 353.266, 353.268 and 353.269 for the money needed to conduct the study.

3. On or before July 1, 2020:

(a) Submit to the Director of the Legislative Counsel Bureau for transmittal to the Legislative Committee on Education a report of the findings of the study conducted pursuant to subsection 1; and

(b) Present the findings of the study conducted pursuant to subsection 1 at a meeting of the Legislative Committee on Education.

Sec. 10. On or before January 1, 2020, the Department of Education, in collaboration with the Teachers and Leaders Council, shall provide to the State Board of Education recommendations concerning the manner in which to revise performance measures and the weight applicable to such measures in the statewide performance evaluation system established pursuant to NRS 391.465, as amended by section 4 of this act, to address the reduced

weight of pupil growth in evaluations pursuant to the amendatory provisions of section 4 of this act. The Department may solicit the input of educational employees and other interested persons in developing its recommendations.

~~[Sec. 10.]~~ *Sec. 11.* 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.]~~ *Sec. 12.* ~~[1.]~~ This ~~[section and sections 1 to 4, inclusive, and 5 to 10, inclusive, of this]~~ act ~~[become]~~ becomes effective on July 1, 2019.

~~[2. Section 4.5 of this act becomes effective on July 1, 2020.]~~

Senator Denis moved that the Senate concur in Assembly Amendment No. 874 to Senate Bill No. 475.

Remarks by Senators Denis, Hammond and Harris.

SENATOR DENIS:

Assembly Amendment No. 874 to Senate Bill No. 475 provides that pupil growth will account for 15 percent of the evaluation effective July 1, 2019. It requires the Department of Education, in conjunction with the Teachers and Leaders Council, to make recommendations to the State Board of Education concerning the remaining 5 percent of the teacher evaluation by January 1, 2020. It requires an administrator who conducts an evaluation to consider the pupil-teacher ratios recommended by the State Board of Education and the impact of class-size that exceeds those recommended when applying scores.

SENATOR HAMMOND:

If I am a principal conducting an evaluation of a third grade teacher, the recommended ratio is 24 to 1 for this grade and the actual class size is larger. Do I consider that as part of the evaluation? Do the numbers change, or is this something I note? If this is going to impact an evaluation, is there going to be something stating that if a teacher has 28 students instead of 25 or 26 as the numbers go down, your evaluation goes up?

SENATOR HARRIS:

One of the things on your evaluation will be how well you have organized your classroom. If you have a classroom with 40 students and are in a trailer, ideally, taking into consideration class size, a teacher would not be dinged for having desks too close together in this situation. That is the best way that room could be organized given the class size and the type of room. The idea is to ensure when grading and giving these evaluations, class size is taken into consideration, and teachers are being judged on whether they do the best they can give their circumstances.

SENATOR HAMMOND:

Are they going to take this into consideration now when they do evaluations? They are not just taking down information, saying this teacher has this rating and noting they had too many students in their classroom? You want this to be part of the evaluation, but there is no rubric on how to evaluate it as far as their situation. That might be a way to increase their score because they are teaching in a portable, or they have a higher class size than they should according to the standard, so their evaluation should go up 1 point, 2 points, 3 points. We are not sure so we are leaving discretion up to the supervisor; is that correct?

SENATOR HARRIS:

That is, for the majority, correct. There is no intention to automatically give any teacher an extra bump in their score simply because they have a higher class size. For example, a teacher might be expected to reach out to every student's parent and be two students short. This teacher has 40 students, so still did a good job as compared to someone who has 15 students and neglected to contact every parent in this scenario.

SENATOR DENIS:

The Department of Education would also have the ability to promulgate regulations concerning that, should there be an issue on the best way to do that.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 538.

The following Assembly amendment was read:

Amendment No. 918.

SUMMARY—Revises provisions relating to the provision of information and services to immigrants in this State. (BDR 18-1222)

AN ACT relating to governmental administration; creating the Office for New Americans in the Office of the Governor; establishing the duties of the Office; requiring state agencies and political subdivisions to provide certain assistance to the Office; requiring each regulatory body to create an online resource for immigrants that provides information about obtaining a license or similar authorization to practice certain occupations or professions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 3 of this bill creates the Office for New Americans in the Office of the Governor and requires the Governor to appoint a Director of the Office. Section 3 authorizes the Director to adopt regulations and to apply for grants and accept gifts, grants and donations on behalf of the Office. Sections 3 and 4 of this bill require the Director to: (1) advise the Governor and each agency of the Executive Department of the State Government on all matters relating to the formulation and implementation of policies, programs and procedures affecting immigrants in this State; and (2) ensure that the Office performs certain duties. Section 5 of this bill requires, under certain circumstances, each agency, board, commission, department, officer, employee or agent of this State or a political subdivision of this State to provide assistance to the Office.

Section 6 of this bill requires each regulatory body to create an online resource for immigrants that provides information on how to obtain a license to practice each occupation or profession which the regulatory body regulates. Existing law defines the term "license" to mean "any license, certificate, registration, permit or similar type of authorization issued by a regulatory body." (NRS 622.030)

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

Section 1. Chapter 223 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this act.

Sec. 2. *As used in sections 2 to 5, inclusive, of this act, unless the context otherwise requires, "state agency" means every public agency, bureau, board, commission, department or division of the Executive Department of the State Government.*

Sec. 3. *1. The Office for New Americans is hereby created in the Office of the Governor.*

2. The Governor shall appoint a Director of the Office for New Americans. The Director is in the unclassified service of the State and serves at the pleasure of the Governor.

3. The Director shall advise the Governor and each state agency on all matters relating to the formulation and implementation of policies, programs and procedures affecting immigrants in this State.

4. The Director may:

(a) Adopt such regulations as are necessary to carry out the provisions of sections 2 to 5, inclusive, of this act.

(b) Apply for any available grants and accept any gifts, grants or donations for the support of the Office and its activities pursuant to sections 2 to 5, inclusive, of this act.

Sec. 4. *The Director of the Office for New Americans created by section 3 of this act shall ensure that the Office:*

1. Serves as the coordinating office for each state agency that is responsible for a program that provides services to immigrants in this State, including, without limitation, a program that:

(a) Relates to professional licensing, registration, permitting or similar types of authorization issued by a regulatory body;

(b) Connects immigrants to entrepreneurial and other business resources and workforce development training and programs; and

(c) Assists immigrants in areas relating to quality of life, including, without limitation, education, housing and health care.

2. Reviews and analyzes the policies and programs of state agencies relating to immigrants and makes recommendations to the Governor on such policies and programs, including, without limitation, the elimination of duplication in existing state programs.

3. Provides information and assistance relating to issues affecting immigrants to state agencies, both directly and by serving as a clearinghouse for information received from state agencies, other departments of the State Government, political subdivisions of this State, any other state or the Federal Government.

4. Engages in state and federal advocacy and makes recommendations concerning law and policy affecting immigrants to advance economic and population growth in this State.

5. Develops sustainable partnerships with community foundations and other nonprofit and private sector entities that serve immigrant communities in this State.

6. Coordinates with:

(a) Refugee resettlement agencies in this State to identified gaps in programs provided by those agencies; and

(b) State agencies to assist in efforts to resettle, integrate and assimilate refugees in this State.

Sec. 5. *Each agency, board, commission, department, officer, employee or agent of this State or a political subdivision of this State shall provide the Office for New Americans created by section 3 of this act or any representative of the Office such assistance as the functions and operations of the Office may require if that assistance is within the scope of duties of the person or entity.*

Sec. 6. Chapter 622 of NRS is hereby amended by adding thereto a new section to read as follows:

Each regulatory body shall create an online resource for immigrants that provides information on how to obtain a license in this State to practice each occupation or profession which the regulatory body regulates.

Sec. 7. ~~[This act becomes effective upon passage and approval for the purposes of appointment, employment of staff, adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act, and on January 1, 2020, for all other purposes.]~~ (Deleted by amendment.)

Senator Parks moved that the Senate concur in Assembly Amendment No. 918 to Senate Bill No. 538.

Remarks by Senator Parks.

Assembly Amendment No. 918 to Senate Bill No. 538 changes the effective date of the measure to October 1, 2019, for all purposes.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 203.

The following Assembly amendment was read:

Amendment No. 811.

JOINT SPONSORS: ASSEMBLYMEN ASSEFA, GORELOW, KRASNER AND NGUYEN

SUMMARY—Revises provisions governing programs for children who are blind, visually impaired, deaf or hard of hearing. (BDR 38-77)

AN ACT relating to persons with disabilities; authorizing the establishment of a program to negotiate discounts and rebates for hearing devices and related costs for children who are deaf or hard of hearing; requiring the establishment of a program to provide hearing aids at no charge to certain children who reside in low-income households; providing for the establishment of criteria for evaluating the development of language and literacy skills by certain young children who are deaf, hard of hearing, blind, visually impaired or both deaf and blind; requiring the Department of Education to develop a resource for parents or guardians to measure the development of such skills by such children; requiring a team developing certain plans and programs for such children to use the established criteria to measure the development of such skills by such children; requiring the Department to publish an annual report concerning the development of such skills by such children; providing for an interim study of the feasibility of establishing a public school for pupils who

are blind, visually impaired, deaf or hard of hearing; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes a program to provide assistive technology and interpreters for persons who are deaf or hard of hearing. Existing law imposes a surcharge of not more than 8 cents per month on each access line of each customer to the local exchange of any telephone company, the funds from which are used to cover the costs of the program, fund the centers established by the program and cover certain other costs. (NRS 427A.797) Section 3.2 of this bill authorizes the Director of the Department of Health and Human Services to establish a program to negotiate discounts and rebates for hearing devices and related costs for children in this State who are deaf or hard of hearing on behalf of public and private insurers, residents of this State and other entities that provide health coverage or otherwise purchase hearing devices for such children.

Section 3.3 of this bill requires the Aging and Disability Services Division of the Department to develop and administer a program whereby any child under 13 years of age who is hard of hearing may apply to obtain a hearing aid at no charge if the child resides in a home with a household income that is at or below 400 percent of the federal poverty level and does not have access to affordable insurance coverage for a hearing aid. Section 3.3 requires the Division to establish by regulation the manner in which to apply to receive a hearing aid from the program and requires applications to be awarded to the extent money is available, in the order in which the applications are received. Section 3.3 additionally requires the Division to annually submit a report to the Nevada Commission for Persons Who Are Deaf, Hard of Hearing or Speech Impaired that sets forth the number of applications received and approved during the previous calendar year and the number of children on the waiting list for a hearing aid. Section 3.3 authorizes the Division to accept gifts, grants and donations to pay for the program. Section 3.8 requires the Division, in consultation with the Commission, to designate annually an amount of money in the Account for Services for Persons With Impaired Speech or Hearing that the Division must use in that calendar year to cover the costs of the program to provide assistive technology and interpreters for persons who are deaf or hard of hearing and, after designating such money, authorizes the Division to use the remaining money in the Account for certain other purposes. Such purposes include paying the costs of the program established by section 3.3 to provide hearing aids to low-income children. Section 3.5 of this bill makes conforming changes.

Existing law requires public schools to provide special programs and services for pupils with disabilities. (NRS 388.419, 388.429) Section 9 of this bill requires the Superintendent of Public Instruction to establish the Advisory Committee on Language Development for Children Who Are Deaf, Hard of Hearing, Blind or Visually Impaired. Section 10 of this bill requires the Committee to recommend to the State Board of Education criteria for the

development of language and literacy skills by children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired. Section 11 of this bill requires the State Board of Education to: (1) make any revisions necessary so that the criteria recommended by the Committee meet certain requirements; (2) adopt those criteria; and (3) develop a resource for use by the parents or guardians to evaluate the development of language and literacy skills by children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired. Section 10 also requires the Committee to make recommendations concerning certain other matters, including criteria for use by school employees and providers of services to assess the development of language and literacy skills by children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired. Section 12 of this bill requires the State Board to adopt such criteria after considering the recommendations of the Committee. Section 12 also requires the Department of Education to provide to certain persons and entities that provide educational services to children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired with: (1) a summary of the criteria; and (2) training in the use of the criteria.

Existing federal law requires: (1) a local educational agency to develop an individualized education program prescribing special education and related services and supplementary aids and services for a child with a disability who is between 3 and 9 years of age; and (2) a state to establish an individualized family service plan prescribing early intervention services for a child with a disability who is less than 3 years of age. (20 U.S.C. §§ 1414, 1436) Sections 3 and 14 of this bill require a team developing such a program or plan for a child who is deaf, hard of hearing, blind or visually impaired to use the criteria adopted by the State Board to evaluate the child's development of language and literacy skills.

Section 13 of this bill requires the Department of Education, in collaboration with the Aging and Disability Services Division, to publish an annual report of aggregated data comparing the development of language and literacy skills by children in this State who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired with the development of such skills by such children who do not have a disability.

Section 15 of this bill requires the Legislative Commission to appoint a committee of legislators to conduct an interim study of the feasibility of establishing a public school for pupils who are blind, visually impaired, deaf or hard of hearing.

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

Section 1. Chapter 427A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 3.3, inclusive, of this act.

Sec. 2. (Deleted by amendment.)

Sec. 3. *1. When developing an individualized family service plan for a child who is deaf, hard of hearing, blind or visually impaired, including,*

without limitation, a child who is both deaf and blind, the child's individualized family service plan team shall use the criteria prescribed pursuant to section 12 of this act, in addition to any methods of assessment required by federal law, to evaluate the child's development of language and literacy skills and to determine whether to modify the individualized family service plan. If the team determines that the child is not progressing properly in his or her development of language and literacy skills, the team must include in the plan:

(a) A detailed explanation of the reasons that the child is not making adequate progress; and

(b) Recommendations for services and programs to assist the child's development of language and literacy skills.

2. As used in this section:

(a) "Individualized family service plan" has the meaning ascribed to it in 20 U.S.C. § 1436.

(b) "Individualized family service plan team" means a multidisciplinary team assembled to develop an individualized family service plan pursuant to 20 U.S.C. § 1436(a)(3).

Sec. 3.2. *1. The Director may establish a program to negotiate discounts and rebates for hearing devices and related costs, including, without limitation, ear molds, batteries and FM systems, for children in this State who are deaf or hard of hearing on behalf of entities described in subsection 2 who participate in the program.*

2. The following persons and entities may participate in a program established pursuant to subsection 1:

(a) The Public Employees' Benefits Program;

(b) A governing body of a county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency that provides health coverage to employees through a self-insurance reserve fund pursuant to NRS 287.010;

(c) An insurer ~~[licensed]~~ that holds a certificate of authority to transact insurance in this State pursuant to ~~[title 57]~~ chapter 680A of NRS;

(d) An employer or employee organization based in this State that provides health coverage to employees through a self-insurance reserve fund;

(e) A governmental agency or nonprofit organization that purchases hearing devices for children in this State who are deaf or hard of hearing;

(f) A resident of this State who does not have coverage for hearing devices; and

(g) Any other person or entity that provides health coverage or otherwise purchases hearing devices for children in this State who are deaf or hard of hearing.

3. A person or entity described in subsection 2 may participate in any program established pursuant to subsection 1 by submitting an application to the Department in the form prescribed by the Department.

Sec. 3.3. *1. The Division shall develop and administer a program whereby any child who is less than 13 years of age whom the Division*

determines is hard of hearing may apply to obtain a hearing aid at no charge to the child if the child:

(a) Resides in a home in which the household income is at or below 400 percent of the federally designated level signify poverty; and

(b) Does not have access to affordable insurance coverage for a hearing aid.

2. The Division shall establish by regulation the manner in which a person may apply to receive a hearing aid pursuant to subsection 1 and the manner in which hearing aids may be provided by the program. Applications must be approved to the extent money is available in the order in which the applications are received.

3. The Division may accept gifts, grants and donations for the purpose of carrying out the provisions of this section.

4. On or before February 15 of each year, the Division shall:

(a) Prepare a report concerning the program developed pursuant to subsection 1 which must include, without limitation, the number of applications received pursuant to subsection 1 in the previous calendar year, the number of applications that were approved, the number of children who are on the waiting list to receive a hearing aid and any other information deemed appropriate by the Division; and

(b) Submit a copy of the report to the Nevada Commission for Persons Who Are Deaf, Hard of Hearing or Speech Impaired, the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature.

Sec. 3.5. NRS 427A.040 is hereby amended to read as follows:

427A.040 1. The Division shall, consistent with the priorities established by the Commission pursuant to NRS 427A.038:

(a) Serve as a clearinghouse for information related to problems of the aged and aging.

(b) Assist the Director in all matters pertaining to problems of the aged and aging.

(c) Develop plans, conduct and arrange for research and demonstration programs in the field of aging.

(d) Provide technical assistance and consultation to political subdivisions with respect to programs for the aged and aging.

(e) Prepare, publish and disseminate educational materials dealing with the welfare of older persons.

(f) Gather statistics in the field of aging which other federal and state agencies are not collecting.

(g) Stimulate more effective use of existing resources and available services for the aged and aging.

(h) Develop and coordinate efforts to carry out a comprehensive State Plan for Providing Services to Meet the Needs of Older Persons. In developing and revising the State Plan, the Division shall consider, among other things, the amount of money available from the Federal Government for services to aging

persons and the conditions attached to the acceptance of such money, and the limitations of legislative appropriations for services to aging persons.

(i) Coordinate all state and federal funding of service programs to the aging in the State.

2. The Division shall:

(a) Provide access to information about services or programs for persons with disabilities that are available in this State.

(b) Work with persons with disabilities, persons interested in matters relating to persons with disabilities and state and local governmental agencies in:

(1) Developing and improving policies of this State concerning programs or services for persons with disabilities, including, without limitation, policies concerning the manner in which complaints relating to services provided pursuant to specific programs should be addressed; and

(2) Making recommendations concerning new policies or services that may benefit persons with disabilities.

(c) Serve as a liaison between state governmental agencies that provide services or programs to persons with disabilities to facilitate communication and the coordination of information and any other matters relating to services or programs for persons with disabilities.

(d) Serve as a liaison between local governmental agencies in this State that provide services or programs to persons with disabilities to facilitate communication and the coordination of information and any other matters relating to services or programs for persons with disabilities. To inform local governmental agencies in this State of services and programs of other local governmental agencies in this State for persons with disabilities pursuant to this subsection, the Division shall:

(1) Provide technical assistance to local governmental agencies, including, without limitation, assistance in establishing an electronic network that connects the Division to each of the local governmental agencies that provides services or programs to persons with disabilities;

(2) Work with counties and other local governmental entities in this State that do not provide services or programs to persons with disabilities to establish such services or programs; and

(3) Assist local governmental agencies in this State to locate sources of funding from the Federal Government and other private and public sources to establish or enhance services or programs for persons with disabilities.

(e) Administer the following programs in this State that provide services for persons with disabilities:

(1) The program established pursuant to NRS 427A.791, 427A.793 and 427A.795 to provide services for persons with physical disabilities;

(2) The programs established pursuant to NRS 427A.800, 427A.850 and 427A.860 to provide services to persons with traumatic brain injuries;

(3) *The program established pursuant to section 3.3 of this act to provide hearing aids to children who are hard of hearing;*

(4) The program established pursuant to NRS 427A.797 to provide devices for telecommunication to persons who are deaf and persons with impaired speech or hearing;

~~[(4)]~~ *(5)* Any state program for independent living established pursuant to 29 U.S.C. §§ 796 et seq., with the Rehabilitation Division of the Department of Employment, Training and Rehabilitation acting as the designated state ~~[unit,]~~ *entity,* as that term is defined in ~~[34]~~ *45* C.F.R. § ~~[364.4;]~~ *1329.4;* and

~~[(5)]~~ *(6)* Any state program established pursuant to the Assistive Technology Act of 1998, 29 U.S.C. §§ 3001 et seq.

(f) Provide information to persons with disabilities on matters relating to the availability of housing for persons with disabilities and identify sources of funding for new housing opportunities for persons with disabilities.

(g) Before establishing policies or making decisions that will affect the lives of persons with disabilities, consult with persons with disabilities and members of the public in this State through the use of surveys, focus groups, hearings or councils of persons with disabilities to receive:

(1) Meaningful input from persons with disabilities regarding the extent to which such persons are receiving services, including, without limitation, services described in their individual service plans, and their satisfaction with those services; and

(2) Public input regarding the development, implementation and review of any programs or services for persons with disabilities.

(h) Publish and make available to governmental entities and the general public a biennial report which:

(1) Provides a strategy for the expanding or restructuring of services in the community for persons with disabilities that is consistent with the need for such expansion or restructuring;

(2) Reports the progress of the Division in carrying out the strategic planning goals for persons with disabilities identified pursuant to chapter 541, Statutes of Nevada 2001;

(3) Documents significant problems affecting persons with disabilities when accessing public services, if the Division is aware of any such problems;

(4) Provides a summary and analysis of the status of the practice of interpreting and the practice of realtime captioning, including, without limitation, the number of persons engaged in the practice of interpreting in an educational setting in each professional classification established pursuant to NRS 656A.100 and the number of persons engaged in the practice of realtime captioning in an educational setting; and

(5) Recommends strategies and, if determined necessary by the Division, legislation for improving the ability of the State to provide services to persons with disabilities and advocate for the rights of persons with disabilities.

3. The Division shall confer with the Department as the sole state agency in the State responsible for administering the provisions of this chapter and chapter 435 of NRS.

4. The Division shall administer the provisions of chapters 435, 437 and 656A of NRS.

5. The Division may contract with any appropriate public or private agency, organization or institution, in order to carry out the provisions of this chapter and chapter 435 of NRS.

Sec. 3.8. NRS 427A.797 is hereby amended to read as follows:

427A.797 1. The Division shall develop and administer a program whereby:

(a) Any person who is a customer of a telephone company which provides service through a local exchange or a customer of a company that provides wireless phone service and who is certified by the Division to be deaf or to have severely impaired speech or hearing may obtain a device for telecommunication or other assistive technology capable of serving the needs of such persons at no charge to the customer beyond the rate for basic service;

(b) Any person who is deaf or has severely impaired speech or hearing may communicate by telephone, including, without limitation, a wireless phone, or other means with other persons through a dual-party relay system or other assistive technology; and

(c) Interpreters are made available, when possible, to the Executive, Judicial and Legislative Departments of State Government to assist those departments in providing access to persons who are deaf or hard of hearing. The Division shall, to the extent money is available, employ one or more interpreters in the unclassified service of the State for the purposes of this paragraph.

2. The program developed pursuant to subsection 1 must include the establishment of centers for persons who are deaf or hard of hearing that provide services which must include, without limitation:

(a) Facilitating the provision and distribution of devices for telecommunication and other assistive technology to persons with impaired speech or hearing;

(b) Assisting persons who are deaf or have severely impaired speech or hearing in accessing assistive devices, including, without limitation, hearing aids, electrolarynxes and devices for telecommunication and other assistive technology;

(c) Expanding the capacity for service using devices for telecommunication and other assistive technology in areas where there is a need for such devices and technology and services for persons with impaired speech or hearing are not available;

(d) Providing instruction in language acquisition to persons determined by the center to be eligible for services; and

(e) Providing programs designed to increase access to education, employment and health and social services.

3. A surcharge of not more than 8 cents per month is hereby imposed on each access line of each customer to the local exchange of any telephone company providing such lines in this State and on each personal wireless

access line of each customer of any company that provides wireless phone services in this State. The surcharge must be used to:

(a) Cover the costs of the program;

(b) Fund the centers for persons who are deaf or hard of hearing established pursuant to subsection 2; and

(c) Cover the costs incurred by the Division to carry out the provisions of chapter 656A of NRS that are not covered by the civil penalties received by the Division pursuant to NRS 656A.800.

➥ The Public Utilities Commission of Nevada shall establish by regulation the amount to be charged. Those companies shall collect the surcharge from their customers and transfer the money collected to the Commission pursuant to regulations adopted by the Commission.

4. The Account for Services for Persons With Impaired Speech or Hearing is hereby created within the State General Fund and must be administered by the Division. Any money collected from the surcharge imposed pursuant to subsection 3 must be deposited in the State Treasury for credit to the Account.

5. The *Division shall, in consultation with the Commission, designate annually an amount of money in the Account to be used by the Division in that calendar year only to cover the costs of the program developed pursuant to subsection 1.*

6. After designating the amount of money to use pursuant to subsection 5, the Division may use the remaining money in the Account ~~[may be used]~~ only:

(a) For the purchase, maintenance, repair and distribution of the devices for telecommunication and other assistive technology, including the distribution of such devices and technology to state agencies and nonprofit organizations;

(b) To establish and maintain the dual-party relay system;

(c) To reimburse telephone companies and companies that provide wireless phone services for the expenses incurred in collecting and transferring to the Public Utilities Commission of Nevada the surcharge imposed by the Commission;

(d) For the general administration of the program developed and administered pursuant to subsection 1;

(e) To train persons in the use of the devices for telecommunication and other assistive technology;

(f) To fund the centers for persons who are deaf or hard of hearing established pursuant to subsection 2; ~~[and]~~

(g) To cover the costs incurred by the Division to carry out the provisions of chapter 656A of NRS that are not covered by the civil penalties received by the Division pursuant to NRS 656A.800 ~~[.]~~ *; and*

(h) To cover the costs of the program established pursuant to section 3.3 of this act to provide hearing aids to children who are hard of hearing.

~~[5.]~~ *7.* For the purposes of this section:

(a) *"Account" means the Account for Services for Persons With Impaired Speech or Hearing.*

(b) "Device for telecommunication" means a device which is used to send messages through the telephone system, including, without limitation, the wireless phone system, which visually displays or prints messages received and which is compatible with the system of telecommunication with which it is being used.

~~[(b)]~~ *(c)* "Dual-party relay system" means a system whereby persons who have impaired speech or hearing, and who have been furnished with devices for telecommunication, may relay communications through third parties to persons who do not have access to such devices.

Sec. 4. Chapter 388 of NRS is hereby amended by adding thereto the provisions set forth as sections 5 to 13, inclusive, of this act.

Sec. 5. *As used in sections 5 to 13, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 6, 7 and 8 of this act have the meanings ascribed to them in those sections.*

Sec. 6. *"Individualized education program" has the meaning ascribed to it in 20 U.S.C. § 1414(d)(1)(A).*

Sec. 7. *"Individualized education program team" has the meaning ascribed to it in 20 U.S.C. § 1414(d)(1)(B).*

Sec. 8. *"Individualized family service plan" has the meaning ascribed to it in 20 U.S.C. § 1436.*

Sec. 9. *1. The Superintendent of Public Instruction shall establish within the Department the Advisory Committee on Language Development for Children Who Are Deaf, Hard of Hearing, Blind or Visually Impaired.*

2. The Superintendent shall appoint to the Committee 13 members who are the parents of pupils who are deaf, hard of hearing, blind or visually impaired, including, without limitation, pupils who are both deaf and blind, specialize in teaching or providing services to such children or perform research in a field relating to such children. The Committee must include, without limitation:

(a) At least seven members who are deaf, hard of hearing, blind or visually impaired;

(b) Members who communicate verbally using both American Sign Language and spoken English; and

(c) Members who communicate verbally using only spoken English.

3. The Superintendent of Public Instruction shall appoint a Chair of the Committee. The Committee shall meet at the call of the Chair. A majority of the members of the Committee constitutes a quorum and is required to transact any business of the Committee.

4. The members of the Committee serve without compensation and are not entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

5. A member of the Committee who is an officer or employee of this State or a political subdivision of this State must be relieved from his or her duties without loss of regular compensation to prepare for and attend meetings of the Committee and perform any work necessary to carry out the duties of the

Committee in the most timely manner practicable. A state agency or political subdivision of this State shall not require an officer or employee who is a member of the Committee to:

(a) Make up the time he or she is absent from work to carry out his or her duties as a member of the Committee; or

(b) Take annual leave or compensatory time for the absence.

Sec. 10. *The Advisory Committee on Language Development for Children Who Are Deaf, Hard of Hearing, Blind or Visually Impaired shall:*

1. Recommend to the State Board criteria for use by parents or guardians to evaluate the development of language and literacy skills by children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind. The criteria must be:

(a) Appropriate for use to evaluate the development of language and literacy skills by children who:

(1) Communicate using primarily spoken or written English, with or without the use of visual supplements, or American Sign Language; or

(2) Read using braille;

(b) Described in terms used to describe the typical development of children, including, without limitation, children who do not have a disability, and according to the age of the child;

(c) Aligned with the standards adopted pursuant to NRS 389.520 for English language arts and any standards adopted pursuant to that section for early childhood education; and

(d) Aligned with the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., and any other federal law applicable to the assessment of the development of children with disabilities.

2. Make recommendations to the State Board and, where appropriate, the Aging and Disability Services Division of the Department of Health and Human Services concerning:

(a) The development of criteria pursuant to section 12 of this act;

(b) The examination of children with disabilities pursuant to NRS 388.433; and

(c) Ways to improve the assessment of language and literacy skills by children who are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind.

Sec. 11. *1. The State Board shall evaluate the criteria recommended by the Advisory Committee on Language Development for Children Who Are Deaf, Hard of Hearing, Blind or Visually Impaired pursuant to section 10 of this act for use by parents or guardians to evaluate the development of language and literacy skills by children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind. If the State Board determines that the criteria recommended by the Committee pursuant to section 10 of this act:*

(a) Meet the requirements of that section, adopt the criteria for the purposes described in subsection 2.

(b) Do not meet the requirements of that section, revise the criteria in a manner that meets the requirements of that section and adopt the revised criteria for the purposes described in subsection 2.

2. The Department shall develop a written resource for use by parents or guardians to evaluate the development of language and literacy skills by children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind. The written resource must:

(a) Describe how to use the criteria adopted pursuant to subsection 1 to evaluate the development of language and literacy skills by children who are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind;

(b) Be written clearly and present the criteria in a manner that is easy for parents to use;

(c) State that parents have the right to select whether to evaluate the development of language and literacy skills by their child using American Sign Language, spoken or written English, with or without the use of visual supplements or braille, as applicable;

(d) State that the resource is not a formal assessment of the development of language and literacy skills and that the observations by a parent may differ from data presented at a meeting concerning an individualized education program or individualized family service plan;

(e) State that a parent may bring the resource to a meeting concerning an individualized education program or individualized family service plan for purposes of sharing observations concerning the development of language and literacy skills by his or her child; and

(f) Include balanced and comprehensive information about languages, modes of communication and available services and programs for children who are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind.

3. The Department shall disseminate the resource to parents or guardians described in subsection 2, including, without limitation, by:

(a) Making written copies of the resource available at locations and events where such parents or guardians are likely to be present;

(b) Posting the resource on an Internet website maintained by the Department; and

(c) Providing written copies of the resource to the Aging and Disability Services Division of the Department of Health and Human Services for distribution to such parents or guardians who receive services from the Division.

Sec. 12. *1. The State Board shall, after considering the recommendations made by the Advisory Committee on Language Development for Children Who Are Deaf, Hard of Hearing, Blind or Visually Impaired*

pursuant to section 10 of this act, prescribe by regulation criteria for use by school employees and providers of services to assess the development of language and literacy skills by children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind. The criteria must:

(a) Be based on criteria and assessments developed by persons and entities with expertise in the development of language and literacy skills by children, including, without limitation, children without a disability, who are less than 6 years of age; and

(b) Be organized according to stages of development of language and literacy skills.

2. The Department shall:

(a) Distribute to school districts, charter schools, the Aging and Disability Services Division of the Department of Health and Human Services and other entities that provide educational services to children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind, a summary of the criteria prescribed pursuant to subsection 1; and

(b) Provide to employees of the entities described in paragraph (a) training concerning the use of the criteria to assist children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind, in developing the language and literacy skills necessary for kindergarten. Such training must include, without limitation, training concerning children who communicate using spoken English and children who communicate using American Sign Language.

Sec. 13. *On or before July 31 of each year, the Department of Education, in collaboration with the Aging and Disabilities Services Division of the Department of Health and Human Services, shall compile and post on an Internet website maintained by the Department of Education a report of aggregated data comparing the development of language and literacy skills by children in this State who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind, with the development of such skills by such children who do not have a disability. The report must not include any personally identifiable information.*

Sec. 14. NRS 388.437 is hereby amended to read as follows:

388.437 1. When developing an individualized education program for a pupil with a hearing impairment in accordance with NRS 388.419, the pupil's individualized education program team shall consider, without limitation:

(a) The related services and program options that provide the pupil with an appropriate and equal opportunity for communication access;

(b) The pupil's primary communication mode;

(c) The availability to the pupil of a sufficient number of age, cognitive, academic and language peers of similar abilities;

(d) The availability to the pupil of adult models who are deaf or hearing impaired and who use the pupil's primary communication mode;

(e) The availability of special education teachers, interpreters and other special education personnel who are proficient in the pupil's primary communication mode;

(f) The provision of academic instruction, school services and direct access to all components of the educational process, including, without limitation, advanced placement courses, career and technical education courses, recess, lunch, extracurricular activities and athletic activities;

(g) The preferences of the parent or guardian of the pupil concerning the best feasible services, placement and content of the pupil's individualized education program; and

(h) The appropriate assistive technology necessary to provide the pupil with an appropriate and equal opportunity for communication access.

2. *When developing an individualized education program for a pupil with a hearing or visual impairment who is less than 6 years of age, including, without limitation, such a pupil with both hearing and visual impairments, in accordance with NRS 388.419, the pupil's individualized education program team shall use the criteria prescribed pursuant to section 12 of this act, in addition to any methods of assessment required by federal law, to evaluate the pupil's development of language and literacy skills and to determine whether to modify the individualized education program. If the team determines that the pupil is not making adequate progress in the development of language and literacy skills, the team must include in the plan:*

(a) A detailed explanation of the reasons that the pupil is not making adequate progress; and

(b) Recommendations for services and programs to assist the pupil's development of language and literacy skills.

3. When determining the best feasible instruction to be provided to the pupil in his or her primary communication mode, the pupil's individualized education program team may consider, without limitation:

(a) Changes in the pupil's hearing or vision;

(b) Development in or availability of assistive technology;

(c) The physical design and acoustics of the learning environment; and

(d) The subject matter of the instruction to be provided.

Sec. 15. 1. The Legislative Commission shall appoint a committee to conduct an interim study concerning the feasibility of establishing a public school for pupils who are blind, visually impaired, deaf or hard of hearing. The interim study must address, without limitation, potential sources of funding for such a school.

2. The committee must be composed of:

(a) Two members of the Legislature appointed by the Majority Leader of the Senate;

(b) Two members of the Legislature appointed by the Speaker of the Assembly;

(c) One member of the Legislature appointed by the Minority Leader of the Senate; and

(d) One member of the Legislature appointed by the Minority Leader of the Assembly.

3. The Legislative Commission shall appoint a Chair and a Vice Chair from among the members of the interim committee.

4. The interim committee shall consult with and solicit input from persons and organizations who advocate for or provide services to children who are blind, visually impaired, deaf or hard of hearing.

5. Any recommended legislation proposed by the interim committee must be approved by a majority of the members of the Senate and a majority of the members of the Assembly appointed to the interim committee.

6. The Legislative Commission shall submit a report of the results of the study and any recommendations for legislation, to the Director of the Legislative Counsel Bureau for transmittal to the 81st Session of the Nevada Legislature.

Sec. 16. 1. The Department of Education shall compile sets of criteria for evaluating the development of language and literacy skills by children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind, developed by persons and entities with expertise in the development of language and literacy skills by children, including, without limitation, children without a disability. On or before March 1, 2020, the Department shall provide those sets of criteria to the Advisory Committee on Language Development for Children Who Are Deaf, Hard of Hearing, Blind or Visually Impaired established pursuant to section 9 of this act.

2. On or before June 1, 2020, the Advisory Committee on Language Development for Children Who Are Deaf, Hard of Hearing, Blind or Visually Impaired shall recommend criteria for:

(a) Use by parents or guardians to evaluate the development of language and literacy skills by children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind, to the State Board of Education for adoption pursuant to section 11 of this act.

(b) Use by school employees and providers of services to evaluate the development of language and literacy skills by children who are less than 6 years of age and are deaf, hard of hearing, blind or visually impaired, including, without limitation, children who are both deaf and blind, to the State Board of Education for adoption pursuant to section 12 of this act.

3. On or before June 30, 2020, the Department of Education shall:

(a) Adopt the criteria described in subsection 2; and

(b) Notify the Advisory Committee on Language Development for Children Who Are Deaf, Hard of Hearing, Blind or Visually Impaired of any revisions made to the criteria recommended by the Committee pursuant to paragraph (a) of subsection 2 before adoption.

Sec. 17. 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. 18. 1. This section and sections 1, 2, 4 to 13, inclusive, 15, 16 and 17 of this act become effective upon passage and approval.

2. Sections 3.2, 3.3, 3.5 and 3.8 of this act become effective:

(a) Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of those sections; and

(b) On January 1, 2020, for all other purposes.

3. Sections 3 and 14 of this act become effective on July 1, 2020.

Senator Ratti moved that the Senate not concur in Assembly Amendment No. 811 to Senate Bill No. 203.

Remarks by Senator Ratti.

The sponsor of this bill still needs to do some technical clean-up. Amendment No. 811 to Senate Bill No. 203 clarifies the types of insurers that may participate in the program to negotiate discounts and rebates for hearing devices and related costs; expands eligibility for the program that helps certain children under 13 years of age to obtain hearing aids at no charge to children who do not have access to affordable insurance coverage, rather than simply to those who have insurance coverage; and adds members Asseffa, Gorelow, Krasner and Nguyen as joint sponsors. The amendment, as it came over, was missing a couple of key words that would make it something that could be implemented, so we wish to not concur.

Motion carried.

Bill ordered transmitted to the Assembly.

Senator Cannizzaro moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 2:04 p.m.

SENATE IN SESSION

At 5:26 p.m.

President Marshall presiding.

Quorum present.

REPORTS OF COMMITTEE

Madam President:

Your Committee on Finance, to which was referred Senate Bill No. 543, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JOYCE WOODHOUSE, *Chair*

UNFINISHED BUSINESS
CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 77.

The following Assembly amendment was read:

Amendment No. 949.

SUMMARY—Revises provisions governing purchasing by a county hospital and a hospital in a county hospital district. (BDR 40-488)

AN ACT relating to hospitals; revising provisions governing purchasing by a county hospital and a hospital in a county hospital district; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a county hospital or a hospital in a county hospital district to purchase supplies, materials and equipment through the purchasing contracts of the company that manages the hospital, if applicable, or through a purchasing group in which the hospital is a member without complying with the competitive bidding requirements in the Local Government Purchasing Act if: (1) the prices for the supplies, materials or equipment were obtained through a process of competitive bidding; and (2) the governing body of the county hospital or the board of trustees of the hospital district, as applicable, determines that the purchase price is lower than the lowest price that could be attained through the competitive bidding process set forth in the Local Government Purchasing Act. (NRS 450.191, 450.525, 450.530, 450.720, 450.725, 450.730)

~~[This]~~ With certain exceptions, this bill includes services in the types of purchases that a county hospital or district hospital is authorized to make through the purchasing contracts of the company that runs the hospital, if applicable, or through a purchasing group without complying with the competitive bidding requirements in the Local Government Purchasing Act . ~~[or for public works. This bill additionally requires the governing body of a county hospital or the board of trustees of a hospital district to ensure that if the services to be purchased are for work on a project that qualifies as a public work, the prevailing wages will be paid for those services.]~~

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

Section 1. NRS 450.008 is hereby amended to read as follows:

450.008 "Purchasing group" means a cooperative organization of hospitals and other health care organizations that affiliate for the purpose of combining their purchasing power to secure a lower cost for their purchases of supplies, materials , ~~[and]~~ equipment *and services* than would be available to the members of the purchasing group individually.

Sec. 2. NRS 450.191 is hereby amended to read as follows:

450.191 1. The governing body of a county hospital may contract with a company which manages hospitals for the rendering of management services in a county hospital under the ultimate authority of the governing body.

2. The agreement may provide:

(a) That the administrator of the hospital must be an employee of the company which manages the hospital; and

(b) ~~[That]~~ *Except as otherwise provided in this paragraph, that* the hospital may, in accordance with the requirements of NRS 450.530, purchase supplies, materials , ~~[and]~~ equipment *and services* through the purchasing contracts of

the company which manages the hospital, or through a purchasing group, without complying with the requirements for competitive bidding set forth in chapter ~~[chapters]~~ 332 ~~[and 338]~~ of NRS. *The hospital may not purchase services or otherwise enter into an agreement pursuant to this paragraph for:*

(1) The hiring of temporary or permanent staff through a vendor or employment agency to perform any medical or nursing care.

(2) Any work for which a contractor's license issued pursuant to chapter 624 of NRS is required.

➥ *The provisions of this paragraph do not prohibit the hospital from purchasing specialty equipment which requires installation services that must be performed by a person who holds a contractor's license issued pursuant to chapter 624 of NRS and which are specific to a particular project and are not commonly used in public works projects.*

Sec. 3. NRS 450.525 is hereby amended to read as follows:

450.525 1. A county hospital may, with the approval of the governing body of the hospital, become a member of a purchasing group for the purpose of purchasing supplies, materials , ~~[and]~~ equipment *and services* used by the county hospital.

2. ~~[A]~~ *Except as otherwise provided in this subsection, a* county hospital that becomes a member of a purchasing group may, in accordance with the requirements of NRS 450.530, purchase supplies, materials , ~~[and]~~ equipment *and services* through the purchasing group without complying with the requirements for competitive bidding set forth in chapter ~~[chapters]~~ 332 ~~[and 338]~~ of NRS. *A county hospital may not purchase services or otherwise enter into an agreement pursuant to this subsection for:*

(a) The hiring of temporary or permanent staff through a vendor or employment agency to perform any medical or nursing care.

(b) Any work for which a contractor's license issued pursuant to chapter 624 of NRS is required.

➥ *The provisions of this subsection do not prohibit a county hospital from purchasing specialty equipment which requires installation services that must be performed by a person who holds a contractor's license issued pursuant to chapter 624 of NRS and which are specific to a particular project and are not commonly used in public works projects.*

Sec. 4. NRS 450.530 is hereby amended to read as follows:

450.530 A county hospital that is authorized pursuant to NRS 450.191 or 450.525 to purchase supplies, materials , ~~[and]~~ equipment *and services* in accordance with this section through the purchasing contracts of the company that manages the hospital or through a purchasing group may purchase the supplies, materials , ~~[and]~~ equipment *and services* without complying with the requirements for competitive bidding set forth in chapter ~~[chapters]~~ 332 ~~[and 338]~~ of NRS if:

1. The documents pertaining to the proposed purchase, including, without limitation, the prices available to the company or purchasing group, are summarized in writing and, together with a sworn statement by an officer or

agent of the company or purchasing group that the prices were obtained by the company or purchasing group through a process of competitive bidding, are presented to the governing body of the county hospital at its next regularly scheduled meeting; and

2. The governing body, after reviewing the summary and statement, finds that the proposed purchase will be made at a lower price than the lowest price reasonably obtainable by the hospital through competitive bidding pursuant to chapter ~~*[chapters]*~~ 332 ~~*[and 338]*~~ of NRS or available to the hospital pursuant to NRS 333.470 and approves the proposed purchase . ~~*[; and*~~

~~*3. The governing body ensures that if the services to be purchased are for work on a project that qualifies as a public work, as defined in NRS 338.010, the prevailing wages will be paid for those services in compliance with the provisions of NRS 338.013 to 338.090, inclusive.]*~~

Sec. 5. NRS 450.720 is hereby amended to read as follows:

450.720 1. The board of trustees may contract with a company which manages hospitals for the rendering of management services in a district hospital.

2. The agreement may provide:

(a) That the chief executive officer of the hospital must be an employee of the company which manages the hospital; and

(b) ~~[That]~~ *Except as otherwise provided in this paragraph, that* the hospital may, in accordance with the requirements of NRS 450.730, purchase supplies, materials , ~~[and]~~ equipment *and services* through the purchasing contracts of the company which manages the hospital, or through a purchasing group, without complying with the requirements for competitive bidding set forth in chapter ~~*[chapters]*~~ 332 ~~*[and 338]*~~ of NRS. *The hospital may not purchase services or otherwise enter into an agreement pursuant to this paragraph for:*

(1) The hiring of temporary or permanent staff through a vendor or employment agency to perform any medical or nursing care.

(2) Any work for which a contractor's license issued pursuant to chapter 624 of NRS is required.

➥ *The provisions of this paragraph do not prohibit the hospital from purchasing specialty equipment which requires installation services that must be performed by a person who holds a contractor's license issued pursuant to chapter 624 of NRS and which are specific to a particular project and are not commonly used in public works projects.*

Sec. 6. NRS 450.725 is hereby amended to read as follows:

450.725 1. A district hospital may, with the approval of the board of trustees, become a member of a purchasing group for the purpose of purchasing supplies, materials , ~~[and]~~ equipment *and services* used by the district hospital.

2. ~~[A]~~ *Except as otherwise provided in this subsection, a* district hospital that becomes a member of a purchasing group may, in accordance with the requirements of NRS 450.730, purchase supplies, materials , ~~[and]~~ equipment *and services* through the purchasing group without complying with the

requirements for competitive bidding set forth in chapter ~~[chapters]~~ 332 ~~[and 338]~~ of NRS. *A district hospital may not purchase services or otherwise enter into an agreement pursuant to this subsection for:*

(a) The hiring of temporary or permanent staff through a vendor or employment agency to perform any medical or nursing care.

(b) Any work for which a contractor's license issued pursuant to chapter 624 of NRS is required.

➥ The provisions of this subsection do not prohibit a district hospital from purchasing specialty equipment which requires installation services that must be performed by a person who holds a contractor's license issued pursuant to chapter 624 of NRS and which are specific to a particular project and are not commonly used in public works projects.

Sec. 7. NRS 450.730 is hereby amended to read as follows:

450.730 A district hospital that is authorized pursuant to NRS 450.720 or 450.725 to purchase supplies, materials , ~~[and]~~ equipment *and services* in accordance with this section through the purchasing contracts of the company that manages the hospital or through a purchasing group may purchase the supplies, materials , ~~[and]~~ equipment *and services* without complying with the requirements for competitive bidding set forth in chapter ~~[chapters]~~ 332 ~~[and 338]~~ of NRS if:

1. The documents pertaining to the proposed purchase, including, without limitation, the prices available to the company or purchasing group, are summarized in writing and, together with a sworn statement by an officer or agent of the company or purchasing group that the prices were obtained by the company or purchasing group through a process of competitive bidding, are presented to the board of trustees at its next regularly scheduled meeting; and

2. The board of trustees, after reviewing the summary and statement, finds that the proposed purchase will be made at a lower price than the lowest price reasonably obtainable by the hospital through competitive bidding pursuant to chapter ~~[chapters]~~ 332 ~~[and 338]~~ of NRS or available to the hospital pursuant to NRS 333.470 and approves the proposed purchase . ~~[; and~~

~~*3. The board of trustees ensures that if the services to be purchased are for work on a project that qualifies as a public work, as defined in NRS 338.010, the prevailing wages will be paid for those services in compliance with the provisions of NRS 338.013 to 338.090, inclusive.]*~~

Sec. 8. This act becomes effective upon passage and approval.

Senator Ratti moved that the Senate concur in Assembly Amendment No. 949 to Senate Bill No. 77.

Remarks by Senators Ratti and Hardy.

SENATOR RATTI:

Amendment No. 949 revises Senate Bill No. 77 by providing exceptions to the types of services or agreements that may be entered into by a county hospital or a hospital in a county hospital district. These exceptions include hiring temporary or permanent staff through a vendor or employment agency to perform medical or nursing care and certain work for which a contractor's license is required. The amendment also deletes provisions requiring the governing body of a

county hospital or the board of trustees of a hospital district to ensure if the services to be purchased are for work on a project that qualifies as a public work, the prevailing wages will be paid.

SENATOR HARDY:

The amendment to Senate Bill No. 77 reads: "The hospital may not purchase services or otherwise enter into an agreement pursuant to the paragraph for: hiring of temporary or permanent staff through a vendor or employment agency…" I am opposed to the amendment.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 140.

The following Assembly amendment was read:

Amendment No. 753.

SUMMARY—Revises provisions relating to the use of groundwater in certain basins. (BDR 48-541)

AN ACT relating to groundwater; requiring the State Engineer to reserve a certain percentage of the remaining groundwater available for use in certain basins; prohibiting the use of such groundwater; ~~[authorizing the use of such 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 groundwater that has not been committed for use on the effective date of this bill, to reserve 10 percent of the total remaining groundwater in the basin. The groundwater reserved by the State Engineer ~~[may only be used on a temporary basis in an emergency if the basin is under a declaration of drought. Consistent with this requirement, sections:]~~ is not available for any use. Sections 3 and 4 of this bill require the State Engineer to reject an application for a permit to appropriate water if the 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 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 the effective date of this act, the State Engineer shall reserve 10 percent of the total remaining groundwater that has not been committed for use in the basin.

2. ~~[Except as otherwise provided in subsection 3, the]~~ The groundwater in the basin from the reserve created pursuant to subsection 1 is not available for any use.

~~[3. The State Engineer may allow the temporary use of groundwater from the reserve created pursuant to subsection 1 in an emergency 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 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 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 the effective date of this act.

Sec. 6. This act becomes effective upon passage and approval.

Senator Scheible moved that the Senate concur in Assembly Amendment No. 753 to Senate Bill No. 140.

Remarks by Senator Scheible.

Amendment No. 753 to Senate Bill No. 140 removes a provision authorizing the State Engineer to allow temporary use of reserved groundwater in times of drought.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 236.

The following Assembly amendment was read:

Amendment No. 810.

SUMMARY—Establishes provisions relating to a change in the place of diversion of water for certain wells. (BDR 48-635)

AN ACT relating to water; establishing requirements relating to sinking or boring certain wells for water already appropriated; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a person to submit an application for a permit to change the place of diversion of water already appropriated. (NRS 533.325-533.345) Section 5 of this bill creates an exception from this requirement to allow a person to sink or bore a replacement well without submitting such an application where: (1) both the original site of the well and the site of the replacement well are located on property owned by the same person for whom the water has already been appropriated; and (2) the site of the replacement well is located not more than 300 feet from the original place of diversion described on the permit to appropriate water. Section 5 requires the person to: (1) record the site of the replacement well with the county recorder; and (2) inform the State Engineer of the site of the replacement well.

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

Section 1. (Deleted by amendment.)

Sec. 2. NRS 533.325 is hereby amended to read as follows:

533.325 Except as otherwise provided in NRS 533.027 ~~[,]~~ *and section 5 of this act,* any person who wishes to appropriate any of the public waters, or to change the place of diversion, manner of use or place of use of water already appropriated, shall, before performing any work in connection with such appropriation, change in place of diversion or change in manner or place of use, apply to the State Engineer for a permit to do so.

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. Chapter 534 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If a person is seeking to sink or bore a replacement well to divert groundwater already appropriated and:

(a) The original site of the well and the site of the replacement well are on property owned by the same person for whom the groundwater has already been appropriated; and

(b) The site of the replacement well is located not more than 300 feet from the original place of diversion described on the permit to appropriate water,

➥ *the person is not required to file an application to change the place of diversion pursuant to NRS 533.345.*

2. If a change to the site of a replacement well meets the requirements of subsection 1, the site of the replacement well must be located anywhere on the

property of the person who holds the permit to appropriate water that is not more than 300 feet from the original place of diversion described on the permit to appropriate water.

3. The person who holds the permit to appropriate water must:

(a) Record the site of the replacement well in the office of the county recorder of each county in which the water is applied to beneficial use and in each county in which the water is diverted from its natural source; and

(b) Inform the State Engineer of the site of the replacement well.

➥ *Compliance with the provisions of this subsection shall be deemed to impart notice of the site of the replacement well to all persons.*

Sec. 6. NRS 534.190 is hereby amended to read as follows:

534.190 Any person violating any of the provisions of NRS 534.010 to 534.180, inclusive, *and section 5 of this act* shall be guilty of a misdemeanor.

Senator Scheible moved that the Senate concur in Assembly Amendment No. 810 to Senate Bill No. 236.

Remarks by Senator Scheible.

Amendment No. 810 to Senate Bill No. 236 requires the location of a replacement well be recorded with the county recorder.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 362.

The following Assembly amendment was read:

Amendment No. 733.

SUMMARY—Revises provisions concerning the placement of persons with dementia in a residential facility for groups. (BDR 40-611)

AN ACT relating to residential facilities; requiring the administrator of a residential facility for groups to ensure that certain assessments of residents are conducted; requiring a resident with severe dementia to be placed in a facility that meets certain requirements; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the State Board of Health to adopt separate regulations governing the licensing of facilities for the care of adults during the day and residential facilities for groups which provide care to persons with Alzheimer's disease. (NRS 449.0302) Section 4 of this bill requires those regulations to also apply to such facilities which provide care to persons with other severe dementia. Section 1 of this bill requires the administrator of a residential facility for groups to annually: (1) cause a ~~[physician]~~ qualified provider of health care to conduct a physical examination of each resident of the facility; and (2) conduct an assessment of the history of each resident. If the physical examination, the assessment of resident history or the observations of certain persons indicate that a resident requires a secure facility or a facility with a high staff-to-resident ratio ~~[,]~~ or the condition of a resident has significantly changed, section 1 requires the administrator to cause a ~~[physician]~~ qualified

provider of health care to conduct an assessment of the condition and needs of the resident. If the ~~[physician]~~ provider of health care determines that the resident suffers from dementia to an extent that the resident may be a danger to himself or herself or others if not placed in a secure unit or a facility with a high staff-to-resident ratio, section 1 requires any residential facility in which the resident is placed to meet the requirements prescribed by the Board for a facility which provides care to persons with Alzheimer's disease or other severe dementia. Sections 2, 3 and 5-8 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 449 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The administrator of a residential facility for groups shall:

(a) Annually cause a ~~[physician]~~ qualified provider of health care to conduct a physical examination of each resident of the facility;

(b) Annually conduct an assessment of the history of each resident of the facility, which must include, without limitation, an assessment of the condition and daily activities of the resident during the immediately preceding year; and

(c) Cause a ~~[physician]~~ qualified provider of health care to conduct an assessment of the condition and needs of a resident of the facility to determine whether the resident meets the criteria prescribed in paragraph (a) of subsection 2:

(1) Upon admission of the resident to the facility; and

(2) If a physical examination, assessment of the history of ~~[a]~~ the resident or the observations of the administrator or staff of the facility , ~~[or]~~ the family of the resident or another person who has a relationship with the resident indicate that ~~[the]~~ :

(I) The resident may meet those criteria ~~[.]~~ ; or

(II) The condition of the resident has significantly changed.

2. If, as a result of an assessment conducted pursuant to paragraph (c) of subsection 1, the ~~[physician]~~ provider of health care determines that the resident:

(a) Suffers from dementia to an extent that the resident may be a danger to himself or herself or others if the resident is not placed in a secure unit or a facility that assigns not less than one staff member for every six residents, any residential facility for groups in which the resident is placed must meet the requirements prescribed by the Board pursuant to subsection 2 of NRS 449.0302 for the licensing and operation of residential facilities for groups which provide care to persons with Alzheimer's disease or other severe dementia.

(b) Does not suffer from dementia as described in paragraph (a), the resident may be placed in any residential facility for groups.

3. As used in this section, "provider of health care" has the meaning ascribed to it in NRS 629.031.

Sec. 2. NRS 449.029 is hereby amended to read as follows:

449.029 As used in NRS 449.029 to 449.240, inclusive, *and section 1 of this act,* unless the context otherwise requires, "medical facility" has the meaning ascribed to it in NRS 449.0151 and includes a program of hospice care described in NRS 449.196.

Sec. 3. NRS 449.0301 is hereby amended to read as follows:

449.0301 The provisions of NRS 449.029 to 449.2428, inclusive, *and section 1 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. 4. 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 1 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 1 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 ~~[.]~~ *or other severe dementia, as described in paragraph (a) of subsection 2 of section 1 of this act.*

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. 5. 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 1 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 1 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 1 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. 6. 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 1 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 1 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 1 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. 7. NRS 449.240 is hereby amended to read as follows:

449.240 The district attorney of the county in which the facility is located shall, upon application by the Division, institute and conduct the prosecution of any action for violation of any provisions of NRS 449.029 to 449.245, inclusive ~~[.]~~ *, and section 1 of this act.*

Sec. 8. 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 1 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.

Sec. 9. This act becomes effective on July 1, 2019.

Senator Ratti moved that the Senate concur in Assembly Amendment No. 733 to Senate Bill No. 362.

Remarks by Senator Ratti.

Amendment No. 733 makes various changes to Senate Bill No. 362. It replaces references to "physician" with the term "qualified provider". It allows a person who has a relationship with a resident, in addition to the resident's family, to provide their observations regarding the resident. It requires an assessment of the resident's condition be conducted if a physical examination, an assessment of the resident's history or observations regarding the resident indicate that his or her condition has significantly changed.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 410.

The following Assembly amendment was read:

Amendment No. 790.

SUMMARY—Revises provisions relating to incentives for economic development. (BDR 32-881)

AN ACT relating to taxation; ~~[eliminating the authority of the Office of Economic Development to issue]~~ revising provisions governing the issuance of transferable tax credits for certain projects that will make a capital investment in this State of at least $1 billion and satisfy certain other criteria; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Office of Economic Development to approve applications for partial abatements of certain taxes and the issuance of transferable tax credits submitted by the lead participant engaged in a qualified project with other participants which: (1) is for a common purpose or business endeavor; (2) is located within the geographic boundaries of a single project site in this State; and (3) satisfies certain criteria, including, without limitation, a requirement that the participants in the project agree to make a total new capital investment in this State of at least $1 billion during the 10-year period immediately following approval of the application. (NRS 360.889) Under existing law, the Office is authorized to approve for the project: (1) a maximum of $7,600,000 of transferable tax credits per fiscal year; and (2) a total amount of transferable tax credits of not more than $38,000,000. (NRS 360.892) ~~[Section 6 of this bill eliminates the authority of the Office to issue these transferable tax credits. Sections 1-5]~~ Section 1.3 of this bill adds an additional requirement for the issuance of these transferable tax credits by requiring approval of the Interim Finance Committee before the tax credits may be issued. Sections 1, 1.5 and 1.7 of this bill make conforming changes . ~~[by removing the authority of a lead participant to apply for these transferable tax credits and removing references to these transferable tax credits.]~~

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

Section 1. NRS 360.888 is hereby amended to read as follows:

360.888 "Qualified project" means a project which the Office of Economic Development determines meets all the requirements set forth in subsections 2 ~~[to]~~ *, 3,* 5 ~~[, inclusive,]~~ *and 6* of NRS 360.889.

~~[Section 1.]~~ *Sec. 1.3.* NRS 360.889 is hereby amended to read as follows:

360.889 1. On behalf of a project, the lead participant in the project may apply to the Office of Economic Development for :

(a) A certificate of eligibility for transferable tax credits which may be applied to:

(1) Any tax imposed by chapters 363A and 363B of NRS;

(2) The gaming license fees imposed by the provisions of NRS 463.370;

(3) Any tax imposed by chapter 680B of NRS; or

(4) Any combination of the fees and taxes described in subparagraphs (1), (2) and (3).

(b) A ~~[a]~~ partial abatement of property taxes, employer excise taxes or local sales and use taxes, or any combination of any of those taxes.

2. For a project to be eligible for the transferable tax credits described in paragraph (a) of subsection 1 and the partial abatement of the taxes described in paragraph (b) of subsection 1, the lead participant in the project must, on behalf of the project:

(a) Submit an application that meets the requirements of subsection ~~[4;]~~ 5;

(b) Provide documentation satisfactory to the Office that approval of the application would promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053;

(c) Provide documentation satisfactory to the Office that the participants in the project collectively will make a total new capital investment of at least $1 billion in this State within the 10-year period immediately following approval of the application;

(d) Provide documentation satisfactory to the Office that the participants in the project are engaged in a common business purpose or industry;

(e) Provide documentation satisfactory to the Office that the place of business of each participant is or will be located within the geographic boundaries of the project site or sites;

(f) Provide documentation satisfactory to the Office that each participant in the project is registered pursuant to the laws of this State or commits to obtaining a valid business license and all other permits required by the county, city or town in which the project operates;

(g) Provide documentation satisfactory to the Office of the number of employees engaged in the construction of the project;

(h) Provide documentation satisfactory to the Office of the number of qualified employees employed or anticipated to be employed at the project by the participants;

(i) Provide documentation satisfactory to the Office that each employer engaged in the construction of the project provides a plan of health insurance and that each employee engaged in the construction of the project is offered coverage under the plan of health insurance provided by his or her employer;

(j) Provide documentation satisfactory to the Office that each participant in the project provides a plan of health insurance and that each employee employed at the project by each participant is offered coverage under the plan of health insurance provided by his or her employer;

(k) Provide documentation satisfactory to the Office that at least 50 percent of the employees engaged in construction of the project and 50 percent of the employees employed at the project are residents of Nevada, unless waived by the Executive Director of the Office upon proof satisfactory to the Executive Director of the Office that there is an insufficient number of Nevada residents available and qualified for such employment;

(l) Agree to provide the Office with a full compliance audit of the participants in the project at the end of each fiscal year which:

(1) Shows the amount of money invested in this State by each participant in the project;

(2) Shows the number of employees engaged in the construction of the project and the number of those employees who are residents of Nevada;

(3) Shows the number of employees employed at the project by each participant and the number of those employees who are residents of Nevada; and

(4) Is certified by an independent certified public accountant in this State who is approved by the Office;

(m) Pay the cost of the audit required by paragraph (l);

(n) Enter into an agreement with the governing body of the city or county in which the qualified project is located that:

(1) Requires the lead participant to pay the cost of any engineering or design work necessary to determine the cost of infrastructure improvements required to be made by the governing body pursuant to an economic development financing proposal approved pursuant to NRS 360.990; and

(2) Requires the lead participant to seek reimbursement for any costs paid by the lead participant pursuant to subparagraph (1) from the proceeds of bonds issued pursuant to NRS 360.991; and

(o) Meet any other requirements prescribed by the Office.

3. In addition to meeting the requirements set forth in subsection 2, for a project located on more than one site in this State to be eligible for the partial abatement of the taxes described in paragraph (b) of subsection 1, the lead participant must, on behalf of the project, submit an application that meets the requirements of subsection ~~[4]~~ 5 on or before June 30, 2019, and provide documentation satisfactory to the Office that:

(a) The initial project will have a total of 500 or more full-time employees employed at the site of the initial project and the average hourly wage that will be paid to employees of the initial project in this State is at least 120 percent of the average statewide hourly wage as established by the Employment Security Division of the Department of Employment, Training and Rehabilitation on July 1 of each fiscal year;

(b) Each participant in the project must be a subsidiary or affiliate of the lead participant; and

(c) Each participant offers primary jobs and:

(1) Except as otherwise provided in subparagraph (2), satisfies the requirements of paragraph (f) or (g) of subsection 2 of NRS 360.750, regardless of whether the business is a new business or an existing business; and

(2) If a participant owns, operates, manufactures, services, maintains, tests, repairs, overhauls or assembles an aircraft or any component of an aircraft, that the participant satisfies the applicable requirements of paragraph (f) or (g) of subsection 2 of NRS 360.753.

➥ If any participant is a data center, as defined in NRS 360.754, any capital investment by that participant must not be counted in determining whether the

participants in the project collectively will make a total new capital investment of at least $1 billion in this State within the 10-year period immediately following approval of the application, as required by paragraph (c) of subsection 2.

4. *In addition to meeting the requirements set forth in subsection 2, a project is eligible for the transferable tax credits described in paragraph (a) of subsection 1 only if the Interim Finance Committee approves a written request for the issuance of the transferable tax credits. Such a request may only be submitted by the Office and only after the Office has approved the application submitted for the project pursuant to subsection 2. The Interim Finance Committee may approve a request submitted pursuant to this subsection only if the Interim Finance Committee determines that approval of the request:*

(a) Will not impede the ability of the Legislature to carry out its duty to provide for an annual tax sufficient to defray the estimated expenses of the State for each fiscal year as set forth in Article 9, Section 2 of the Nevada Constitution; and

(b) Will promote the economic development of this State and aid the implementation of the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053;

5. An application submitted pursuant to subsection 2 must include:

(a) A detailed description of the project, including a description of the common purpose or business endeavor in which the participants in the project are engaged;

(b) A detailed description of the location of the project, including a precise description of the geographic boundaries of the project site or sites;

(c) The name and business address of each participant in the project, which must be an address in this State;

(d) A detailed description of the plan by which the participants in the project intend to comply with the requirement that the participants collectively make a total new capital investment of at least $1 billion in this State in the 10-year period immediately following approval of the application;

(e) If the application includes one or more partial abatements, an agreement executed by the Office with the lead participant in the project which:

(1) Complies with the requirements of NRS 360.755;

(2) States the date on which the partial abatement becomes effective, as agreed to by the applicant and the Office, which must not be earlier than the date on which the Office received the application;

(3) States that the project will, after the date on which a certificate of eligibility for the partial abatement is approved pursuant to NRS 360.893, continue in operation in this State for a period specified by the Office; and

(4) Binds successors in interest of the lead participant for the specified period; and

(f) Any other information required by the Office.

~~[5.]~~ *6.* For an employee to be considered a resident of Nevada for the purposes of this section, each participant in the project must maintain the following documents in the personnel file of the employee:

(a) A copy of the:

(1) Current and valid Nevada driver's license of the employee originally issued by the Department of Motor Vehicles more than 60 days before the hiring of the employee or a current and valid identification card for the employee originally issued by the Department of Motor Vehicles more than 60 days before the hiring of the employee; or

(2) If the employee is a veteran of the Armed Forces of the United States, a current and valid Nevada driver's license of the employee or a current and valid identification card for the employee issued by the Department of Motor Vehicles;

(b) If the employee is a registered owner of one or more motor vehicles in Nevada, a copy of the current motor vehicle registration of at least one of those vehicles;

(c) Proof that the employee is employed full-time and scheduled to work for an average minimum of 30 hours per week; and

(d) Proof that the employee is offered coverage under a plan of health insurance provided by his or her employer.

~~[6.]~~ *7.* For the purpose of obtaining from the Executive Director of the Office any waiver of the requirement set forth in paragraph (k) of subsection 2, the lead participant in the project must submit to the Executive Director of the Office written documentation of the efforts to meet the requirement and documented proof that an insufficient number of Nevada residents is available and qualified for employment.

~~[7.]~~ *8.* The Executive Director of the Office shall make available to the public and post on the Internet website of the Office:

(a) Any request for a waiver of the requirements set forth in paragraph (k) of subsection 2; and

(b) Any approval of such a request for a waiver that is granted by the Executive Director of the Office.

~~[8.]~~ *9.* The Executive Director of the Office shall post a request for a waiver of the requirements set forth in paragraph (k) of subsection 2 on the Internet website of the Office within 3 days after receiving the request and shall keep the request posted on the Internet website for not less than 5 days. The Executive Director of the Office shall ensure that the Internet website allows members of the public to post comments regarding the request.

~~[9.]~~ *10.* The Executive Director of the Office shall consider any comments posted on the Internet website concerning any request for a waiver of the requirements set forth in paragraph (k) of subsection 2 before making a decision regarding whether to approve the request. If the Executive Director of the Office approves the request for a waiver, the Executive Director of the Office must post the approval on the Internet website of the Office within 3

days and ensure that the Internet website allows members of the public to post comments regarding the approval.

Sec. 1.5. NRS 360.890 is hereby amended to read as follows:

360.890 1. If the Office of Economic Development receives an application pursuant to NRS 360.889, the Office:

(a) Shall not consider the application unless the Office has requested a letter of acknowledgment of the request for a partial abatement from any county, school district, city or town which the Office determines may experience a direct economic effect as a result of the partial abatement.

(b) Shall not take any action on the application unless the Office takes that action at a public meeting conducted for that purpose.

(c) Shall, at least 30 days before any public meeting conducted for the purpose of taking any action on the application, provide notice of the application and the date, time and location of the public meeting at which the Office will consider the application to:

(1) Each participant in the project;

(2) The Department;

(3) The Nevada Gaming Control Board;

(4) The governing body of the county, the board of trustees of the school district and the governing body of the city or town, if any, in which the project will be located;

(5) The governing body of any other political subdivision that the Office determines could experience a direct economic effect as a result of the abatement; and

(6) The general public.

2. The date of the public meeting to consider an application submitted pursuant to NRS 360.889 must be not later than 60 days after the date on which the Office receives the completed application.

3. The Office shall approve an application submitted pursuant to NRS 360.889 if the Office finds that the project is a qualified project. The Office shall issue a decision on the application not later than 30 days after the conclusion of the public meeting on the application. *Not later than 30 days after the Office issues a decision approving an application submitted pursuant to NRS 360.889 in which the lead participant applies for a certificate of eligibility for the transferable tax credits described in paragraph (a) of subsection 1 of NRS 360.889, the Office must submit a written request to the Interim Finance Committee for approval of the issuance of the transferable tax credits.*

4. The lead participant in a qualified project shall submit all accountings and other required information to the Office and the Department not later than 30 days after a date specified in the decision issued by the Office. If the Office or the Department determines that information submitted pursuant to this subsection is incomplete, the lead participant shall, not later than 30 days after receiving notice that the information is incomplete, provide to the Office or

the Department, as applicable, all additional information required by the Office or the Department.

5. Until the Office of Economic Development provides notice of the application and the public meeting pursuant to paragraph (c) of subsection 1, the information contained in the application provided to the Office of Economic Development:

(a) Is confidential proprietary information of the business;

(b) Is not a public record; and

(c) Must not be disclosed to any person who is not an officer or employee of the Office of Economic Development unless the lead participant consents to the disclosure.

6. After the Office provides notice of the application and the public meeting pursuant to paragraph (c) of subsection 1:

(a) The application is a public record; and

(b) Upon request by any person, the Executive Director of the Office shall disclose the application to the person who made the request, except for any information in the application that is protected from disclosure pursuant to subsection 7.

7. Before the Executive Director of the Office discloses the application to the public, the lead participant may submit a request to the Executive Director of the Office to protect from disclosure any information in the application which, under generally accepted business practices, would be considered a trade secret or other confidential proprietary information of the business. After consulting with the business, the Executive Director of the Office shall determine whether to protect the information from disclosure. The decision of the Executive Director of the Office is final and is not subject to judicial review. If the Executive Director of the Office determines to protect the information from disclosure, the protected information:

(a) Is confidential proprietary information of the business;

(b) Is not a public record;

(c) Must be redacted by the Executive Director of the Office from any copy of the application that is disclosed to the public; and

(d) Must not be disclosed to any person who is not an officer or employee of the Office of Economic Development unless the lead participant consents to the disclosure.

Sec. 1.7. NRS 360.891 is hereby amended to read as follows:

360.891 1. If the Office of Economic Development approves an application for a certificate of eligibility for transferable tax credits submitted pursuant to paragraph (a) of subsection 1 of NRS 360.889 ~~[,]~~ ~~,~~ *and the Interim Finance Committee approves a written request for the issuance of transferable tax credits pursuant to subsection 4 of NRS 360.889,* the Office shall immediately forward a copy of the certificate of eligibility which identifies the estimated amount of the tax credits available pursuant to this section to:

(a) The lead participant in the qualified project;

(b) The Department; and

(c) The Nevada Gaming Control Board.

2. Within 14 business days after receipt of an audit provided by the lead participant in the qualified project pursuant to paragraph (l) of subsection 2 of NRS 360.889 and any other accountings or other information required by the Office, the Office shall determine whether to certify the audit and make a final determination of whether a certificate of transferable tax credits will be issued. If the Office certifies the audit and determines that all other requirements for the transferable tax credits have been met, the Office shall notify the lead participant in the qualified project that the transferable tax credits will be issued. Within 30 days after the receipt of the notice, the lead participant in the qualified project shall make an irrevocable declaration of the amount of transferable tax credits that will be applied to each fee or tax set forth in subparagraphs (1), (2) and (3) of paragraph (a) of subsection 1 of NRS 360.889, thereby accounting for all of the credits which will be issued. Upon receipt of the declaration, the Office shall issue to the lead participant a certificate of transferable tax credits in the amount approved by the Office for the fees or taxes included in the declaration. The lead participant shall notify the Department upon transferring any of the transferable tax credits. The Office shall notify the Department and the Nevada Gaming Control Board of all transferable tax credits issued, segregated by each fee or tax set forth in subparagraphs (1), (2) and (3) of paragraph (a) of subsection 1 of NRS 360.889. The Department shall notify the Office and the Nevada Gaming Control Board of the amount of any transferable tax credits transferred.

3. A qualified project may be approved for a certificate of eligibility for transferable tax credits in the amount of $9,500 for each qualified employee, up to a maximum of 4,000 qualified employees.

4. For the purpose of computing the amount of transferable tax credits for which a qualified project is eligible pursuant to subsection 3:

(a) Each qualified employee must be:

(1) Employed by a participant at the site of the qualified project.

(2) Employed full-time and scheduled to work for an average minimum of 30 hours per week.

(3) Employed for at least the last 3 consecutive months of the fiscal year.

(4) Offered coverage under a plan of health insurance provided by his or her employer.

(b) The wages for federal income tax purposes reported or required to be reported on Form W-2 of the qualified employees of the qualified project must be paid at an average rate of $22 per hour.

(c) An employee engaged solely in the construction of the qualified project is deemed not to be a qualified employee.

Sec. 2. ~~[NRS 360.893 is hereby amended to read as follows:~~

~~360.893 1. If the Office of Economic Development approves an application for a partial abatement of property taxes, employer excise taxes or local sales and use taxes submitted pursuant to [paragraph (b) of] subsection 1 of NRS 360.889, the Office shall immediately forward a certificate of~~

~~eligibility for the partial abatement of the taxes described in that [paragraph] *subsection* to:~~

~~(a) The Department;~~

~~(b) The Nevada Tax Commission; and~~

~~(c) The county treasurer of the county in which the qualified project will be located.~~

~~2. Except as otherwise provided in subsection 3, the partial abatement for the lead participant in the qualified project must:~~

~~(a) For property taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the property taxes that would otherwise be owed by each participant for the qualified project;~~

~~(b) For employer excise taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the employer excise taxes that would otherwise be owed by each participant for employees employed by the participant for the qualified project; and~~

~~(c) For local sales and use taxes, be for a duration of not more than 15 years after the effective date of the partial abatement and in an amount that equals the amount of the local sales and use taxes that would otherwise be owed by each participant in the qualified project.~~

~~3. If the qualified project is a project located on more than one site in this State, the partial abatement for the lead participant must:~~

~~(a) For property taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the property taxes that would otherwise be owed by each participant for the qualified project;~~

~~(b) For employer excise taxes, be for a duration of not more than 10 years after the effective date of the partial abatement and in an amount that equals 75 percent of the amount of the employer excise taxes that would otherwise be owed by each participant for employees employed by the participant for the qualified project; and~~

~~(c) For local sales and use taxes, be for a duration of not more than 15 years after the effective date of the partial abatement and in an amount that equals that portion of the combined rate of all the local sales and use taxes payable by each participant in the qualified project each year which exceeds 0.6 percent. The Department of Taxation shall issue to the lead participant a document certifying the abatement which can be presented to retailers at the time of sale. The document must clearly state that the purchaser is only required to pay sales and use taxes imposed in this State at the rate of 2.6 percent. As used in this paragraph, "local sales and use taxes" means the taxes imposed on the gross receipts of any retailer from the sale of tangible personal property sold at retail, or stored, used or otherwise consumed, in the political subdivision in which the new or expanded business is located, except the taxes imposed by the Sales and Use Tax Act.~~

~~3. Notwithstanding any other provision of law, if the Office of Economic Development approves an application for a partial abatement of property taxes, employer excise taxes or local sales and use taxes submitted pursuant to [paragraph (b) of] subsection 1 of NRS 360.889 for a lead participant of a qualified project located on more than one site in this State, the State Controller shall allocate, transfer and remit an amount equal to all the sales and use taxes imposed in this State and collected from the qualified project for the period of the abatement in the same manner as if that amount consisted solely of the proceeds of the taxes imposed by NRS 374.110 and 374.190.~~

~~4. As a condition of approving a partial abatement of taxes pursuant to NRS 360.880 to 360.896, inclusive, the Executive Director of the Office of Economic Development, if he or she determines it to be in the best interests of the State of Nevada, may require the lead participant to pay at such time or times as deemed appropriate, an amount of money equal to all or a portion of the abated taxes into a trust fund in the State Treasury to be held until all or a portion of the requirements for the partial abatement have been met. Interest and income earned on money in the trust fund must be credited to the trust fund. Any money remaining in the trust fund at the end of a fiscal year does not revert to the State General Fund, and the balance in the trust fund must be carried forward to the next fiscal year. Money in the trust fund must not be used for any purpose other than the purposes set forth in subsections 5 and 6.~~

~~5. If any assessment, or installment thereof, imposed on a qualified project pursuant to chapter 271 of NRS is delinquent, the money in the trust fund established pursuant to subsection 4 must:~~

~~(a) First be used to repay the bonds or other obligations of the State which are issued in connection with the qualified project.~~

~~(b) If any money remains in the trust fund after payments are made pursuant to paragraph (a), be used to repay bonds or other obligations of a municipality issued in connection with the qualified project.~~

~~6. Upon a determination by the Executive Director of the Office of Economic Development that the requirements for the partial abatement have been met, the money in the trust fund established pursuant to subsection 4, including any interest and income earned on the money during the time it was in the trust fund, must be returned to the lead participant. If the Executive Director of the Office of Economic Development determines that the requirements for the partial abatement have not been met:~~

~~(a) Except as otherwise provided in this subsection:~~

~~(1) The money in the trust fund established pursuant to subsection 4, after any payment made pursuant to subsection 5, must be transferred to the entity that would have received the money if the Office had not approved the partial abatement, as determined by the Department; and~~

~~(2) Any amount of money in the trust fund used to repay bonds or other obligations of the State or municipality pursuant to subsection 5 must proportionally reduce the amount transferred to an entity pursuant to subparagraph (1).~~

~~(b) The interest and income earned on the money in the trust fund during the time it was in the trust fund must be distributed to an entity receiving a distribution pursuant to paragraph (a) in the proportion that the money distributed to the entity pursuant to that paragraph bears to the total money distributed pursuant to that paragraph.~~

~~7. If the Office approves a partial abatement of local sales and use taxes, the Office shall issue to the lead participant in the qualified project a document certifying the partial abatement which can be presented to retailers at the time of sale. The document must clearly state the rate of sales and use taxes which the purchaser is required to pay in the county in which the abatement is effective.]~~ (Deleted by amendment.)

Sec. 3. ~~[NRS 360.894 is hereby amended to read as follows:~~

~~360.894 1. The lead participant in a qualified project shall, upon the request of the Office of Economic Development, furnish the Office with copies of all records necessary to verify that the qualified project meets the eligibility requirements for [any transferable tax credits issued pursuant to NRS 360.891 and] the partial abatement of any taxes pursuant to NRS 360.893.~~

~~2. [The lead participant shall repay to the Department or the Nevada Gaming Control Board, as applicable, any portion of the transferable tax credits to which the lead participant is not entitled if:~~

~~(a) The participants in the qualified project collectively fail to make the investment in this State necessary to support the determination by the Executive Director of the Office of Economic Development that the project is a qualified project;~~

~~(b) The participants in the qualified project collectively fail to employ the number of qualified employees identified in the certificate of eligibility approved for the qualified project;~~

~~(c) The lead participant submits any false statement, representation or certification in any document submitted for the purpose of obtaining transferable tax credits; or~~

~~(d) The lead participant otherwise becomes ineligible for transferable tax credits after receiving the transferable tax credits pursuant to NRS 360.880 to 360.896, inclusive.~~

~~3. Transferable tax credits purchased in good faith are not subject to forfeiture unless the transferee submitted fraudulent information in connection with the purchase.~~

~~4.] Notwithstanding any provision of this chapter or chapter 361 of NRS, if the lead participant in a qualified project for which a partial abatement has been approved pursuant to NRS 360.893 and is in effect:~~

~~(a) Fails to meet the requirements for eligibility pursuant to that section; or~~

~~(b) Ceases operation before the time specified in the agreement described in paragraph (c) of subsection 4 of NRS 360.889,~~

~~the lead participant shall repay to the Department or, if the partial abatement is from the property tax imposed by chapter 361 of NRS, to the appropriate county treasurer, the amount of the partial abatement that was allowed to the~~

~~lead participant pursuant to NRS 360.893 before the failure of the lead participant to meet the requirements for eligibility. Except as otherwise provided in NRS 360.232 and 360.320, the lead participant shall, in addition to the amount of the partial abatement required to be repaid by the lead participant pursuant to this subsection, pay interest on the amount due from the lead participant at the rate most recently established pursuant to NRS 99.040 for each month, or portion thereof, from the last day of the month following the period for which the payment would have been made had the partial abatement not been approved until the date of payment of the tax.~~

~~[5.]~~ *3.* ~~The Secretary of State may, upon application by the Executive Director of the Office, revoke or suspend the state business license of the lead participant in a qualified project which is required to repay [any portion of transferable tax credits pursuant to subsection 2 or] the amount of any partial abatement pursuant to subsection [4]~~ *2* ~~and which the Office determines is not in compliance with the provisions of this section governing repayment. If the state business license of the lead participant in a qualified project is suspended or revoked pursuant to this subsection, the Secretary of State shall provide written notice of the action to the lead participant. The Secretary of State shall not reinstate a state business license suspended pursuant to this subsection or issue a new state business license to the lead participant whose state business license has been revoked pursuant to this subsection unless the Executive Director of the Office provides proof satisfactory to the Secretary of State that the lead participant is in compliance with the requirements of this section governing repayment.]~~ (Deleted by amendment.)

Sec. 4. ~~[NRS 360.895 is hereby amended to read as follows:~~

~~360.895 1. The Office of Economic Development shall, on or before October 1 of each year, prepare and submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature an annual report which includes:~~

~~(a) For the immediately preceding fiscal year:~~

~~(1) The number of applications submitted pursuant to NRS 360.889;~~

~~(2) The number of qualified projects for which an application was approved;~~

~~(3) [The amount of transferable tax credits approved;~~

~~(4) The amount of transferable tax credits used;~~

~~(5) The amount of transferable tax credits transferred;~~

~~(6) The amount of transferable tax credits taken against each allowable fee or tax, including the actual amount used and outstanding, in total and for each qualified project;~~

~~(7)] The number of partial abatements approved;~~

~~[(8)]~~ *(4)* ~~The dollar amount of the partial abatements;~~

~~[(9)]~~ *(5)* ~~The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in a qualified project who are residents of Nevada;~~

~~[(10)] *(6)* The number of qualified employees employed by each participant in a qualified project and the total amount of wages paid to those persons; and~~

~~[(11)] *(7)* For each qualified project, an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project.~~

~~(b) For each partial abatement from taxation that the Office approved during the fiscal years which are 3 fiscal years, 6 fiscal years, 10 fiscal years and 15 fiscal years immediately preceding the submission of the report:~~

~~(1) The dollar amount of the partial abatement;~~

~~(2) The value of infrastructure included as an incentive for the qualified project;~~

~~(3) The economic sector in which each participant in the qualified project operates, the number of primary jobs related to the qualified project, the average wage paid to employees employed by the participants in the qualified project and the assessed values of personal property and real property of the qualified project; and~~

~~(4) Any other information that the Office determines to be useful.~~

~~2. Except as otherwise provided in subsection 4, in addition to the annual reports required to be prepared and submitted pursuant to subsection 1, for the period beginning on December 19, 2015, and ending on June 30, 2020, the Office shall, not less frequently than every calendar quarter, prepare and submit to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report which includes, for the immediately preceding calendar quarter:~~

~~(a) The dollar amount of the partial abatements approved for the lead participant in each qualified project;~~

~~(b) The number of employees engaged in construction of each qualified project who are residents of Nevada and the number of employees employed by each participant in each qualified project who are residents of Nevada;~~

~~(c) The number of qualified employees employed by each participant in each qualified project and the total amount of wages paid to those persons;~~

~~(d) For each qualified project an assessment of whether the participants in the qualified project are making satisfactory progress towards meeting the investment requirements necessary to support the determination by the Office that the project is a qualified project; and~~

~~(e) Any other information requested by the Legislature.~~

~~3. Except as otherwise provided in subsection 4, in addition to the annual reports required to be prepared and submitted pursuant to subsection 1, for the period beginning on July 1, 2020, and ending on June 30, 2025, the Office shall, not less frequently than every 6 months, prepare and submit to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report which includes, for the immediately preceding 6~~

~~months, the information required to be included in a report prepared and submitted pursuant to subsection 2.~~

~~— 4. The Office is not required to prepare and submit the report required by subsection 2 or 3 if, within 75 days after the end of the period covered by the report:~~

~~— (a) The Office receives an audit of the participants in the project for the period that would have been covered by the report; and~~

~~— (b) That audit contains the information required to be included in the report pursuant to paragraphs (a) to (d), inclusive, of subsection 2.~~

~~— 5. In addition to the reports required to be prepared and submitted pursuant to subsections 1 and 2, the Office shall, upon request, make available to the Legislature any information concerning a qualified project or any participant in a qualified project. The Office shall make available any information requested pursuant to this subsection within the period specified in the request.~~

~~— 6. The Office shall provide to the Fiscal Analysis Division of the Legislative Counsel Bureau a copy of any agreement entered into by the Office and the lead participant not later than 30 days after the agreement is executed.~~

~~— 7. Notwithstanding the provisions of any other specific statute, the information requested by the Legislature pursuant to this section may include information considered confidential for other purposes. If such confidential information is requested, the Office shall make the information available to the Fiscal Analysis Division of the Legislative Counsel Bureau for confidential examination.]~~ (Deleted by amendment.)

Sec. 5. ~~[NRS 360.896 is hereby amended to read as follows:~~

~~— 360.896 — 1. For the purpose of encouraging local economic development, the governing body of a city or county in which a qualified project is located may grant to any participant in a qualified project an abatement of all or any percentage of the amount of any permitting fee or licensing fee which the local government is authorized to impose or charge pursuant to chapter 244 or 268 of NRS.~~

~~— 2. Before granting any abatement pursuant to subsection 1, the governing body of the city or county must provide by ordinance for a pilot project for granting abatements to participants in a qualified project.~~

~~— 3. A governing body of a city or county that grants an abatement pursuant to subsection 1 shall, on or before October 1 of each year in which such an abatement is granted, prepare and submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature an annual report which includes, for the immediately preceding fiscal year:~~

~~— (a) [The number of qualified projects located within the jurisdiction of the governing body for which a certificate of eligibility for transferable tax credits was approved;~~

~~— (b)] If applicable, the number and dollar amount of the abatements granted by the governing body pursuant to subsection 1; and~~

~~[(c)]~~ *(b)* ~~The number of persons within the jurisdiction of the governing body that were employed by each participant in a qualified project and the amount of wages paid to those persons.]~~ (Deleted by amendment.)

Sec. 6. ~~[NRS 360.891 and 360.892 are hereby repealed.]~~ (Deleted by amendment.)

Sec. 7. 1. This act becomes effective upon passage and approval.

2. Sections 1 ~~[to 5, inclusive,]~~ , 1.5 and 1.7 of this act expire by limitation on June 30, 2032.

~~[~~

~~TEXT OF REPEALED SECTIONS~~

~~360.891 Approval of application for certificate of eligibility for transferable tax credits; issuance of certificate; computation of amount of transferable tax credits which may be approved for qualified project.~~

~~1. If the Office of Economic Development approves an application for a certificate of eligibility for transferable tax credits submitted pursuant to paragraph (a) of subsection 1 of NRS 360.889, the Office shall immediately forward a copy of the certificate of eligibility which identifies the estimated amount of the tax credits available pursuant to this section to:~~

~~(a) The lead participant in the qualified project;~~

~~(b) The Department; and~~

~~(c) The Nevada Gaming Control Board.~~

~~2. Within 14 business days after receipt of an audit provided by the lead participant in the qualified project pursuant to paragraph (l) of subsection 2 of NRS 360.889 and any other accountings or other information required by the Office, the Office shall determine whether to certify the audit and make a final determination of whether a certificate of transferable tax credits will be issued. If the Office certifies the audit and determines that all other requirements for the transferable tax credits have been met, the Office shall notify the lead participant in the qualified project that the transferable tax credits will be issued. Within 30 days after the receipt of the notice, the lead participant in the qualified project shall make an irrevocable declaration of the amount of transferable tax credits that will be applied to each fee or tax set forth in subparagraphs (1), (2) and (3) of paragraph (a) of subsection 1 of NRS 360.889, thereby accounting for all of the credits which will be issued. Upon receipt of the declaration, the Office shall issue to the lead participant a certificate of transferable tax credits in the amount approved by the Office for the fees or taxes included in the declaration. The lead participant shall notify the Department upon transferring any of the transferable tax credits. The Office shall notify the Department and the Nevada Gaming Control Board of all transferable tax credits issued, segregated by each fee or tax set forth in subparagraphs (1), (2) and (3) of paragraph (a) of subsection 1 of NRS 360.889. The Department shall notify the Office and the Nevada Gaming Control Board of the amount of any transferable tax credits transferred.~~

~~3. A qualified project may be approved for a certificate of eligibility for transferable tax credits in the amount of $9,500 for each qualified employee,~~

~~up to a maximum of 4,000 qualified employees.~~

~~4. For the purpose of computing the amount of transferable tax credits for which a qualified project is eligible pursuant to subsection 3:~~

~~(a) Each qualified employee must be:~~

~~(1) Employed by a participant at the site of the qualified project.~~

~~(2) Employed full-time and scheduled to work for an average minimum of 30 hours per week.~~

~~(3) Employed for at least the last 3 consecutive months of the fiscal year.~~

~~(4) Offered coverage under a plan of health insurance provided by his or her employer.~~

~~(b) The wages for federal income tax purposes reported or required to be reported on Form W-2 of the qualified employees of the qualified project must be paid at an average rate of $22 per hour.~~

~~(c) An employee engaged solely in the construction of the qualified project is deemed not to be a qualified employee.~~

~~360.892 Limitations on amounts of transferable tax credits which may be issued by Office of Economic Development.~~

~~1. Except as otherwise provided in this section, the Office of Economic Development shall not approve transferable tax credits:~~

~~(a) For Fiscal Year 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024 or 2024-2025, if approval of the transferable tax credits would cause the total amount of transferable tax credits issued pursuant to NRS 360.880 to 360.896, inclusive, in that Fiscal Year to exceed $7,600,000.~~

~~(b) For a fiscal year beginning on or after July 1, 2025.~~

~~2. The total amount of transferable tax credits issued pursuant to NRS 360.880 to 360.896, inclusive, to all qualified projects in this State must not exceed $38,000,000.~~

~~3. If in any fiscal year the Office does not approve an amount of transferable tax credits equal to the total amount authorized by paragraph (a) or (b) of subsection 1, the remaining amount of transferable tax credits must be carried forward and made available for approval during subsequent fiscal years ending on or before June 30, 2025.~~

~~4. Each transferable tax credit issued pursuant to NRS 360.880 to 360.896, inclusive, expires 4 years after the date on which the transferable tax credit is issued to the lead participant. A transferable tax credit issued pursuant to NRS 360.880 to 360.896, inclusive, may be transferred only once.]~~

Senator Dondero Loop moved that the Senate concur in Assembly Amendment No. 790 to Senate Bill No. 410.

Remarks by Senator Dondero Loop.

Assembly Amendment No. 790 to Senate Bill No. 410 requires the Interim Finance Committee to approve the issuance of transferal tax credits for an economic development project where credits may be issued pursuant to Nevada Revised Statutes 360.880 to 360.896, inclusive.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 417.

The following Assembly amendment was read:

Amendment No. 750.

SUMMARY—Revises provisions governing public sales of livestock. (BDR 50-371)

AN ACT relating to livestock; requiring the State Department of Agriculture to issue a limited license to conduct an annual sale of livestock under certain circumstances; imposing a fee for the issuance of the limited license; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits a person from holding, operating, conducting or carrying on a public livestock auction without first securing a license from the State Department of Agriculture. (NRS 573.020) Before the Department may issue a license to an operator of a public livestock auction, the applicant for the license must deliver to the Director of the Department: (1) a surety bond; (2) a bond approved by the Secretary of Agriculture of the United States; or (3) a deposit receipt. (NRS 573.030) A person who operates a public livestock auction without a license or any licensee authorized to operate a public livestock auction who violates any provision of chapter 573 of NRS governing public sales of livestock or any regulations adopted pursuant to that chapter is subject to: (1) the imposition of a restraining order; (2) punishment for a misdemeanor; and (3) payment of an additional administrative fine of not less than $1,000 and not more than $5,000 per violation. (NRS 573.185, 573.190)

In lieu of securing a license to operate a public livestock auction, section 1 of this bill authorizes a person who wishes to conduct an annual sale of livestock to submit an application to the Department for the issuance of a limited license to conduct such a sale. Section 2 of this bill defines an "annual sale of livestock" to mean any sale of livestock to which any member of the public may consign livestock for sale or exchange through public bidding and which is conducted for not more than 2 consecutive days during a calendar year. Section 1 requires the Department to issue to the applicant a limited license to conduct an annual sale of livestock if the Department finds that the applicant has: (1) delivered to the Director of the Department a certain surety bond or deposit receipt; (2) paid the fee established by regulation of the State Board of Agriculture for the limited license; and (3) otherwise complied with the provisions of chapter 573 of NRS governing public sales of livestock. Section 1 also requires the Department to limit the duration of any surety bond or deposit receipt to the period during which an annual sale of livestock is conducted and to set the surety bond or deposit receipt on the basis of specified criteria. Section 11 of this bill authorizes the Department or a representative of the Department to enter the premises where an annual livestock sale is held to inspect the records of the annual livestock sale. Sections 12 and 13 of this bill subject a person who conducts an annual sale of livestock to the imposition of a cease and desist order and a restraining order for certain violations. Section 14 of this bill also makes such a person who commits those violations

guilty of a misdemeanor and subject to the payment of an additional administrative fine. Sections 3-10 and 15 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 573 of NRS is hereby amended by adding thereto a new section to read as follows:

1. In lieu of securing a license to hold, operate, conduct or carry on a public livestock auction pursuant to NRS 573.020, a person who wishes to conduct an annual sale of livestock may submit an application to the Department for the issuance of a limited license to conduct such a sale. The application must be submitted on a form furnished or approved by the Department and must include:

(a) The name and address of the applicant who will conduct the annual sale of livestock;

(b) The location of the establishment or premises where the applicant will conduct the annual sale of livestock; and

(c) Any other information required by the Department.

2. As soon as practicable after receiving an application pursuant to subsection 1, the Department shall issue a limited license to conduct an annual sale of livestock to the applicant if the Department finds that the applicant has:

(a) Delivered to the Director a surety bond pursuant to NRS 573.033 or a deposit receipt pursuant to NRS 573.037;

(b) Paid the fee established by regulation of the State Board of Agriculture for the limited license to conduct an annual sale of livestock ~~*[;]*~~ *pursuant to NRS 573.040; and*

(c) Otherwise complied with the provisions of this chapter.

3. A limited license to conduct an annual sale of livestock is valid for the period for which it is issued. A person may not obtain more than one limited license to conduct an annual sale of livestock during the same calendar year.

4. The Department shall:

(a) Limit the required duration of any surety bond or deposit receipt submitted pursuant to paragraph (a) of subsection 2 to the period during which the annual sale of livestock is conducted by the licensee.

(b) Set the amount of the surety bond or deposit receipt at an amount which ~~*[must be:*~~

~~*(1) Less]*~~ *:*

(1) Must be based on the amount of bond coverage calculated for a market agency pursuant to 9 C.F.R. § 201.30(a); and

(2) May be less than the amount otherwise required pursuant to NRS 573.033 or 573.037 . ~~*[; and*~~

~~*(2) Based on the amount of bond coverage calculated for a market agency pursuant to 9 C.F.R. § 201.30(a).]*~~

Sec. 2. NRS 573.010 is hereby amended to read as follows:

573.010 As used in this chapter:

1. *"Annual sale of livestock" means any sale of livestock:*

(a) To which any member of the public may consign livestock for sale or exchange through public bidding at the sale of the livestock; and

(b) Which is conducted for not more than 2 consecutive days during a calendar year.

2. "Consignor" means any person consigning, shipping or delivering livestock to a public livestock auction for sale, resale or exchange.

~~[2.]~~ *3.* "Department" means the State Department of Agriculture.

~~[3.]~~ *4.* "Director" means the Director of the Department.

~~[4.]~~ *5.* "Livestock" means:

(a) Cattle, sheep, goats, horses, mules, asses, burros, swine or poultry; and

(b) Alternative livestock as defined in NRS 501.003.

~~[5.]~~ *6.* "Operator of a public livestock auction" means any person holding, conducting or carrying on a public livestock auction.

~~[6.]~~ *7.* "Public livestock auction" means any sale or exchange of livestock held by any person at an established place of business or premises where the livestock is assembled for sale or exchange, and is exchanged or sold at auction or upon a commission basis at regular or irregular intervals. *The term does not include an annual sale of livestock.*

Sec. 3. NRS 573.030 is hereby amended to read as follows:

573.030 Before a license is issued by the Department to an operator of a public livestock auction ~~[,]~~ *or a limited license is issued by the Department to conduct an annual sale of livestock,* the applicant must deliver to the Director:

1. A surety bond pursuant to the provisions of NRS 573.033;

2. ~~[A]~~ *In the case of a public livestock auction, a* bond approved by the Secretary of Agriculture of the United States pursuant to the provisions of NRS 573.035; or

3. A deposit receipt pursuant to the provisions of NRS 573.037.

Sec. 4. NRS 573.033 is hereby amended to read as follows:

573.033 1. ~~[If]~~ *Except as otherwise provided in section 1 of this act, if* an applicant delivers a surety bond to the Director pursuant to the provisions of subsection 1 of NRS 573.030 ~~[,]~~ *or section 1 of this act,* the surety bond must be:

(a) In the amount of $200,000 or more but less than $1,000,000.

(b) Executed by the applicant as principal and by a surety company qualified and authorized to do business in this state as surety.

(c) A standard form and approved by the Director as to terms and conditions.

(d) Conditioned that the principal will not commit any fraudulent act and will comply with the provisions of this chapter and the rules and regulations adopted by the Department.

(e) To the State of Nevada in favor of every consignor creditor whose livestock was handled or sold through or at the licensee's public livestock auction ~~[.]~~ *or annual sale of livestock, as applicable.*

2. The total and aggregate liability of the surety for all claims upon the bond must be limited to the face amount of the bond.

Sec. 5. NRS 573.037 is hereby amended to read as follows:

573.037 1. As authorized by subsection 3 of NRS 573.030 ~~[,]~~ *or section 1 of this act,* in lieu of filing the bond described in NRS 573.033 or 573.035, the applicant may deliver to the Director the receipt of a bank, credit union or trust company doing business in this state showing the deposit with that bank, credit union or trust company of cash or of securities endorsed in blank by the owner thereof and *, except as otherwise provided in section 1 of this act,* of a market value equal at least to the required principal amount of the bond, the cash or securities to be deposited in escrow under an agreement conditioned as in the case of a bond. A receipt must be accompanied by evidence that there are no unsatisfied judgments against the applicant of record in the county where the applicant resides.

2. An action for recovery against any such deposit may be brought in the same manner as in the case of an action for recovery on a bond filed under the provisions of this chapter.

3. ~~[If]~~ *Except as otherwise provided in section 1 of this act, if* any licensed operator of a public livestock auction *or holder of a limited license to conduct an annual sale of livestock* for any reason ceases to operate the auction ~~[,]~~ *or sale,* the amount of money or securities deposited in lieu of a bond must be retained by the Department for 1 year. If 1 year after the cessation of the operation, no legal action has been commenced to recover against the money or securities, the amount thereof must be delivered to the owner thereof. If a legal action has been commenced within that period, all such money and securities must be held by the Director subject to the order of a court of competent jurisdiction.

Sec. 5.5. NRS 573.040 is hereby amended to read as follows:

573.040 The State Board of Agriculture shall establish by regulation the fee for ~~[a]~~ *:*

1. A license to operate a public livestock auction.

2. A limited license to conduct an annual sale of livestock.

Sec. 6. NRS 573.050 is hereby amended to read as follows:

573.050 Upon receipt of an application for a license *to operate a public livestock auction* under this chapter, accompanied by the required bond and license fee, the Department shall examine the application, and if it finds the application to be in proper form and that the applicant has otherwise complied with this chapter, the Director or his or her designee shall grant and sign the license as applied for, subject to the provisions of this chapter.

Sec. 7. NRS 573.070 is hereby amended to read as follows:

573.070 ~~[Licenses]~~ *A license to operate a public livestock auction* must be in such form as the Department may prescribe, and set forth:

1. The name and address of the operator of the public livestock auction.
2. The location of the establishment or premises licensed.
3. The kinds of livestock to be sold, exchanged or handled.

4. The period of the license.

5. The weekly or monthly sales day or days.

6. Such other information as the Department may determine.

Sec. 8. NRS 573.080 is hereby amended to read as follows:

573.080 ~~[Licenses]~~ *A license to operate a public livestock auction* must be renewed annually upon like application and procedure as in the case of *an* original ~~[licenses.]~~ *license to operate a public livestock auction.* An application for *the* renewal *of the license* must be accompanied by:

1. A full audit completed not more than 2 months before the date of the application which must be signed and certified as correct by a holder of a live permit issued pursuant to chapter 628 of NRS.

2. The name and address of the bank or credit union where the custodial account for consignors' proceeds will be established and maintained by the operator of the public livestock auction in compliance with the provisions of NRS 573.104.

Sec. 9. NRS 573.125 is hereby amended to read as follows:

573.125 Each operator of a livestock auction *or person who conducts an annual sale of livestock* shall issue to each purchaser of livestock a receipt on a form approved by the Department, and the receipt must contain:

1. The name and address of the purchaser of the livestock.

2. A description of the livestock, which must include the number and kind, approximate age, the sex, and any visible brands or other distinguishing or identifying marks.

Sec. 10. NRS 573.130 is hereby amended to read as follows:

573.130 1. Livestock that is under quarantine because of any contagious, infectious or communicable disease must not be consigned to or sold through any public livestock auction ~~[.]~~ *or annual sale of livestock.*

2. Livestock that is known to be infected with, or known to have been exposed to, any contagious, infectious or parasitic livestock disease must not be consigned to or sold through any public livestock auction *or annual sale of livestock* except under rules and regulations governing the consignments and sales adopted by the Department.

3. The Department may require such testing, treating and examining of livestock sold, traded, exchanged or handled at or through public livestock auctions *or annual sales of livestock* as in its judgment may be necessary to prevent the spread of infectious, contagious or parasitic diseases among the livestock of this state.

4. The Department may require operators of public livestock auctions *or persons who conduct annual sales of livestock* to reimburse the Department for actual expenses or any part thereof incurred in testing, treating and examining livestock sold, traded, exchanged or handled at or through those auctions.

Sec. 11. NRS 573.160 is hereby amended to read as follows:

573.160 To carry out the provisions of this chapter and to conduct inspections pursuant thereto, the Department or any authorized representative

thereof may enter the establishment or premises where any public livestock auction *or annual sale of livestock* is held and inspect the records thereof at all reasonable times.

Sec. 12. NRS 573.183 is hereby amended to read as follows:

573.183 If the Director determines, on the basis of any verified complaint or of any inspection or investigation made by him or her pursuant to this chapter, that any operator of a public livestock auction *or person who conducts an annual sale of livestock* is violating or is about to violate any provision of this chapter for the protection of consignor creditors, the Director may order:

1. The operator *or person* to cease and desist from:

(a) Receiving or selling any livestock;

(b) Receiving or disbursing any money; or

(c) Any practice which violates any provision of this chapter or any other law or any rule, order or regulation issued pursuant to law.

2. Any bank or credit union which holds the custodial account of the operator, as required by NRS 573.104, to refrain from paying out any money from the account.

➥ The order ceases to be effective upon the expiration of 3 days, excluding Saturdays, Sundays and other nonjudicial days, after its date of issuance unless a court has, pursuant to NRS 573.185, issued an order which continues the restraint.

Sec. 13. NRS 573.185 is hereby amended to read as follows:

573.185 If any ~~[licensee]~~ *operator of a public livestock auction or person who conducts an annual sale of livestock* has engaged or is about to engage in any acts or practices which violate or will violate any of the provisions of this chapter or the rules and regulations adopted by the Department, the district court of any county, on application of the Director, may issue an injunction or other appropriate order restraining that conduct. Proceedings under this section are governed by Rule 65 of the Nevada Rules of Civil Procedure, except that no bond or undertaking is required in any action commenced by the Director.

Sec. 14. NRS 573.190 is hereby amended to read as follows:

573.190 1. Any person who ~~[operates]~~ *:*

(a) Operates a public livestock auction without a license required by this chapter ~~[, or who violates]~~ *;*

(b) Conducts an annual sale of livestock without a limited license issued pursuant to section 1 of this act; or

(c) Violates any of the provisions of this chapter or of any rules or regulations adopted pursuant thereto,

➥ is guilty of a misdemeanor and, in addition to any criminal penalty, shall pay to the Department an administrative fine of not less than $1,000 and not more than $5,000 per violation. If an administrative fine is imposed pursuant to this section, the costs of the proceeding, including investigative costs and attorney's fees, may be recovered by the Department.

2. Each day's operation in which livestock is sold or exchanged at any unlicensed public livestock auction *or annual sale of livestock* constitutes a separate offense.

3. Any money collected from the imposition of an administrative fine pursuant to subsection 1 must be accounted for separately and:

(a) Fifty percent of the money must be used to fund a program selected by the Director that provides loans to persons who are engaged in agriculture and who are 21 years of age or younger; and

(b) The remaining 50 percent of the money must be deposited in the Account for the Control of Weeds established by NRS 555.035.

Sec. 15. NRS 576.140 is hereby amended to read as follows:

576.140 Except as otherwise provided in NRS 576.042, the provisions of this chapter do not apply to:

1. The Nevada Mineral Exhibition, 4-H clubs, the Future Farmers of America, the Nevada Junior Livestock Show, the Nevada State Livestock Show, the Nevada Hereford Association, or any other nonprofit organization or association.

2. Any railroad transporting livestock interstate or intrastate.

3. Any farmer or rancher purchasing or receiving livestock for grazing, pasturing or feeding on his or her premises within the State of Nevada and not for immediate resale.

4. Operators of public livestock auctions as defined in NRS 573.010, and all buyers of livestock at those auctions at which the public livestock auction licensee does not control title or ownership to the livestock being sold or purchased at those auctions, and any person buying for interstate shipments only and subject to and operating under a bond required by the United States pursuant to the provisions of the Packers and Stockyards Act, 7 U.S.C. § 204, and the regulations adopted pursuant to those provisions.

5. *Persons who conduct annual sales of livestock as defined in NRS 573.010.*

6. Any farmer or rancher whose farm or ranch is located in the State of Nevada, who buys or receives farm products or livestock from another farmer or rancher not for immediate resale.

~~[6.]~~ *7.* Any retail merchant having a fixed and established place of business in this state and who conducts a retail business exclusively.

Sec. 16. This act becomes effective:

1. Upon passage and approval for the purposes of adopting regulations and 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 Scheible moved that the Senate concur in Assembly Amendment No. 750 to Senate Bill No. 417.

Remarks by Senator Scheible.

Assembly Amendment No. 750 to Senate Bill No. 417 clarifies that the State Department of Agriculture is required to establish by regulation the fee for a limited license to conduct an annual sale of livestock.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 430.

The following Assembly amendment was read:

Amendment No. 813.

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. Cancer;
6. *Dependence upon or addiction to opioids;*

~~[3.]~~ *7.* Glaucoma;

~~[4.]~~ *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]~~

9. A medical condition related to acquired immune deficiency syndrome or the human immunodeficiency virus;

10. A neuropathic condition, whether or not such condition causes seizures; or

~~[5.]~~ *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 Ratti moved that the Senate concur in Assembly Amendment No. 813 to Senate Bill No. 430.

Remarks by Senator Ratti.

Amendment No. 813 amends Senate Bill No. 430 by retaining existing statutory language that references severe nausea, rather than nausea, as used in the definition of chronic or debilitating medical conditions, for certain purposes related to the medical use of marijuana.

Conflict of interest declared by Senator Ohrenschall.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 450.

The following Assembly amendment was read:

Amendment No. 840.

SUMMARY—Revises provisions relating to recall elections. (BDR 24-71)

AN ACT relating to elections; revising the provisions relating to recall elections and the circulation and submission of a petition to recall a public officer; revising the provisions relating to the verification of signatures on a petition for recall of a public officer; establishing a limit on contributions to the campaign of a candidate in a recall election; requiring the disposal of unspent contributions to a candidate at a recall election; revising provisions relating to a request to remove a signature from a petition to recall a public officer; amending the deadline for filing a legal challenge to the sufficiency of a petition to recall a public officer; imposing civil and criminal penalties for violations of provisions governing recall elections; making various other changes relating to petitions for the recall of a public officer; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Nevada Constitution provides for the right of the registered voters of the State of Nevada to recall a public officer and sets forth a procedure for exercising that right, including a requirement to file a petition to demand the recall and a formula for determining the number of signatures of registered voters that is required to appear on the petition to force the recall election. The Constitution also provides that "[s]uch additional legislation as may aid the

operation of this section shall be provided by law." (Nev. Const. Art. 2, § 9) The Legislature has enacted provisions to aid the operation of the registered voters' right to recall a public officer. (Chapter 306 of NRS) This bill makes various changes to such provisions.

Under existing law, if the Secretary of State finds that the total number of signatures submitted to all county clerks on a petition to recall a public officer is 100 percent or more of the number of registered voters needed to declare the petition sufficient, with limited exception, each of the county clerks is required to examine the signatures by sampling them at random for verification. The random sampling must include an examination of at least 500 or 5 percent of the signatures, whichever is greater. Upon completion of the random sampling, each county clerk is required to file a certificate with the Secretary of State that includes the tally of signatures. (NRS 293.1277) If the Secretary of State determines based on the certificates from all of the relevant county clerks that the petition to recall a public officer contains a number of valid signatures equal to 90 percent or more but less than 100 percent of the number of registered voters needed to make the petition sufficient, the Secretary of State is required to order the county clerks to verify all signatures. (NRS 293.1278, 293.1279)

Sections 2- ~~[4]~~ 5 of this bill ~~[,]~~ revise the verification process for a petition to recall a public officer depending on whether the public officer who is the subject of the petition holds a statewide office. Section 1 of this bill defines the term "statewide office" to mean an elected state office voted upon in the general election by the registered voters of the entire State.

With regard to a petition for the recall of a public officer who does not hold such a statewide office, sections 2-5 of this bill: (1) eliminate the random sampling of a petition for the recall of such a public officer ; ~~[who holds a district, county or municipal office;]~~ (2) require, instead, that each county clerk examine every signature for verification on a petition for the recall of such a public officer ; ~~[who holds a district, county or municipal office;]~~ and (3) give the county clerks 20 days, excluding weekends and holidays, to conduct such verification.

~~[Sections:]~~ With regard to a petition for the recall of a public officer who holds such a statewide office, sections 2-5 of this bill: (1) increase to at least 25 percent the random sampling requirement for a petition for the recall of such a public officer ; ~~[who holds state office;]~~ and (2) give the county clerks 20 days, excluding weekends and holidays, to conduct such verification.

Section 17 of this bill requires ~~[a person who submits]~~ the persons filing the notice of intent to circulate a petition for the recall of a public officer to pay the costs for the Secretary of State and county clerks to verify signatures on the petition , unless ~~[the person submits]~~ those persons submit a written declaration , signed by each of them under penalty of perjury , that : (1) paying the costs will cause ~~[the person]~~ an undue burden ~~[.]~~ on the monetary resources reasonably available to them; and (2) no persons were paid to circulate the petition for signatures, either by the persons filing the notice of intent or, to the

best of their knowledge and belief, by any other person. If the persons filing the notice of intent submit such a written declaration, they are not liable for paying the costs of signature verification, unless it is proven in a civil action brought by the Secretary of State and county clerks that the written declaration contains any false statement of material fact.

Existing law sets forth limitations on making, soliciting and accepting a campaign contribution for a primary or general election. (Nev. Const. Art. 2, §10; NRS 294A.100) Section 6 of this bill: (1) establishes a contribution limitation of $5,000 for a special election to recall a public officer; and (2) sets forth the period during which such contributions may be made, solicited or accepted. Section 7 of this bill provides that a contribution for a special election to recall a public officer does not affect the limitations on contributions to candidates for a primary or general election. Sections 14.5 and 23.5 of this bill provide that the period during which a Legislator, the Lieutenant Governor, Lieutenant Governor-Elect, Governor and Governor-Elect are prohibited from accepting contributions for a political purpose before and after a session of the Legislature does not prohibit a candidate in a special election to recall a public officer from soliciting or accepting contributions for the special election.

Existing law sets forth requirements for reporting certain contributions, campaign expenses and expenditures relating to a special election to recall a public officer. If the legal sufficiency of a petition for the recall of a public officer is challenged and a district court determines that ~~[a]~~ the petition ~~[for the recall of a public officer]~~ is legally insufficient, certain persons, political parties, committees sponsored by political parties, committees for political action and committees for the recall of a public officer are required to report such contributions, campaign expenses and expenditures not later than 30 days after the district court orders the filing officer to cease proceedings regarding the petition. However, existing law does not set forth specific reporting requirements for situations when the district court's decision is appealed or when the district court determines that the petition is legally sufficient and that decision is appealed. (NRS 294A.120, 294A.140, 294A.200, 294A.210, 294A.270, 294A.280) Sections 8, 9 and 11-14 of this bill ~~[require an additional report if]~~ : (1) specify reporting requirements for those situations when the district court's decision is appealed ~~[that is due]~~ ; and (2) require reports to be filed not later than 30 days after the date on which all appeals regarding the petition for the recall of a public officer are exhausted.

Sections 13 and 14 of this bill add requirements for a committee for the recall of a public officer to file additional campaign finance reports of contributions and expenditures during the time that a petition for the recall of a public officer is circulated for signatures.

Existing law requires a candidate who is elected to office to dispose of unspent contributions in various ways, including using the money in the candidate's next election. A candidate who is not elected to office must dispose of unspent contributions and is not allowed to use the money in a future

election. (NRS 294A.160) Section 10 of this bill requires every candidate for office at a special election to recall a public officer to dispose of unspent contributions and prohibits any such candidate from using the money in a future election. Section 11 of this bill requires such a candidate to submit a report to the Secretary of State setting forth how he or she disposed of unspent contributions.

Existing law authorizes a person who signs a petition for the recall of a public officer to submit: (1) a request to the county clerk to remove the person's name from the petition before the petition is submitted for verification; and (2) a request to the Secretary of State to remove the person's name from the petition after the completion of signature verification. (NRS 306.015, 306.040) Section 20 of this bill authorizes a person to submit a request to the county clerk to remove the person's name from the petition at any time before the signature verification is completed. Section 23 of this bill authorizes a person to submit to the filing officer a request to remove the person's name from the petition after the signature verification is completed.

Existing law requires the persons filing the notice of intent to submit the petition that was circulated for signatures within 90 days after the date on which the notice of intent was filed. (NRS 306.015) Section 20 requires the persons to submit the signatures collected during the first 45 days of circulating the petition on or before the 48th day after the date on which the notice of intent was filed. Section 20 also requires the remaining signatures collected to be submitted to the filing officer on or before the 90th day after the notice of intent was filed.

Existing law authorizes a person to file a complaint challenging the legal sufficiency of a petition to recall a public officer not more than 5 days after the Secretary of State notifies the county clerk, filing officer and public officer who is the subject of the petition that the petition contains a sufficient number of signatures. (NRS 306.040) Section 23 amends the deadline for filing such a complaint to not later than 15 days, Saturdays, Sundays and holidays excluded, after such notification.

Existing law provides that a person is guilty of a misdemeanor for misrepresenting the intent or content of a petition for the recall of a public officer. (NRS 306.025) Section 21 of this bill revises this existing criminal offense to provide that a person shall not knowingly or under circumstances amounting to criminal negligence engage in certain criminal offenses relating to: (1) misrepresenting the intent or content of a petition for the recall of a public officer; or (2) obtaining a false, forged or unauthorized signature on such a petition. Section 21 also increases the penalty for these criminal offenses to a category E felony, punishable by a minimum term of not less than 1 year and a maximum term of not more than 4 years in prison. ~~[Section 18 of this bill provides that it is also a category E felony for a person to knowingly or negligently obtain a false signature on a petition for the recall of a public officer. Section]~~ With regard to the standard of criminal negligence used in section 21, the Nevada Supreme Court has stated that "[s]imilar to our

definition of gross negligence, criminal negligence has been described as 'a gross deviation from the standard of care that a reasonable person would observe in the actor's situation.' " (*Cornella v. Churchill Cnty., Justice Ct. of New River Twp.*, 132 Nev. 587, 594 (2016) (quoting *Model Penal Code* § 2.02(2)(d) (Am. Law Inst., Official Draft & Revised Comments 1980)))

In addition to the criminal penalties established by this bill, section 19 of this bill sets forth certain civil penalties for violations of the provisions of law relating to a petition for the recall of a public officer.

Section 24 of this bill declares void certain regulations that would conflict with the amendatory provisions of this bill.

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

Section 1. Chapter 293 of NRS is hereby amended by adding thereto a new section to read as follows:

"Statewide office" means an elected state office whose candidates are voted upon in the general election by the registered voters of the entire State.

Sec. 1.3. NRS 293.010 is hereby amended to read as follows:

293.010 As used in this title, unless the context otherwise requires, the words and terms defined in NRS 293.013 to 293.121, inclusive, *and section 1 of this act* have the meanings ascribed to them in those sections.

~~[Section 1.]~~ *Sec. 1.7.* NRS 293.127565 is hereby amended to read as follows:

293.127565 1. At each building that is open to the general public and occupied by the government of this State or a political subdivision of this State or an agency thereof, other than a building of a public elementary or secondary school, an area must be designated for the use of any person to gather signatures on a petition at any time that the building is open to the public. The area must be reasonable and may be inside or outside of the building. Each public officer or employee in control of the operation of a building governed by this subsection shall:

(a) Designate the area at the building for the gathering of signatures; and

(b) On an annual basis, submit to the Secretary of State and the county clerk for the county in which the building is located a notice of the area at the building designated for the gathering of signatures on a petition. The Secretary of State and the county clerks shall make available to the public a list of the areas at public buildings designated for the gathering of signatures on a petition.

2. Before a person may use an area designated pursuant to subsection 1, the person must notify the public officer or employee in control of the operation of the building governed by subsection 1 of the dates and times that the person intends to use the area to gather signatures on a petition. The public officer or employee may not deny the person the use of the area.

3. Not later than 3 working days after the date of the decision that aggrieved the person, a person aggrieved by a decision made by a public officer or employee pursuant to subsection 1 or 2 may appeal the decision to

the Secretary of State. The Secretary of State shall review the decision to determine whether the public officer or employee violated subsection 1 or 2. If the Secretary of State determines a public officer or employee violated subsection 1 or 2 and that a person was denied the use of a public building for the purpose of gathering signatures on a petition, the Secretary of State shall order that the deadline for filing the petition provided pursuant to NRS 293.128, 293.172, 293.200, 295.056, 298.109, ~~[306.035]~~ *306.015* or 306.110 must be extended for a period equal to the time that the person was denied the use of a public building for the purpose of gathering signatures on a petition, but in no event may the deadline be extended for a period of more than 5 days.

4. The decision of the Secretary of State is a final decision for the purposes of judicial review. Not later than 7 days after the date of the decision by the Secretary of State, the decision of the Secretary of State may only be appealed in the First Judicial District Court. If the First Judicial District Court determines that the public officer or employee violated subsection 1 or 2 and that a person was denied the use of a public building for the purpose of gathering signatures on a petition, the Court shall order that the deadline for filing the petition provided pursuant to NRS 293.128, 293.172, 293.200, 295.056, 298.109, ~~[306.035]~~ *306.015* or 306.110 must be extended for a period equal to the time that the person was denied the use of a public building for the purpose of gathering signatures on a petition, but in no event may the deadline be extended for a period of more than 5 days.

5. The Secretary of State may adopt regulations to carry out the provisions of subsection 3.

Sec. 2. NRS 293.1277 is hereby amended to read as follows:

293.1277 1. If the Secretary of State finds that the total number of signatures submitted to all the county clerks is 100 percent or more of the number of registered voters needed to declare the petition sufficient, the Secretary of State shall immediately so notify the county clerks. After the notification, each of the county clerks shall determine the number of registered voters who have signed the documents submitted in the county clerk's county and, in the case of a petition for initiative or referendum proposing a constitutional amendment or statewide measure, shall tally the number of signatures for each petition district contained or fully contained within the county clerk's county. This determination must be completed within 9 days, excluding Saturdays, Sundays and holidays, after the notification pursuant to this subsection regarding a petition containing signatures which are required to be verified pursuant to NRS 293.128, 295.056, 298.109 ~~[, 306.035]~~ or 306.110, *within 20 days, excluding Saturdays, Sundays and holidays, after the notification pursuant to this subsection regarding a petition containing signatures which are required to be verified pursuant to NRS 306.035,* and within 3 days, excluding Saturdays, Sundays and holidays, after the notification pursuant to this subsection regarding a petition containing signatures which are required to be verified pursuant to NRS 293.172 or

293.200. For the purpose of verification pursuant to this section, the county clerk shall not include in his or her tally of total signatures any signature included in the incorrect petition district.

2. Except as otherwise provided in ~~[subsection]~~ *subsections* 3 ~~[,]~~ *and 4,* if more than 500 names have been signed on the documents submitted to a county clerk, the county clerk shall examine the signatures by sampling them at random for verification. The random sample of signatures to be verified must be drawn in such a manner that every signature which has been submitted to the county clerk is given an equal opportunity to be included in the sample. The sample must include an examination of *:*

(a) Except as otherwise provided in paragraph (b), at least 500 or 5 percent of the signatures, whichever is greater.

(b) If the petition is for the recall of a public officer ~~[that]~~ who holds a statewide office, at least 25 percent of the signatures.

➥ If documents were submitted to the county clerk for more than one petition district wholly contained within that county, a separate random sample must be performed for each petition district.

3. If a petition district comprises more than one county and the petition is for an initiative or referendum proposing a constitutional amendment or a statewide measure, and if more than 500 names have been signed on the documents submitted for that petition district, the appropriate county clerks shall examine the signatures by sampling them at random for verification. The random sample of signatures to be verified must be drawn in such a manner that every signature which has been submitted to the county clerks within the petition district is given an equal opportunity to be included in the sample. The sample must include an examination of at least 500 or 5 percent of the signatures presented in the petition district, whichever is greater. The Secretary of State shall determine the number of signatures that must be verified by each county clerk within the petition district.

4. *If a petition is for the recall of a public officer who does not hold a statewide office, each county clerk:*

(a) Shall not examine the signatures by sampling them at random for verification;

(b) Shall examine for verification every signature on the documents submitted to the county clerk; and

(c) When determining the total number of valid signatures on the documents, shall remove each name of a registered voter who submitted a request to have his or her name removed from the petition pursuant to NRS 306.015.

5. In determining from the records of registration the number of registered voters who signed the documents, the county clerk may use the signatures contained in the file of applications to register to vote. If the county clerk uses that file, the county clerk shall ensure that every application in the file is examined, including any application in his or her possession which may not yet be entered into the county clerk's records. Except as otherwise provided in

subsection ~~[5,]~~ *6,* the county clerk shall rely only on the appearance of the signature and the address and date included with each signature in making his or her determination.

~~[5.]~~ *6.* If:

(a) Pursuant to NRS 293.506, a county clerk establishes a system to allow persons to register to vote by computer;

(b) A person registers to vote pursuant to NRS 293D.230 and signs his or her application to register to vote using a digital signature or an electronic signature; or

(c) A person registers to vote pursuant to section 4 of the 2018 Ballot Question No. 5, the Automatic Voter Registration Initiative,

➥ the county clerk may rely on such other indicia as prescribed by the Secretary of State in making his or her determination.

~~[6.]~~ *7.* In the case of a petition for initiative or referendum proposing a constitutional amendment or statewide measure, when the county clerk is determining the number of registered voters who signed the documents from each petition district contained fully or partially within the county clerk's county, he or she must use the statewide voter registration list available pursuant to NRS 293.675.

~~[7.]~~ *8.* Except as otherwise provided in subsection ~~[9,]~~ *10,* upon completing the examination, the county clerk shall immediately attach to the documents a certificate properly dated, showing the result of the examination, including the tally of signatures by petition district, if required, and transmit the documents with the certificate to the Secretary of State. In the case of a petition for initiative or referendum proposing a constitutional amendment or statewide measure, if a petition district comprises more than one county, the appropriate county clerks shall comply with the regulations adopted by the Secretary of State pursuant to this section to complete the certificate. A copy of this certificate must be filed in the clerk's office. When the county clerk transmits the certificate to the Secretary of State, the county clerk shall notify the Secretary of State of the number of requests to remove a name received by the county clerk pursuant to NRS 295.055 or *pursuant to NRS* 306.015 ~~[,]~~ *for a petition to recall a public officer ~~[that]~~ who holds a statewide office, if applicable.*

~~[8.]~~ *9.* A person who submits a petition to the county clerk which is required to be verified pursuant to NRS 293.128, 293.172, 293.200, 295.056, 298.109, 306.035 or 306.110 must be allowed to witness the verification of the signatures. A public officer who is the subject of a recall petition must also be allowed to witness the verification of the signatures on the petition.

~~[9.]~~ *10.* For any petition containing signatures which are required to be verified pursuant to the provisions of NRS 293.200, 306.035 or 306.110 for any county, district or municipal office within one county, the county clerk shall not transmit to the Secretary of State the documents containing the signatures of the registered voters.

~~[10.]~~ *11.* The Secretary of State shall by regulation establish further procedures for carrying out the provisions of this section.

Sec. 3. NRS 293.1278 is hereby amended to read as follows:

293.1278 1. If the certificates received by the Secretary of State from all the county clerks establish that the number of valid signatures is less than 90 percent of the required number of registered voters, the petition shall be deemed to have failed to qualify, and the Secretary of State shall immediately so notify the petitioners and the county clerks.

2. If those certificates establish that the number of valid signatures is equal to or more than the sum of 100 percent of the number of registered voters needed to make the petition sufficient plus the total number of requests to remove a name received by the county clerks pursuant to NRS 295.055 or *pursuant to NRS* 306.015 *for a petition to recall a public officer who holds a statewide office, if applicable,* and, in the case of a petition for initiative or referendum proposing a constitutional amendment or statewide measure, that the petition has the minimum number of signatures required for each petition district, the petition shall be deemed to qualify as of the date of receipt by the Secretary of State of those certificates, and the Secretary of State shall immediately so notify the petitioners and the county clerks.

3. If the certificates establish that the petitioners have 100 percent or more of the number of registered voters needed to make the petition sufficient but the petition fails to qualify pursuant to subsection 2, each county clerk who received a request to remove a name pursuant to NRS 295.055 or *pursuant to NRS* 306.015 *for a petition to recall a public officer who holds a statewide office, if applicable,* shall remove each name as requested, amend the certificate and transmit the amended certificate to the Secretary of State. If the amended certificates establish that the petitioners have 100 percent or more of the number of registered voters needed to make the petition sufficient and, in the case of a petition for initiative or referendum proposing a constitutional amendment or statewide measure, that the petition has the minimum number of signatures required for each petition district, the petition shall be deemed to qualify as of the date of receipt by the Secretary of State of the amended certificates, and the Secretary of State shall immediately so notify the petitioners and the county clerks.

Sec. 4. NRS 293.1279 is hereby amended to read as follows:

293.1279 1. If the statistical sampling shows that the number of valid signatures filed is 90 percent or more, but less than the sum of 100 percent of the number of signatures of registered voters needed to declare the petition sufficient plus the total number of requests to remove a name received by the county clerks pursuant to NRS 295.055 or *pursuant to NRS* 306.015 ~~[,]~~ *for a petition to recall a public officer who holds a statewide office, if applicable,* the Secretary of State shall order the county clerks to examine the signatures for verification. The county clerks shall examine the signatures for verification until they determine that 100 percent of the number of signatures of registered voters needed to declare the petition sufficient are valid. If the county clerks

received a request to remove a name pursuant to NRS 295.055 ~~[,]~~ or *pursuant to NRS* 306.015 ~~[,]~~ *for a petition to recall a public officer who holds a statewide office, if applicable,* the county clerks may not determine that 100 percent of the number of signatures of registered voters needed to declare the petition sufficient are valid until they have removed each name as requested pursuant to NRS 295.055 or 306.015.

2. Except as otherwise provided in this subsection, if the statistical sampling shows that the number of valid signatures filed in any county is 90 percent or more but less than the sum of 100 percent of the number of signatures of registered voters needed to constitute 10 percent of the number of voters who voted at the last preceding general election in that county plus the total number of requests to remove a name received by the county clerk in that county pursuant to NRS 295.055 or *pursuant to NRS* 306.015 ~~[,]~~ *for a petition to recall a public officer who holds a statewide office, if applicable,* the Secretary of State may order the county clerk in that county to examine every signature for verification. If the county clerk received a request to remove a name pursuant to NRS 295.055 or *pursuant to NRS* 306.015 ~~[,]~~ *for a petition to recall a public officer who holds a statewide office, if applicable,* the county clerk may not determine that 100 percent or more of the number of signatures of registered voters needed to constitute 10 percent of the number of voters who voted at the last preceding general election in that county are valid until the county clerk has removed each name as requested pursuant to NRS 295.055 or 306.015. In the case of a petition for initiative or referendum that proposes a constitutional amendment or statewide measure, if the statistical sampling shows that the number of valid signatures in any petition district is 90 percent or more but less than the sum of 100 percent of the number of signatures of registered voters required for that petition district pursuant to NRS 295.012 plus the total number of requests to remove a name received by the county clerk or county clerks, if the petition district comprises more than one county, pursuant to NRS 295.055, the Secretary of State may order a county clerk to examine every signature for verification.

3. After the receipt of such an order, the county clerk or county clerks shall determine from the records of registration what number of registered voters have signed the petition and, if appropriate, tally those signatures by petition district. This determination must be completed within 12 days, excluding Saturdays, Sundays and holidays, after the receipt of an order regarding a petition containing signatures which are required to be verified pursuant to NRS 293.128, 295.056, 298.109 ~~[, 306.035]~~ or 306.110, *or pursuant to NRS 306.035 for a petition to recall a public officer who holds a statewide office,* and within 5 days, excluding Saturdays, Sundays and holidays, after the receipt of an order regarding a petition containing signatures which are required to be verified pursuant to NRS 293.172 or 293.200. If necessary, the board of county commissioners shall allow the county clerk additional assistants for examining the signatures and provide for their compensation. In determining from the records of registration what number of registered voters

have signed the petition and in determining in which petition district the voters reside, the county clerk must use the statewide voter registration list. The county clerk may rely on the appearance of the signature and the address and date included with each signature in determining the number of registered voters that signed the petition.

4. Except as otherwise provided in subsection 5, upon completing the examination, the county clerk or county clerks shall immediately attach to the documents of the petition an amended certificate, properly dated, showing the result of the examination and shall immediately forward the documents with the amended certificate to the Secretary of State. A copy of the amended certificate must be filed in the county clerk's office. In the case of a petition for initiative or referendum to propose a constitutional amendment or statewide measure, if a petition district comprises more than one county, the county clerks shall comply with the regulations adopted by the Secretary of State pursuant to this section to complete the amended certificate.

5. For any petition containing signatures which are required to be verified pursuant to the provisions of NRS 293.200, 306.035 or 306.110 for any county, district or municipal office within one county, the county clerk shall not forward to the Secretary of State the documents containing the signatures of the registered voters.

6. Except for a petition to recall a county, district or municipal officer, the petition shall be deemed filed with the Secretary of State as of the date on which the Secretary of State receives certificates from the county clerks showing the petition to be signed by the requisite number of voters of the State.

7. If the amended certificates received from all county clerks by the Secretary of State establish that the petition is still insufficient, the Secretary of State shall immediately so notify the petitioners and the county clerks. If the petition is a petition to recall a county, district or municipal officer, the Secretary of State shall also notify the ***filing*** officer with whom the petition is to be filed.

8. The Secretary of State shall adopt regulations to carry out the provisions of this section.

Sec. 5. NRS 293.12795 is hereby amended to read as follows:

293.12795 1. If an appeal is based upon the results of the verification of signatures on a petition performed pursuant to NRS 293.1277 or 293.1279, the Secretary of State shall:

(a) If the Secretary of State finds for the appellant, order the county clerk to recertify the petition, including as verified signatures all contested signatures which the Secretary of State determines are valid. If the county clerk has not yet removed each name as requested pursuant to NRS 295.055 or *pursuant to NRS* 306.015 ~~[,]~~ *for a petition to recall a public officer who holds a statewide office,* the county clerk shall do so before recertifying the petition.

(b) If the Secretary of State does not find for the appellant, notify the appellant and the county clerk that the petition remains insufficient.

2. If the Secretary of State is unable to make a decision on the appeal based upon the documents submitted, the Secretary of State may order the county clerk to reverify the signatures.

3. The decision of the Secretary of State is a final decision for the purposes of judicial review. The decision of the Secretary of State may only be appealed in the First Judicial District Court.

Sec. 6. Chapter 294A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person shall not make or commit to make a contribution or contributions to a candidate in a special election to recall a public officer, in an amount which exceeds $5,000, regardless of the number of candidates for the office.

2. No contribution to a candidate in a recall election may be given or received except during the period:

(a) Beginning on the date that a notice of intent to recall a public officer is filed pursuant to NRS 306.015; and

(b) Ending ~~[:]~~ on the latest of the following dates:

(1) If a petition for recall is not submitted to the filing officer before the expiration of the notice of intent pursuant to the provisions of chapter 306 of NRS or is otherwise legally insufficient when submitted to the filing officer pursuant to the provisions of that chapter, on the date that the notice of intent expires or the petition is determined to be legally insufficient, as applicable.

(2) If the legal sufficiency of a petition for recall is challenged and a district court determines that ~~[a]~~ the petition ~~[for recall]~~ is legally ~~[insufficient]~~ :

(I) Sufficient pursuant to chapter 306 of NRS and the order of the district court is appealed, on the date on which all appeals regarding the petition are exhausted.

(II) Insufficient pursuant to chapter 306 of NRS ~~[:~~

~~(I) Except as otherwise provided in sub-subparagraph (II) and subparagraph (3),]~~ , on the date ~~[of]~~ on which the period to appeal the order of the district court ~~[:~~

~~(II) If]~~ expires or, if the order of the district court is appealed, on the date on which all appeals regarding the petition are exhausted.

(3) If a recall election is held, on the date of the special election to recall a public officer.

3. No contribution made, committed to be made or accepted pursuant to this section for a special election to recall a public officer affects the limitations on the amount of contributions that may be committed, contributed or accepted pursuant to NRS 294A.100 for a primary election or general election.

4. A candidate shall not accept a contribution or commitment to make a contribution made in violation of this section.

5. A person who willfully violates any provision of this section is guilty of a category E felony and shall be punished as provided in NRS 193.130.

Sec. 7. NRS 294A.100 is hereby amended to read as follows:

294A.100 1. A person shall not make or commit to make a contribution or contributions to a candidate for any office, except a federal office, in an amount which exceeds $5,000 for the primary election, regardless of the number of candidates for the office, and $5,000 for the general election, regardless of the number of candidates for the office, during the period:

(a) Beginning January 1 of the year immediately following the last general election for the office and ending December 31 immediately following the next general election for the office, if that office is a state, district, county or township office; or

(b) Beginning from 30 days after the last election for the office and ending 30 days after the next general city election for the office, if that office is a city office.

2. A candidate shall not accept a contribution or commitment to make a contribution made in violation of subsection 1.

3. *No contribution made, committed to be made or accepted pursuant to this section to a candidate for a primary election or general election affects the limitations on the amount of contributions that may be committed, contributed or accepted pursuant to section 6 of this act for a special election to recall a public officer.*

4. A person who willfully violates any provision of this section is guilty of a category E felony and shall be punished as provided in NRS 193.130.

Sec. 8. NRS 294A.120 is hereby amended to read as follows:

294A.120 1. Every candidate for office at a primary election or general election shall, not later than January 15 of the election year, for the period beginning January 1 of the previous year and ending on December 31 of the previous year, report:

(a) Each contribution in excess of $100 received during the period;

(b) Contributions received during the period from a contributor which cumulatively exceed $100;

(c) The total of all contributions received during the period which are $100 or less and which are not otherwise required to be reported pursuant to paragraph (b); and

(d) The balance in the account maintained by the candidate pursuant to NRS 294A.130 on the ending date of the period.

2. In addition to the requirements set forth in subsection 1, every candidate for office at a primary election or general election shall, not later than:

(a) April 15 of the election year, for the period beginning January 1 and ending on March 31 of the election year;

(b) July 15 of the election year, for the period beginning April 1 and ending on June 30 of the election year;

(c) October 15 of the election year, for the period beginning July 1 and ending on September 30 of the election year; and

(d) January 15 of the year immediately following the election year, for the period beginning October 1 and ending on December 31 of the election year,

➥ report each contribution described in paragraphs (a), (b) and (c) of subsection 1 received during the period and the balance in the account maintained by the candidate pursuant to NRS 294A.130 on the ending date of the period.

3. Except as otherwise provided in subsections 4, 5 and 6 and NRS 294A.223, every candidate for office at a special election shall, not later than:

(a) Four days before the beginning of early voting by personal appearance for the special election, for the period from the candidate's nomination through 5 days before the beginning of early voting by personal appearance for the special election;

(b) Four days before the special election, for the period from 4 days before the beginning of early voting by personal appearance for the special election through 5 days before the special election; and

(c) Thirty days after the special election, for the remaining period through the date of the special election,

➥ report each contribution described in paragraphs (a), (b) and (c) of subsection 1 received during the period and the balance in the account maintained by the candidate pursuant to NRS 294A.130 on the ending date of the period.

4. Except as otherwise provided in subsections 5 and 6 and NRS 294A.223, every candidate for office at a special election to determine whether a public officer will be recalled shall, not later than:

(a) Four days before the beginning of early voting by personal appearance for the special election, for the period from the date the notice of intent to circulate the petition for recall is filed pursuant to NRS 306.015 through the 5 days before the beginning of early voting by personal appearance for the special election;

(b) Four days before the special election, for the period from 4 days before the beginning of early voting by personal appearance for the special election through 5 days before the special election; and

(c) Thirty days after the special election, for the remaining period through the date of the special election,

➥ report each contribution described in paragraphs (a), (b) and (c) of subsection 1 received during the period and the balance in the account maintained by the candidate pursuant to NRS 294A.130 on the ending date of the period.

5. Except as otherwise provided in subsection 6, if a petition for recall is not submitted to the filing officer before the expiration of the notice of intent pursuant to the provisions of chapter 306 of NRS or is otherwise legally insufficient when submitted to the filing officer pursuant to the provisions of that chapter, every candidate for office at a special election to determine whether a public officer will be recalled shall, not later than 30 days after the expiration of the notice of intent, for the period from the filing of the notice of intent through the date that the notice of intent expires or the petition is

determined to be legally insufficient, report each contribution described in paragraphs (a), (b) and (c) of subsection 1 received during the period and the balance in the account maintained by the candidate pursuant to NRS 294A.130 on the ending date of the period. The provisions of this subsection apply to the candidate for office at a special election if the petition for recall:

(a) Is not submitted to the filing officer as required by chapter 306 of NRS;

(b) Is submitted to the filing officer without any valid signatures or with fewer than the necessary number of valid signatures required by chapter 306 of NRS; or

(c) Is otherwise legally insufficient or efforts to obtain the necessary number of valid signatures required by chapter 306 of NRS are suspended or discontinued.

6. If *the legal sufficiency of a petition for recall is challenged and* a district court determines that ~~[a]~~ *the* petition ~~[for recall]~~ is legally ~~[insufficient]~~ *:*

(a) Sufficient pursuant to chapter 306 of NRS and the order of the district court is appealed, every candidate for office at a special election to determine whether a public officer will be recalled shall:

(1) Not later than 30 days after the date on which the notice of appeal is filed, for the period from the filing of the notice of intent to circulate the petition for recall through the date on which the notice of appeal is filed, report each contribution described in paragraphs (a), (b) and (c) of subsection 1 received during the period and the balance in the account maintained by the candidate pursuant to NRS 294A.130 on the ending date of the period.

(2) Not later than 30 days after the date on which all appeals regarding the petition are exhausted, for the period from the day after the date on which the notice of appeal is filed through the date on which all appeals regarding the petition are exhausted, report each contribution described in paragraphs (a), (b) and (c) of subsection 1 received during the period and the balance in the account maintained by the candidate pursuant to NRS 294A.130 on the ending date of the period.

(b) Insufficient pursuant to ~~[subsection 6 of NRS 306.040,]~~ *chapter 306 of NRS,* every candidate for office at a special election to determine whether a public officer will be recalled shall ~~[, not]~~ *:*

~~*[(a)]*~~ *(1) Not* later than 30 days after *the date on which* the district court orders the *filing* officer ~~[with whom the petition is filed]~~ to cease any further proceedings regarding the petition, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's order, report each contribution described in paragraphs (a), (b) and (c) of subsection 1 received during the period and the balance in the account maintained by the candidate pursuant to NRS 294A.130 on the ending date of the period.

~~*[(b)]*~~ *(2) Not later than 30 days after the date on which all appeals regarding the petition are exhausted, for the period from the day after the date of the district court's order through the date on which all appeals regarding the petition are exhausted, report each contribution described in*

paragraphs (a), (b) and (c) of subsection 1 received during the period and the balance in the account maintained by the candidate pursuant to NRS 294A.130 on the ending date of the period.

7. In addition to complying with the applicable requirements of subsections 1 to 6, inclusive, if a candidate is elected to office at a primary election, general election or special election, he or she must, not later than January 15 of each year, report the information described in paragraphs (a) to (d), inclusive, of subsection 1 for the period beginning January 1 of the previous year and ending on December 31 of the previous year. The provisions of this subsection apply to the candidate until the year immediately preceding the next election year for that office. Nothing in this subsection:

(a) Requires the candidate to report information described in paragraphs (a) to (d), inclusive, of subsection 1 that has previously been reported in a timely manner pursuant to subsections 1 to 6, inclusive; or

(b) Authorizes the candidate to not comply with the applicable requirements of subsections 1 to 6, inclusive, if he or she becomes a candidate for another office at a primary election, general election or special election during his or her term of office.

8. Except as otherwise provided in NRS 294A.3733, reports of contributions must be filed electronically with the Secretary of State.

9. A report shall be deemed to be filed on the date that it was received by the Secretary of State.

10. The name and address of the contributor and the date on which the contribution was received must be included on the report for each contribution in excess of $100 and contributions which a contributor has made cumulatively in excess of that amount since the beginning of the current reporting period.

Sec. 9. NRS 294A.140 is hereby amended to read as follows:

294A.140 1. The provisions of this section apply to:

(a) Every person who makes an independent expenditure in excess of $1,000; and

(b) Every committee for political action, political party and committee sponsored by a political party which receives contributions in excess of $1,000 or makes an expenditure for or against a candidate for office or a group of such candidates.

2. Every person, committee and political party described in subsection 1 shall, not later than January 15 of the election year, for the period beginning January 1 of the previous year and ending on December 31 of the previous year, report each contribution in excess of $1,000 received during the period and contributions received during the period from a contributor which cumulatively exceed $1,000.

3. In addition to the requirements set forth in subsection 2, every person, committee and political party described in subsection 1 shall, not later than:

(a) April 15 of the election year, for the period beginning January 1 and ending on March 31 of the election year;

(b) July 15 of the election year, for the period beginning April 1 and ending on June 30 of the election year;

(c) October 15 of the election year, for the period beginning July 1 and ending on September 30 of the election year; and

(d) January 15 of the year immediately following the election year, for the period beginning October 1 and ending on December 31 of the election year,

➥ report each contribution in excess of $1,000 received during the period and contributions received during the period from a contributor which cumulatively exceed $1,000.

4. Except as otherwise provided in subsections 5, 6 and 7 and NRS 294A.223, every person, committee and political party described in subsection 1 which makes an independent expenditure or other expenditure, as applicable, for or against a candidate for office at a special election or for or against a group of such candidates shall, not later than:

(a) Four days before the beginning of early voting by personal appearance for the special election, for the period from the nomination of the candidate through 5 days before the beginning of early voting by personal appearance for the special election;

(b) Four days before the special election, for the period from 4 days before the beginning of early voting by personal appearance for the special election through 5 days before the special election; and

(c) Thirty days after the special election, for the remaining period through the date of the special election,

➥ report each contribution in excess of $1,000 received during the period and contributions received during the period from a contributor which cumulatively exceed $1,000.

5. Except as otherwise provided in subsections 6 and 7 and NRS 294A.223, every person, committee and political party described in subsection 1 which makes an independent expenditure or other expenditure, as applicable, for or against a candidate for office at a special election to determine whether a public officer will be recalled or for or against a group of candidates for offices at such special elections shall, not later than:

(a) Four days before the beginning of early voting by personal appearance for the special election, for the period from the date the notice of intent to circulate a petition to recall is filed pursuant to NRS 306.015 through 5 days before the beginning of early voting by personal appearance for the special election;

(b) Four days before the special election, for the period from 4 days before the beginning of early voting by personal appearance for the special election through 5 days before the special election; and

(c) Thirty days after the special election, for the remaining period through the date of the special election,

➥ report each contribution in excess of $1,000 received during the period and contributions received during the period from a contributor which cumulatively exceed $1,000.

6. Except as otherwise provided in subsection 7, if a petition for recall is not submitted to the filing officer before the expiration of the notice of intent pursuant to the provisions of chapter 306 of NRS or is otherwise legally insufficient when submitted to the filing officer pursuant to the provisions of that chapter, every person, committee and political party described in subsection 1 which makes an independent expenditure or other expenditure, as applicable, for or against a candidate for office at a special election to determine whether a public officer will be recalled or for or against a group of such candidates shall, not later than 30 days after the expiration of the notice of intent, for the period from the filing of the notice of intent through the date that the notice of intent expires or the petition is determined to be legally insufficient, report each contribution in excess of $1,000 received and contributions received which cumulatively exceed $1,000. The provisions of this subsection apply to the person, committee and political party if the petition for recall:

(a) Is not submitted to the filing officer as required by chapter 306 of NRS;

(b) Is submitted to the filing officer without any valid signatures or with fewer than the necessary number of valid signatures required by chapter 306 of NRS; or

(c) Is otherwise legally insufficient or efforts to obtain the necessary number of valid signatures required by chapter 306 of NRS are suspended or discontinued.

7. If *the legal sufficiency of a petition for recall is challenged and* a district court determines that ~~[a]~~ *the* petition ~~[for recall]~~ is legally ~~[insufficient]~~ *:*

(a) Sufficient pursuant to chapter 306 of NRS and the order of the district court is appealed, every person, committee and political party described in subsection 1 which makes an independent expenditure or other expenditure, as applicable, for or against a candidate for office at a special election to determine whether a public officer will be recalled or for or against a group of candidates for offices at such a special election shall:

(1) Not later than 30 days after the date on which the notice of appeal is filed, for the period from the filing of the notice of intent to circulate the petition for recall through the date on which the notice of appeal is filed, report each contribution in excess of $1,000 received during the period and contributions received during the period which cumulatively exceed $1,000.

(2) Not later than 30 days after the date on which all appeals regarding the petition are exhausted, for the period from the day after the date on which the notice of appeal is filed through the date on which all appeals regarding the petition are exhausted, report each contribution in excess of $1,000 received during the period and contributions received during the period which cumulatively exceed $1,000.

(b) Insufficient pursuant to ~~[subsection 6 of NRS 306.040,]~~ *chapter 306 of NRS,* every person, committee and political party described in subsection 1 which makes an independent expenditure or other expenditure, as applicable, for or against a candidate for office at a special election to determine whether

a public officer will be recalled or for or against a group of candidates for offices at such a special election shall ~~[, not]~~ *:*

~~[(a)]~~ *(1) Not* later than 30 days after *the date on which* the district court orders the *filing* officer ~~[with whom the petition is filed]~~ to cease any further proceedings regarding the petition, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's order, report each contribution in excess of $1,000 received during the period and contributions received during the period which cumulatively exceed $1,000.

~~[(b)]~~ *(2) Not later than 30 days after the date on which all appeals regarding the petition are exhausted, for the period from the day after the date of the district court's order through the date on which all appeals regarding the petition are exhausted, report each contribution in excess of $1,000 received during the period and contributions received during the period which cumulatively exceed $1,000.*

8. In addition to complying with the applicable requirements of subsections 2 to 7, inclusive, a person, committee or political party described in subsection 1 must, not later than January 15 of each year that is not an election year, for the period beginning January 1 of the previous year and ending on December 31 of the previous year, report each contribution in excess of $1,000 received during the period and contributions received during the period from a contributor which cumulatively exceed $1,000. Nothing in this subsection:

(a) Requires the person, committee or political party to report information that has previously been reported in a timely manner pursuant to subsections 2 to 7, inclusive; or

(b) Authorizes the person, committee or political party to not comply with any applicable requirement set forth in subsections 2 to 7, inclusive.

9. Except as otherwise provided in NRS 294A.3737, the reports of contributions required pursuant to this section must be filed electronically with the Secretary of State.

10. A report shall be deemed to be filed on the date that it was received by the Secretary of State.

11. Every person, committee and political party described in this section shall file a report required by this section even if the person, committee or political party receives no contributions.

12. The name and address of the contributor and the date on which the contribution was received must be included on the report for each contribution in excess of $1,000 and contributions which a contributor has made cumulatively in excess of $1,000 since the beginning of the current reporting period.

Sec. 10. NRS 294A.160 is hereby amended to read as follows:

294A.160 1. It is unlawful for a candidate to spend money received as a contribution for the candidate's personal use.

2. Notwithstanding the provisions of NRS 294A.286, a candidate or public officer may use contributions to pay for any legal expenses that the candidate or public officer incurs in relation to a campaign or serving in public office without establishing a legal defense fund. Any such candidate or public officer shall report any expenditure of contributions to pay for legal expenses in the same manner and at the same time as the report filed pursuant to NRS 294A.120 or 294A.200. A candidate or public officer shall not use contributions to satisfy a civil or criminal penalty imposed by law.

3. ~~[Every]~~ *Except as otherwise provided in subsection 5, every* candidate for office at a primary election, general election or special election who is elected to that office and received contributions that were not spent or committed for expenditure before the primary election, general election or special election shall dispose of the money through one or any combination of the following methods:

(a) Return the unspent money to contributors;

(b) Use the money in the candidate's next election or for the payment of other expenses related to public office or his or her campaign, regardless of whether he or she is a candidate for a different office in the candidate's next election;

(c) Contribute the money to:

(1) The campaigns of other candidates for public office or for the payment of debts related to their campaigns;

(2) A political party; or

(3) Any combination of persons or groups set forth in subparagraphs (1) and (2);

(d) Donate the money to any tax-exempt nonprofit entity; or

(e) Donate the money to any governmental entity or fund of this State or a political subdivision of this State. A candidate who donates money pursuant to this paragraph may request that the money be used for a specific purpose.

4. ~~[Every]~~ *Except as otherwise provided in subsection 5, every* candidate for office at a primary election, general election or special election who withdraws pursuant to NRS 293.202 or 293C.195 after filing a declaration of candidacy or an acceptance of candidacy, is removed from the ballot by court order or is defeated for or otherwise not elected to that office and who received contributions that were not spent or committed for expenditure before the primary election, general election or special election shall, not later than the 15th day of the second month after the election, dispose of the money through one or any combination of the following methods:

(a) Return the unspent money to contributors;

(b) Contribute the money to:

(1) The campaigns of other candidates for public office or for the payment of debts related to their campaigns;

(2) A political party; or

(3) Any combination of persons or groups set forth in subparagraphs (1) and (2);

(c) Donate the money to any tax-exempt nonprofit entity; or

(d) Donate the money to any governmental entity or fund of this State or a political subdivision of this State. A candidate who donates money pursuant to this paragraph may request that the money be used for a specific purpose.

5. *Every candidate for office at a special election to recall a public officer shall dispose of the unspent contributions through one or any combination of the methods set forth in subsection 4 not later than the 15th day of the second month following the last day for the candidate to receive a contribution pursuant to section 6 of this act.*

6. Every candidate for office who withdraws after filing a declaration of candidacy or an acceptance of candidacy, is defeated for that office at a primary election or is removed from the ballot by court order before a primary election or general election and who received a contribution from a person in excess of $5,000 shall, not later than the 15th day of the second month after the primary election or general election, as applicable, return any money in excess of $5,000 to the contributor.

~~[6.]~~ *7.* Except for a former public officer who is subject to the provisions of subsection ~~[10,]~~ *11,* every person who qualifies as a candidate by receiving one or more qualifying contributions in excess of $100 but who, within 4 years after the date of receiving the first of those qualifying contributions, does not:

(a) File a declaration of candidacy or an acceptance of candidacy; or

(b) Appear on an official ballot at any election,

➥ shall, not later than the 15th day of the month after the end of the 4-year period, dispose of all contributions that have not been spent or committed for expenditure through one or any combination of the methods set forth in subsection 4.

~~[7.]~~ *8.* Except as otherwise provided in subsection ~~[8,]~~ *9,* every public officer who:

(a) Does not run for reelection to the office which he or she holds;

(b) Is not a candidate for any other office and does not qualify as a candidate by receiving one or more qualifying contributions in excess of $100; and

(c) Has contributions that are not spent or committed for expenditure remaining from a previous election,

➥ shall, not later than the 15th day of the second month after the expiration of the public officer's term of office, dispose of those contributions in the manner provided in subsection 4.

~~[8.]~~ *9.* Every public officer who:

(a) Resigns from his or her office;

(b) Is not a candidate for any other office and does not qualify as a candidate by receiving one or more qualifying contributions in excess of $100; and

(c) Has contributions that are not spent or committed for expenditure remaining from a previous election,

➥ shall, not later than the 15th day of the second month after the effective date of the resignation, dispose of those contributions in the manner provided in subsection 4.

~~[9.]~~ *10.* Except as otherwise provided in subsection ~~[10,]~~ *11,* every public officer who:

(a) Does not run for reelection to the office which he or she holds or who resigns from his or her office;

(b) Is a candidate for any other office or qualifies as a candidate by receiving one or more qualifying contributions in excess of $100; and

(c) Has contributions that are not spent or committed for expenditure remaining from a previous election,

➥ may use the unspent contributions in a future election. Such a public officer is subject to the reporting requirements set forth in NRS 294A.120, 294A.125, 294A.128, 294A.200 and 294A.362 for as long as the public officer is a candidate for any office or qualifies as a candidate by receiving one or more qualifying contributions in excess of $100.

~~[10.]~~ *11.* Every former public officer described in subsection ~~[9]~~ *10* who qualifies as a candidate by receiving one or more qualifying contributions in excess of $100 but who, within 4 years after the date of receiving the first of those qualifying contributions, does not:

(a) File a declaration of candidacy or an acceptance of candidacy; or

(b) Appear on an official ballot at any election,

➥ shall, not later than the 15th day of the month after the end of the 4-year period, dispose of all contributions that have not been spent or committed for expenditure through one or any combination of the methods set forth in subsection 4.

~~[11.]~~ *12.* In addition to the methods for disposing of the unspent money set forth in this section, a Legislator may donate not more than $500 of that money to the Nevada Silver Haired Legislative Forum created pursuant to NRS 427A.320.

~~[12.]~~ *13.* Any contributions received before a candidate for office at a primary election, general election or special election dies that were not spent or committed for expenditure before the death of the candidate must be disposed of in the manner provided in subsection 4.

~~[13.]~~ *14.* The court shall, in addition to any penalty which may be imposed pursuant to NRS 294A.420, order the candidate or public officer to dispose of any remaining contributions in the manner provided in this section.

~~[14.]~~ *15.* As used in this section:

(a) "Contribution" includes, without limitation, any interest and other income earned on a contribution.

(b) "Qualifying contribution" means the receipt of a contribution that causes a person to qualify as a candidate pursuant to subsection 4 of NRS 294A.005.

Sec. 11. NRS 294A.200 is hereby amended to read as follows:

294A.200 1. Every candidate for office at a primary election or general election shall, not later than January 15 of the election year, for the period beginning January 1 of the previous year and ending on December 31 of the previous year, report:

(a) Each of the campaign expenses in excess of $100 incurred during the period;

(b) Each amount in excess of $100 disposed of pursuant to NRS 294A.160 or subsection 3 of NRS 294A.286 during the period;

(c) The total of all campaign expenses incurred during the period which are $100 or less; and

(d) The total of all amounts disposed of during the period pursuant to NRS 294A.160 or subsection 3 of NRS 294A.286 which are $100 or less.

2. In addition to the requirements set forth in subsection 1, every candidate for office at a primary election or general election shall, not later than:

(a) April 15 of the election year, for the period beginning January 1 and ending on March 31 of the election year;

(b) July 15 of the election year, for the period beginning April 1 and ending on June 30 of the election year;

(c) October 15 of the election year, for the period beginning July 1 and ending on September 30 of the election year; and

(d) January 15 of the year immediately following the election year, for the period beginning October 1 and ending on December 31 of the election year,

➥ report each of the campaign expenses described in subsection 1 incurred during the period.

3. Except as otherwise provided in subsections 4, 5 and 6 and NRS 294A.223, every candidate for office at a special election shall, not later than:

(a) Four days before the beginning of early voting by personal appearance for the special election, for the period from the candidate's nomination through 5 days before the beginning of early voting by personal appearance for the special election;

(b) Four days before the special election, for the period from 4 days before the beginning of early voting by personal appearance for the special election through 5 days before the special election; and

(c) Thirty days after the special election, for the remaining period through the date of the special election,

➥ report each of the campaign expenses described in subsection 1 incurred during the period.

4. Except as otherwise provided in subsections 5 and 6 and NRS 294A.223, every candidate for office at a special election to determine whether a public officer will be recalled shall, not later than:

(a) Four days before the beginning of early voting by personal appearance for the special election, for the period from the date the notice of intent to circulate the petition for recall is filed pursuant to NRS 306.015 through 5 days before the beginning of early voting by personal appearance for the special election;

(b) Four days before the special election, for the period from 4 days before the beginning of early voting by personal appearance for the special election through 5 days before the special election; and

(c) Thirty days after the special election, for the remaining period through the date of the special election,

➥ report each of the campaign expenses described in subsection 1 incurred during the period.

5. Except as otherwise provided in subsection 6, if a petition for recall is not submitted to the filing officer before the expiration of the notice of intent pursuant to the provisions of chapter 306 of NRS or is otherwise legally insufficient when submitted to the filing officer pursuant to the provisions of that chapter, every candidate for office at a special election to determine whether a public officer will be recalled shall, not later than 30 days after the expiration of the notice of intent, for the period from the filing of the notice of intent through the date that the notice of intent expires or the petition is determined to be legally insufficient, report each of the campaign expenses described in subsection 1 incurred during the period. The provisions of this subsection apply to the candidate for office at a special election if the petition for recall:

(a) Is not submitted to the filing officer as required by chapter 306 of NRS;

(b) Is submitted to the filing officer without any valid signatures or with fewer than the necessary number of valid signatures required by chapter 306 of NRS; or

(c) Is otherwise legally insufficient or efforts to obtain the necessary number of valid signatures required by chapter 306 of NRS are suspended or discontinued.

6. If *the legal sufficiency of a petition for recall is challenged and* a district court determines that ~~[a]~~ *the* petition ~~[for recall]~~ is legally ~~[insufficient]~~ *:*

(a) Sufficient pursuant to chapter 306 of NRS and the order of the district court is appealed, every candidate for office at a special election to determine whether a public officer will be recalled shall:

(1) Not later than 30 days after the date on which the notice of appeal is filed, for the period from the filing of the notice of intent to circulate the petition for recall through the date on which the notice of appeal is filed, report each of the campaign expenses described in subsection 1 incurred during the period.

(2) Not later than 30 days after the date on which all appeals regarding the petition are exhausted, for the period from the day after the date on which the notice of appeal is filed through the date on which all appeals regarding the petition are exhausted, report each of the campaign expenses described in subsection 1 incurred during the period.

(b) Insufficient pursuant to ~~[subsection 6 of NRS 306.040,]~~ *chapter 306 of NRS,* every candidate for office at a special election to determine whether a public officer will be recalled shall ~~[, not]~~ *:*

~~*[(a)]*~~ *(1) Not* later than 30 days after *the date on which* the district *court* orders the *filing* officer ~~[with whom the petition is filed]~~ to cease any further proceedings regarding the petition, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's

order, report each of the campaign expenses described in subsection 1 incurred during the period.

~~[(b)]~~ *(2) Not later than 30 days after the date on which all appeals regarding the petition are exhausted, for the period from the day after the date of the district court's order through the date on which all appeals regarding the petition are exhausted, report each of the campaign expenses described in subsection 1 incurred during the period.*

7. In addition to complying with the applicable reporting requirements of subsections 1 to 6, inclusive, if a candidate is elected to office at a primary election, general election or special election, he or she must, not later than January 15 of each year, report each of the campaign expenses described in subsection 1 incurred during the period beginning January 1 of the previous year and ending on December 31 of the previous year. The provisions of this subsection apply to the candidate until the year immediately preceding the next election year for that office. Nothing in this section:

(a) Requires the candidate to report a campaign expense that has previously been reported in a timely manner pursuant to subsections 1 to 6, inclusive; or

(b) Authorizes the candidate to not comply with the applicable requirements of subsections 1 to 6, inclusive, if he or she becomes a candidate for another office at a primary election, general election or special election during his or her term of office.

8. ~~[If]~~ *Except as otherwise provided in subsection 9, if* a candidate disposes of contributions pursuant to NRS 294A.160 or 294A.286 in any calendar year for which the candidate is not required to file a report pursuant to other provisions of this section, the candidate shall on or before January 15 of the following year, for the period beginning January 1 and ending on December 31 of the calendar year, report:

(a) Each amount in excess of $100 disposed of pursuant to NRS 294A.160 or 294A.286 during the period; and

(b) The total of all amounts disposed of during the period pursuant to NRS 294A.160 or 294A.286 which are $100 or less.

9. *If a candidate for office at a special election to determine whether a public officer will be recalled disposes of contributions pursuant to subsection 5 of NRS 294A.160, the candidate shall, on or before the 15th day of the second month following the last day for the candidate to receive a contribution pursuant to section 6 of this act, report:*

(a) Each amount in excess of $100 disposed of pursuant to subsection 5 of NRS 294A.160; and

(b) The total of all amounts disposed of during the period pursuant to subsection 5 of NRS 294A.160 which are $100 or less.

10. Except as otherwise provided in NRS 294A.3733, reports of campaign expenses must be filed electronically with the Secretary of State.

~~[10.]~~ *11.* A report shall be deemed to be filed on the date that it was received by the Secretary of State.

Sec. 12. NRS 294A.210 is hereby amended to read as follows:

294A.210 1. The provisions of this section apply to:

(a) Every person who makes an independent expenditure in excess of $1,000; and

(b) Every committee for political action, political party and committee sponsored by a political party which receives contributions in excess of $1,000 or makes an expenditure for or against a candidate for office or a group of such candidates.

2. Every person, committee and political party described in subsection 1 shall, not later than January 15 of the election year, for the period beginning January 1 of the previous year and ending on December 31 of the previous year, report each independent expenditure or other expenditure, as applicable, made during the period in excess of $1,000 and independent expenditures or other expenditures, as applicable, made during the period to one recipient which cumulatively exceed $1,000.

3. In addition to the requirements set forth in subsection 2, every person, committee and political party described in subsection 1 shall, not later than:

(a) April 15 of the election year, for the period beginning January 1 and ending on March 31 of the election year;

(b) July 15 of the election year, for the period beginning April 1 and ending on June 30 of the election year;

(c) October 15 of the election year, for the period beginning July 1 and ending on September 30 of the election year; and

(d) January 15 of the year immediately following the election year, for the period beginning October 1 and ending on December 31 of the election year,

➥ report each independent expenditure or other expenditure, as applicable, in excess of $1,000 made during the period and independent expenditures or other expenditures, as applicable, made during the period to one recipient which cumulatively exceed $1,000.

4. Except as otherwise provided in subsections 5, 6 and 7 and NRS 294A.223, every person, committee and political party described in subsection 1 which makes an independent expenditure or other expenditure, as applicable, for or against a candidate for office at a special election or for or against a group of such candidates shall, not later than:

(a) Four days before the beginning of early voting by personal appearance for the special election, for the period from the nomination of the candidate through 5 days before the beginning of early voting by personal appearance for the special election;

(b) Four days before the special election, for the period from 4 days before the beginning of early voting by personal appearance for the special election through 5 days before the special election; and

(c) Thirty days after the special election, for the remaining period through the date of the special election,

➥ report each independent expenditure or other expenditure, as applicable, in excess of $1,000 made during the period and independent expenditures or

other expenditures, as applicable, made during the period to one recipient which cumulatively exceed $1,000.

5. Except as otherwise provided in subsections 6 and 7 and NRS 294A.223, every person, committee and political party described in subsection 1 which makes an independent expenditure or other expenditure, as applicable, for or against a candidate for office at a special election to determine whether a public officer will be recalled or for or against a group of such candidates shall, not later than:

(a) Four days before the beginning of early voting by personal appearance for the special election, for the period from the date the notice of intent to circulate the petition for recall is filed pursuant to NRS 306.015 through 5 days before the beginning of early voting by personal appearance for the special election;

(b) Four days before the special election, for the period from 4 days before the beginning of early voting by personal appearance for the special election through 5 days before the special election; and

(c) Thirty days after the special election, for the remaining period through the date of the special election,

➥ report each independent expenditure or other expenditure, as applicable, in excess of $1,000 made during the period and independent expenditures or other expenditures, as applicable, made during the period to one recipient which cumulatively exceed $1,000.

6. Except as otherwise provided in subsection 7, if a petition for recall is not submitted to the filing officer before the expiration of the notice of intent pursuant to the provisions of chapter 306 of NRS or is otherwise legally insufficient when submitted to the filing officer pursuant to the provisions of that chapter, every person, committee and political party described in subsection 1 which makes an independent expenditure or other expenditure, as applicable, for or against a candidate for office at a special election to determine whether a public officer will be recalled or for or against a group of such candidates shall, not later than 30 days after the expiration of the notice of intent, for the period from the filing of the notice of intent through the date that the notice of intent expires or the petition is determined to be legally insufficient, report each of the campaign expenses described in subsection 1 incurred during the period. The provisions of this subsection apply to the person, committee and political party if the petition for recall:

(a) Is not submitted to the filing officer as required by chapter 306 of NRS;

(b) Is submitted to the filing officer without any valid signatures or with fewer than the necessary number of valid signatures required by chapter 306 of NRS; or

(c) Is otherwise legally insufficient or efforts to obtain the necessary number of valid signatures required by chapter 306 of NRS are suspended or discontinued.

7. If *the legal sufficiency of a petition for recall is challenged and* a district court determines that the petition ~~[for recall]~~ is legally ~~[insufficient]~~ *:*

(a) Sufficient pursuant to chapter 306 of NRS and the order of the district court is appealed, every person, committee and political party described in subsection 1 which makes an independent expenditure or other expenditure, as applicable, for or against a candidate for office at a special election to determine whether a public officer will be recalled or for or against a group of such candidates shall:

(1) Not later than 30 days after the date on which the notice of appeal is filed, for the period from the filing of the notice of intent to circulate the petition for recall through the date on which the notice of appeal is filed, report each independent expenditure or other expenditure, as applicable, in excess of $1,000 made during the period and independent expenditures or expenditures, as applicable, made during the period to one recipient which cumulatively exceed $1,000.

(2) Not later than 30 days after the date on which all appeals regarding the petition are exhausted, for the period from the day after the date on which the notice of appeal is filed through the date on which all appeals regarding the petition are exhausted, report each independent expenditure or other expenditure, as applicable, in excess of $1,000 made during the period and independent expenditures or expenditures, as applicable, made during the period to one recipient which cumulatively exceed $1,000.

(b) Insufficient pursuant to ~~[subsection 6 of NRS 306.040,]~~ *chapter 306 of NRS,* every person, committee and political party described in subsection 1 which makes an independent expenditure or other expenditure, as applicable, for or against a candidate for office at a special election to determine whether a public officer will be recalled or for or against a group of such candidates shall ~~[, not]~~ *:*

~~*[(a)]*~~ *(1) Not* later than 30 days after *the date on which* the district court orders the *filing* officer ~~[with whom the petition is filed]~~ to cease any further proceedings regarding the petition, for the period from the filing of the notice of intent to circulate the petition for recall through the date of the district court's order, report each independent expenditure or other expenditure, as applicable, in excess of $1,000 made during the period and independent expenditures or expenditures, as applicable, made during the period to one recipient which cumulatively exceed $1,000.

~~*[(b)]*~~ *(2) Not later than 30 days after the date on which all appeals regarding the petition are exhausted, for the period from the day after the date of the district court's order through the date on which all appeals regarding the petition are exhausted, report each independent expenditure or other expenditure, as applicable, in excess of $1,000 made during the period and independent expenditures or expenditures, as applicable, made during the period to one recipient which cumulatively exceed $1,000.*

8. In addition to complying with the applicable requirements of subsections 2 to 7, inclusive, a person, committee or political party described in subsection 1 must, not later than January 15 of each year that is not an election year, for the period beginning January 1 of the previous year and

ending on December 31 of the previous year, report each independent expenditure or other expenditure, as applicable, made during the period in excess of $1,000 and independent expenditures or other expenditures, as applicable, made during the period to one recipient which cumulatively exceed $1,000. Nothing in this subsection:

(a) Requires the person, committee or political party to report information that has previously been reported in a timely manner pursuant to subsections 2 to 7, inclusive; or

(b) Authorizes the person, committee or political party to not comply with any applicable requirement set forth in subsections 2 to 7, inclusive.

9. Independent expenditures and other expenditures made within the State or made elsewhere but for use within the State, including independent expenditures and other expenditures made outside the State for printing, television and radio broadcasting or other production of the media, must be included in the report.

10. Except as otherwise provided in NRS 294A.3737, the reports must be filed electronically with the Secretary of State.

11. If an independent expenditure or other expenditure, as applicable, is made for or against a group of candidates, the reports must be itemized by the candidate.

12. A report shall be deemed to be filed on the date that it was received by the Secretary of State. Every person, committee or political party described in subsection 1 shall file a report required by this section even if the person, committee or political party receives no contributions.

Sec. 13. NRS 294A.270 is hereby amended to read as follows:

294A.270 1. Except as otherwise provided in ~~[subsections]~~ *subsection* 3 , ~~[and 4,]~~ each committee for the recall of a public officer shall, not later than:

(a) *The 48th day after the date on which the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015, for the period:*

(1) From the earlier of:

(I) The date on which the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015; or

(II) The date on which the committee first received any contribution, made any contribution or made any expenditure; and

(2) Ending on the 45th day after the date on which the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015.

(b) The 93rd day after the date on which the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015, for the period:

(1) From the 46th day after the date on which the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015; and

(2) Ending on the 90th day after the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015.

(c) Four days before the beginning of early voting by personal appearance for the special election to recall a public officer, for the period from *91st day after* the date *on which* the notice of intent to circulate the petition for recall is

filed pursuant to NRS 306.015 through 5 days before the beginning of early voting by personal appearance for the special election;

~~[(b)]~~ *(d)* Four days before the special election, for the period from 4 days before the beginning of early voting by personal appearance for the special election through 5 days before the special election; and

~~[(c)]~~ *(e)* Thirty days after the special election, for the remaining period through the date of the special election,

➥ report each contribution received or made by the committee for the recall of a public officer during the period in excess of $100 and contributions received from a contributor or made to one recipient which cumulatively exceed $100.

2. Except as otherwise provided in subsection 3, if a petition for the recall of a public officer is not submitted to the filing officer before the expiration of the notice of intent pursuant to the provisions of chapter 306 of NRS or is otherwise legally insufficient when submitted to the filing officer pursuant to the provisions of chapter 306 of NRS, the committee for the recall of a public officer shall, not later than 30 days after the expiration of the notice of intent, report each contribution received by the committee for the recall of a public officer, and each contribution made by the committee for the recall of a public officer inexcess of $100 and contributions made to one recipient which cumulatively exceed $100 ~~[. *that has not otherwise]*~~ *, except for contributions that already have been reported pursuant to paragraph (a) of subsection 1.* The provisions of this subsection apply to the committee for the recall of a public officer if the committee:

(a) Fails to submit the petition to the filing officer as required by chapter 306 of NRS;

(b) Submits the petition to the filing officer without any valid signatures or with fewer than the necessary number of valid signatures required by chapter 306 of NRS; or

(c) Otherwise submits a legally insufficient petition or suspends or ceases its efforts to obtain the necessary number of valid signatures required by chapter 306 of NRS.

3. If *the legal sufficiency of a petition for recall is challenged and* a district court determines that the petition ~~[for the recall of the public officer]~~ is legally ~~[insufficient]~~ *:*

(a) Sufficient pursuant to chapter 306 of NRS and the order of the district court is appealed, the committee for the recall of a public officer shall:

(1) Not later than 30 days after the date on which the notice of appeal is filed, for the period from the filing of the notice of intent to circulate the petition for recall through the date on which the notice of appeal is filed, report each contribution received or made by the committee for the recall of a public officer in excess of $100 and contributions received from a contributor or made to one recipient which cumulatively exceed $100, except for contributions that already have been reported pursuant to paragraph (a) of subsection 1.

(2) Not later than 30 days after the date on which all appeals regarding the petition are exhausted, for the period from the day after the date on which the notice of appeal is filed through the date on which all appeals regarding the petition are exhausted, report each contribution received or made by the committee for the recall of a public officer in excess of $100 and contributions received from a contributor or made to one recipient which cumulatively exceed $100.

(b) Insufficient pursuant to ~~[subsection 6 of NRS 306.040,]~~ *chapter 306 of NRS,* the committee for the recall of a public officer shall ~~[, not]~~ *:*

~~[(a)]~~ *(1) Not* later than 30 days after *the date on which* the district court orders the *filing* officer ~~[with whom the petition is filed]~~ to cease any further proceedings regarding the petition, for the period from the filing of the notice of intent to circulate the petition for recall through the day of the district court's order, report each contribution received or made by the committee for the recall of a public officer in excess of $100 and contributions received from a contributor or made to one recipient which cumulatively exceed $100 ~~[.~~ ~~(b)]~~ *, except for contributions that already have been reported pursuant to paragraph (a) of subsection 1.*

(2) Not later than 30 days after the date on which all appeals regarding the ~~[district court order]~~ petition are exhausted, for the period from the day after the date of the district court's order through the date on which all appeals regarding the ~~[district court's]~~ petition are exhausted, report each contribution received or made by the committee for the recall of a public officer in excess of $100 and contributions received from a contributor or made to one recipient which cumulatively exceed $100.

4. ~~[If the special election is held on the same day as a primary election or general election, the committee for the recall of a public officer shall, not later than:~~

~~(a) Twenty-one days before the special election, for the period from the filing of the notice of intent to circulate the petition for recall through 25 days before the special election;~~

~~(b) Four days before the special election, for the period from 24 days before the special election through 5 days before the special election; and~~

~~(c) The 15th day of the second month after the special election, for the remaining period through the date of the special election,~~

~~➥ report each contribution received or made by the committee for the recall of a public officer in excess of $100 and contributions received from a contributor or made to one recipient which cumulatively exceed $100.~~

~~5.]~~ Except as otherwise provided in NRS 294A.3737, each report of contributions must be filed electronically with the Secretary of State.

~~[6.]~~ *5.* A report shall be deemed to be filed on the date that it was received by the Secretary of State.

~~[7.]~~ *6.* The name and address of the contributor or recipient and the date on which the contribution was received must be included on the report for each contribution, whether from or to a natural person, association or corporation.

Sec. 14. NRS 294A.280 is hereby amended to read as follows:

294A.280 1. Except as otherwise provided in ~~[subsections]~~ *subsection* 3 , ~~[and 4,]~~ each committee for the recall of a public officer shall, not later than:

(a) *The 48th day after the date on which the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015, for the period:*

(1) From the earlier of:

(I) The date on which the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015; or

(II) The date on which the committee first received any contribution, made any contribution or made any expenditure; and

(2) Ending on the 45th day after the date on which the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015.

(b) The 93rd day after the date on which the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015, for the period:

(1) From the 46th day after the date on which the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015; and

(2) Ending on the 90th day after the notice of intent to circulate the recall petition was filed pursuant to NRS 306.015.

(c) Four days before the beginning of early voting by personal appearance for the special election to recall a public officer, for the period from *91st day after* the date *on which* the notice of intent to circulate the petition for recall is filed pursuant to NRS 306.015 through 5 days before the beginning of early voting by personal appearance for the special election;

~~[(b)]~~ *(d)* Four days before the special election, for the period from 4 days before the beginning of early voting by personal appearance for the special election through 5 days before the special election; and

~~[(c)]~~ *(e)* Thirty days after the special election, for the remaining period through the date of the special election,

➥ report each expenditure made by the committee for the recall of a public officer during the period in excess of $100 and expenditures made to one recipient which cumulatively exceed $100.

2. Except as otherwise provided in subsection 3, if a petition for the recall of a public officer is not submitted to the filing officer before the expiration of the notice of intent pursuant to the provisions of chapter 306 of NRS or is otherwise legally insufficient when submitted to the filing officer pursuant to the provisions of chapter 306 of NRS, the committee for the recall of a public officer shall, not later than 30 days after the expiration of the notice of intent, report each expenditure made by the committee for the recall of a public officer in excess of $100 and expenditures made to one recipient which cumulatively exceed $100 ~~[.~~ *~~and has not otherwise~~]* , *except for expenditures that already have been reported pursuant to paragraph (a) of subsection 1*. The provisions of this subsection apply to the committee for the recall of a public officer if the committee:

(a) Fails to submit the petition to the filing officer as required by chapter 306 of NRS;

(b) Submits the petition to the filing officer without any valid signatures or with fewer than the necessary number of valid signatures required by chapter 306 of NRS; or

(c) Otherwise submits a legally insufficient petition or suspends or ceases its efforts to obtain the necessary number of valid signatures required by chapter 306 of NRS.

3. If *the legal sufficiency of a petition for recall is challenged and* a district court determines that ~~[a]~~ *the* petition ~~[for the recall of the public officer]~~ is legally ~~[insufficient]~~ *:*

(a) Sufficient pursuant to chapter 306 of NRS and the order of the district court is appealed, the committee for the recall of a public officer shall:

(1) Not later than 30 days after the date on which the notice of appeal is filed, for the period from the filing of the notice of intent to circulate the petition for recall through the date on which the notice of appeal is filed, report each expenditure made by the committee for the recall of a public officer in excess of $100 and expenditures made to one recipient which cumulatively exceed $100, except for expenditures that already have been reported pursuant to paragraph (a) of subsection 1.

(2) Not later than 30 days after the date on which all appeals regarding the petition are exhausted, for the period from the day after the date on which the notice of appeal is filed through the date on which all appeals regarding the petition are exhausted, report each expenditure made by the committee for the recall of a public officer in excess of $100 and expenditures made to one recipient which cumulatively exceed $100.

(b) Insufficient pursuant to ~~[subsection 6 of NRS 306.040,]~~ *chapter 306 of NRS,* the committee for the recall of a public officer shall ~~[, not]~~ *:*

~~*[(a)]*~~ *(1) Not* later than 30 days after *the date on which* the district court orders the *filing* officer ~~[with whom the petition is filed]~~ to cease any further proceedings regarding the petition, for the period from the filing of the notice of intent to circulate the petition for recall through the day of the district court's order, report each expenditure made by the committee for the recall of a public officer in excess of $100 and expenditures made to one recipient which cumulatively exceed $100 ~~[. *and has not otherwise]*~~ *, except for expenditures that already have been reported pursuant to paragraph (a) of subsection 1.*

~~*[(b)]*~~ *(2) Not later than 30 days after the date on which all appeals regarding the* ~~*[district court order]*~~ *petition are exhausted, for the period from the day after the date of the district court's order through the date on which all appeals regarding the* ~~*[district court's]*~~ *petition are exhausted, report each expenditure made by the committee for the recall of a public officer in excess of $100 and expenditures made to one recipient which cumulatively exceed $100.*

4. ~~[If the special election is held on the same day as a primary election or general election, the committee for the recall of a public officer shall, not later than:~~

~~(a) Twenty-one days before the special election, for the period from the filing of the notice of intent to circulate the petition for recall through 25 days before the special election;~~

~~(b) Four days before the special election, for the period from 24 days before the special election through 5 days before the special election; and~~

~~(c) The 15th of the second month after the special election, for the remaining period through the date of the special election,~~

~~➥ report each expenditure made by the committee for the recall of a public officer in excess of $100 and expenditures made to one recipient which cumulatively exceed $100.~~

~~5.]~~ Except as otherwise provided in NRS 294A.3737, each report of expenditures must be filed electronically with the Secretary of State.

~~[6.]~~ *5.* A report shall be deemed to be filed on the date that it was received by the Secretary of State.

~~[7.]~~ *6.* The name and address of the recipient and the date on which the expenditure was made must be included on the report for each expenditure, whether to a natural person, association or corporation.

Sec. 14.5. NRS 294A.300 is hereby amended to read as follows:

294A.300 1. ~~[It]~~ *Except as otherwise provided in ~~[subsection 4,]~~ this section, it* is unlawful for a member of the Legislature, the Lieutenant Governor, the Lieutenant Governor-Elect, the Governor or the Governor-Elect to solicit or accept any monetary contribution, or solicit or accept a commitment to make such a contribution for any political purpose during the period beginning:

(a) Thirty days before a regular session of the Legislature and ending 30 days after the final adjournment of a regular session of the Legislature;

(b) Fifteen days before a special session of the Legislature is set to commence and ending 15 days after the final adjournment of a special session of the Legislature, if:

(1) The Governor sets a specific date for the commencement of the special session that is more than 15 days after the date on which the Governor issues the proclamation calling for the special session pursuant to Section 9 of Article 5 of the Nevada Constitution; or

(2) The members of the Legislature set a date on or before which the Legislature is to convene the special session that is more than 15 days after the date on which the Secretary of State receives one or more substantially similar petitions signed, in the aggregate, by the required number of members calling for the special session pursuant to Section 2A of Article 4 of the Nevada Constitution; or

(c) The day after:

(1) The date on which the Governor issues the proclamation calling for the special session and ending 15 days after the final adjournment of the special session if the Governor sets a specific date for the commencement of the special session that is 15 or fewer days after the date on which the Governor issues the proclamation calling for the special session; or

(2) The date on which the Secretary of State receives one or more substantially similar petitions signed, in the aggregate, by the required number of members of the Legislature calling for the special session and ending 15 days after the final adjournment of the special session if the members set a date on or before which the Legislature is to convene the special session that is 15 or fewer days after the date on which the Secretary of State receives the petitions.

2. ~~[A]~~ *Except as otherwise provided in ~~[subsection 3,]~~* *this section, a* person shall not make or commit to make a contribution or commitment prohibited by subsection 1.

3. This section does not prohibit the payment of a salary or other compensation or income to a member of the Legislature, the Lieutenant Governor or the Governor during ~~[a session of the Legislature]~~ *the period set forth in subsection 1* if it is made for services provided as a part of his or her regular employment or is additional income to which he or she is entitled.

4. *This section does not apply to any monetary contribution or commitment to make such a contribution that may be given to or accepted by a person pursuant to section 6 of this act. The provisions of this subsection do not authorize:*

(a) A person to accept or solicit a contribution, or solicit or accept a commitment to make such a contribution, other than a contribution authorized pursuant to section 6 of this act.

(b) A person to make or commit to make a contribution other than a contribution authorized pursuant to section 6 of this act.

5. As used in this section, "political purpose" includes, without limitation, the establishment of, or the addition of money to, a legal defense fund.

Sec. 15. NRS 294A.350 is hereby amended to read as follows:

294A.350 1. Except as otherwise provided in subsection 2, every candidate for office shall file the reports required by NRS 294A.120, 294A.125, 294A.128, 294A.200, 294A.286 and 294A.362, even though the candidate:

(a) Withdraws his or her candidacy pursuant to NRS 293.202 or 293C.195;

(b) Ends his or her campaign without withdrawing his or her candidacy pursuant to NRS 293.202 or 293C.195;

(c) Receives no contributions;

(d) Has no campaign expenses;

(e) Is not opposed in the election by another candidate;

(f) Is defeated in the primary election;

(g) Is removed from the ballot by court order; or

(h) Is the subject of a petition to recall and the special election is not held.

2. A candidate described in paragraph (a), (b), (f) or (g) of subsection 1 may simultaneously file all the reports required by NRS 294A.120, 294A.125, 294A.128, 294A.200, 294A.286 and 294A.362 that are due after the candidate disposes of any unspent or excess contributions as provided in subsections 4 , ~~[and]~~ 5 *and 6* of NRS 294A.160, as applicable, if the candidate gives written

notice to the Secretary of State, on the form prescribed by the Secretary of State, that the candidate is ending his or her campaign and will not accept any additional contributions. If the candidate has submitted a withdrawal of candidacy pursuant to NRS 293.202 or 293C.195 to an officer other than the Secretary of State, the candidate must enclose with the notice a copy of the withdrawal of candidacy. A form submitted to the Secretary of State pursuant to this subsection must be signed by the candidate under an oath to God or penalty of perjury. A candidate who signs the form under an oath to God is subject to the same penalties as if the candidate had signed the form under penalty of perjury.

3. A candidate described in paragraph (b) of subsection 1 who simultaneously files reports pursuant to subsection 2 but is elected to office despite ending his or her campaign is subject to the reporting requirements set forth in NRS 294A.120, 294A.125, 294A.128, 294A.200, 294A.286 and 294A.362, beginning with the next report that is due pursuant to those sections after his or her election to office.

Sec. 16. Chapter 306 of NRS is hereby amended by adding thereto the provisions set forth as sections 17, 18 and 19 of this act.

Sec. 17. *1. Except as otherwise provided in subsection 2:*

(a) If the persons filing a notice of intent to circulate a petition for the recall of a public officer ~~[is submitted]~~ submit the petition to the filing officer for signature verification pursuant to paragraph (b) of subsection 3 of NRS 306.015, the filing officer shall not submit the petition to the county clerk for signature verification pursuant to NRS ~~[293.1276 to 293.1279, inclusive,]~~ 306.035, unless the ~~[person who submits the petition must]~~ persons filing the notice of intent deposit in advance the estimated costs of the signature verification with the filing officer , including, without limitation, the estimated costs for the Secretary of State and the county clerk of each county from which signatures on the petition were gathered to perform the requirements set forth in NRS 293.1276 to 293.1279, inclusive.

(b) Upon completion of the verification of signatures, the Secretary of State and each county clerk who verified signatures on ~~[a]~~ the petition ~~[for the recall of a public officer]~~ shall submit to the filing officer a statement of the actual costs incurred for carrying out the provisions of NRS 293.1276 to 293.1279, inclusive.

(c) If the sum deposited pursuant to paragraph (a) is:

(1) In excess of the actual costs of the signature verification, the excess must be refunded to the ~~[person]~~ persons filing the notice of intent who submitted the petition for signature verification.

(2) Less than the actual costs of the signature verification, the ~~[person]~~ persons filing the notice of intent who submitted the petition for signature verification shall, upon demand, pay the deficiency to the filing officer who shall distribute the money to the Secretary of State and county clerks, as applicable.

2. The provisions of subsection 1 do not apply if , at the time of submitting the ~~[person who submits a]~~ petition ~~[for the recall of a public]~~ to the filing officer for signature verification, the persons filing the notice of intent also ~~[submits]~~ submit to the filing officer a written declaration, signed by each person under penalty of perjury, that:

(a) Paying the costs of the signature verification would cause the ~~[person]~~ persons filing the notice of intent an undue burden ~~[;]~~ on the monetary resources reasonably available to them; and

(b) No person was paid to circulate the petition for signatures ~~[.~~ ~~If]~~ , or was promised to be paid or will be paid for having circulated the petition for signatures, by the persons filing the notice of intent or, to the best of their knowledge and belief, by any other person, including, without limitation, any committee for the recall of a public officer as defined in NRS 294A.006.

3. Except as otherwise provided in subsection 4, if the persons filing the notice of intent sign and submit a written declaration ~~[submitted]~~ pursuant to ~~[this]~~ subsection 2, the filing officer shall submit the petition to the county clerk for signature verification pursuant to NRS 306.035, and the persons filing the notice of intent must not be held liable for paying the costs of the signature verification.

4. In addition to any criminal or civil penalty, if the persons filing the notice of intent sign and submit a written declaration pursuant to subsection 2 and the written declaration contains any false statement ~~[,]~~ of material fact, the Secretary of State and county clerks may bring ~~[an]~~ a civil action to recover the actual costs of the signature verification against each person who signed the ~~[notice of intent pursuant to NRS 306.015. Each]~~ written declaration, and each person who signed the ~~[notice of intent]~~ written declaration is jointly and severally liable for the actual costs of the signature verification.

~~[3.]~~ 5. The Secretary of State shall adopt regulations necessary to carry out the provisions of this section, including, without limitation, defining the term "costs" for purposes of this section.

Sec. 18. ~~*[1. It is unlawful for any person in connection with a petition for the recall of a public officer to knowingly or negligently obtain a false signature.*~~

~~*2. A person who violates a provision of this section is guilty of a category E felony and shall be punished as provided in NRS 193.130.]*~~ (Deleted by amendment.)

Sec. 19. *1. In addition to any criminal penalty, a person who violates the provisions of this chapter is subject to a civil penalty in an amount not to exceed $20,000 for each violation. This penalty must be recovered in a civil action brought in the name of the State of Nevada by the Attorney General or by any district attorney in a court of competent jurisdiction.*

2. Each person who signs a notice of intent to circulate a petition for the recall of a public officer is jointly and severally liable for any civil penalty imposed pursuant to this section in relation to the petition for recall.

3. Any civil penalty collected pursuant to this section must be deposited by the collecting agency for credit to the State General Fund in the bank designated by the State Treasurer.

Sec. 20. NRS 306.015 is hereby amended to read as follows:

306.015 1. Before a petition to recall a public officer is circulated, the persons proposing to circulate the petition must file a notice of intent with the filing officer.

2. The notice of intent:

(a) Must be signed by *:*

(1) If the public officer ~~*[was elected to]*~~ *holds a statewide office,* three registered voters who actually ~~[voted]~~ *:*

(I) Voted in this State ~~[or in the county, district or municipality electing the officer]~~ at the ~~[last preceding general]~~ election ~~[.]~~ *at which the public officer was elected; and*

(II) Reside in this State on the date that the notice of intent is filed with the filing officer.

(2) If the public officer ~~*[was elected to a county, district or municipal]*~~ *does not hold a statewide office, three registered voters who actually:*

(I) Voted in the county, district or municipality that the public officer represents at the ~~*[general]*~~ *election at which the public officer was elected; and*

(II) Reside in the county, district or municipality that the public officer represents on the date that the notice of intent is filed with the filing officer.

(b) Must be signed before a person authorized by law to administer oaths that the statements and signatures contained in the notice are true.

(c) Is valid until the date on which the call for a special election is issued, as set forth in NRS 306.040.

3. The petition may consist of more than one document ~~[.]~~ *and must be circulated for signatures and submitted to the filing officer in accordance with this subsection.* The persons filing the notice of intent shall submit *to the filing officer:*

(a) On or before the 48th day after the date on which the notice of intent was filed, all signatures that were collected on the petition ~~[that was circulated for signatures to the filing officer within 90 days]~~ *during the period beginning on the date on which the notice of intent was filed and ending on the 45th day after the date on which the notice of intent was filed. If* ~~*[such signatures are]*~~ *any such signature is not timely submitted to the filing officer* ~~*[,]*~~ *pursuant to this paragraph, it shall be deemed that* ~~*[any]*~~ *the signature* ~~*[collected on or before the 45th day after the date on which the notice of intent is filed]*~~ *is not a valid signature.*

(b) On or before the 90th day after the date on which the notice of intent was filed ~~[.]~~ *, all signatures that were collected on the petition during the*

period beginning on the 46th day after the date ~~[after the date]~~ on which the notice of intent was filed and ending on the date of submission of the petition to the filing officer ~~[.]~~ for signature verification pursuant to this paragraph. The *circulation of the petition must cease on the date of submission of the petition to the filing officer for signature verification pursuant to this paragraph or on the 90th day after the date on which the notice of intent was filed, whichever occurs first. If the persons filing the notice of intent timely submit the petition to the filing officer for signature verification pursuant to this paragraph and comply with the provisions of section 17 of this act, the* filing officer shall immediately submit the petition to the county clerk for *the* verification pursuant to NRS 306.035 ~~[.~~ ~~"]~~ *of the signatures that were collected on the petition and timely submitted to the filing officer pursuant to this subsection.*

4. Any person who fails to submit the petition to the filing officer as required by ~~[this]~~ subsection *3* is guilty of a misdemeanor. Copies of the petition are not valid for any subsequent petition.

~~[4.]~~ *5.* The county clerk shall, upon completing the verification of the signatures on the petition ~~[,]~~ *pursuant to NRS 306.035*, file the petition with the filing officer.

~~[5.]~~ *6.* Any person who signs a petition to recall any public officer may request that the county clerk remove the person's name from the petition by submitting a request in writing to the county clerk at any time before ~~[the petition is submitted for]~~ the verification of the signatures thereon ~~[pursuant to NRS 306.035.~~

~~6. A person who signs a notice of intent pursuant to subsection 1 or a petition to recall a public officer is immune from civil liability for conduct related to the exercise of the person's right to participate in the recall of a public officer.~~

~~7. As used in this section, "filing officer" means the officer with whom the public officer to be recalled filed his or her declaration of candidacy or acceptance of candidacy pursuant to NRS 293.185, 293C.145 or 293C.175.]~~ *is completed.*

Sec. 20.5. NRS 306.020 is hereby amended to read as follows:

306.020 1. Every public officer in the State of Nevada is subject to recall from office by the registered voters of the State or of the county, district or municipality that the public officer represents, as provided in this chapter and Section 9 of Article 2 of the Constitution of the State of Nevada.

2. A public officer who is appointed to *serve the remainder of the unexpired term of* an elective office ~~[is]~~ *:*

(a) Is subject to recall in the same manner as provided for ~~[an]~~ *a public* officer ~~[who is]~~ elected to that office ~~[.~~ ~~2.]~~ *; and*

(b) For the purposes of recall, shall be deemed to have been elected to that office at the same election at which the former elected officeholder or candidate was elected before the vacancy in that office.

3. The petition to recall a public officer may be signed by any registered voter of the State or of the county, district, municipality or portion thereof that the public officer represents who actually voted in the election at which the public officer was elected.

~~[3.]~~ *4.* The petition must ~~[, in addition to setting]~~ *:*

(a) Set forth the reason why the recall is demanded ~~[:~~ ~~(a)]~~ *, which must appear on each signature page of the petition;*

(b) Contain the residence addresses of the signers and the date that the petition was signed;

~~[(b)]~~ *(c)* Contain a statement of the minimum number of signatures necessary to the validity of the petition;

~~[(c)]~~ *(d)* Contain at the top of each page and immediately above the signature line, in at least 10-point bold type, the words "Recall Petition";

~~[(d)]~~ *(e)* Include the date that a notice of intent was filed; and

~~[(e)]~~ *(f)* Have the designation: "Signatures of registered voters seeking the recall of ..... (name of public officer for whom recall is sought)" on each page if the petition contains more than one page.

Sec. 21. NRS 306.025 is hereby amended to read as follows:

306.025 1. A person shall not *knowingly or under circumstances amounting to criminal negligence:*

(a) Misrepresent, attempt to misrepresent or assist or conspire with another person to misrepresent or attempt to misrepresent the intent or content of a petition for the recall of a public officer which is circulated pursuant to the provisions of this chapter ~~[.]~~ *; or*

(b) Obtain, attempt to obtain or assist or conspire with another person to obtain or attempt to obtain a false, forged or unauthorized signature on a petition for the recall of a public officer which is circulated pursuant to the provisions of this chapter.

2. Any person who violates the provisions of subsection 1 is guilty of a ~~[misdemeanor.]~~ *category E felony and shall be punished as provided in NRS 193.130.*

Sec. 22. (Deleted by amendment.)

Sec. 22.5. NRS 306.035 is hereby amended to read as follows:

306.035 1. Before a petition to recall a ~~[state]~~ *public* officer who ~~[is elected]~~ *holds a* statewide *office* is filed with the Secretary of State *as the filing officer* pursuant to subsection ~~[4]~~ 5 of NRS 306.015, each county clerk must verify, pursuant to NRS 293.1276 to 293.1279, inclusive, the document or documents which were circulated for signature within the clerk's county.

2. Before a petition to recall a ~~[State Senator, Assemblyman, Assemblywoman or a county, district or municipal]~~ *public* officer *who does not hold a statewide office* is filed *with the filing officer* pursuant to subsection ~~[4]~~ 5 of NRS 306.015, the county clerk must verify, pursuant to NRS 293.1276 to 293.1279, inclusive, the document or documents which were circulated for signatures within the clerk's county.

3. If more than one document was circulated, all the documents must be submitted to the clerk at the same time.

Sec. 23. NRS 306.040 is hereby amended to read as follows:

306.040 1. Upon determining that the number of signatures on a petition to recall is sufficient pursuant to NRS 293.1276 to 293.1279, inclusive, the Secretary of State shall notify Year the county clerk, the *filing* officer ~~[with whom the petition is to be filed pursuant to subsection 4 of NRS 306.015]~~ and the public officer who is the subject of the petition.

2. ~~[After the verification of signatures is complete, but not later than the date a complaint is filed pursuant to subsection 5 or the date the call for a special election is issued, whichever is earlier, a]~~ *A* person who signs a petition to recall may request the ~~[Secretary of State]~~ *filing officer* to strike the person's name from the petition ~~[.]~~ *on or before the date that is the later of:*

(a) Ten days, Saturdays, Sundays and holidays excluded, after the verification of signatures is complete; or

(b) The date a complaint is filed pursuant to subsection 6.

3. If the ~~[person demonstrates good cause therefor and the number of such requests received by the Secretary of State could affect the sufficiency of the petition, the Secretary of State shall]~~ *filing officer receives a request pursuant to subsection 2, the filing officer must* strike the name of the person from the petition. *If the filing officer receives a sufficient number of requests to strike names from the petition such that the petition no longer contains enough valid signatures, ~~[no]~~ the filing officer shall not issue a call for a special election, and a special election must not be held to recall ~~[a]~~ the public officer who is the subject of the petition. ~~[may be held.~~*

~~3. 4. Not]~~

4. Except as otherwise provided in subsection 3, not sooner than ~~[10]~~ *20* days ~~[nor more]~~ *and not later* than ~~[20]~~ *30* days *, Saturdays, Sundays and holidays excluded,* after the Secretary of State completes the notification required by subsection 1, if a complaint is not filed pursuant to subsection ~~[5,]~~ *6,* the *filing* officer ~~[with whom the petition is filed]~~ shall issue a call for a special election in the jurisdiction in which the public officer who is the subject of the petition was elected to determine whether the people will recall the public officer.

~~[4.]~~ *5.* The call for a special election pursuant to subsection ~~[3 or 6]~~ *4 or 7* must include, without limitation:

(a) The last day on which a person may register to vote to qualify to vote in the special election;

(b) The last day on which a petition to nominate other candidates for the office may be filed; and

(c) Whether any person is entitled to vote in the special election pursuant to NRS 293.343 to 293.355, inclusive.

~~[5.]~~ *6.* The legal sufficiency of the petition *, including without limitation, the validity of signatures on the petition,* may be challenged by filing a complaint in district court not later than ~~[5]~~ *15* days, Saturdays, Sundays and

holidays excluded, after the Secretary of State completes the notification required by subsection 1. All affidavits and documents in support of the challenge must be filed with the complaint. The court shall set the matter for hearing not later than 30 days after the complaint is filed and shall give priority to such a complaint over all other matters pending with the court, except for criminal proceedings.

~~[6.]~~ *7.* Upon the conclusion of the hearing, if the court determines that the petition is *legally* sufficient, it shall order the *filing* officer ~~[with whom the petition is filed]~~ to issue a call for a special election in the jurisdiction in which the public officer who is the subject of the petition was elected to determine whether the people will recall the public officer. If the court determines that the petition is not *legally* sufficient, it shall order the *filing* officer ~~[with whom the petition is filed]~~ to cease any further proceedings regarding the petition.

Sec. 23.5. NRS 218H.930 is hereby amended to read as follows:

218H.930 1. A lobbyist shall not knowingly or willfully make any false statement or misrepresentation of facts:

(a) To any member of the Legislative Branch in an effort to persuade or influence the member in his or her official actions.

(b) In a registration statement or report concerning lobbying activities filed with the Director.

2. A lobbyist shall not knowingly or willfully give any gift to a member of the Legislative Branch or a member of his or her immediate family, whether or not the Legislature is in a regular or special session.

3. A member of the Legislative Branch or a member of his or her immediate family shall not knowingly or willfully solicit or accept any gift from a lobbyist, whether or not the Legislature is in a regular or special session.

4. A person who employs or uses a lobbyist shall not make that lobbyist's compensation or reimbursement contingent in any manner upon the outcome of any legislative action.

5. Except during the period permitted by NRS 218H.200, a person shall not knowingly act as a lobbyist without being registered as required by that section.

6. Except as otherwise provided in subsection 7, a member of the Legislative or Executive Branch of the State Government and an elected officer or employee of a political subdivision shall not receive compensation or reimbursement other than from the State or the political subdivision for personally engaging in lobbying.

7. An elected officer or employee of a political subdivision may receive compensation or reimbursement from any organization whose membership consists of elected or appointed public officers.

8. A lobbyist shall not instigate the introduction of any legislation for the purpose of obtaining employment to lobby in opposition to that legislation.

9. A lobbyist shall not make, commit to make or offer to make a monetary contribution to a Legislator, the Lieutenant Governor, the Lieutenant

Governor-elect, the Governor or the Governor-elect during the period ~~[beginning:~~

~~(a) Thirty days before a regular session and ending 30 days after the final adjournment of a regular session;~~

~~(b) Fifteen days before a special session is set to commence and ending 15 days after the final adjournment of a special session, if:~~

~~(1) The Governor sets a specific date for the commencement of the special session that is more than 15 days after the date on which the Governor issues the proclamation calling for the special session pursuant to Section 9 of Article 5 of the Nevada Constitution; or~~

~~(2) The members of the Legislature set a date on or before which the Legislature is to convene the special session that is more than 15 days after the date on which the Secretary of State receives one or more substantially similar petitions signed, in the aggregate, by the required number of members calling for the special session pursuant to Section 2A of Article 4 of the Nevada Constitution; or~~

~~(c) The day after:~~

~~(1) The date on which the Governor issues the proclamation calling for the special session and ending 15 days after the final adjournment of the special session if the Governor sets a specific date for the commencement of the special session that is 15 or fewer days after the date on which the Governor issues the proclamation calling for the special session; or~~

~~(2) The date on which the Secretary of State receives one or more substantially similar petitions signed, in the aggregate, by the required number of members of the Legislature calling for the special session and ending 15 days after the final adjournment of the special session if the members set a date on or before which the Legislature is to convene the special session that is 15 or fewer days after the date on which the Secretary of State receives the petitions.~~] *set forth in subsection 1 of NRS 294A.300 unless such act is otherwise authorized pursuant to subsection 4 of NRS 294A.300.*

Sec. 24. The regulations adopted by the Secretary of State which are codified as NAC 306.010, 306.012 and 306.014 are hereby declared void. In preparing the supplements to the Nevada Administrative Code on or after passage and approval of this bill, the Legislative Counsel shall remove those regulations.

Sec. 24.5. The amendatory provisions of this act do not apply to a petition for the recall of a public officer if the notice of intent to circulate the petition was filed pursuant to NRS 306.015 before the effective date of this act.

Sec. 25. 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. 26. This act becomes effective upon passage and approval.

Senator Ohrenschall moved that the Senate concur in Assembly Amendment No. 840 to Senate Bill No. 450.

Remarks by Senator Ohrenschall.

Assembly Amendment No. 840 to Senate Bill No. 450 provides that a person claiming undue burden when required to pay the cost for signature verification must submit a written declaration that no persons were paid to circulate the petition for signatures. It addresses situations where the legal sufficiency of a recall petition is challenged and the determination of sufficiency is subsequently appealed; provides a person shall not knowingly, or under circumstances amounting to criminal negligence, misrepresent the intent or content of a petition for the recall of a public officer or obtain a false forged or unauthorized signature. It clarifies provisions requiring the submission of signatures to the filing officer; defines certain terms, and clarifies the use of those terms. It also puts a clearly defined end-date for recall petition circulation of 90 days after notice of intent is filed and provides these revisions do not apply to a petition for recall in circulation before the effective date of this act.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 452.

The following Assembly amendment was read:

Amendment No. 838.

SUMMARY—Revises provisions relating to elections. (BDR 24-1141)

AN ACT relating to elections; ~~[authorizing absent ballots to be returned to polling places for early voting;]~~ revising provisions related to certain persons who distribute forms to request absent ballots; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[Existing law provides that absent ballots issued to registered voters by the county or city clerk must be returned by mail, by another authorized method or by a person who is authorized to return the absent ballot on behalf of the absent voter. (NRS 293.3088-293.340, 293C.304-293C.340) Existing law also provides for the establishment by the county or city clerk of permanent and temporary polling places for early voting. (NRS 293.356-293.361, 293C.355-293C.361) Sections 1, 1.2-1.9 and 2.2-2.5 of this bill provide that: (1) absent ballots issued to registered voters may be returned to an election board officer at a permanent or temporary polling place for early voting and must be accepted by the election board officer, unless the person who delivers the absent ballot is not authorized to return the absent ballot on behalf of the absent voter; and (2) the accepted absent ballots must be secured, delivered and recorded under a plan for the security of the ballots that is developed by the county or city clerk and approved by the Secretary of State. Sections 1.3 and 2.3 also provide that, under certain circumstances, a registered voter who is issued an absent ballot may surrender his or her absent ballot at a polling place for early voting and vote in person at that polling place.]~~

Under existing law, a person who, during the 6 months immediately preceding an election, intends to distribute to more than 500 registered voters a form to request an absent ballot for the election, is required to notify the county or city clerk in writing of: (1) the approximate number of forms to be distributed to registered voters in the county or city, as applicable; and (2) the first date on which the forms will be distributed to registered voters.

(NRS 293.3095, 293C.306) Sections 1.1 and 2 of this bill revise the deadline for providing such notification to the county or city clerk from not later than 14 days to not later than 28 days before distributing the forms.

Under existing law, such a person distributing the forms is prohibited from mailing the forms to registered voters later than 21 days before the election. (NRS 293.3095, 293C.306) Sections 1.1 and 2 of this bill prohibit such a person from mailing the forms to registered voters later than 35 days before the election. Sections 1.1 and 2 also require such a person to include a notice on each form that: (1) informs the voters that they are not receiving an official elections notice from the Secretary of State or the county or city clerk; (2) explains to the voters the purpose of the form; and (3) informs the voters that they do not need to submit the form to the county or city clerk if they have already requested an absent ballot for that election year or they are already entitled to receive an absent ballot for all elections.

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

Section 1. ~~[Chapter 293 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~*1. During the days and times that early voting is conducted at a permanent or temporary polling place for early voting, an election board officer at the polling place shall accept any absent ballot issued to a registered voter of the county that is delivered in its return envelope to the election board officer, unless the person who delivers the absent ballot to the election board officer is not authorized to return the absent ballot on behalf of the registered voter pursuant to NRS 293.3088 to 293.340, inclusive.*~~

~~*2. If an election board officer accepts an absent ballot pursuant to this section, the absent ballot must be secured, delivered and recorded pursuant to subsection 3 of NRS 293.325.]*~~ (Deleted by amendment.)

Sec. 1.1. NRS 293.3095 is hereby amended to read as follows:

293.3095 1. A person who, during the 6 months immediately preceding an election, distributes to more than a total of 500 registered voters a form to request an absent ballot for the election shall:

(a) Distribute the form prescribed by the Secretary of State, which must, in 14-point type or larger ~~[:]~~ *at the top of the first page of the form:*

(1) Identify the person who is distributing the form; and

(2) Include ~~[a]~~ *the following* notice stating, ~~["This]~~ *with the first sentence of the notice in bold type:*

> *This is not an official elections notice from the Secretary of State or your county or city clerk. This* is a *form to* request ~~[for]~~ an absent ballot ~~[.";]~~ *that you may submit to your county or city clerk if you want to vote by absent ballot. However, even if you want to vote by absent ballot, you do not need to submit this form if you have already requested an absent ballot for this election year or are already entitled to receive an absent ballot for all elections.*

(b) Not later than ~~[14]~~ *28* days before distributing such a form, provide to the county clerk of each county to which a form will be distributed written notification of the approximate number of forms to be distributed to voters in the county and of the first date on which the forms will be distributed;

(c) Not return or offer to return to a county clerk a form that was mailed to a registered voter pursuant to this subsection; and

(d) Not mail such a form later than ~~[21]~~ *35* days before the election.

2. The provisions of this section do not authorize a person to vote by absent ballot if the person is not otherwise eligible to vote by absent ballot.

Sec. 1.2. ~~[NRS 293.325 is hereby amended to read as follows:~~

~~293.325 1. Except as otherwise provided in subsection 2 and NRS 293D.200, when an absent ballot is returned by a registered voter to the county clerk through the mail, by facsimile machine or other approved electronic transmission or in person, and record thereof is made in the absent ballot record book, the county clerk shall neatly stack, unopened, the absent ballot with any other absent ballot received that day in a container and deliver, or cause to be delivered, that container to the appropriate election board.~~

~~2. Except as otherwise provided in NRS 293D.200, if an absent ballot central counting board has been appointed, when an absent ballot is returned by a registered voter to the county clerk through the mail, by facsimile machine or other approved electronic transmission or in person, the county clerk shall check the signature on the return envelope, facsimile or other approved electronic transmission against the original signature of the voter on the county clerk's register. If the county clerk determines that the absent voter is entitled to cast a ballot, the county clerk shall deposit the ballot in the proper ballot box or place the ballot, unopened, in a container that must be securely locked or under the control of the county clerk at all times. At the end of each day before election day, the county clerk may remove the ballots from each ballot box, neatly stack the ballots in a container and seal the container with a numbered seal. Not earlier than 4 working days before the election, the county clerk shall deliver the ballots to the absent ballot central counting board to be processed and prepared for counting pursuant to the procedures established by the Secretary of State to ensure the confidentiality of the prepared ballots until after the polls have closed pursuant to NRS 293.273 or 293.305.~~

~~*3. When an absent ballot is accepted by an election board officer at a permanent or temporary polling place for early voting pursuant to section 1 of this act, the absent ballot must be deposited, unopened, by the election board officer in a ballot box or container with any other absent ballots received that day. The county clerk shall deliver or cause to be delivered the absent ballots in that ballot box or container to the appropriate election board or absent ballot central counting board, if one has been appointed. The county clerk shall develop a procedure to ensure a record is made of each absent ballot that is accepted by an election board officer at a permanent or temporary polling place for early voting pursuant to section 1 of this act.]~~ (Deleted by amendment.)

Sec. 1.3. ~~[NRS 293.330 is hereby amended to read as follows:~~

~~293.330 1. Except as otherwise provided in *this section*, subsection 2 of NRS 293.323 and chapter 293D of NRS, and any regulations adopted pursuant thereto, when an absent voter receives an absent ballot, the absent voter must mark and fold it in accordance with the instructions, deposit it in the return envelope, seal the envelope, affix his or her signature on the back of the envelope in the space provided therefor and [mail] :~~

~~*(a) Mail* the return envelope [.] ;~~

~~*(b) Deliver the return envelope to the office of the county clerk; or*~~

~~*(c) Deliver the return envelope to an election board officer at a permanent or temporary polling place for early voting pursuant to section 1 of this act.*~~

~~2. Except as otherwise provided in subsection 3, if an absent voter who has requested a ballot by mail applies to vote the ballot in person at:~~

~~(a) The office of the county clerk [,] *and the provisions of paragraph (b) or (c) do not otherwise apply*, the absent voter must mark the ballot, seal it in the return envelope and affix his or her signature in the same manner as provided in subsection 1, and deliver the envelope to the clerk.~~

~~(b) *A permanent or temporary polling place for early voting during the period for early voting, the absent voter must surrender the absent ballot and provide satisfactory identification to an election board officer in order to be issued a ballot to vote at the polling place. The election board officer who receives the surrendered absent ballot shall mark it "Cancelled."*~~

~~*(c)* A polling place [, including, without limitation, a polling place for early voting,] *on election day*, the absent voter must surrender the absent ballot and provide satisfactory identification [before being] *to an election board officer in order to be* issued a ballot to vote at the polling place. [A person] *The election board officer* who receives [a] *the* surrendered absent ballot shall mark it "Cancelled."~~

~~3. If an absent voter who has requested a ballot by mail applies to vote in person at the office of the county clerk or a polling place, including, without limitation, a polling place for early voting, and the voter does not have the absent ballot to deliver or surrender, the voter must be issued a ballot to vote if the voter:~~

~~(a) Provides satisfactory identification;~~

~~(b) Is a registered voter who is otherwise entitled to vote; and~~

~~(c) Signs an affirmation under penalty of perjury on a form prepared by the Secretary of State declaring that the voter has not voted during the election.~~

~~4. Except as otherwise provided in NRS 293.316 and 293.3165, it is unlawful for any person to return an absent ballot other than the voter who requested the absent ballot or, at the request of the voter, a member of the voter's family. A person who returns an absent ballot and who is a member of the family of the voter who requested the absent ballot shall, under penalty of perjury, indicate on a form prescribed by the county clerk that the person is a member of the family of the voter who requested the absent ballot and that the voter requested that the person return the absent ballot. A person who violates~~

~~the provisions of this subsection is guilty of a category E felony and shall be punished as provided in NRS 193.130.]~~ (Deleted by amendment.)

Sec. 1.4. ~~[NRS 293.340 is hereby amended to read as follows:~~

~~293.340 1. In counties in which an absent ballot central counting board is appointed , the county clerk shall provide a ballot box in the county clerk's office for each different ballot listing in the county.~~

~~2. On each [such] box , there must appear a statement indicating the precincts and district for which [such] *the* box has been designated.~~

~~3. Except as otherwise provided in NRS *293.325 and* 293D.200, each absent ballot voted must be deposited in a ballot box according to the precinct or district of the absent voter voting [such] *that* ballot.]~~ (Deleted by amendment.)

Sec. 1.5. ~~[NRS 293.3594 is hereby amended to read as follows:~~

~~293.3594 1. A plan for the security of ballots for early voting must be submitted to the Secretary of State for approval no later than 90 days before the election at which early voting is to be conducted. *The plan must include, without limitation, a plan for the security of absent ballots accepted by an election board officer at a polling place for early voting pursuant to section 1 of this act.*~~

~~2. At the close of early voting each day, the deputy clerk for early voting shall secure each voting machine used for early voting in a manner prescribed by the Secretary of State so that its unauthorized operation is prevented.~~

~~3. All materials for early voting must be delivered to the county clerk's office at the close of voting on the last day for voting at the polling place for early voting.]~~ (Deleted by amendment.)

Sec. 1.9. ~~[Chapter 293C of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~*1. During the days and times that early voting is conducted at a permanent or temporary polling place for early voting, an election board officer at the polling place shall accept any absent ballot issued to a registered voter of the city that is delivered in its return envelope to the election board officer, unless the person who delivers the absent ballot to the election board officer is not authorized to return the absent ballot on behalf of the registered voter pursuant to NRS 293C.304 to 293C.340, inclusive.*~~

~~*2. If an election board officer accepts an absent ballot pursuant to this section, the absent ballot must be secured, delivered and recorded pursuant to subsection 3 of NRS 293C.325.]*~~ (Deleted by amendment.)

Sec. 2. NRS 293C.306 is hereby amended to read as follows:

293C.306 1. A person who, during the 6 months immediately preceding an election, distributes to more than a total of 500 registered voters a form to request an absent ballot for the election shall:

(a) Distribute the form prescribed by the Secretary of State, which must, in 14-point type or larger ~~[.]~~ *at the top of the first page of the form:*

(1) Identify the person who is distributing the form; and

(2) Include ~~[a]~~ *the following* notice stating, ~~["This]~~ *with the first sentence of the notice in bold type:*

This is not an official elections notice from the Secretary of State or your county or city clerk. This is a *form to* request ~~[for]~~ an absent ballot ~~[.";]~~ *that you may submit to your county or city clerk if you want to vote by absent ballot. However, even if you want to vote by absent ballot, you do not need to submit this form if you have already requested an absent ballot for this election year or are already entitled to receive an absent ballot for all elections.*

(b) Not later than ~~[14]~~ *28* days before distributing such a form, provide to the city clerk of each city to which a form will be distributed written notification of the approximate number of forms to be distributed to voters in the city and of the first date on which the forms will be distributed;

(c) Not return or offer to return to the city clerk a form that was mailed to a registered voter pursuant to this subsection; and

(d) Not mail such a form later than ~~[21]~~ *35* days before the election.

2. The provisions of this section do not authorize a person to vote by absent ballot if the person is not otherwise eligible to vote by absent ballot.

Sec. 2.2. ~~[NRS 293C.325 is hereby amended to read as follows:~~

~~293C.325 1. Except as otherwise provided in subsection 2 and NRS 293D.200, when an absent ballot is returned by a registered voter to the city clerk through the mail, by facsimile machine or other approved electronic transmission or in person, and record thereof is made in the absent ballot record book, the city clerk shall neatly stack, unopened, the absent ballot with any other absent ballot received that day in a container and deliver, or cause to be delivered, that container to the appropriate election board.~~

~~2. Except as otherwise provided in NRS 293D.200, if an absent ballot central counting board has been appointed, when an absent ballot is returned by a registered voter to the city clerk through the mail, by facsimile machine or other approved electronic transmission or in person, the city clerk shall check the signature on the return envelope, facsimile or other approved electronic transmission against the original signature of the voter on the city clerk's register. If the city clerk determines that the absent voter is entitled to cast a ballot, the city clerk shall deposit the ballot in the proper ballot box or place the ballot, unopened, in a container that must be securely locked or under the control of the city clerk at all times. At the end of each day before election day, the city clerk may remove the ballots from each ballot box, neatly stack the ballots in a container and seal the container with a numbered seal. Not earlier than 4 working days before the election, the city clerk shall deliver the ballots to the absent ballot central counting board to be processed and prepared for counting pursuant to the procedures established by the Secretary of State to ensure the confidentiality of the prepared ballots until after the polls have closed pursuant to NRS 293C.267 or 293C.297.~~

~~*3. When an absent ballot is accepted by an election board officer at a permanent or temporary polling place for early voting pursuant to section 1.9*~~

~~*of this act, the absent ballot must be deposited, unopened, by the election board officer in a ballot box or container with any other absent ballots received that day. The city clerk shall deliver or cause to be delivered the absent ballots in that ballot box or container to the appropriate election board or absent ballot central counting board, if one has been appointed. The city clerk shall develop a procedure to ensure a record is made of each absent ballot that is accepted by an election board officer at a permanent or temporary polling place for early voting pursuant to section 1.9 of this act.]*~~ (Deleted by amendment.)

Sec. 2.3. ~~[NRS 293C.330 is hereby amended to read as follows:~~

~~293C.330 1. Except as otherwise provided in *this section*, subsection 2 of NRS 293C.322 and chapter 293D of NRS, and any regulations adopted pursuant thereto, when an absent voter receives an absent ballot, the absent voter must mark and fold it in accordance with the instructions, deposit it in the return envelope, seal the envelope, affix his or her signature on the back of the envelope in the space provided therefor and [mail] :~~

~~*(a) Mail* the return envelope [.] ;~~

~~*(b) Deliver the return envelope to the office of the city clerk; or*~~

~~*(c) Deliver the return envelope to an election board officer at a permanent or temporary polling place for early voting pursuant to section 1.9 of this act.*~~

~~2. Except as otherwise provided in subsection 3, if an absent voter who has requested a ballot by mail applies to vote the ballot in person at:~~

~~(a) The office of the city clerk [,] *and the provisions of paragraph (b) or (c) do not otherwise apply*, the absent voter must mark the ballot, seal it in the return envelope and affix his or her signature in the same manner as provided in subsection 1, and deliver the envelope to the city clerk.~~

~~(b) *A permanent or temporary polling place for early voting during the period for early voting, the absent voter must surrender the absent ballot and provide satisfactory identification to an election board officer in order to be issued a ballot to vote at the polling place. The election board officer who receives the surrendered absent ballot shall mark it "Cancelled."*~~

~~*(c)* A polling place [, including, without limitation, a polling place for early voting,] *on election day*, the absent voter must surrender the absent ballot and provide satisfactory identification [before being] *to an election board officer in order to be* issued a ballot to vote at the polling place. [A person] *The election board officer* who receives [a] *the* surrendered absent ballot shall mark it "Cancelled."~~

~~3. If an absent voter who has requested a ballot by mail applies to vote in person at the office of the city clerk or a polling place, including, without limitation, a polling place for early voting, and the voter does not have the absent ballot to deliver or surrender, the voter must be issued a ballot to vote if the voter:~~

~~(a) Provides satisfactory identification;~~

~~(b) Is a registered voter who is otherwise entitled to vote; and~~

~~(c) Signs an affirmation under penalty of perjury on a form prepared by the Secretary of State declaring that the voter has not voted during the election.~~

~~4. Except as otherwise provided in NRS 293C.317 and 293C.318, it is unlawful for any person to return an absent ballot other than the voter who requested the absent ballot or, at the request of the voter, a member of the voter's family. A person who returns an absent ballot and who is a member of the family of the voter who requested the absent ballot shall, under penalty of perjury, indicate on a form prescribed by the city clerk that the person is a member of the family of the voter who requested the absent ballot and that the voter requested that the person return the absent ballot. A person who violates the provisions of this subsection is guilty of a category E felony and shall be punished as provided in NRS 193.130.]~~ (Deleted by amendment.)

Sec. 2.4. ~~[NRS 293C.340 is hereby amended to read as follows:~~

~~293C.340 1. In cities in which an absent ballot central counting board is appointed, the city clerk shall provide a ballot box in the city clerk's office for each different ballot listing in the city.~~

~~2. On each box, there must appear a statement indicating the precincts and district for which the box has been designated.~~

~~3. Except as otherwise provided in NRS *293C.325 and* 293D.200, each absent ballot voted must be deposited in a ballot box according to the precinct or district of the absent voter voting that ballot.]~~ (Deleted by amendment.)

Sec. 2.5. ~~[NRS 293C.3594 is hereby amended to read as follows:~~

~~293C.3594 1. A plan for the security of ballots for early voting must be submitted to the Secretary of State for approval no later than 90 days before the election at which early voting is to be conducted. *The plan must include, without limitation, a plan for the security of absent ballots accepted by an election board officer at a polling place for early voting pursuant to section 1.9 of this act.*~~

~~2. At the close of early voting each day, the deputy clerk for early voting shall secure each voting machine used for early voting in a manner prescribed by the Secretary of State so that its unauthorized operation is prevented.~~

~~3. All materials for early voting must be delivered to the city clerk's office at the close of voting on the last day for voting at the polling place for early voting.]~~ (Deleted by amendment.)

Sec. 2.9. ~~[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.]~~ (Deleted by amendment.)

Sec. 3. This act becomes effective on July 1, 2019.

Senator Ohrenschall moved that the Senate concur in Assembly Amendment No. 838 to Senate Bill No. 452.

Remarks by Senator Ohrenschall.

The Assembly deleted a provision in Senate Bill No. 452 that would have authorized a voter to return an absentee ballot to a polling place during the early voting period.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 457.

The following Assembly amendment was read:

Amendment No. 702.

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; prohibiting certain false or misleading practices by or on behalf of providers of and facilities for treatment of the abuse of alcohol or drugs and alcohol and drug abuse programs; providing a penalty; 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]~~ 19-24 and 27 of this bill make conforming changes.

Existing law authorizes the Division to enforce provisions governing alcohol and drug abuse programs, alcohol and drug treatment facilities and

providers of treatment for the abuse of alcohol or drugs. (NRS 458.110) Section 25 of this bill prohibits a treatment provider, facility or operator of an alcohol and drug abuse program, or a person who provides any form of advertising or marketing services on their behalf, from making or providing false or misleading statements about the alcohol and drug abuse services and from engaging in certain other practices. Section 25 makes a violation of those provisions a misdemeanor. Section 22 of this bill additionally authorizes the Division to take action against the license of a treatment program, facility or operator who is licensed pursuant to chapter 449 of NRS for a violation of those provisions. Section 26 of this bill authorizes the Division to take any other action necessary to enforce those provisions.

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, 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 identify 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.

(g) Violation of the provisions of section 25 of this act.

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. Chapter 458 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A treatment provider, a facility or an operator of an alcohol and drug abuse program, or a person who provides any form of advertising or marketing services on behalf of such a provider, facility or operator, shall not:

(a) Make a false or misleading statement or provide false or misleading information about the products, goods, services or geographical locations of the treatment provider, facility or alcohol and drug abuse program in the marketing, advertising materials or media or on the Internet website of the treatment provider, facility or operator of the alcohol and drug abuse program;

(b) Post or otherwise allow on the Internet website of the treatment provider, facility or alcohol and drug abuse program false information or electronic links, coding or activation that provides false information or that surreptitiously directs the reader to another Internet website;

(c) Solicit, receive or attempt to solicit or receive a commission, benefit, bonus, rebate, kickback or bribe, directly or indirectly, in cash or in kind, or engage in or attempt to engage in a split-fee arrangement in return for a referral or an acceptance or acknowledgment of treatment from the treatment provider, facility or operator of the alcohol and drug abuse program; or

(d) Enter into a contract with a person who provides marketing services who agrees to generate referrals or leads for the placement of patients with the treatment provider, facility or operator of the alcohol and drug abuse program through a call center or web-based presence, unless the treatment provider, facility or operator of the alcohol and drug abuse program provides to the prospective patient:

(1) A clear disclosure to inform the prospective patient that the person providing the marketing services represents a specific treatment provider, facility or operator of an alcohol and drug abuse program which pays a fee to the person providing the marketing services and the identity of the treatment provider, facility or operator of an alcohol and drug abuse program represented by the person; and

(2) Instructions on the manner in which any list of treatment providers, facilities or alcohol and drug abuse programs provided by the Division on its Internet website may be accessed.

2. The provisions of paragraph (d) of subsection 1 do not apply to a state agency, a contractor thereof or an entity that otherwise receives financial support from the State which refers a person to a treatment provider, facility or alcohol and drug abuse program that is operated or financially supported by the State.

3. Any violation of the provisions of this section is a misdemeanor.

Sec. 26. NRS 458.110 is hereby amended to read as follows:

458.110 In addition to the activities set forth in NRS 458.025 to 458.115, inclusive, *and section 25 of this act,* the Division may engage in any activity necessary to effectuate the purposes of this chapter.

~~[Sec. 25.]~~ *Sec. 27.* 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 that the Senate concur in Assembly Amendment No. 702 to Senate Bill No. 457.

Remarks by Senator Ratti.

Assembly Amendment No. 702 to Senate Bill No. 457 adds the provisions of Senate Bill No. 288 to chapter 458 of *Nevada Revised Statutes* (NRS), which include prohibiting a treatment provider facility or operator of alcohol and drug abuse program or a person who provides any form of advertising or marketing services on their behalf for making or providing false or misleading statements about the service provided and from engaging in other certain practices; making a violation of these provisions a misdemeanor, and authorizing the Division of Public and

Behavioral Health of the Department Health and Human Services to take action against the license of a treatment program, facility or operator who is licensed pursuant to chapter 449 of NRS for a violation.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 477.

The following Assembly amendment was read:

Amendment No. 814.

SUMMARY—Prohibits the release of a child to a parent or guardian in a child welfare proceeding in certain circumstances. (BDR 38-1005)

AN ACT relating to child welfare; revising provisions governing the release of a child in a child welfare proceeding to a parent or guardian; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits a court from releasing a child who has been placed in protective custody 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 by 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. (NRS 432B.555) This bill further makes this prohibition apply: (1) to the release of any child who is subject to the proceeding to such a parent, regardless of whether the child has been placed in protective custody; and (2) if the parent or guardian has been convicted of the law of another jurisdiction that prohibits the same or similar conduct as that prohibited by Nevada law.

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

Section 1. NRS 432B.555 is hereby amended to read as follows:

432B.555 In any proceeding held pursuant to NRS 432B.410 to 432B.590, inclusive, if the court determines that a custodial parent or guardian of a child ~~[who has been placed in protective custody]~~ has ever been convicted of a violation of NRS 200.508 ~~[,]~~ *or the law of another jurisdiction that prohibits the same or similar conduct,* the court shall not release the child *or any other child who is subject to the proceeding* to that custodial parent or guardian unless the court finds by clear and convincing evidence presented at the proceeding that no physical or psychological harm to the child will result from the release of the child to that parent or guardian.

Senator Ratti moved that the Senate concur in Assembly Amendment No. 814 to Senate Bill No. 477.

Remarks by Senator Ratti.

Assembly Amendment No. 814 to Senate Bill No. 477 clarifies the provisions of the bill apply only to certain children who are subject to certain proceedings.

Motion carried by a constitutional majority.

Bill ordered enrolled.

REPORTS OF COMMITTEE

Madam President:

Your Committee on Legislative Operations and Elections, to which was referred Senate Concurrent Resolution No. 6, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and be adopted as amended.

JAMES OHRENSCHALL, *Chair*

SECOND READING AND AMENDMENT

Senate Bill No. 543.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 986.

SUMMARY—Revises provisions relating to the funding of public schools. (BDR 34-1263)

AN ACT relating to education; creating the State Education Fund; revising the method for determining the amount of and distributing money to support the operation of the public schools in this State; establishing certain requirements for the accounting and use of such money; establishing requirements for the establishment of budgetary estimates relating to the public schools in this State; creating the Commission on School Funding and establishing its duties; establishing provisions relating to reports of expenditures by public schools; directing certain revenues to be deposited in the State Education Fund; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law declares that "the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity" and establishes the Nevada Plan as a formula for distribution of state financial aid to the public schools in this State to accomplish that objective. (NRS 387.121) As part of the Nevada Plan, the Legislature establishes, during each legislative session and for each school year of the biennium, an estimated statewide average basic support guarantee per pupil. (NRS 387.122) This is the per pupil amount that is "guaranteed" on a statewide basis through a combination of state money and certain local revenues, supplemented by other local revenues which are not "guaranteed" by the state. The basic support guarantee for each school district is computed by multiplying the basic support guarantee per pupil that is established by law for the school district for each school year by pupil enrollment. (NRS 387.121-387.1223) In addition to the basic support guarantee per pupil, state financial aid to public education is provided through various programs, commonly known as "categorical funding," that target specific purposes or populations of pupils for additional support. Such programs include, without limitation, the Account for the New Nevada Education Funding Plan, Zoom schools and Victory schools. (NRS 387.129-387.139; section 1 of chapter 544, Statutes of Nevada 2017, p. 3768; section 2 of chapter 389, Statutes of Nevada 2015, p. 2199)

Beginning with the 2021-2023 biennium, this bill generally replaces the Nevada Plan with the Pupil-Centered Funding Plan, which combines money raised pursuant to state law at the local level with state money to provide a certain basic level of support to each pupil in this State which is adjusted: (1) to account for variation in the local costs to provide a reasonably equal educational opportunity to pupils; and (2) for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. Section 15 of this bill designates the plan created by this bill as the Pupil-Centered Funding Plan and expresses the intent of the Legislature regarding its creation. Specifically, section 2 of this bill creates the State Education Fund and identifies numerous sources of revenues to be deposited into the Fund, in addition to direct legislative appropriations from the State General Fund. Section 2 also authorizes the Superintendent of Public Instruction to create one or more accounts in the State Education Fund for the purpose of administering money received from the Federal Government. Section 3 of this bill creates the Education Stabilization Account in the State Education Fund and provides for the funding of the Account and the use of the money in the Account. Sections 13, 26, 27, 49, 51, 52, 59-61, 64 and 66-73 of this bill direct certain sources of revenues to the State Education Fund. Sections 17, 19, 22-25, 31-35, 37-42, 45, 47, 48, 50, 53-56, 62, 63 and 65 of this bill make conforming changes for the direction of such sources of revenues to the State Education Fund and the replacement of the State Distributive School Account with the State Education Fund.

Section 4 of this bill requires the Legislature, after making a direct legislative appropriation to the State Education Fund, to determine the statewide base per pupil funding amount for each fiscal year of the biennium. Section 4 expresses the intent of the Legislature that the statewide base per pupil funding amount should increase each year by not less than inflation. Section 4 requires the Legislature to appropriate the whole of the State Education Fund, less the money in the Education Stabilization Account or any account created by the Superintendent to receive federal money, to fund, in an amount determined to be sufficient by the Legislature: (1) the operation of the State Board of Education, the Superintendent of Public Instruction and the Department of Education; (2) the food service, transportation and similar services of the school districts; (3) the operation of each school district for all pupils generally through adjusted base per pupil funding for each pupil enrolled in the school district; (4) the operation of each charter school and university school for profoundly gifted pupils for all pupils generally through a statewide base per pupil funding amount for each pupil enrolled in such a school, with an adjustment for certain schools; and (5) the additional educational needs of English learners, at-risk pupils, pupils with disabilities and gifted and talented pupils through additional weighted funding for each such pupil. Section 4 specifies that additional weighted funding be expressed as a multiplier to be applied to the statewide base per pupil funding amount and that a pupil who belongs to more than one category receive only the

additional weighted funding for the single category with the highest multiplier. Section 4 generally prohibits the use of additional weighted funding for collective bargaining. Section 58 of this bill generally prohibits the use of a school district's ending fund balance for collective bargaining.

Sections 5-7 of this bill establish certain factors which are applied to the statewide base per pupil funding amount to create the adjusted base per pupil funding for each school district and certain charter schools and university schools for profoundly gifted pupils. Specifically, section 5 of this bill establishes a cost adjustment factor by which the statewide base per pupil funding amount is ~~[multiplied]~~ adjusted for each school district and certain charter schools and university schools for profoundly gifted pupils to account for variation between the counties in the cost of living and the cost of labor. Section 6 of this bill establishes ~~[a formula to calculate an additional amount of funding]~~ an adjustment for each necessarily small school in a school district to account for the increased cost to operate certain schools which must necessarily be smaller than the school could be most efficiently operated. Section 7 of this bill establishes a small district equity adjustment by which the statewide base per pupil funding amount is ~~[multiplied]~~ adjusted for each school district to account for the increased cost per pupil to operate a school district in which relatively fewer pupils are enrolled. Sections 5-7 authorize the Commission on School Funding to revise the method by which these adjustments are calculated in certain circumstances.

Section 8 of this bill requires each school district to account separately for the adjusted base per pupil funding received by the school district and deduct an amount of not more than the amount prescribed by the Commission on School Funding by regulation of the adjusted base per pupil funding for the administrative expenses of the school district. Section 8 requires the remainder of the adjusted base per pupil funding to be distributed to the public schools in the school district in a manner that ensures each pupil in the school district receives a reasonably equal educational opportunity. Similarly, section 8 requires each school district to account separately for all weighted funding received by the school district. Section 8 requires all weighted funding to be distributed directly to each school in which the relevant pupils are enrolled. Section 8 also: (1) requires each public school to account separately for the adjusted base per pupil funding and each category of weighted funding the school receives; (2) requires weighted funding to be used for each relevant pupil to supplement the adjusted base per pupil funding for the pupil and provide such educational programs, services or support as are necessary to provide the pupil a reasonably equal educational opportunity; and (3) limits the use of weighted funding for at-risk pupils and English learners to certain services. Section 8 additionally contains certain provisions relating to the separate accounting of money for pupils with disabilities and gifted and talented pupils which are moved into this section from a separate provision of existing law. Sections 14, 16, 18, 20, 21, 28-30, 36, 43, 44, 46, 57, 74 and 80 of this bill make conforming changes.

Section 9 of this bill requires the Governor, when preparing the proposed executive budget, to reserve an amount of money in the State General Fund for transfer to the State Education Fund which is sufficient to fully fund certain increases in the amount of money in the State Education Fund if the Economic Forum projects an increase in state revenue in the upcoming biennium. If the Economic Forum projects a decrease in state revenue, section 9 requires the Governor to reserve an amount of money in the State General Fund sufficient to ensure that the amount of money transferred from the State General Fund to the State Education Fund does not decrease by a greater percentage than the projected decline in state revenues. Section 9 requires the Governor to include in the proposed executive budget recommendations for the statewide base per pupil funding amount and the multiplier for each category of pupils. Section 9 requires the Governor to consider the recommendations of the Commission on School Funding for an optimal level of school funding and authorizes the Governor to reserve an additional amount of money for transfer to the State Education Fund to fund any such recommendation. Section 9 authorizes the Governor, as part of the proposed executive budget, to recommend revisions to education funding or additional education funding, but requires the proposed executive budget to include a minimum amount of total funding for the State Education Fund based on the projections of the Economic Forum for the upcoming biennium.

Section 10 of this bill creates the Commission on School Funding and prescribes its membership. Section 11 of this bill prescribes the duties of the Commission. Section 76 of this bill requires the Commission to project the distribution of education funding for the 2019-2021 biennium as if the Pupil-Centered Funding Plan were in effect, compare that projection to the ~~[actual]~~ projected distribution of education funding for the 2019-2021 biennium ~~[,]~~ under existing law, and make recommendations for the implementation of the Pupil-Centered Funding Plan to the Governor and Legislature.

Section 12 of this bill establishes certain reporting requirements for the Department of Education and for each school district and public school relating to educational expenditures.

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 the provisions set forth as sections 2 to 12, inclusive, of this act.

Sec. 2. *1. The State Education Fund is hereby created as a special revenue fund to be administered by the Superintendent of Public Instruction for the purpose of supporting the operation of the public schools in this State. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund.*

2. Money which must be deposited for credit to the State Education Fund includes, without limitation:

(a) All money derived from interest on the State Permanent School Fund, as provided in NRS 387.030;

(b) The proceeds of the tax imposed pursuant to NRS 244.33561 and any applicable penalty or interest, less any amount retained by the county treasurer for the actual cost of collecting and administering the tax;

(c) The proceeds of the tax imposed pursuant to subsection 1 of NRS 387.195;

(d) The portion of the money in each special account created pursuant to subsection 1 of NRS 179.1187 which is identified in paragraph (d) of subsection 2 of NRS 179.1187;

(e) The money identified in subsection 1 of NRS 328.450;

(f) The money identified in subsection 1 of NRS 328.460;

(g) The money identified in paragraph (a) of subsection 2 of NRS 360.850;

(h) The money identified in paragraph (a) of subsection 2 of NRS 360.855;

(i) The money ~~[identified in]~~ required to be paid over to the State Treasurer for deposit to the credit of the State Education Fund pursuant to subsection 4 of NRS 362.170;

(j) The portion of the proceeds of the tax imposed pursuant to subsection 1 of NRS 372A.290 identified in paragraph (b) of subsection 3 of NRS 372A.290;

(k) The proceeds of the tax imposed pursuant to subsection 2 of NRS 372A.290;

(l) The proceeds of the fees, taxes , interest and penalties imposed pursuant to chapter 374 of NRS, as transferred pursuant to subsection 3 of NRS 374.785;

(m) The money identified in paragraph (b) of subsection 3 of NRS 453A.344;

(n) The money identified in NRS 453D.510;

(o) The portion of the proceeds of the excise tax imposed pursuant to subsection 1 of NRS 463.385 identified in paragraph (c) of subsection 5 of NRS 463.385;

(p) The money ~~[identified in]~~ required to be distributed to the State Education Fund pursuant to subsection 3 of NRS 482.181;

(q) The portion of the net profits of the grantee of a franchise, right or privilege identified in NRS 709.110;

(r) The portion of the net profits of the grantee of a franchise identified in NRS 709.230;

(s) The portion of the net profits of the grantee of a franchise identified in NRS 709.270; and

(t) The direct legislative appropriation from the State General Fund required by subsection 3.

3. In addition to money from any other source provided by law, support for the State Education Fund must be provided by direct legislative appropriation from the State General Fund in an amount determined by the Legislature to be sufficient to fund the operation of the public schools in this State for kindergarten through grade 12 for the next ensuing biennium for the

population reasonably estimated for that biennium. Money in the State Education Fund does not revert to the State General Fund at the end of a fiscal year, and the balance in the State Education Fund must be carried forward to the next fiscal year.

4. Money in the Fund must be paid out on claims as other claims against the State are paid.

5. The Superintendent of Public Instruction may create one or more accounts in the State Education Fund for the purpose of administering any money received from the Federal Government for the support of education and any State money required to be administered separately to satisfy any requirement imposed by the Federal Government. The money in any such account must not be considered when calculating the statewide base per pupil funding amount or appropriating money from the State Education Fund pursuant to section 4 of this act. The interest and income earned on the money in any such account, after deducting any applicable charges, must be credited to the account.

Sec. 3. *1. The Education Stabilization Account is hereby created in the State Education Fund. Except as otherwise provided in subsections 3 and 4, each year after the close of the previous fiscal year and before the issuance of the State Controller's annual report, each county school district shall transfer from the county school district fund to the Education Stabilization Account any amount by which the actual ending fund balance of the county school district fund exceeds 16.6 percent of the total ~~[budgeted]~~ actual expenditures for the fund. The interest and income earned on the money in the Account, after deducting any applicable charges, must be credited to the Account.*

2. Money transferred pursuant to subsection 1 to the Education Stabilization Account is a continuing appropriation solely for the purpose of authorizing the expenditure of the transferred money for the purposes set forth in this section.

3. The balance in the Educational Stabilization Account must not exceed 15 percent of the total of all appropriations and authorizations from the State Education Fund , excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, for the immediately preceding fiscal year. Any money transferred to the Education Stabilization Account which exceeds this amount must instead be transferred to the State Education Fund.

4. If the Interim Finance Committee finds that the collection of revenue in any fiscal year will result in the State Education Fund receiving 97 percent or less of the money ~~[deposited in]~~ authorized for expenditure from the State Education Fund, the Committee shall by resolution establish an amount of money to transfer from the Education Stabilization Account to the State Education Fund and direct the State Controller to transfer that amount to the State Education Fund. The State Controller shall thereupon make the transfer.

5. The balance remaining in the State Education Fund, excluding the balance remaining in the Education Stabilization Account or any account

created pursuant to subsection 5 of section 2 of this act, that has not been committed for expenditure on or before June 30 of each fiscal year must be transferred to the Education Stabilization Account to the extent that such a transfer would not cause the balance in the Education Stabilization Account to exceed the limit established in subsection 3.

Sec. 4. *1. After a direct legislative appropriation is made to the State Education Fund from the State General Fund pursuant to section 2 of this act, the Legislature shall determine the statewide base per pupil funding amount for each fiscal year of the biennium, which is the amount of money expressed on a per pupil basis for the projected enrollment of the public schools in this State, determined to be sufficient by the Legislature to fund the costs of all public schools in this State to operate and ~~[generally]~~ provide general education to all pupils ~~[.]~~ for any purpose for which specific funding is not appropriated pursuant to paragraph (a), (b) or (e) of subsection 2. It is the intent of the Legislature that the statewide base per pupil funding amount for any fiscal year be not less than the statewide base per pupil funding amount for the immediately preceding fiscal year, adjusted by inflation, unless the amount of money contained in the State Education Fund , excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, decreases from the preceding fiscal year. If the amount of money contained in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, decreases from the preceding fiscal year, it is the intent of the Legislature that a proportional reduction be made in both the statewide base per pupil funding amount and the weighted funding appropriated pursuant to paragraph (e) of subsection 2.*

2. After a direct legislative appropriation is made to the State Education Fund from the State General Fund pursuant to section 2 of this act, the money in the State Education Fund, excluding any amount of money in the Education Stabilization Account or in any account established pursuant to subsection 5 of section 2 of this act, must be appropriated as established by law for each fiscal year of the biennium for the following purposes:

(a) To the Department, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to fund the operation of the State Board, the Superintendent of Public Instruction and the Department, including, without limitation, the statewide administration and oversight of the public schools and any educational programs administered by this State.

(b) To each school district, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide food services and transportation for pupils and any other similar service that the Legislature deems appropriate.

(c) To each school district, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this

purpose, to provide adjusted base per pupil funding for each pupil estimated to be enrolled in the school district.

(d) To each charter school or university school for profoundly gifted pupils, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide:

(1) The statewide base per pupil funding amount for each pupil estimated to be enrolled full-time in a program of distance education provided by the charter school or university school for profoundly gifted pupils; and

(2) Adjusted base per pupil funding for each pupil estimated to be enrolled in the charter school or university school for profoundly gifted pupils other than a pupil identified in subparagraph (1).

(e) To each school district, charter school or university school for profoundly gifted pupils, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide additional weighted funding for each pupil estimated to be enrolled in the school district, charter school or university school for profoundly gifted pupils who is:

(1) An English learner;

(2) An at-risk pupil;

(3) A pupil with a disability; or

(4) A gifted and talented pupil.

3. The adjusted base per pupil funding appropriated pursuant to paragraph (c) of subsection 2 for each school district must be determined by ~~[multiplying]~~ applying the cost adjustment factor established pursuant to section 5 of this act which applies to the school district , ~~[and the statewide base per pupil funding amount by the small district equity adjustment established pursuant to section 7 of this act which applies to the school district and adding]~~ the ~~[amount of funding]~~ adjustment for necessarily small schools established pursuant to section 6 of this act which applies to the school district ~~[.]~~ and the small district equity adjustment established pursuant to section 7 of this act which applies to the school district to the statewide base per pupil funding amount.

4. The adjusted base per pupil funding appropriated pursuant to subparagraph (2) of paragraph (d) of subsection 2 for each charter school or university school for profoundly gifted pupils must be determined by ~~[multiplying]~~ applying the cost adjustment factor established pursuant to section 5 of this act which applies to the charter school or university school ~~[by]~~ to the statewide base per pupil funding amount.

5. The weighted funding appropriated pursuant to paragraph (e) of subsection 2 must be established separately for each category of pupils identified in that paragraph and expressed as a multiplier to be applied to the statewide base per pupil funding amount determined pursuant to subsection 1. A pupil who belongs to more than one category of pupils must receive only the weighted funding for the single category to which the pupil belongs which has the largest multiplier. It is the intent of the Legislature that:

(a) The multiplier for each category of pupils for any fiscal year be not less than the multiplier for the immediately preceding fiscal year unless ~~[the]~~ :

(1) The amount of money contained in the State Education Fund , excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, decreases from the preceding fiscal year ~~[,]~~ , in which event it is the intent of the Legislature that a proportional reduction be made in both the statewide base per pupil funding amount and the weighted funding appropriated pursuant to paragraph (e) of subsection 2; or

(2) The amount of money contained in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, increases from the preceding fiscal year but in an amount which, after funding the appropriations required by paragraphs (a) to (d), inclusive, of subsection 2, is insufficient to fund the multiplier for each category of pupils, in which event it is the intent of the Legislature that the remaining money in the State Education Fund be used to provide a multiplier for each category of pupils which is as close as practicable to the multiplier for the preceding fiscal year;

(b) The recommendations of the Commission for the multiplier for each category of pupils be considered and the multiplier for one category of pupils may be changed by an amount that is not proportional to the change in the multiplier for one or more other categories of pupils if the Legislature determines that a disproportionate need to serve the pupils in the affected category exists; and

(c) If the multipliers for all categories of pupils in a fiscal year are increased from the multipliers in the immediately preceding fiscal year, a proportional increase is considered for the statewide base per pupil funding amount.

6. The weighted funding appropriated pursuant to paragraph (e) of subsection 2:

(a) May not be used to settle or arbitrate disputes between a recognized organization representing employees of a school district or the governing body of a charter school and the school district or governing body or to settle any negotiations; and

(b) May not be used to adjust the district-wide schedules of salaries and benefits of the employees of a school district.

Sec. 5. *1. To account for variation between the counties of this State in the cost of living and the cost of labor, the Commission shall establish cost adjustment factors for the school district located in, and each charter school that provides classroom-based instruction in, each county of this State.*

2. Not later than May 1 of each even-numbered year, the Commission shall review and, if necessary, revise the cost adjustment factors for the school district located in each county of this State and present the review and any revisions at a meeting of the Legislative Committee on Education for consideration and recommendations by the Committee. After the meeting, the

Commission shall consider any recommendations of the Legislative Committee on Education, determine whether to include those recommendations and adopt any revision to the cost adjustment factors. The Commission shall submit any revision to the cost adjustment factors to each school district and the:

(a) Governor for inclusion in the proposed executive budget.

(b) Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature.

Sec. 6. *1. To account for the increased cost to a school district to operate a public school for a small number of pupils which may be necessary in certain circumstances, the Commission shall establish a method to calculate an ~~[additional amount of funding]~~ adjustment for each necessarily small school.*

2. Not later than May 1 of each even-numbered year, the Commission shall review and, if necessary, revise the method for determining ~~[an additional amount of funding]~~ the adjustment for each necessarily small school and present the review and any revisions at a meeting of the Legislative Committee on Education for consideration and recommendations by the Committee. After the meeting, the Commission shall consider any recommendations of the Legislative Committee on Education, determine whether to include those recommendations and adopt any revision to the method. The Commission shall submit any revision to the method to each school district and the:

(a) Governor for inclusion in the proposed executive budget.

(b) Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature.

Sec. 7. *1. To account for the increased cost per pupil to operate a school district in which relatively fewer pupils are enrolled, the Commission shall establish a small district equity adjustment.*

2. Not later than May 1 of each even-numbered year, the Commission shall review and, if necessary, revise the method for calculating the small district equity adjustment and present the review and any revisions at a meeting of the Legislative Committee on Education for consideration and recommendations by the Committee. After the meeting, the Commission shall consider any recommendations of the Legislative Committee on Education, determine whether to include those recommendations and adopt any revision to the method. The Commission shall submit any revision to the method to each school district and the:

(a) Governor for inclusion in the proposed executive budget.

(b) Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature.

Sec. 8. *1. Except as otherwise provided in subsection 2, each school district shall ensure that all adjusted base per pupil funding received by the school district pursuant to paragraph (c) of subsection 2 of section 4 of this act is accounted for separately and, after a deduction for the administrative expenses of the school district in an amount which does not exceed the amount*

prescribed by the Commission by regulation for each school district. Any money received by a school district to support a necessarily small school, as determined pursuant to section 6 of this act, must be distributed to such schools. The adjusted base per pupil funding provided to each school district must:

(a) Be distributed by each school district to its public schools in a manner that ensures each pupil in the school district receives a reasonably equal educational opportunity.

(b) Be used to support the educational needs of all pupils in the school district, including, without limitation, operating each public school in the school district, training and supporting educational personnel and carrying out any program or service established by, or requirement imposed pursuant to, this title ~~[.]~~ for any purpose for which specific funding is not appropriated pursuant to paragraph (a), (b) or (e) of subsection 2 of section 4 of this act.

2. If a school district determines that an additional amount of money is necessary to satisfy requirements for maintenance of effort or any other requirement under federal law for pupils with disabilities enrolled in the school district, the school district may transfer the necessary amount of money from the adjusted base per pupil funding received by the school district for that purpose.

3. Each school district shall ensure that all weighted funding received by the school district pursuant to paragraph (e) of subsection 2 of section 4 of this act is accounted for separately and distributed directly to each school in which the relevant pupils are enrolled.

4. Each public school shall account separately for the adjusted base per pupil funding received by the public school pursuant to paragraph (c) of subsection 2 of section 4 of this act and for each category of weighted funding received by the public school pursuant to paragraph (e) of subsection 2 of section 4 of this act. Unless the provisions of subsection 7 or 8 impose greater restrictions on the use of weighted funding by a public school, the public school must use the weighted funding received for each relevant pupil:

(a) As a supplement to the adjusted base per pupil funding received for the pupil; and

(b) Solely for the purpose of providing such additional educational programs, services or support as are necessary to ensure the pupil receives a reasonably equal educational opportunity.

5. Except as otherwise provided in subsection 6, the separate accounting required by subsection 4 for pupils with disabilities and gifted and talented pupils must include:

(a) The amount of money provided to the public school for special education; and

(b) The cost of:

(1) Instruction provided by licensed special education teachers and supporting staff;

(2) Related services, including, without limitation, services provided by psychologists, therapists and health-related personnel;

(3) Transportation of the pupils with disabilities and gifted and talented pupils to and from school;

(4) The direct supervision of educational and supporting programs; and

(5) The supplies and equipment needed for providing special education.

6. Money received from federal sources must be accounted for separately and excluded from the accounting required pursuant to subsection 5.

7. A public school that receives weighted funding for one or more at-risk pupils must use that weighted funding only to provide Victory services and, if one or more at-risk pupils for whom the school received weighted funding in the at-risk pupil category also belong to one or more other categories of pupils who receive weighted funding, the additional services for each such at-risk pupil which are appropriate for each category to which the at-risk pupil belongs.

8. A public school that receives weighted funding for one or more pupils who are English learners must use that weighted funding only to provide Zoom services and, if one or more English learners for whom the school received weighted funding in the English learner category also belong to one or more other categories of pupils who receive weighted funding, the additional services for each such English learner which are appropriate for each category to which the English learner belongs.

9. The Commission shall adopt regulations prescribing the maximum amount of money that each school district may deduct for its administrative expenses from the adjusted base per pupil funding received by the school district. When adopting such regulations, the Commission may express the maximum amount of money that may be deducted as a percentage of the adjusted base per pupil funding received by the school district.

10. As used in this section:

(a) "Victory services" means any one or more of the following services:

(1) A prekindergarten program provided free of charge.

(2) A summer academy or other instruction for pupils provided free of charge at times during the year when school is not in session.

(3) Additional instruction or other learning opportunities provided free of charge at times of day when school is not in session.

(4) Professional development for teachers and other educational personnel concerning instructional practices and strategies that have proven to be an effective means to increase pupil achievement in populations of at-risk pupils.

(5) Incentives for hiring and retaining teachers and other licensed educational personnel who provide Victory services.

(6) Employment of paraprofessionals, other educational personnel and other persons who provide Victory services.

(7) A reading skills center.

(8) Integrated student supports, wrap-around services and evidence-based programs designed to meet the needs of at-risk pupils.

(9) Any other service or program that has a demonstrated record of success for similarly situated pupils in comparable school districts and has been reviewed and approved as a Victory service by the Superintendent of Public Instruction.

(b) "Zoom services" means any one or more of the following services:

(1) A prekindergarten program provided free of charge.

(2) A reading skills center.

(3) Professional development for teachers and other licensed educational personnel regarding effective instructional practices and strategies for pupils who are English learners.

(4) Incentives for hiring and retaining teachers and other licensed educational personnel who provide Zoom services.

(5) Engagement and involvement with parents and families of pupils who are English learners, including, without limitation, increasing effective, culturally appropriate communication with and outreach to parents and families to support the academic achievement of those pupils.

(6) A summer academy or, for those schools that do not operate on a traditional school calendar, an intersession academy provided free of charge, including, without limitation, the provision of transportation to attend the summer academy or intersession academy.

(7) An extended school day.

(8) Any other service or program that has a demonstrated record of success for similarly situated pupils in comparable school districts and has been reviewed and approved as a Zoom service by the Superintendent of Public Instruction.

Sec. 9. *1. For the purpose of establishing budgetary estimates for expenditures and revenues for the State Education Fund as prescribed by the State Budget Act, the Governor shall ensure that an amount of money in the State General Fund is reserved for transfer to the State Education Fund which is sufficient to fully fund:*

(a) If the Economic Forum projects that the revenue collected by the State for general, unrestricted uses will increase by a rate that is greater than the combined rate of inflation and the growth of enrollment in the public schools in this State in the immediately preceding biennium, an amount of money in the State General Fund for transfer to the State Education Fund for the subsequent biennium which is not less than the amount of money transferred to the State Education Fund from the State General Fund for the immediately preceding biennium increased by an amount not less than the rate of increase for the revenue collected by the State as projected by the Economic Forum.

(b) If the Economic Forum projects that the revenue collected by the State for general, unrestricted uses will increase by a rate that is not greater than the combined rate of inflation and the growth of enrollment in the public schools in this State ~~[,]~~ *in the immediately preceding biennium, an amount of*

money in the State General Fund for transfer to the State Education Fund for the subsequent biennium which is not less than the amount of money transferred to the State Education Fund from the State General Fund for the immediately preceding biennium increased by an amount not less than the combined rate of inflation and the growth of enrollment in the public schools in this State.

(c) If the Economic Forum projects that the revenue collected by the State for general, unrestricted uses will decrease, an amount of money in the State General Fund for transfer to the State Education Fund for the subsequent biennium which is not less than the amount of money transferred to the State Education Fund from the State General Fund for the immediately preceding biennium decreased by an amount not greater than the rate of decrease for the revenue collected by the State as projected by the Economic Forum.

2. As part of the proposed executive budget, the Governor shall include recommendations for:

(a) The statewide base per pupil funding amount, which must be equal to the statewide base per pupil funding amount for the immediately preceding biennium increased by an amount not less than the combined rate of inflation and the growth of enrollment in the public schools in this State unless the amount of money contained in the State Education Fund , excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, decreases from the immediately preceding biennium ~~[;]~~ , in which event the Governor must recommend a proportional reduction to both the statewide base per pupil funding amount and the multiplier for each category of pupils pursuant to paragraph (b); and

(b) The multiplier for each category of pupils, which must not be less than the multiplier for the immediately preceding biennium unless ~~[the]~~ :

(1) The amount of money contained in the State Education Fund , excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, decreases from the immediately preceding biennium ~~[,]~~ , in which event the Governor must recommend a proportional reduction to both the statewide base per pupil funding amount pursuant to paragraph (a) and the multiplier for each category of pupils; or

(2) The amount of money contained in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, increases from the preceding fiscal year but in an amount which, after recommending the statewide base per pupil funding amount pursuant to paragraph (a), is insufficient to fund the multiplier for each category of pupils, in which event the Governor must recommend the remaining money in the State Education Fund, excluding the Education Stabilization Account or any account created pursuant to subsection 5 of section 2 of this act, be used to provide a multiplier for each category of pupils which is as close as practicable to the multiplier for the preceding fiscal year.

3. When determining the amount of money to reserve for transfer from the State General Fund to the State Education Fund pursuant to subsection 1, the Governor shall consider the recommendations of the Commission for an optimal level of funding for education and may reserve an additional amount of money for transfer to the State Education Fund that the Governor determines to be sufficient to fund any recommendation or any portion of a recommendation that the Governor includes in the proposed executive budget.

4. As part of the proposed executive budget, the Governor may recommend to the Legislature a revision to any appropriation made by law pursuant to section 4 of this act, including, without limitation, the statewide base per pupil funding amount, the adjusted base per pupil funding for any school district, the multiplier for weighted funding for any category of pupils or the creation or elimination of a category of pupils to receive additional weighted funding. The Governor may recommend additional funding for any recommendation made pursuant to this subsection, but shall not include in the proposed executive budget a total amount of funding for the State Education Fund which is less than the amount required pursuant to subsection 1 regardless of any recommendation made pursuant to this subsection.

5. As used in this section, "rate of inflation" means the percentage of increase or decrease in the *Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the United States Department of Labor for the immediately preceding calendar year or, if that index ceases to be published by the United States Department of Labor, the published index that most closely resembles that index, as determined by the Governor.*

Sec. 10. *1. The Commission on School Funding, consisting of 11 members, is hereby created.*

2. The Commission consists of the following members, who may not be Legislators:

(a) One member appointed by the Governor, who serves as Chair;

(b) Two members appointed by the Majority Leader of the Senate;

(c) Two members appointed by the Speaker of the Assembly;

(d) One member appointed by the Minority Leader of the Senate;

(e) One member appointed by the Minority Leader of the Assembly;

(f) Two members appointed by the Governor, each of whom is the chief financial officer of a school district in this State which has more than 40,000 pupils enrolled in its public schools, nominated by the Nevada Association of School Superintendents or its successor organization; and

(g) Two members appointed by the Governor, each of whom is the chief financial officer of a school district in this State which has 40,000 or fewer pupils enrolled in its public schools, nominated by the Nevada Association of School Superintendents or its successor organization.

➥ *In making appointments to the Commission, the appointing authorities shall* ~~[ensure that]~~ *consider whether the membership* ~~[represents]~~ *generally reflects the geographic* ~~[diversity of]~~ *distribution of pupils in the State.*

3. Each member of the Commission must:

(a) Be a resident of this State;

(b) Not have been registered as a lobbyist pursuant to NRS 218H.200 for a period of at least 2 years immediately preceding appointment to the Commission;

(c) Have relevant experience in public education;

~~[(c)]~~ (d) Have relevant experience in fiscal policy, school finance or similar or related financial activities; ~~[and~~

~~(d)]~~ (e) Have the education, experience and skills necessary to effectively execute the duties and responsibilities of a member of the Commission ~~[.]~~ ; and

(f) Have demonstrated ability in the field of economics, taxation or other discipline necessary to school finance and be able to bring knowledge and professional judgment to the deliberations of the Commission.

4. Each member of the Commission serves a term of 3 years and may be reappointed to additional terms.

5. Each member may be removed by the appointing authority for good cause. A vacancy on the Commission must be filled in the same manner as the original appointment.

6. The Commission shall:

(a) Elect a Vice Chair from among its members at its first meeting for a term of 3 years. A vacancy in the office of Vice Chair must be filled by the Commission by election for the remainder of the existing term.

(b) Adopt such rules governing the conduct of the Commission as it deems necessary.

(c) Hold its first meeting on or before October 1, 2019, and hold such additional number of meetings as may be necessary to accomplish the tasks assigned to it in the time allotted.

7. A majority of the members of the Commission constitutes a quorum and a majority of those present must concur in any decision.

8. The Director of the Legislative Counsel Bureau shall provide the Commission with meeting rooms, data processing services and administrative and clerical assistance. The Director of the Legislative Counsel Bureau, Superintendent of Public Instruction and Office of Finance shall jointly provide the Commission with professional staff services. To the extent money is available for this purpose, the Commission may contract with one or more persons to provide independent technical expertise to the Commission.

9. While engaged in the business of the Commission, each member is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

Sec. 11. *1. The Commission shall:*

(a) Provide guidance to school districts and the Department on the implementation of the Pupil-Centered Funding Plan.

(b) Monitor the implementation of the Pupil-Centered Funding Plan and make any recommendations to the Governor or the Legislature that the Commission determines would, within the limits of appropriated funding,

improve the implementation of the Pupil-Centered Funding Plan or correct any deficiencies of the Department or any school district or public school in carrying out the Pupil-Centered Funding Plan.

(c) Review the statewide base per pupil funding amount, the adjusted base per pupil funding for each school district and the multiplier for weighted funding for each category of pupils appropriated by law pursuant to section 4 of this act for each biennium and recommend any revisions the Commission determines to be appropriate to create an optimal level of funding for the public schools in this State, including, without limitation, by recommending the creation or elimination of one or more categories of pupils to receive additional weighted funding. If the Commission makes a recommendation pursuant to this paragraph which would require more money to implement than was appropriated from the State Education Fund in the immediately preceding biennium, the Commission shall also identify a method to fully fund the recommendation ~~[.]~~ within 10 years after the date of the recommendation.

(d) Review the laws and regulations of this State relating to education, make recommendations to the Governor and the Legislature for any revision of such laws and regulations that the Commission determines would improve the efficiency or effectiveness of public education in this State and notify each school district of each such recommendation.

(e) Review and revise the cost adjustment factors for each ~~[school district]~~ county established pursuant to section 5 of this act, the method for determining ~~[additional funding]~~ the adjustment for each necessarily small school established pursuant to section 6 of this act and the method for calculating the small district equity adjustment established pursuant to section 7 of this act.

2. Before finalizing and transmitting any recommendation pursuant to paragraphs (a) to (d), inclusive, of subsection 1, the Commission shall present the recommendation at a meeting of the Legislative Committee on Education for consideration and revision by the Committee. After the meeting, the Commission shall consider any revisions of the Legislative Committee on Education and determine whether to include those revisions before transmitting its recommendations.

3. The Commission may request information directly from any state agency, local government, school district or public school of this State. A state agency, local government, school district or public school that receives a reasonable request for information from the Commission shall comply with the request as soon as is reasonably practicable after receiving the request.

4. The Commission may request direct testimony from any state agency, local government, school district or public school of this State at a meeting of the Commission. The head, or a designee thereof, of an entity which receives a reasonable request pursuant to this subsection shall appear at the meeting and shall comply with the request.

Sec. 12. *1. On or before ~~[March]~~ February 1 of each odd-numbered year, the Department shall create a report that includes a description of the personnel and services that the Department reasonably believes an average*

elementary school, middle school and high school in this State could employ and provide using the amount of money for public education contained in the proposed executive budget submitted by the Governor to the Legislature pursuant to NRS 353.230 when combined with all other money expected to be available for public education ~~[.]~~ *and submit the report to the Commission for review. The Commission shall review the report and provide to the Department any recommendations for revision of the report that the Commission determines to be appropriate. The Department shall consider the recommendations of the Commission, submit a final report* ~~[must be submitted]~~ *to the Director of the Legislative Counsel Bureau for transmission to the Legislature and* ~~[posted]~~ *post the final report on an Internet website maintained by the Department* ~~[.]~~ *not later than March 1 of each odd-numbered year.*

2. On or before July 1 of each year, the Department shall create a report that includes a description of the personnel and services that the Department reasonably believes an average elementary school, middle school and high school in this State could employ and provide using the amount of money for public education appropriated by the Legislature when combined with all other money expected to be available for public education ~~[.]~~ *and submit the report to the Commission for review. The Commission shall review the report and provide any recommendations for revision of the report that it determines to be appropriate to the Department. The Department shall consider the recommendations of the Commission, submit a final report* ~~[must be submitted]~~ *to the Director of the Legislative Counsel Bureau for transmission to the Legislative Committee on Education and* ~~[posted]~~ *post the final report on an Internet website maintained by the Department* ~~[.]~~ *not later than August 1 of each year.*

3. On or before October 1 of each year, each school district shall create a report that includes a description of the personnel employed and services provided by the school district during the immediately preceding school year and any changes that the school district anticipates making to the personnel and services during the current school year. The school district shall post a copy of the report on the Internet website maintained by the school district.

4. On or before October 1 of each year, each public school shall create a report that includes a description of the personnel employed and services provided by the school during the immediately preceding school year and any changes the school anticipates making to the personnel and services during the current school year. The public school shall provide a written copy of the report to the parent or legal guardian of each pupil who attends the public school and, if the public school maintains an Internet website, post a copy of the report on the website.

5. The Department shall prescribe by regulation the format and contents of the information to be provided to create the reports required pursuant to subsections 1 and 2 by the Department and for the report created by each

school district pursuant to subsection 3 and each public school pursuant to subsection 4. The reports must include, as applicable and without limitation:

(a) Each grade level at which the public school enrolls pupils;

(b) The number of pupils attending the public school;

(c) The average class size at the public school;

(d) The number of persons employed by the public school to provide instruction, support to pupils, administrative support and other personnel including, without limitation, the number of employees in any subgroup of each type or classification of personnel as prescribed by the Department;

(e) The professional development provided to each teacher at the public school;

(f) The amount of money spent per pupil for supplies, materials, equipment and textbooks;

(g) For each category of pupils for which the public school receives any additional funding, including, without limitation, pupils with disabilities, pupils who are English learners, at-risk pupils and gifted and talented pupils:

(1) The number of pupils in each category who attend the public school;

(2) If the Department determines that pupils within a category must be divided based on severity of need, the number of pupils in each such subcategory; and

(3) The number of persons employed to provide instruction, support to pupils, administrative support and other personnel employed by the public school and dedicated to providing services to each category or subcategory of pupils, including, without limitation, any subgroup of each kind of personnel prescribed by the Department;

(h) The total amount of money received to support the operations of the public school, divided by the number of pupils enrolled in the public school and expressed as a per pupil amount;

(i) The total amount of money received by the public school as adjusted base per pupil funding, divided by the number of pupils enrolled in the public school and expressed as a per pupil amount; and

(j) The amount of money received by the public school as weighted funding for each category of pupils supported by weighted funding, divided by the number of pupils enrolled in the public school who are identified in the appropriate category and expressed as a per pupil amount for each category.

Sec. 13. NRS 387.030 is hereby amended to read as follows:

387.030 All money derived from interest on the State Permanent School Fund, together with all money derived from other sources provided by law, must:

1. Except as otherwise provided in NRS 387.191 , ~~[and 387.193,]~~ be placed in the State ~~[Distributive School Account which is hereby created in the State General]~~ *Education* Fund; and

2. Except as otherwise provided in NRS 387.528, be apportioned among the several school districts and charter schools of this State at the times and in the manner provided by law.

Sec. 14. NRS 387.047 is hereby amended to read as follows:

387.047 1. Except as otherwise provided in this section, each school district and charter school shall separately account for all money received for the instruction of and the provision of related services to ~~[pupils with disabilities,]~~ pupils who receive early intervening services . ~~[and gifted and talented pupils described by NRS 388.419 and 388.5267.]~~

2. The separate accounting must include:

(a) The amount of money provided to the school district or charter school for special education for basic support;

(b) Transfers of money from the general fund of the school district or charter school needed to balance the special revenue fund; *and*

(c) ~~[The cost of:~~

~~(1) Instruction provided by licensed special education teachers and supporting staff;~~

~~(2) Related services, including, but not limited to, services provided by psychologists, therapists and health-related personnel;~~

~~(3) Transportation of the pupils with disabilities and gifted and talented pupils to and from school;~~

~~(4) The direct supervision of educational and supporting programs; and~~

~~(5) The supplies and equipment needed for providing special education; and~~

~~(d)]~~ The amount of money, if any, expended by the school district or charter school for early intervening services provided pursuant to subsection 3 of NRS 388.429.

3. Money received from federal sources must be:

(a) Accounted for separately; and

(b) Excluded from the accounting required pursuant to this section.

Sec. 15. NRS 387.121 is hereby amended to read as follows:

387.121 1. The Legislature declares that the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity. Recognizing wide local variations in wealth and costs per pupil, this State should supplement local financial ability to whatever extent necessary in each school district to provide programs of instruction in both compulsory and elective subjects that offer full opportunity for every Nevada child to receive the benefit of the purposes for which public schools are maintained. Therefore, the quintessence of the State's financial obligation for such programs can be expressed ~~[in a formula partially on a per pupil basis and partially on a per program basis as: State financial aid to school districts equals the difference between school district basic support guarantee and local available funds produced by mandatory taxes minus all the local funds attributable to pupils who reside in the county but attend a charter school or a university school for profoundly gifted pupils.]~~ *by combining money raised pursuant to state law at the local level with state money to provide a certain basic level of support to each pupil in this State, adjusted to account for variation in the local costs to provide a reasonably equal*

educational opportunity to pupils and for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. This formula is designated the ~~[Nevada]~~ *Pupil-Centered Funding* Plan.

2. It is the intent of the Legislature ~~[, commencing with Fiscal Year 2016-2017, to provide additional resources to the Nevada Plan expressed as a multiplier of the basic support guarantee to meet the unique needs of certain categories of pupils, including, without limitation, pupils with disabilities, pupils who are English learners, pupils who are at risk and gifted and talented pupils. As used in this subsection, "pupils who are at risk" means pupils who are eligible for free or reduced price lunch pursuant to 42 U.S.C. §§ 1751 et seq., or an alternative measure prescribed by the State Board of Education.]~~ *to accomplish the transition to the Pupil-Centered Funding Plan without causing an unexpected loss of revenue to any school district which may receive less money under the Pupil-Centered Funding Plan than the district ~~[would have]~~ received ~~[before the enactment of the Pupil-Centered Funding Plan,]~~ during the fiscal year ending on June 30, 2020. Except as otherwise provided in subsection 3, if a school district would receive less money under the Pupil-Centered Funding Plan than the district received during the fiscal year ending on June 30, 2020, it is the intent of the Legislature that the school district instead receive the same amount of money that the district received during the fiscal year ending on June 30, 2020, and be given the flexibility to reapportion money between its adjusted base per pupil funding and weighted funding in a manner similar to the apportionment of such money in the fiscal year ending on June 30, 2020, to ensure that each pupil in the district receives a reasonably equal educational opportunity.*

3. It is the intent of the Legislature to ensure that no school district that receives a modified allocation of money as described in subsection 2 receives less money in a school year than the school district received in the immediately preceding school year ~~[.]~~ unless the enrollment in the school district continues to decline for a period of 2 years or more. In the event of such an enrollment decline, it is the intent of the Legislature to determine an appropriate method to mitigate the effects of a continued decline in enrollment, which may include, without limitation, appropriating money to the school district as if the number of pupils enrolled in the district equaled the average number of pupils enrolled in the district over a rolling 3-year period.

Sec. 16. NRS 387.1211 is hereby amended to read as follows:

387.1211 As used in NRS 387.121 to ~~[387.1245,]~~ *387.1244,* inclusive ~~[.]~~ *, and sections 2 to 12, inclusive, of this act:*

1. *"At-risk pupil" means a pupil who is eligible for free or reduced-price lunches pursuant to 42 U.S.C. §§ 1751 et seq., or an alternative measure prescribed by the State Board.*

2. "Average daily attendance" means the total number of pupils attending a particular school each day during a period of reporting divided by the number of days school is in session during that period.

~~[2.]~~ *3.* "Average daily enrollment" means the total number of pupils enrolled in and scheduled to attend a public school in a specific school district during a period of reporting divided by the number of days school is in session during that period.

~~[3.]~~ *4. "Commission" means the Commission on School Funding created by section 10 of this act.*

5. "Enrollment" means the count of pupils enrolled in and scheduled to attend programs of instruction of a school district, charter school or university school for profoundly gifted pupils at a specified time during the school year.

Sec. 17. NRS 387.1223 is hereby amended to read as follows:

387.1223 1. On or before October 1, January 1, April 1 and July 1, each school district shall report to the Department, in the form prescribed by the Department, the average daily enrollment of pupils pursuant to this section for the immediately preceding quarter of the school year.

2. Except as otherwise provided in subsection 3, ~~[basic support of]~~ *the yearly apportionment from the State Education Fund for* each school district must be computed by:

(a) Multiplying the ~~[basic support guarantee]~~ *adjusted base* per pupil *funding* established for that school district for that school year by the sum of:

(1) The count of pupils enrolled in kindergarten and grades 1 to 12, inclusive, *in a public school in the school district* based on the average daily enrollment of those pupils during the quarter . ~~[, including, without limitation, the count of pupils who reside in the county and are enrolled in any charter school and the count of pupils who are enrolled in a university school for profoundly gifted pupils located in the county.]~~

(2) The count of pupils not included under subparagraph (1) who are enrolled full-time in a program of distance education provided by that school district, ~~[a charter school located within that school district or a university school for profoundly gifted pupils,]~~ based on the average daily enrollment of those pupils during the quarter.

(3) The count of pupils who reside in the county and are enrolled:

(I) In a public school of the school district and are concurrently enrolled part-time in a program of distance education provided by another school district or a charter school or receiving a portion of his or her instruction from a participating entity, as defined in NRS 353B.750, based on the average daily enrollment of those pupils during the quarter.

(II) In a charter school and are concurrently enrolled part-time in a program of distance education provided by ~~[a]~~ *the* school district , ~~[or another charter school or receiving a portion of his or her instruction from a participating entity, as defined in NRS 353B.750,]~~ based on the average daily enrollment of those pupils during the quarter.

(4) The count of pupils not included under subparagraph (1), (2) or (3), who are receiving special education pursuant to the provisions of NRS 388.417 to 388.469, inclusive, and 388.5251 to 388.5267, inclusive, based on the average daily enrollment of those pupils during the quarter and excluding the

count of pupils who have not attained the age of 5 years and who are receiving special education pursuant to NRS 388.435.

(5) Six-tenths the count of pupils who have not attained the age of 5 years and who are receiving special education pursuant to NRS 388.435, based on the average daily enrollment of those pupils during the quarter.

(6) The count of children detained in facilities for the detention of children, alternative programs and juvenile forestry camps receiving instruction pursuant to the provisions of NRS 388.550, 388.560 and 388.570, based on the average daily enrollment of those pupils during the quarter.

(7) The count of pupils who are enrolled in classes for at least one semester pursuant to subsection 1 of NRS 388A.471, subsection 1 of NRS 388A.474, subsection 1 of NRS 392.074, or subsection 1 of NRS 388B.280 or any regulations adopted pursuant to NRS 388B.060 that authorize a child who is enrolled at a public school of a school district or a private school or a homeschooled child to participate in a class at an achievement charter school, based on the average daily enrollment of pupils during the quarter and expressed as a percentage of the total time services are provided to those pupils per school day in proportion to the total time services are provided during a school day to pupils who are counted pursuant to subparagraph (1).

(b) Adding *to* the ~~[amounts]~~ *amount* computed in paragraph (a) ~~[.]~~ *the amounts appropriated pursuant to paragraphs (b) and (e) of subsection 2 of section 4 of this act.*

3. Except as otherwise provided in subsection 4, if the enrollment of pupils in a school district or a charter school that is located within the school district based on the average daily enrollment of pupils during the quarter of the school year is less than or equal to 95 percent of the enrollment of pupils in the same school district or charter school based on the average daily enrollment of pupils during the same quarter of the immediately preceding school year, the enrollment of pupils during the same quarter of the immediately preceding school year must be used for purposes of making the ~~[quarterly]~~ *monthly* apportionments from the State ~~[Distributive School Account]~~ *Education Fund* to that school district or charter school pursuant to NRS 387.124.

4. If the Department determines that a school district or charter school deliberately causes a decline in the enrollment of pupils in the school district or charter school to receive a higher apportionment pursuant to subsection 3, including, without limitation, by eliminating grades or moving into smaller facilities, the enrollment number from the current school year must be used for purposes of apportioning money from the State ~~[Distributive School Account]~~ *Education Fund* to that school district or charter school pursuant to NRS 387.124.

5. The Department shall prescribe a process for reconciling the quarterly reports submitted pursuant to subsection 1 to account for pupils who leave the school district or a public school during the school year.

6. Pupils who are excused from attendance at examinations or have completed their work in accordance with the rules of the board of trustees must be credited with attendance during that period.

7. Pupils who are incarcerated in a facility or institution operated by the Department of Corrections must not be counted for the purpose of computing ~~[basic support]~~ *the yearly apportionment* pursuant to this section. The average daily attendance for such pupils must be reported to the Department of Education.

8. Pupils who are enrolled in courses which are approved by the Department as meeting the requirements for an adult to earn a high school diploma must not be counted for the purpose of computing ~~[basic support]~~ *the yearly apportionment* pursuant to this section.

Sec. 18. NRS 387.1225 is hereby amended to read as follows:

387.1225 1. A hospital or other facility which is licensed by the Division of Public and Behavioral Health of the Department of Health and Human Services that provides residential treatment to children and which operates a private school licensed pursuant to chapter 394 of NRS may request reimbursement from the Department for the cost of providing educational services to a child who:

(a) The Department verifies is a patient or resident of the hospital or facility; and

(b) Attends the private school for more than 7 school days.

2. Upon receiving a request for reimbursement, the Department shall determine the amount of reimbursement to which the hospital or facility is entitled as a percentage of the ~~[basic support guarantee]~~ *adjusted base* per pupil *funding for the school district which the child would otherwise attend or the statewide base per pupil funding amount for the charter school which the child would otherwise attend, as applicable,* and withhold that amount from the school district or charter school where the child would attend school if the child were not placed in the hospital or facility. If the child is a pupil with a disability, the hospital or facility is also entitled to a corresponding percentage of the ~~[statewide multiplier included in the basic support guarantee per pupil pursuant to NRS 387.122.]~~ *weighted funding for the pupil established pursuant to section 4 of this act.* The Department shall distribute the money withheld from the school district or charter school to the hospital or facility.

3. For the purposes of subsection 2, the amount of reimbursement to which the hospital or facility is entitled must be calculated on the basis of the number of school days the child is a patient or resident of the hospital or facility and attends the private school, excluding the 7 school days prescribed in paragraph (b) of subsection 1, in proportion to the number of days of instruction scheduled for that school year by the board of trustees of the school district or the charter school, as applicable.

4. The Department shall adopt any regulations necessary to carry out the provisions of this section.

5. As used in this section:

(a) "Hospital" has the meaning ascribed to it in NRS 449.012.

(b) "Private school" has the meaning ascribed to it in NRS 394.103.

Sec. 19. NRS 387.124 is hereby amended to read as follows:

387.124 Except as otherwise provided in this section and NRS 387.1241, 387.1242 and 387.528:

1. On or before ~~[August 1, November 1, February 1 and May 1]~~ *the first day* of each ~~[year,]~~ *month*, the Superintendent of Public Instruction shall apportion the State ~~[Distributive School Account in the State General]~~ *Education* Fund among the several county school districts, charter schools and university schools for profoundly gifted pupils in amounts approximating ~~[one-fourth]~~ *one-twelfth* of their respective yearly apportionments less any amount set aside as a reserve ~~[.]~~ *or contained in the Education Stabilization Account or an account created pursuant to subsection 5 of section 2 of this act.* Except as otherwise provided in NRS 387.1244, the apportionment to a school district, computed on a yearly basis, equals the ~~[difference between the basic support and the local funds available pursuant to NRS 387.163, minus all the funds attributable to pupils who reside in the county but attend a charter school, all the funds attributable to pupils who reside in the county and are enrolled full-time or part-time in a program of distance education provided by another school district or a charter school, all the funds attributable to pupils who are enrolled in a university school for profoundly gifted pupils]~~ *amounts established by law for each school year pursuant to paragraphs (b), (c) and (e) of subsection 2 of section 4 of this act for all pupils who attend a public school operated by the school district* located in the county ~~[and]~~ , *minus* all the funds deposited in education savings accounts established on behalf of children who reside in the county pursuant to NRS 353B.700 to 353B.930, inclusive. ~~[No apportionment may be made to a school district if the amount of the local funds exceeds the amount of basic support.]~~

2. Except as otherwise provided in NRS 387.1244, in addition to the apportionments made pursuant to this section, if a pupil is enrolled part-time in a program of distance education and part-time in a:

(a) Public school other than a charter school, an apportionment must be made to the school district in which the pupil resides. The school district in which the pupil resides shall allocate a percentage of the apportionment to the school district or charter school that provides the program of distance education in the amount set forth in the agreement entered into pursuant to NRS 388.854.

(b) Charter school, an apportionment must be made to the charter school in which the pupil is enrolled. The charter school in which the pupil is enrolled shall allocate a percentage of the apportionment to the school district or charter school that provides the program of distance education in the amount set forth in the agreement entered into pursuant to NRS 388.858.

3. The Superintendent of Public Instruction shall apportion, on or before August 1 of each year, the money designated as the "Nutrition State Match" pursuant to NRS 387.105 to those school districts that participate in the

National School Lunch Program, 42 U.S.C. §§ 1751 et seq. The apportionment to a school district must be directly related to the district's reimbursements for the Program as compared with the total amount of reimbursements for all school districts in this State that participate in the Program.

~~[4. If the State Controller finds that such an action is needed to maintain the balance in the State General *Education* Fund at a level sufficient to pay the other appropriations from it, the State Controller may pay out the apportionments monthly, each approximately one twelfth of the yearly apportionment less any amount set aside as a reserve. If such action is needed, the State Controller shall submit a report to the Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau documenting reasons for the action.]~~

Sec. 20. NRS 387.1241 is hereby amended to read as follows:

387.1241 Except as otherwise provided in ~~[this section and]~~ NRS 387.124, 387.1242, 387.1244 and 387.528:

1. The apportionment to a charter school, computed on a yearly basis, is equal to the ~~[sum of the basic support per pupil in the county in which the pupil resides plus the amount of local funds available per pupil pursuant to NRS 387.163 and all other funds available for public schools in the county in which the pupil resides]~~ *amounts established by law for each school year pursuant to paragraphs (d) and (e) of subsection 2 of section 4 of this act for all pupils who attend the charter school,* minus the sponsorship fee prescribed by NRS 388A.414 and minus all the funds attributable to pupils who are enrolled in the charter school but are concurrently enrolled part-time in a program of distance education provided by a school district or another charter school. ~~[If the apportionment per pupil to a charter school is more than the amount to be apportioned to the school district in which a pupil who is enrolled in the charter school resides, the school district in which the pupil resides shall pay the difference directly to the charter school.~~

~~2. The apportionment to a charter school that is sponsored by the State Public Charter School Authority or by a college or university within the Nevada System of Higher Education, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the pupil resides plus the amount of local funds available per pupil pursuant to NRS 387.163 and all other funds available for public schools in the county in which the pupil resides, minus the sponsorship fee prescribed by NRS 388A.414 and minus all funds attributable to pupils who are enrolled in the charter school but are concurrently enrolled part-time in a program of distance education provided by a school district or another charter school.~~

~~3.]~~ *2.* The governing body of a charter school may submit a written request to the Superintendent of Public Instruction to receive, in the first year of operation of the charter school, an apportionment 30 days before the apportionment is required to be made pursuant to NRS 387.124. Upon receipt of such a request, the Superintendent of Public Instruction may make the apportionment 30 days before the apportionment is required to be made. A

charter school may receive all ~~[four]~~ *12* apportionments in advance in its first year of operation.

Sec. 21. NRS 387.1242 is hereby amended to read as follows:

387.1242 Except as otherwise provided in NRS 387.124, 387.1241, 387.1244 and 387.528 ~~[, the]~~ *:*

1. The apportionment to a university school for profoundly gifted pupils, computed on a yearly basis, is equal to the ~~[sum of the basic support per pupil in the county in which the university school is located plus the amount of local funds available per pupil pursuant to NRS 387.163 and all other funds available for public schools in the county in which the university school is located. If the apportionment per pupil to a university school for profoundly gifted pupils is more than the amount to be apportioned to the school district in which the university school is located, the school district shall pay the difference directly to]~~ *amounts established by law for each school year pursuant to paragraphs (d) and (e) of subsection 2 of section 4 of this act for all pupils who attend* the university school.

2. The governing body of a university school for profoundly gifted pupils may submit a written request to the Superintendent of Public Instruction to receive, in the first year of operation of the university school, an apportionment 30 days before the apportionment is required to be made pursuant to subsection 1 of NRS 387.124. Upon receipt of such a request, the Superintendent of Public Instruction may make the apportionment 30 days before the apportionment is required to be made. A university school for profoundly gifted pupils may receive all ~~[four]~~ *12* apportionments in advance in its first year of operation.

Sec. 22. NRS 387.1243 is hereby amended to read as follows:

387.1243 1. The first apportionment based on an estimated number of pupils and succeeding apportionments are subject to adjustment from time to time as the need therefor may appear, including, without limitation, an adjustment made for a pupil who is not properly enrolled in or attending a public school, as determined through an independent audit or other examination conducted pursuant to NRS 387.1238 or through an annual audit of the count of pupils conducted pursuant to subsection 1 of NRS 387.304.

2. ~~[The apportionments to a school district may be adjusted during a fiscal year by the Department of Education, upon approval by the State Board of Examiners and the Interim Finance Committee, if the Department of Taxation and the county assessor in the county in which the school district is located certify to the Department of Education that the school district will not receive the tax levied pursuant to subsection 1 of NRS 387.195 on property of the Federal Government located within the county if:~~

~~(a) The leasehold interest, possessory interest, beneficial interest or beneficial use of the property is subject to taxation pursuant to NRS 361.157 and 361.159 and one or more lessees or users of the property are delinquent in paying the tax; and~~

~~(b) The total amount of tax owed but not paid for the fiscal year by any such lessees and users is at least 5 percent of the proceeds that the school district would have received from the tax levied pursuant to subsection 1 of NRS 387.195.~~

~~➥ If a lessee or user pays the tax owed after the school district's apportionment has been increased in accordance with the provisions of this subsection to compensate for the tax owed, the school district shall repay to the State Distributive School Account in the State General Fund an amount equal to the tax received from the lessee or user for the year in which the school district received an increased apportionment, not to exceed the increase in apportionments made to the school district pursuant to this subsection.~~

~~3.~~] On or before August 1 of each year, the board of trustees of a school district shall provide to the Department, in a format prescribed by the Department, the count of pupils calculated pursuant to subparagraph (7) of paragraph (a) of subsection 2 of NRS 387.1223 who completed at least one semester during the immediately preceding school year.

~~[4.]~~ *3.* If the final computation of apportionment for any school district, charter school or university school for profoundly gifted pupils exceeds the actual amount paid to the school district, charter school or university school for profoundly gifted pupils during the school year, the additional amount due must be paid before September 1. If the final computation of apportionment for any school district, charter school or university school for profoundly gifted pupils is less than the actual amount paid to the school district, charter school or university school for profoundly gifted pupils during the school year, the difference must be repaid to the State ~~[Distributive School Account in the State General]~~ *Education* Fund by the school district, charter school or university school for profoundly gifted pupils before September 25.

Sec. 23. NRS 387.1244 is hereby amended to read as follows:

387.1244 1. The Superintendent of Public Instruction may deduct from an apportionment otherwise payable to a school district, charter school or university school for profoundly gifted pupils pursuant to NRS 387.124 if the school district, charter school or university school:

(a) Fails to repay an amount due pursuant to subsection ~~[4]~~ *3* of NRS 387.1243. The amount of the deduction from the ~~[quarterly]~~ *monthly* apportionment must correspond to the amount due.

(b) Fails to repay an amount due the Department as a result of a determination that an expenditure was made which violates the terms of a grant administered by the Department. The amount of the deduction from the ~~[quarterly]~~ *monthly* apportionment must correspond to the amount due.

(c) Pays a claim determined to be unearned, illegal or unreasonably excessive as a result of an investigation conducted pursuant to NRS 387.3037. The amount of the deduction from the ~~[quarterly]~~ *monthly* apportionment must correspond to the amount of the claim which is determined to be unearned, illegal or unreasonably excessive.

➥ More than one deduction from ~~[a quarterly]~~ *an* apportionment otherwise payable to a school district, charter school or university school for profoundly gifted pupils may be made pursuant to this subsection if grounds exist for each such deduction.

2. The Superintendent of Public Instruction may authorize the withholding of the entire amount of an apportionment otherwise payable to a school district, charter school or university school for profoundly gifted pupils pursuant to NRS 387.124, or a portion thereof, if the school district, charter school or university school for profoundly gifted pupils fails to submit a report or other information that is required to be submitted to the Superintendent, State Board or Department pursuant to a statute. ~~[If a charter school fails to submit a report or other information that is required to be submitted to the Superintendent, State Board or Department through the sponsor of the charter school pursuant to a statute, the Superintendent may only authorize the withholding of the apportionment otherwise payable to the charter school and may not authorize the withholding of the apportionment otherwise payable to the sponsor of the charter school.]~~ Before authorizing a withholding pursuant to this subsection, the Superintendent of Public Instruction shall provide notice to the school district, charter school or university school for profoundly gifted pupils of the report or other information that is due and provide the school district, charter school or university school with an opportunity to comply with the statute. Any amount withheld pursuant to this subsection must be accounted for separately in the State ~~[Distributive School Account, does not revert to the State General]~~ *Education* Fund ~~[at the end of a fiscal year]~~ and must be carried forward to the next fiscal year.

3. If, after an amount is withheld pursuant to subsection 2, the school district, charter school or university school for profoundly gifted pupils subsequently submits the report or other information required by a statute for which the withholding was made, the Superintendent of Public Instruction shall immediately authorize the payment of the amount withheld to the school district, charter school or university school for profoundly gifted pupils.

4. A school district, charter school or university school for profoundly gifted pupils may appeal to the State Board a decision of the Superintendent of Public Instruction to deduct or withhold from ~~[a quarterly]~~ *an* apportionment pursuant to this section. The Secretary of the State Board shall place the subject of the appeal on the agenda of the next meeting for consideration by the State Board.

Sec. 24. NRS 387.175 is hereby amended to read as follows:

387.175 The county school district fund is composed of:

1. ~~[All local taxes for the maintenance and operation of public schools.~~

~~2.]~~ All money received from the Federal Government for the maintenance and operation of public schools.

~~[3.]~~ *2.* Apportionments by this State as provided in NRS 387.124.

~~[4.]~~ *3.* Any other receipts, including gifts, for the operation and maintenance of the public schools in the county school district.

Sec. 25. NRS 387.185 is hereby amended to read as follows:

387.185 1. Except as otherwise provided in subsection 2 and NRS 387.528, unless the Superintendent of Public Instruction authorizes a withholding pursuant to NRS 387.1244, all school money due each county school district must be paid over by the State Treasurer to the county treasurer on ~~[August 1, November 1, February 1 and May 1]~~ *or before the first day* of each ~~[year]~~ *month* or as soon thereafter as the county treasurer may apply for it, upon the warrant of the State Controller drawn in conformity with the apportionment of the Superintendent of Public Instruction as provided in NRS 387.124.

2. Except as otherwise provided in NRS 387.528, unless the Superintendent of Public Instruction authorizes a withholding pursuant to NRS 387.1244, if the board of trustees of a school district establishes and administers a separate account pursuant to the provisions of NRS 354.603, all school money due that school district must be paid over by the State Treasurer to the school district on ~~[August 1, November 1, February 1 and May 1]~~ *or before the first day* of each ~~[year]~~ *month* or as soon thereafter as the school district may apply for it, upon the warrant of the State Controller drawn in conformity with the apportionment of the Superintendent of Public Instruction as provided in NRS 387.124.

3. No county school district may receive any portion of the public school money unless that school district has complied with the provisions of this title and regulations adopted pursuant thereto.

4. Except as otherwise provided in this subsection, unless the Superintendent of Public Instruction authorizes a withholding pursuant to NRS 387.1244, all school money due each charter school must be paid over by the State Treasurer to the governing body of the charter school on ~~[August 1, November 1, February 1 and May 1]~~ *or before the first day* of each ~~[year]~~ *month* or as soon thereafter as the governing body may apply for it, upon the warrant of the State Controller drawn in conformity with the apportionment of the Superintendent of Public Instruction as provided in NRS 387.124. If the Superintendent of Public Instruction has approved, pursuant to subsection ~~[3]~~ *2* of NRS 387.1241, a request for payment of an apportionment 30 days before the apportionment is otherwise required to be made, the money due to the charter school must be paid by the State Treasurer to the governing body of the charter school on ~~[July 1, October 1, January 1 or April 1, as applicable.]~~ *such date.*

5. Except as otherwise provided in this subsection, unless the Superintendent of Public Instruction authorizes a withholding pursuant to NRS 387.1244, all school money due each university school for profoundly gifted pupils must be paid over by the State Treasurer to the governing body of the university school on ~~[August 1, November 1, February 1 and May 1]~~ *or before the first day* of each ~~[year]~~ *month* or as soon thereafter as the governing body may apply for it, upon the warrant of the State Controller drawn in conformity with the apportionment of the Superintendent of Public Instruction

as provided in NRS 387.124. If the Superintendent of Public Instruction has approved, pursuant to NRS 387.1242, a request for payment of an apportionment 30 days before the apportionment is otherwise required to be made, the money due to the university school must be paid by the State Treasurer to the governing body of the university school on ~~[July 1, October 1, January 1 or April 1, as applicable.]~~ *such date.*

Sec. 26. NRS 387.191 is hereby amended to read as follows:

387.191 ~~[1.]~~ Except as otherwise provided in this ~~[subsection,]~~ *section*, the proceeds of the tax imposed pursuant to NRS 244.33561 and any applicable penalty or interest must be paid by the county treasurer to the State Treasurer for credit to the State ~~[Supplemental School Support Account, which is hereby created in the State General]~~ *Education* Fund. The county treasurer may retain from the proceeds an amount sufficient to reimburse the county for the actual cost of collecting and administering the tax, to the extent that the county incurs any cost it would not have incurred but for the enactment of this section and ~~[NRS 387.193 or]~~ NRS 244.33561, but in no case exceeding the amount authorized by statute for this purpose. ~~[Any interest or other income earned on the money in the State Supplemental School Support Account must be credited to the Account.~~

~~2. On or before February 1, May 1, August 1 and November 1 of 2020, and on those dates each year thereafter, the Superintendent of Public Instruction shall transfer from the State Supplemental School Support Account all the proceeds of the tax imposed pursuant to NRS 244.33561, including any interest or other income earned thereon, and distribute the proceeds proportionally among the school districts and charter schools of the state. The proportionate amount of money distributed to each school district or charter school must be determined by dividing the number of students enrolled in the school district or charter school by the number of students enrolled in all the school districts and charter schools of the state. For the purposes of this subsection, the enrollment in each school district and the number of students who reside in the district and are enrolled in a charter school must be determined as of each quarter of the school year. This determination governs the distribution of money pursuant to this subsection until the next quarterly determination of enrollment is made. The Superintendent may retain from the proceeds of the tax an amount sufficient to reimburse the Superintendent for the actual cost of administering the provisions of this section and NRS 387.193, to the extent that the Superintendent incurs any cost the Superintendent would not have incurred but for the enactment of this section and NRS 387.193, but in no case exceeding the amount authorized by statute for this purpose.]~~

Sec. 27. NRS 387.195 is hereby amended to read as follows:

387.195 1. Each board of county commissioners shall levy a tax of 75 cents on each $100 of assessed valuation of taxable property within the county for the support of the public schools . ~~[within the county school district.]~~

2. The tax collected pursuant to subsection 1 on any assessed valuation attributable to the net proceeds of minerals must not be considered as available to pay liabilities of the fiscal year in which the tax is collected but must be deferred for use in the subsequent fiscal year. ~~[The annual budget for the school district must only consider as an available source the tax on the net proceeds of minerals which was collected in the prior year.]~~

3. In addition to any tax levied in accordance with subsection 1, each board of county commissioners shall levy a tax for the payment of interest and redemption of outstanding bonds of the county school district.

4. The tax collected pursuant to subsection 1 and any interest earned from the investment of the proceeds of that tax must be ~~[credited to the county's school district fund.]~~ *remitted by the county treasurer to the State Treasurer for credit to the State Education Fund.*

5. The tax collected pursuant to subsection 3 and any interest earned from the investment of the proceeds of that tax must be credited to the county school district's debt service fund.

Sec. 28. NRS 387.205 is hereby amended to read as follows:

387.205 1. Subject to ~~[the limitations set forth in NRS 387.206 and 387.207 and]~~ the provisions of subsection 3, money on deposit in the county school district fund or in a separate account, if the board of trustees of a school district has elected to establish such an account pursuant to the provisions of NRS 354.603, must be used for:

(a) Maintenance and operation of the public schools controlled by the county school district.

(b) Payment of premiums for Nevada industrial insurance.

(c) Rent of schoolhouses.

(d) Construction, furnishing or rental of teacherages, when approved by the Superintendent of Public Instruction.

(e) Transportation of pupils, including the purchase of new buses.

(f) Programs of nutrition, if such expenditures do not curtail the established school program or make it necessary to shorten the school term, and each pupil furnished lunch whose parent or guardian is financially able so to do pays at least the actual cost of the lunch.

(g) Membership fees, dues and contributions to an interscholastic activities association.

(h) Repayment of a loan made from the State Permanent School Fund pursuant to NRS 387.526.

(i) Programs of education and projects relating to air quality pursuant to NRS 445B.500.

2. ~~[Subject to the limitations set forth in NRS 387.206 and 387.207, money]~~ *Money* on deposit in the county school district fund, or in a separate account, if the board of trustees of a school district has elected to establish such an account pursuant to the provisions of NRS 354.603, when available, may be used for:

(a) Purchase of sites for school facilities.

(b) Purchase of buildings for school use.

(c) Repair and construction of buildings for school use.

3. The board of trustees of a school district, in allocating the use of money pursuant to this section, shall prioritize expenditures in a manner which ensures that the budgetary priorities determined pursuant to NRS 387.301 are carried out.

Sec. 29. 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]~~ *a recommended* 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]~~ *recommended* 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]~~ *recommendations* and must not be used to alter the ~~[distribution of money for basic support]~~ *yearly apportionment from the State Education Fund* 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]~~ *recommended* minimum combined amount of money that the school district, charter school and university school for profoundly gifted pupils ~~[must]~~ *may* 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, 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 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. 30. NRS 387.2062 is hereby amended to read as follows:

387.2062 1. On or before January 1 of each year, the Department shall determine whether each school district, charter school and university school for profoundly gifted pupils has expended, during the immediately preceding fiscal year, the ~~[required]~~ *recommended* minimum amount of money set forth in the notice ~~[or the revised notice, as applicable,]~~ provided pursuant to subsection 3 of NRS 387.206. In making this determination, the Department shall use the report submitted by:

(a) The school district pursuant to NRS 387.303.

(b) The charter school pursuant to NRS 388A.345.

(c) The university school for profoundly gifted pupils pursuant to NRS 388C.250.

2. Except as otherwise provided in subsection 3, if the Department determines that a school district, charter school or university school for profoundly gifted pupils, as applicable, has not expended the ~~[required]~~ *recommended* minimum amount of money set forth in the notice or the revised notice, as applicable, provided pursuant to subsection 3 of NRS 387.206, ~~[a reduction must be made from the basic support allocation otherwise payable to that school district, charter school or university school for profoundly gifted pupils, as applicable, in an amount that is equal to]~~ the *Department shall publish a report which identifies the* difference between the actual combined expenditure for textbooks, instructional supplies, instructional software and instructional hardware and the minimum ~~[required]~~ *recommended* combined expenditure set forth in the notice ~~[or the revised notice, as applicable,]~~ provided pursuant to subsection 3 of NRS 387.206. ~~[A reduction in the amount of the basic support allocation pursuant to this subsection:~~

~~(a) Does not reduce the amount that the school district, charter school or university school for profoundly gifted pupils, as applicable, is required to expend on textbooks, instructional supplies, instructional software and instructional hardware in the current fiscal year; and~~

~~(b) Must not exceed the amount of basic support that was provided to the school district, charter school or university school for profoundly gifted pupils, as applicable, for the fiscal year in which the minimum expenditure amount was not satisfied.]~~

3. If the actual enrollment of pupils in a school district, charter school or university school for profoundly gifted pupils is less than the enrollment included in the projections used in the biennial budget of the school district submitted pursuant to NRS 387.303, the budget of the charter school submitted pursuant to NRS 388A.345 or the report of the university school for profoundly gifted pupils submitted pursuant to NRS 388C.250, as applicable, the ~~[required]~~ *recommended* expenditure for textbooks, instructional supplies, instructional software and instructional hardware pursuant to NRS 387.206 must be reduced proportionately.

Sec. 31. NRS 387.210 is hereby amended to read as follows:

387.210 Except when the board of trustees of a county school district elects to establish a separate account under the provisions of NRS 354.603, each county treasurer shall:

1. Receive and hold as a special deposit all public school moneys, whether received by the county treasurer from the State Treasurer or ~~[raised by the county for the benefit of the public schools, or]~~ from any other source, and keep separate accounts thereof and of their disbursements.

2. Pay over all public school moneys received by the county treasurer only on warrants of the county auditor, issued upon orders of the board of trustees of the county school district. All orders issued in accordance with law by the board of trustees shall be valid vouchers in the hands of the county auditors for warrants drawn upon such orders.

Sec. 32. NRS 387.303 is hereby amended to read as follows:

387.303 1. Not later than November 1 of each year, the board of trustees of each school district shall submit to the Superintendent of Public Instruction and the Department of Taxation a report which includes the following information:

(a) For each fund within the school district, including, without limitation, the school district's general fund and any special revenue fund which receives state money, the total number and salaries of licensed and nonlicensed persons whose salaries are paid from the fund and who are employed by the school district in full-time positions or in part-time positions added together to represent full-time positions. Information must be provided for the current school year based upon the school district's final budget, including any amendments and augmentations thereto, and for the preceding school year. An employee must be categorized as filling an instructional, administrative, instructional support or other position.

(b) The school district's actual expenditures in the fiscal year immediately preceding the report.

(c) The school district's proposed expenditures for the current fiscal year.

(d) The schedule of salaries for licensed employees in the current school year and a statement of whether the negotiations regarding salaries for the current school year have been completed. If the negotiations have not been completed at the time the schedule of salaries is submitted, the board of trustees shall submit a supplemental report to the Superintendent of Public Instruction upon completion of negotiations or the determination of an arbitrator concerning the negotiations that includes the schedule of salaries agreed to or required by the arbitrator.

(e) The number of employees who received an increase in salary pursuant to NRS 391.161, 391.162 or 391.163 for the current and preceding fiscal years. If the board of trustees is required to pay an increase in salary retroactively pursuant to NRS 391.161, the board of trustees shall submit a supplemental report to the Superintendent of Public Instruction not later than February 15 of

the year in which the retroactive payment was made that includes the number of teachers to whom an increase in salary was paid retroactively.

(f) The number of employees eligible for health insurance within the school district for the current and preceding fiscal years and the amount paid for health insurance for each such employee during those years.

(g) The rates for fringe benefits, excluding health insurance, paid by the school district for its licensed employees in the preceding and current fiscal years.

(h) The amount paid for extra duties, supervision of extracurricular activities and supplemental pay and the number of employees receiving that pay in the preceding and current fiscal years.

~~[(i) The expenditures from the account created pursuant to subsection 4 of NRS 179.1187. The report must indicate the total amount received by the district in the preceding fiscal year and the specific amount spent on books and computer hardware and software for each grade level in the district.]~~

2. On or before November 25 of each year, the Superintendent of Public Instruction shall submit to the Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau, in a format approved by the Director of the Department of Administration, a compilation of the reports made by each school district pursuant to subsection 1.

3. In preparing the agency biennial budget request for the State ~~[Distributive School Account]~~ *Education Fund* for submission to the Office of Finance, the Superintendent of Public Instruction:

(a) Shall compile the information from the most recent compilation of reports submitted pursuant to subsection 2;

(b) May increase the line items of expenditures or revenues based on merit salary increases and cost of living adjustments or inflation, as deemed credible and reliable based upon published indexes and research relevant to the specific line item of expenditure or revenue;

(c) May adjust expenditures and revenues pursuant to paragraph (b) for any year remaining before the biennium for which the budget is being prepared and for the 2 years of the biennium covered by the biennial budget request to project the cost of expenditures or the receipt of revenues for the specific line items; and

(d) May consider the cost of enhancements to existing programs or the projected cost of proposed new educational programs, regardless of whether those enhancements or new programs are included in the *adjusted base* per pupil ~~[basic support guarantee]~~ *funding* for inclusion in the biennial budget request to the Office of Finance.

4. The Superintendent of Public Instruction shall, in the compilation required by subsection 2, reconcile the revenues of the school districts with the apportionment received by those districts from the State ~~[Distributive School Account]~~ *Education Fund* for the preceding year.

5. The request prepared pursuant to subsection 3 must:

(a) Be presented by the Superintendent of Public Instruction to such standing committees of the Legislature as requested by the standing committees for the purposes of developing educational programs and providing appropriations for those programs; and

(b) Provide for a direct comparison of appropriations to the proposed budget of the Governor submitted pursuant to subsection 4 of NRS 353.230.

Sec. 33. NRS 387.304 is hereby amended to read as follows:

387.304 The Department shall:

1. Conduct an annual audit of the count of pupils for apportionment purposes reported each quarter by each school district pursuant to NRS 387.123 and the data reported by each school district pursuant to NRS 388.710 that is used to measure the effectiveness of the implementation of a plan developed by each school district to reduce the pupil-teacher ratio as required by NRS 388.720.

2. Review each school district's report of the annual audit conducted by a public accountant as required by NRS 354.624, and the annual report prepared by each district as required by NRS 387.303, and report the findings of the review to the State Board and the Legislative Committee on Education, with any recommendations for legislation, revisions to regulations or training needed by school district employees. The report by the Department must identify school districts which failed to comply with any statutes or administrative regulations of this State or which had any:

(a) Long-term obligations in excess of the general obligation debt limit;

(b) Deficit fund balances or retained earnings in any fund;

(c) Deficit cash balances in any fund;

(d) Variances of more than 10 percent between total general fund revenues and budgeted general fund revenues; or

(e) Variances of more than 10 percent between total actual general fund expenditures and budgeted total general fund expenditures.

3. In preparing its biennial budgetary request for the State ~~[Distributive School Account,]~~ *Education Fund*, consult with the superintendent of schools of each school district or a person designated by the superintendent.

4. Provide, in consultation with the Budget Division of the Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau, training to the financial officers of school districts in matters relating to financial accountability.

Sec. 34. ~~[NRS 387.328 is hereby amended to read as follows:~~

~~387.328 1. The board of trustees of each school district shall establish a fund for capital projects for the purposes set forth in subsection 1 of NRS 387.335. The money in the fund for capital projects may be transferred to the debt service fund to pay the cost of the school district's debt service.~~

~~2. The board of trustees may accumulate money in the fund for capital projects for a period not to exceed 20 years.~~

~~3. [That portion of the governmental services tax whose allocation to the school district pursuant to NRS 482.181 is based on the amount of the property~~

~~tax levy attributable to its debt service must be deposited in the county treasury to the credit of the fund established under subsection 1 or the school district's debt service fund.~~

~~4.] No money in the fund for capital projects at the end of the fiscal year may revert to the county school district fund, nor may the money be a surplus for any other purpose than those specified in subsection 1.~~

~~[5.] 4. The proceeds of the taxes deposited in the fund for capital projects pursuant to NRS 244.3354, 268.0962, 375.070, 377C.110 and 387.3288 [and, in a county whose population is 100,000 or more but less than 700,000, the portion of the governmental services tax whose allocation to the school district pursuant to NRS 482.181 is based on the amount of the property tax levy attributable to its debt service] may be pledged to the payment of the principal and interest on bonds or other obligations issued for one or more of the purposes set forth in NRS 387.335. The proceeds of such taxes so pledged may be treated as pledged revenues for the purposes of subsection 3 of NRS 350.020, and the board of trustees of a school district may issue bonds for those purposes in accordance with the provisions of chapter 350 of NRS.]~~ (Deleted by amendment.)

Sec. 35. NRS 387.528 is hereby amended to read as follows:

387.528 1. If a loan is made from the State Permanent School Fund pursuant to NRS 387.526, the loan must be repaid by the school district from the money that is available to the school district to pay the debt service on the bonds that are guaranteed pursuant to the provisions of NRS 387.513 to 387.528, inclusive, unless payment from that money would cause the school district to default on other outstanding bonds, medium-term obligations or installment-purchase agreements entered into pursuant to the provisions of NRS 350.087 to 350.095, inclusive.

2. If the school district is not able to repay fully the loan, including any accrued interest, in a timely manner pursuant to subsection 1 or by any other lawful means, the State Treasurer shall withhold the payments of money that would otherwise be distributed to the school district from:

(a) The interest earned on the State Permanent School Fund that is distributed among the various school districts; *and*

(b) Distributions ~~[of the local school support tax, which must be transferred by the State Controller upon notification by the State Treasurer; and~~

~~(c) Distributions]~~ from the State ~~[Distributive School Account,]~~ *Education Fund,*

➥ until the loan is repaid, including any accrued interest on the loan. The State Treasurer shall apply the money first to the interest on the loan and, when the interest is paid in full, then to the balance. When the interest and balance on the loan are repaid, the State Treasurer shall resume making the distributions that would otherwise be due to the school district.

Sec. 36. NRS 388.429 is hereby amended to read as follows:

388.429 1. The Legislature declares that funding provided for each school year establishes financial resources sufficient to ensure a reasonably

equal educational opportunity to pupils with disabilities residing in Nevada through the use of the ~~[statewide multiplier to the basic support guarantee prescribed by NRS 387.122.]~~ *weighted funding prescribed by section 4 of this act.*

2. Subject to the provisions of NRS 388.417 to 388.469, inclusive, the board of trustees of each school district shall make such special provisions as may be necessary for the education of pupils with disabilities.

3. The board of trustees of a school district in a county whose population is less than 700,000 may provide early intervening services. Such services must be provided in accordance with the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., and the regulations adopted pursuant thereto.

4. The board of trustees of a school district shall establish uniform criteria governing eligibility for instruction under the special education programs provided for by NRS 388.417 to 388.469, inclusive. The criteria must prohibit the placement of a pupil in a program for pupils with disabilities solely because the pupil is a disciplinary problem in school. The criteria are subject to such standards as may be prescribed by the State Board.

Sec. 37. NRS 388A.345 is hereby amended to read as follows:

388A.345 1. On or before November 1 of each year, the governing body of each charter school shall submit to the sponsor of the charter school, the Superintendent of Public Instruction and the Director of the Legislative Counsel Bureau for transmission to the Majority Leader of the Senate and the Speaker of the Assembly a report that includes:

(a) A written description of the progress of the charter school in achieving the mission and goals of the charter school set forth in its application.

(b) For each fund maintained by the charter school, including, without limitation, the general fund of the charter school and any special revenue fund which receives state money, the total number and salaries of licensed and nonlicensed persons whose salaries are paid from the fund and who are employed by the governing body in full-time positions or in part-time positions added together to represent full-time positions. Information must be provided for the current school year based upon the final budget of the charter school, including any amendments and augmentations thereto, and for the preceding school year. An employee must be categorized as filling an instructional, administrative, instructional support or other position.

(c) The actual expenditures of the charter school in the fiscal year immediately preceding the report.

(d) The proposed expenditures of the charter school for the current fiscal year.

(e) The salary schedule for licensed employees and nonlicensed teachers in the current school year and a statement of whether salary negotiations for the current school year have been completed. If salary negotiations have not been completed at the time the salary schedule is submitted, the governing body

shall submit a supplemental report to the Superintendent of Public Instruction upon completion of negotiations.

(f) The number of employees eligible for health insurance within the charter school for the current and preceding fiscal years and the amount paid for health insurance for each such employee during those years.

(g) The rates for fringe benefits, excluding health insurance, paid by the charter school for its licensed employees in the preceding and current fiscal years.

(h) The amount paid for extra duties, supervision of extracurricular activities and supplemental pay and the number of employees receiving that pay in the preceding and current fiscal years.

2. On or before November 25 of each year, the Superintendent of Public Instruction shall submit to the Office of Finance and the Fiscal Analysis Division of the Legislative Counsel Bureau, in a format approved by the Director of the Office of Finance, a compilation of the reports made by each governing body pursuant to subsection 1.

3. The Superintendent of Public Instruction shall, in the compilation required by subsection 2, reconcile the revenues and expenditures of the charter schools with the apportionment received by those schools from the State ~~[Distributive School Account]~~ *Education Fund* for the preceding year.

Sec. 38. NRS 388A.393 is hereby amended to read as follows:

388A.393 1. A contract or a proposed contract between a charter school or a proposed charter school and a contractor or an educational management organization must not:

(a) Give to the contractor or educational management organization direct control of educational services, financial decisions, the appointment of members of the governing body, or the hiring and dismissal of an administrator or financial officer of the charter school or proposed charter school;

(b) Authorize the payment of loans, advances or other monetary charges from the contractor or educational management organization which are greater than 15 percent of the total expected funding received by the charter school or proposed charter school from the State ~~[Distributive School Account;]~~ *Education Fund;*

(c) Require the charter school or proposed charter school to prepay any fees to the contractor or educational management organization;

(d) Require the charter school or proposed charter school to pay the contractor or educational management organization before the payment of other obligations of the charter school or proposed charter school during a period of financial distress;

(e) Allow a contractor or educational management organization to cause a delay in the repayment of a loan or other money advanced by the contractor or educational management organization to the charter school or proposed charter school, which delay would increase the cost to the charter school or proposed charter school of repaying the loan or advance;

(f) Require the charter school or proposed charter school to enroll a minimum number of pupils for the continuation of the contract between the charter school or proposed charter school and the contractor or educational management organization;

(g) Require the charter school or proposed charter school to request or borrow money from this State to pay the contractor or educational management organization if the contractor or educational management organization will provide financial management to the charter school or proposed charter school;

(h) Contain a provision which restricts the ability of the charter school or proposed charter school to borrow money from a person or entity other than the contractor or educational management organization;

(i) Provide for the allocation to the charter school or proposed charter school of any indirect cost incurred by the contractor or educational management organization;

(j) Authorize the payment of fees to the contractor or educational management organization which are not attributable to the actual services provided by the contractor or educational management organization;

(k) Allow any money received by the charter school or proposed charter school from this State or from the board of trustees of a school district to be transferred to or deposited in a bank, credit union or other financial institution outside this State, including money controlled by the contractor or educational management organization;

(l) Except as otherwise provided in this paragraph, provide incentive fees to the contractor or educational management organization. A contract or a proposed contract may provide to the contractor or educational management organization incentive fees that are based on the academic improvement of pupils enrolled in the charter school;

(m) Require automatic renewal of the contract or provide that the contract remains in effect if the governing body of a charter school is reconstituted or a charter contract is terminated pursuant to NRS 388A.300 or 388A.330, as applicable;

(n) Contain any provision that would delay or prevent the approval of an application by the governing body of the charter school for an exemption from federal taxation pursuant to 26 U.S.C. § 501(c)(3);

(o) Require the governing body of the charter school to pay any costs associated with ensuring that services comply with state and federal law;

(p) Provide that the contractor or educational management organization is not liable for failing to comply with the requirements of the contract; or

(q) Provide for the enforcement of terms of the contract that conflict with an applicable charter contract or federal or state law.

2. As used in this section, "contractor" or "educational management organization" means a corporation, business, organization or other entity, whether or not conducted for profit, with whom a committee to form a charter school or the governing body of a charter school, as applicable, contracts to

assist with the operation, management or provision and implementation of educational services and programs of the charter school or proposed charter school. The term includes a corporation, business, organization or other entity that directly employs and provides personnel to a charter school or proposed charter school.

Sec. 39. NRS 388A.411 is hereby amended to read as follows:

388A.411 1. Each pupil who is enrolled in a charter school, including, without limitation, a pupil who is enrolled in a program of special education in a charter school, must be included in the count of pupils in the *charter* school ~~[district]~~ for the purposes of apportionments and allowances from the State ~~[Distributive School Account]~~ *Education Fund* pursuant to NRS 387.121 to ~~[387.1245,]~~ *387.1244,* inclusive, *and sections 2 to 12, inclusive, of this act,* unless the pupil is exempt from compulsory attendance pursuant to NRS 392.070. A charter school is entitled to receive its proportionate share of any other money available from federal, state or local sources that the school or the pupils who are enrolled in the school are eligible to receive.

2. The State Board shall prescribe a process which ensures that all charter schools, regardless of the sponsor, have information about all sources of funding for the public schools provided through the Department . ~~[, including local funds pursuant to NRS 387.163.]~~

3. All money received by the charter school from this State or from the board of trustees of a school district must be deposited in an account with a bank, credit union or other financial institution in this State. The governing body of a charter school may negotiate with the board of trustees of the school district and the State Board for additional money to pay for services which the governing body wishes to offer.

4. The governing body of a charter school may solicit and accept donations, money, grants, property, loans, personal services or other assistance for purposes relating to education from members of the general public, corporations or agencies. The governing body may comply with applicable federal laws and regulations governing the provision of federal grants for charter schools. The State Public Charter School Authority may assist a charter school that operates exclusively for the enrollment of pupils who receive special education in identifying sources of money that may be available from the Federal Government or this State for the provision of educational programs and services to such pupils.

Sec. 39.5. NRS 388A.414 is hereby amended to read as follows:

388A.414 1. Upon completion of each school quarter, the Superintendent of Public Instruction shall pay to the sponsor of a charter school one-quarter of the yearly sponsorship fee for the administrative costs associated with sponsorship for that school quarter, which must be deducted from the ~~[quarterly]~~ *monthly* apportionment to the charter school made pursuant to NRS 387.124 and 387.1241. Except as otherwise provided in subsection 2, the yearly sponsorship fee for the sponsor of a charter school must be in an amount of money not to exceed 2 percent of the total amount of

money apportioned to the charter school during the school year pursuant to NRS 387.124 and 387.1241.

2. If the governing body of a charter school satisfies the requirements of this section, the governing body may submit a request to the sponsor of the charter school for approval of a sponsorship fee in an amount that is less than 2 percent but at least 1 percent of the total amount of money apportioned to the charter school during the school year pursuant to NRS 387.124 and 387.1241.

3. The sponsor of the charter school shall approve such a request if the sponsor of the charter school determines that the charter school satisfies the requirements of this subsection. If the sponsor of the charter school approves such a request, the sponsor shall provide notice of the decision to the governing body of the charter school and the Superintendent of Public Instruction. If the sponsor of the charter school denies such a request, the governing body of the charter school may appeal the decision of the sponsor to the Superintendent of Public Instruction.

4. Upon appeal, the sponsor of the charter school and the governing body of the charter school are entitled to present evidence. The decision of the Superintendent of Public Instruction on the appeal is final and is not subject to judicial review.

5. The governing body of a charter school may submit a request for a reduction of the sponsorship fee pursuant to this section if:

(a) The charter school satisfies the requirements of subsection 1 of NRS 388A.405; and

(b) There has been a decrease in the duties of the sponsor of the charter school that justifies a decrease in the sponsorship fee.

Sec. 40. NRS 388A.417 is hereby amended to read as follows:

388A.417 1. To determine the amount of money for distribution to a charter school in its first year of operation, the count of pupils who are enrolled in the charter school must initially be determined 30 days before the beginning of the school year of the school district, based on the number of pupils whose applications for enrollment have been approved by the charter school.

2. The count of pupils who are enrolled in the charter school must be revised each quarter based on the average daily enrollment of pupils in the charter school that is reported for that quarter pursuant to NRS 387.1223.

3. Pursuant to subsection ~~[3]~~ *2* of NRS 387.1241, the governing body of a charter school may request that the apportionments made to the charter school in its first year of operation be paid to the charter school 30 days before the apportionments are otherwise required to be made.

4. If a charter school ceases to operate as a charter school during a school year, the remaining apportionments that would have been made to the charter school pursuant to NRS 387.124 and 387.1241 for that year must be paid on a proportionate basis to the school districts where the pupils who were enrolled in the charter school reside.

Sec. 41. NRS 388B.230 is hereby amended to read as follows:

388B.230 1. After the governing body of an achievement charter school is appointed pursuant to NRS 388B.220, the governing body shall select the principal of the achievement charter school. The principal shall review each employee of the achievement charter school to determine whether to offer the employee a position in the achievement charter school based on the needs of the school and the ability of the employee to meet effectively those needs. The board of trustees of the school district in which the achievement charter school is located shall reassign any employee who is not offered a position in the achievement charter school or does not accept such a position in accordance with any collective bargaining agreement negotiated pursuant to chapter 288 of NRS.

2. An achievement charter school must continue to operate in the same building in which the school operated before being converted to an achievement charter school. The board of trustees of the school district in which the school is located must provide such use of the building without compensation. While the school is operated as an achievement charter school, the governing body of the achievement charter school shall pay all costs related to the maintenance and operation of the building and the board of trustees shall pay all capital expenses.

3. The board of trustees of a school district:

(a) Is not required to give priority to a capital project at a public school that is selected for conversion to an achievement charter school; and

(b) Shall not reduce the priority of such a capital project that existed before the school was selected for conversion.

4. Any pupil who was enrolled at the school before it was converted to an achievement charter school must be enrolled in the achievement charter school unless the parent or guardian of the pupil submits a written notice to the principal of the achievement charter school that the pupil will not continue to be enrolled in the achievement charter school.

5. The governing body of an achievement charter school shall not authorize the payment of loans, advances or other monetary charges to the charter management organization, educational management organization or other person with whom the Executive Director has entered into a contract to operate the achievement charter school which are greater than 15 percent of the total expected funding to be received by the achievement charter school from the State ~~[Distributive School Account.]~~ *Education Fund.*

Sec. 42. NRS 388C.260 is hereby amended to read as follows:

388C.260 1. Each pupil who is enrolled in a university school for profoundly gifted pupils, including, without limitation, a pupil who is enrolled in a program of special education in a university school for profoundly gifted pupils, must be included in the count of pupils in the *university* school ~~[district in which the school is located]~~ for the purposes of apportionments and allowances from the State ~~[Distributive School Account]~~ *Education Fund* pursuant to NRS 387.121 to ~~[387.1245,]~~ *387.1244,* inclusive, *and sections 2 to*

12, inclusive, of this act, unless the pupil is exempt from compulsory school attendance pursuant to NRS 392.070.

2. A university school for profoundly gifted pupils is entitled to receive its proportionate share of any other money available from federal, state or local sources that the school or the pupils who are enrolled in the school are eligible to receive.

3. All money received by a university school for profoundly gifted pupils from this State or from the board of trustees of a school district must be deposited in an account with a bank, credit union or other financial institution in this State.

4. The governing body of a university school for profoundly gifted pupils may negotiate with the board of trustees of the school district in which the school is located or the State Board for additional money to pay for services that the governing body wishes to offer.

5. To determine the amount of money for distribution to a university school for profoundly gifted pupils in its first year of operation in which state funding is provided, the count of pupils who are enrolled in the university school must initially be determined 30 days before the beginning of the school year of the school district in which the university school is located, based upon the number of pupils whose applications for enrollment have been approved by the university school. The count of pupils who are enrolled in a university school for profoundly gifted pupils must be revised each quarter based upon the average daily enrollment of pupils in the university school reported for the preceding quarter pursuant to subsection 1 of NRS 387.1223.

6. Pursuant to NRS 387.1242, the governing body of a university school for profoundly gifted pupils may request that the apportionments made to the university school in its first year of operation be paid to the university school 30 days before the apportionments are otherwise required to be made.

7. If a university school for profoundly gifted pupils ceases to operate pursuant to this chapter during a school year, the remaining apportionments that would have been made to the university school pursuant to NRS 387.124 and 387.1242 for that school year must be paid on a proportionate basis to the school districts where the pupils who were enrolled in the university school reside.

8. If the governing body of a university school for profoundly gifted pupils uses money received from this State to purchase real property, buildings, equipment or facilities, the governing body of the university school shall assign a security interest in the property, buildings, equipment and facilities to the State of Nevada.

Sec. 43. NRS 388D.040 is hereby amended to read as follows:

388D.040 1. If a child who is or was homeschooled seeks admittance or entrance to any school in this State, the school may use only commonly used practices in determining the academic ability, placement or eligibility of the child. If the child enrolls in a charter school, the charter school shall, to the extent practicable, notify the board of trustees of the school district in which

the child resides of the child's enrollment in the charter school. Regardless of whether the charter school provides such notification to the board of trustees, the charter school may count the child who is enrolled for the purposes of the ~~[calculation of basic support]~~ *apportionment to the charter school* pursuant to NRS ~~[387.1223.]~~ *387.1241*. A homeschooled child seeking admittance to public high school must comply with NRS 392.033.

2. A school or organization shall not discriminate in any manner against a child who is or was homeschooled.

3. Each school district shall allow homeschooled children to participate in all college entrance examinations offered in this State, including, without limitation, the SAT, the ACT, the Preliminary SAT and the National Merit Scholarship Qualifying Test. Each school district shall ensure that the homeschooled children who reside in the school district have adequate notice of the availability of information concerning such examinations on the Internet website of the school district maintained pursuant to NRS 390.015.

Sec. 44. NRS 388D.130 is hereby amended to read as follows:

388D.130 1. If an opt-in child seeks admittance or entrance to any public school in this State, the school may use only commonly used practices in determining the academic ability, placement or eligibility of the child. If the child enrolls in a charter school, the charter school shall, to the extent practicable, notify the board of trustees of the resident school district of the child's enrollment in the charter school. Regardless of whether the charter school provides such notification to the board of trustees, the charter school may count the child who is enrolled for the purposes of the ~~[calculation of basic support]~~ *apportionment to the charter school* pursuant to NRS ~~[387.1223.]~~ *387.1241*. An opt-in child seeking admittance to public high school must comply with NRS 392.033.

2. A school shall not discriminate in any manner against an opt-in child or a child who was formerly an opt-in child.

3. Each school district shall allow an opt-in child to participate in all college entrance examinations offered in this State, including, without limitation, the SAT, the ACT, the Preliminary SAT and the National Merit Scholarship Qualifying Test. Each school district shall ensure that the opt-in child who resides in the school district has adequate notice of the availability of information concerning such examinations on the Internet website of the school district maintained pursuant to NRS 390.015.

Sec. 45. NRS 388G.120 is hereby amended to read as follows:

388G.120 1. Each empowerment plan for a school must:

(a) Set forth the manner by which the school will be governed;

(b) Set forth the proposed budget for the school, including, without limitation, the cost of carrying out the empowerment plan, and the manner by which the money apportioned to the school will be administered;

(c) Prescribe the academic plan for the school, including, without limitation, the manner by which courses of study will be provided to the pupils enrolled in the school and any special programs that will be offered for pupils;

(d) Prescribe the manner by which the achievement of pupils will be measured and reported for the school, including, without limitation, the results of the pupils on the examinations administered pursuant to NRS 390.105 and, if applicable for the grade levels of the empowerment school, the college and career readiness assessment administered pursuant to NRS 390.610;

(e) Prescribe the manner by which teachers and other licensed educational personnel will be selected and hired for the school, which must be determined and negotiated pursuant to chapter 288 of NRS;

(f) Prescribe the manner by which all other staff for the school will be selected and hired, which must be determined and negotiated pursuant to chapter 288 of NRS;

(g) Indicate whether the empowerment plan will offer an incentive pay structure for staff and a description of that pay structure, if applicable;

(h) Indicate the intended ratio of pupils to teachers at the school, designated by grade level, which must comply with NRS 388.700 or 388.720, as applicable;

(i) Provide a description of the professional development that will be offered to the teachers and other licensed educational personnel employed at the school;

(j) Prescribe the manner by which the empowerment plan will increase the involvement of parents and legal guardians of pupils enrolled in the school;

(k) Comply with the plan to improve the achievement of the pupils enrolled in the school prepared pursuant to NRS 385A.650;

(l) Address the specific educational needs and concerns of the pupils who are enrolled in the school; and

(m) Set forth the calendar and schedule for the school.

2. If the empowerment plan includes an incentive pay structure, that pay structure must:

(a) Provide an incentive for all staff employed at the school;

(b) Set forth the standards that must be achieved by the pupils enrolled in the school and any other measurable objectives that must be met to be eligible for incentive pay; and

(c) Be in addition to the salary or hourly rate of pay negotiated pursuant to chapter 288 of NRS that is otherwise payable to the employee.

3. An empowerment plan may:

(a) Request a waiver from a statute contained in this title or a regulation of the State Board or the Department.

(b) Identify the services of the school district which the school wishes to receive, including, without limitation, professional development, transportation, food services and discretionary services. Upon approval of the empowerment plan, the school district may deduct from the total apportionment to the empowerment school the costs of such services.

4. For purposes of determining the budget pursuant to paragraph (b) of subsection 1, if a public school which converts to an empowerment school is a:

(a) Charter school, the amount of the budget is the amount equal to the apportionments and allowances from the State ~~[Distributive School Account]~~ *Education Fund* pursuant to NRS 387.121 to ~~[387.1245,]~~ *387.1244*, inclusive, *and sections 2 to 12, inclusive, of this act,* and its proportionate share of any other money available from federal, state or local sources that the school or the pupils enrolled in the school are eligible to receive.

(b) Public school, other than a charter school, the empowerment team for the school shall have discretion of 90 percent of the amount of money from the state financial aid and local funds that the school district apportions for the school, without regard to any line-item specifications or specific uses determined advisable by the school district, unless the empowerment team determines that a lesser amount is necessary to carry out the empowerment plan.

Sec. 46. NRS 391.273 is hereby amended to read as follows:

391.273 1. Except as otherwise provided in this section and except for persons who are supervised pursuant to NRS 391.096, the unlicensed personnel of a school district must be directly supervised by licensed personnel in all duties which are instructional in nature. To the extent practicable, the direct supervision must be such that the unlicensed personnel are in the immediate location of the licensed personnel and are readily available during such times when supervision is required.

2. Unlicensed personnel who are exempted pursuant to subsection 4, 5 or 6 must be under administrative supervision when performing any duties which are instructional in nature.

3. Unlicensed personnel may temporarily perform duties under administrative supervision which are not primarily instructional in nature.

4. Except as otherwise provided in subsection 7, upon application by a superintendent of schools, the Superintendent of Public Instruction may grant an exemption from the provisions of subsection 1 pursuant to subsection 5 or 6.

5. Except as otherwise provided in subsection 6, the Superintendent shall not grant an exemption from the provisions of subsection 1 unless:

(a) The duties are within the employee's special expertise or training;

(b) The duties relate to the humanities or an elective course of study, or are supplemental to the basic curriculum of a school;

(c) The performance of the duties does not result in the replacement of a licensed employee or prevent the employment of a licensed person willing to perform those duties;

(d) The secondary or combined school in which the duties will be performed has less than 100 pupils enrolled and is at least 30 miles from a school in which the duties are performed by licensed personnel; and

(e) The unlicensed employee submits his or her fingerprints for an investigation pursuant to NRS 391.033.

6. Upon application by a superintendent of schools, the Superintendent of Public Instruction may grant an exemption from the provisions of subsection 1 if:

(a) The duties of the unlicensed employee relate to the supervision of pupils attending a course of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, while the pupils are receiving instruction from a licensed employee remotely through any electronic means of communication; and

(b) The unlicensed employee submits his or her fingerprints for an investigation pursuant to NRS 391.033.

7. The exemption authorized by subsection 4, 5 or 6 does not apply to a paraprofessional if the requirements prescribed by the State Board pursuant to NRS 391.094 require the paraprofessional to be directly supervised by a licensed teacher.

8. The Superintendent of Public Instruction shall file a record of all exempt personnel with the clerk of the board of trustees of each local school district, and advise the clerk of any changes therein. The record must contain:

(a) The name of the exempt employee;

(b) The specific instructional duties the exempt employee may perform;

(c) Any terms or conditions of the exemption deemed appropriate by the Superintendent of Public Instruction; and

(d) The date the exemption expires or a statement that the exemption is valid as long as the employee remains in the same position at the same school.

9. The Superintendent of Public Instruction may adopt regulations prescribing the procedure to apply for an exemption pursuant to this section and the criteria for the granting of such exemptions.

10. Except in an emergency, it is unlawful for the board of trustees of a school district to allow a person employed as a teacher's aide to serve as a teacher unless the person is a legally qualified teacher licensed by the Superintendent of Public Instruction. As used in this subsection, "emergency" means an unforeseen circumstance which requires immediate action and includes the fact that a licensed teacher or substitute teacher is not immediately available.

11. If the Superintendent of Public Instruction determines that the board of trustees of a school district has violated the provisions of subsection 10, the Superintendent shall take such actions as are necessary to reduce the amount of money received by the district pursuant to NRS 387.124 by an amount equal to the product when the following numbers are multiplied together:

(a) The number of days on which the violation occurred;

(b) The number of pupils in the classroom taught by the teacher's aide; and

(c) The number of dollars of ~~[basic support apportioned to the district]~~ *adjusted base* per pupil *funding established for the school district pursuant to section 4 of this act* per day . ~~[pursuant to NRS 387.1223.]~~

12. Except as otherwise provided in this subsection, a person employed as a teacher's aide or paraprofessional may monitor pupils in a computer laboratory without being directly supervised by licensed personnel. The

provisions of this subsection do not apply to a paraprofessional if the requirements prescribed by the State Board pursuant to NRS 391.094 require the paraprofessional to be directly supervised by a licensed teacher.

13. The provisions of this section do not apply to unlicensed personnel who are employed by the governing body of a charter school, unless a paraprofessional employed by the governing body is required to be directly supervised by a licensed teacher pursuant to the requirements prescribed by the State Board pursuant to NRS 391.094.

Sec. 47. NRS 392.015 is hereby amended to read as follows:

392.015 1. The board of trustees of a school district shall, upon application, allow any pupil who resides on an Indian reservation located in two or more counties to attend the school nearest to the pupil's residence, without regard to the school district in which the pupil's residence is located. For the purposes of apportionment of money, if such a pupil attends a school outside the county in which the pupil resides, the pupil must be counted as being enrolled in the district in which he or she attends school.

2. A pupil who is allowed to attend a school outside the school district in which the pupil's residence is located pursuant to this section must remain in that school for the full school year.

3. The school district which pays the additional costs of transporting a pupil pursuant to this section to a school outside the school district in which the pupil's residence is located is entitled to be reimbursed for those costs. Such additional costs must be paid from the State ~~[Distributive School Account in the State General]~~ *Education* Fund.

4. The provisions of this section do not apply to a pupil who:

(a) Is ineligible to attend public school pursuant to NRS 392.4675; or

(b) Resides on an Indian reservation pursuant to an order issued by a court of competent jurisdiction in another state adjudging the pupil to be delinquent and committing him or her to the custody of a public or private institution or agency in this state.

Sec. 48. NRS 392.016 is hereby amended to read as follows:

392.016 1. If a pupil has been issued a fictitious address pursuant to NRS 217.462 to 217.471, inclusive, or the parent or legal guardian with whom the pupil resides has been issued a fictitious address pursuant to NRS 217.462 to 217.471, inclusive, the pupil may attend a public school that is located in a school district other than the school district in which the pupil resides.

2. If a pupil described in subsection 1 attends a public school that is located in a school district other than the school district in which the pupil resides:

(a) The pupil must be included in the count of pupils of the school district in which the pupil attends school for the purposes of apportionments and allowances from the State ~~[Distributive School Account]~~ *Education Fund* pursuant to NRS 387.121 to ~~[387.1245,]~~ *387.1244,* inclusive ~~[.]~~ *and sections 2 to 12, inclusive, of this act.*

(b) Neither the board of trustees of the school district in which the pupil attends school nor the board of trustees of the school district in which the pupil

resides is required to provide transportation for the pupil to attend the public school.

3. The provisions of this section do not apply to a pupil who is ineligible to attend a public school pursuant to NRS 392.264 or 392.4675.

Sec. 49. NRS 179.1187 is hereby amended to read as follows:

179.1187 1. The governing body controlling each law enforcement agency that receives proceeds from the sale of forfeited property shall establish with the State Treasurer, county treasurer, city treasurer or town treasurer, as custodian, a special account, known as the "..... Forfeiture Account." The account is a separate and continuing account and no money in it reverts to the State General Fund or the general fund of the county, city or town at any time. For the purposes of this section, the governing body controlling a metropolitan police department is the Metropolitan Police Committee on Fiscal Affairs.

2. The money in the account may be used for any lawful purpose deemed appropriate by the chief administrative officer of the law enforcement agency, except that:

(a) The money must not be used to pay the ordinary operating expenses of the agency.

(b) Money derived from the forfeiture of any property described in NRS 453.301 must be used to enforce the provisions of chapter 453 of NRS.

(c) Money derived from the forfeiture of any property described in NRS 501.3857 must be used to enforce the provisions of title 45 of NRS.

(d) Seventy percent of the amount of money in excess of $100,000 remaining in the account at the end of each fiscal year, as determined based upon the accounting standards of the governing body controlling the law enforcement agency that are in place on March 1, 2001, must be distributed to the ~~[school district in the judicial district. If the judicial district serves more than one county, the money must be distributed to the school district in the county from which the property was seized.]~~ *State Education Fund.*

3. Notwithstanding the provisions of paragraphs (a) and (b) of subsection 2, money in the account derived from the forfeiture of any property described in NRS 453.301 may be used to pay for the operating expenses of a joint task force on narcotics otherwise funded by a federal, state or private grant or donation. As used in this subsection, "joint task force on narcotics" means a task force on narcotics operated by the Department of Public Safety in conjunction with other local or federal law enforcement agencies.

~~[4. A school district that receives money pursuant to paragraph (d) of subsection 2 shall deposit such money into a separate account. The interest and income earned on the money in the account, after deducting any applicable charges, must be credited to the account. The money in the account must be used to purchase books and computer hardware and software for the use of the students in that school district.~~

~~5. The chief administrative officer of a law enforcement agency that distributes money to a school district pursuant to paragraph (d) of subsection 2 shall submit a report to the Director of the Legislative Counsel Bureau before~~

~~January 1 of each odd-numbered year. The report must contain the amount of money distributed to each school district pursuant to paragraph (d) of subsection 2 in the preceding biennium.]~~

Sec. 50. NRS 244.3359 is hereby amended to read as follows:

244.3359 1. A county whose population is 700,000 or more shall not impose a new tax on the rental of transient lodging or increase the rate of an existing tax on the rental of transient lodging after March 25, 1991, except pursuant to NRS 244.3351, 244.3352 and 244.33561.

2. A county whose population is 100,000 or more but less than 700,000 shall not impose a new tax on the rental of transient lodging or increase the rate of an existing tax on the rental of transient lodging after March 25, 1991, except pursuant to NRS 244.33561 and 244A.910.

3. Except as otherwise provided in subsection 2 and NRS 387.191 , ~~[and 387.193,]~~ the Legislature hereby declares that the limitation imposed by subsection 2 will not be repealed or amended except to allow the imposition of an increase in such a tax for the promotion of tourism or for the construction or operation of tourism facilities by a convention and visitors authority.

Sec. 51. NRS 328.450 is hereby amended to read as follows:

328.450 1. The State Treasurer shall deposit in the State ~~[Distributive School Account in the State General]~~ *Education* Fund money received in each fiscal year pursuant to 30 U.S.C. § 191 in an amount not to exceed $7,000,000.

2. Any amount received in a fiscal year by the State Treasurer pursuant to 30 U.S.C. § 191 in excess of $7,000,000 must be deposited in the Account for Revenue from the Lease of Federal Lands, which is hereby created.

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

Sec. 52. NRS 328.460 is hereby amended to read as follows:

328.460 The State Controller shall apportion money in the Account for Revenue from the Lease of Federal Lands as follows:

1. ~~[Twenty-five]~~ *Forty-three and three-quarters* percent to the State ~~[Distributive School Account in the State General]~~ *Education* Fund.

2. ~~[Seventy-five]~~ *Fifty-six and one-quarter* percent to the counties from which the fuels, minerals and geothermal resources are extracted. ~~[Of the amount received by each county, one-fourth must be distributed to the school district in that county.]~~

Sec. 53. NRS 328.470 is hereby amended to read as follows:

328.470 1. The State Controller shall ascertain from the reports received by the State Treasurer the portion of money in the Account for Revenue from the Lease of Federal Lands attributable to activities in each county and apportion the money payable to counties accordingly.

2. All money received:

(a) By the County Treasurer pursuant to this section must be deposited in the general fund of the county *;* ~~[or the county school district fund, as the case may be;]~~ and

(b) By a county ~~[or school district]~~ must be used for:

(1) Construction and maintenance of roads and other public facilities;

(2) Public services; and

(3) Planning.

Sec. 54. NRS 350.011 is hereby amended to read as follows:

350.011 As used in NRS 350.011 to 350.0165, inclusive, unless the context otherwise requires:

1. "Commission" means a debt management commission created pursuant to NRS 350.0115.

2. "Special elective tax" means a tax imposed pursuant to NRS 354.59817, 354.5982, ~~[387.197,]~~ 387.3285 or 387.3287.

Sec. 55. NRS 353.225 is hereby amended to read as follows:

353.225 1. In order to provide some degree of flexibility to meet emergencies arising during each fiscal year in the expenditures for the State ~~[Distributive School Account in the State General]~~ *Education* Fund and for operation and maintenance of the various departments, institutions and agencies of the Executive Department of the State Government, the Chief, with the approval in writing of the Governor, may require the State Controller or the head of each such department, institution or agency to set aside a reserve in such amount as the Chief may determine, out of the total amount appropriated or out of other funds available from any source whatever to the department, institution or agency.

2. At any time during the fiscal year this reserve or any portion of it may be returned to the appropriation or other fund to which it belongs and may be added to any one or more of the allotments, if the Chief so orders in writing.

Sec. 56. NRS 353.268 is hereby amended to read as follows:

353.268 1. When any state agency or officer, at a time when the Legislature is not in session, finds that circumstances for which the Legislature has made no other provision require an expenditure during the biennium of money in excess of the amount appropriated by the Legislature for the biennium for the support of that agency or officer, or for any program, including the State ~~[Distributive School Account in the State General]~~ *Education* Fund, the agency or officer shall submit a request to the State Board of Examiners for an allocation by the Interim Finance Committee from the Contingency Account.

2. The State Board of Examiners shall consider the request, may require from the requester such additional information as they deem appropriate, and shall, if it finds that an allocation should be made, recommend the amount of the allocation to the Interim Finance Committee for its independent evaluation and action. The Interim Finance Committee is not bound to follow the recommendation of the State Board of Examiners.

Sec. 57. NRS 353B.860 is hereby amended to read as follows:

353B.860 1. If a parent enters into or renews an agreement pursuant to NRS 353B.850, a grant of money on behalf of the child must be deposited in the education savings account of the child.

2. Except as otherwise provided in subsections 3 and 4, the grant required by subsection 1 must, for the school year for which the grant is made, be in an amount equal to:

(a) For a child who is a pupil with a disability, as defined in NRS 388.417, or a child with a household income that is less than 185 percent of the federally designated level signifying poverty, 100 percent of the statewide ~~[average basic support]~~ *base* per pupil ~~[,]~~ *funding amount;* and

(b) For all other children, 90 percent of the statewide ~~[average basic support]~~ *base* per pupil ~~[.]~~ *funding amount.*

3. If a child receives a portion of his or her instruction from a participating entity and a portion of his or her instruction from a public school, for the school year for which the grant is made, the grant required by subsection 1 must be in a pro rata amount based on the percentage of the total instruction provided to the child by the participating entity in proportion to the total instruction provided to the child.

4. The State Treasurer may deduct not more than 3 percent of each grant for the administrative costs of implementing the provisions of NRS 353B.700 to 353B.930, inclusive.

5. The State Treasurer shall deposit the money for each grant in quarterly installments pursuant to a schedule determined by the State Treasurer.

6. Any money remaining in an education savings account:

(a) At the end of a school year may be carried forward to the next school year if the agreement entered into pursuant to NRS 353B.850 is renewed.

(b) When an agreement entered into pursuant to NRS 353B.850 is not renewed or is terminated, because the child for whom the account was established graduates from high school or for any other reason, reverts to the State General Fund at the end of the last day of the agreement.

Sec. 58. NRS 354.6241 is hereby amended to read as follows:

354.6241 1. The statement required by paragraph (a) of subsection 5 of NRS 354.624 must indicate for each fund set forth in that paragraph:

(a) Whether the fund is being used in accordance with the provisions of this chapter.

(b) Whether the fund is being administered in accordance with generally accepted accounting procedures.

(c) Whether the reserve in the fund is limited to an amount that is reasonable and necessary to carry out the purposes of the fund.

(d) The sources of revenues available for the fund during the fiscal year, including transfers from any other funds.

(e) The statutory and regulatory requirements applicable to the fund.

(f) The balance and retained earnings of the fund.

2. Except as otherwise provided in subsection 3 and NRS 354.59891 and 354.613, to the extent that the reserve in any fund set forth in paragraph (a) of subsection 5 of NRS 354.624 exceeds the amount that is reasonable and necessary to carry out the purposes for which the fund was created, the reserve

may be expended by the local government pursuant to the provisions of chapter 288 of NRS.

3. For any local government other than a school district, for the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 25 percent of the total budgeted expenditures, less capital outlay, for a general fund:

(a) Is not subject to negotiations with an employee organization; and

(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

4. For a school district, for the purposes of chapter 288 of NRS, a budgeted ending fund balance of not more than 16.6 percent of the total budgeted expenditures for a county school district fund:

(a) Is not subject to negotiations with an employee organization; and

(b) Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.

Sec. 59. NRS 360.850 is hereby amended to read as follows:

360.850 1. The State Controller, acting upon the collection data furnished by the Department, shall remit to the governing body of a municipality that adopts an assessment ordinance in accordance with NRS 271.650 in the manner provided pursuant to an agreement made pursuant to NRS 271.660:

(a) From the State General Fund, the amount of money pledged pursuant to the ordinance in accordance with paragraph (a) of subsection 1 of NRS 271.650 which amount is hereby appropriated for that purpose; and

(b) From the Sales and Use Tax Account in the State General Fund, the amount of the proceeds pledged pursuant to the ordinance in accordance with paragraphs (b) and (c) of subsection 1 of NRS 271.650.

2. The governing body of a municipality that adopts an assessment ordinance in accordance with NRS 271.650 shall promptly remit to the State Controller any amount received pursuant to this section in excess of the amount required to carry out the provisions of NRS 271.4315 with regard to the project for which the assessment ordinance was adopted. The State Controller shall deposit any money received from a governing body of a municipality pursuant to this subsection in the appropriate account in the State General Fund for distribution and use as if the money had not been pledged pursuant to an assessment ordinance adopted in accordance with NRS 271.650 in the following order of priority:

(a) First, to the credit of the ~~[county school district fund for the county in which the improvement district is located]~~ *State Education Fund* to the extent that the money would have been transferred to ~~[that fund,]~~ *the Fund*, if not for the pledge of the money pursuant to the assessment ordinance, pursuant to paragraph ~~[(e)]~~ *(c)* of subsection 3 of NRS 374.785 for the fiscal year in which the State Controller receives the money;

(b) Second, to the State General Fund to the extent that the money would not have been appropriated, if not for the pledge of the money pursuant to the assessment ordinance, pursuant to paragraph (a) of subsection 1 for the fiscal year in which the State Controller receives the money; and

(c) Third, to the credit of any other funds and accounts to which the money would have been distributed, if not for the pledge of the money pursuant to the assessment ordinance, for the fiscal year in which the State Controller receives the money.

3. The Nevada Tax Commission may adopt such regulations as it deems appropriate to ensure the proper collection and distribution of any money pledged pursuant to an assessment ordinance adopted in accordance with NRS 271.650.

Sec. 60. NRS 360.855 is hereby amended to read as follows:

360.855 1. The State Controller, acting upon the collection data furnished by the Department, shall remit to the governing body of a municipality that adopts an ordinance pursuant to NRS 271A.070, in the manner provided pursuant to an agreement made pursuant to NRS 271A.100:

(a) From the State General Fund the amount of money pledged pursuant to the ordinance in accordance with subparagraph (1) of paragraph (c) of subsection 1 of NRS 271A.070, which amount is hereby appropriated for that purpose; and

(b) From the Sales and Use Tax Account in the State General Fund the amount of the proceeds pledged pursuant to the ordinance in accordance with subparagraphs (2) and (3) of paragraph (c) of subsection 1 of NRS 271A.070.

2. Except as otherwise provided in subsection 3, the governing body of a municipality that adopts an ordinance pursuant to NRS 271A.070 shall at the end of each fiscal year remit to the State Controller any amount received pursuant to this section in excess of the amount required to make payments due during that fiscal year of the principal of, interest on, and other payments or security-related costs with respect to, any bonds or notes issued pursuant to NRS 271A.120 and payments due during that fiscal year under any agreements made pursuant to NRS 271A.120. The State Controller shall deposit any money received from a governing body of a municipality pursuant to this subsection in the appropriate account in the State General Fund for distribution and use as if the money had not been pledged by an ordinance adopted pursuant to NRS 271A.070, in the following order of priority:

(a) First, to the credit of the ~~[county school district fund for the county in which the improvement district is located]~~ *State Education Fund* to the extent that the money would have been transferred to ~~[that fund,]~~ *the Fund*, if not for the pledge of the money pursuant to that ordinance, pursuant to paragraph ~~[(e)]~~ *(c)* of subsection 3 of NRS 374.785 for the fiscal year in which the State Controller receives the money;

(b) Second, to the State General Fund to the extent that the money would not have been appropriated, if not for the pledge of the money pursuant to that

ordinance, pursuant to paragraph (a) of subsection 1 for the fiscal year in which the State Controller receives the money; and

(c) Third, to the credit of any other funds and accounts to which the money would have been distributed, if not for the pledge of the money pursuant to that ordinance, for the fiscal year in which the State Controller receives the money.

3. The provisions of subsection 2 do not require a governing body to remit to the State Controller any money received pursuant to this section and expended for the purpose of prepaying, defeasing or otherwise retiring all or a portion of any bonds or notes issued pursuant to NRS 271A.120 or of prepaying amounts due under any agreements entered into pursuant to NRS 271A.120, or any combination thereof, with respect to a tourism improvement district if that use of the money has been:

(a) Authorized by the governing body in the ordinance creating the district pursuant to NRS 271A.070, or in an amendment thereto; and

(b) Approved by the governing body and the Commission on Tourism in the manner required to satisfy the requirements of subsections 5 and 6 of NRS 271A.080,

➥ and after the provision of notice to and an opportunity to make comments by the board of county commissioners of the county in which the tourism improvement district is located in accordance with subsection 4 of NRS 271A.080.

4. The Nevada Tax Commission may adopt such regulations as it deems appropriate to ensure the proper collection and distribution of any money pledged by an ordinance adopted pursuant to NRS 271A.070.

Sec. 61. NRS 362.170 is hereby amended to read as follows:

362.170 1. There is hereby appropriated to each county the total of the amounts obtained by multiplying, for each extractive operation situated within the county, the net proceeds of that operation and any royalties paid by that operation, by the combined rate of tax ad valorem, excluding any rate levied by the State of Nevada, for property at that site, plus a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to the county. The Department shall report to the State Controller on or before May 25 of each year the amount appropriated to each county, as calculated for each operation from the final statement made in February of that year for the preceding calendar year. The State Controller shall distribute all money due to a county on or before May 30 of each year.

2. The county treasurer shall apportion to each local government or other local entity an amount calculated by:

(a) Determining the total of the amounts obtained by multiplying, for each extractive operation situated within its jurisdiction, the net proceeds of that operation and any royalty payments paid by that operation, by the rate levied on behalf of that local government or other local entity;

(b) Adding to the amount determined pursuant to paragraph (a) a pro rata share of any penalties and interest collected by the Department for the late payment of taxes distributed to that local government or local entity; and

(c) Subtracting from the amount determined pursuant to paragraph (b) a commission of 5 percent, of which 3 percent must be deposited in the county general fund and 2 percent must be accounted for separately in the account for the acquisition and improvement of technology in the office of the county assessor created pursuant to NRS 250.085.

3. The amounts apportioned pursuant to subsection 2, including, without limitation, the amount retained by the county and excluding the percentage commission, must be applied to the uses for which each levy was authorized in the same proportion as the rate of each levy bears to the total rate.

4. *Any amount apportioned pursuant to subsection 2 for a county school district* for any purpose other than capital projects or debt service for the county school district *must be paid over to the State Treasurer to be deposited to the credit of the State Education Fund.*

5. The Department shall report to the State Controller on or before May 25 of each year the amount received as tax upon the net proceeds of geothermal resources which equals the product of those net proceeds multiplied by the rate of tax levied ad valorem by the State of Nevada.

Sec. 62. NRS 362.171 is hereby amended to read as follows:

362.171 1. Each county to which money is appropriated by subsection 1 of NRS 362.170 may set aside a percentage of that appropriation to establish a county fund for mitigation. Money from the fund may be appropriated by the board of county commissioners only to mitigate adverse effects upon the county, or the school district located in the county, which result from:

(a) ~~*[1.]*~~ A decline in the revenue received by the county from the tax on the net proceeds of minerals during the 2 fiscal years immediately preceding the current fiscal year; or

(b) ~~*[2.]*~~ The opening or closing of an extractive operation from the net proceeds of which revenue has been or is reasonably expected to be derived pursuant to this chapter.

2. ~~[Each school district to which money is apportioned by a county pursuant to subsection 2 of NRS 362.170 may set aside a percentage of the amount apportioned to establish a school district fund for mitigation. Except as otherwise provided in subsection 3, money from the fund may be used by the school district only to mitigate adverse effects upon the school district which result from:~~

~~(a) A decline in the revenue received by the school district from the tax on the net proceeds of minerals;~~

~~(b) The opening or closing of an extractive operation from the net proceeds of which revenue has been or is reasonably expected to be derived pursuant to this chapter; or~~

~~(c) Expenses incurred by the school district arising from a natural disaster.~~

~~3. In addition to the authorized uses for mitigation set forth in subsection 2, a~~] *A* school district in a county whose population is less than 4,500 may, as the board of trustees of the school district determines is necessary, use *a portion of* the money ~~[from the fund established]~~ *apportioned to the school district* pursuant to subsection 2 *of NRS 362.170* ~~[~~:

~~(a) To~~] *to* retire bonds issued by the school district or any other outstanding obligations of the school district . ~~[; and~~

~~(b) To continue the instructional programs of the school district or the services and activities that are necessary to support those instructional programs, which would otherwise be reduced or eliminated if not for the provisions of this section.~~

~~➥~~] Before authorizing the expenditure of money pursuant to this subsection, the board of trustees shall hold at least one public hearing on the matter.

Sec. 63. NRS 364.127 is hereby amended to read as follows:

364.127 1. A board of county commissioners that imposes a tax on the gross receipts from the rental of transient lodging pursuant to subsection 1 of NRS 244.3352 shall require by ordinance and take such additional action as may be necessary to require:

(a) The payment of the proceeds of the tax which are required to be distributed pursuant to paragraph (a) of subsection 1 of NRS 244.3354 or paragraph (a) of subsection 2 of NRS 244.3354 to the Department of Taxation on or before the last day of the month immediately following the month for which the tax is collected; and

(b) The schedule for the payment of the tax by persons in the business of providing lodging to provide for the payment of the tax in a sufficiently timely manner to carry out the provisions of paragraph (a).

2. A board of county commissioners that imposes a tax on the gross receipts from the rental of transient lodging pursuant to subsection 1 of NRS 244.33561 shall require by ordinance and take such additional action as may be necessary to require:

(a) The payment of the proceeds of the tax which are required to be distributed pursuant to ~~[subsection 1 of]~~ NRS 387.191 to the State Treasurer on or before the last day of the month immediately following the month for which the tax is collected; and

(b) The schedule for the payment of the tax by persons in the business of providing lodging to provide for the payment of the tax in a sufficiently timely manner to carry out the provisions of paragraph (a).

3. The city council or other governing body of an incorporated city that imposes a tax on the gross receipts from the rental of transient lodging pursuant to subsection 1 of NRS 268.096 shall require by ordinance and take such additional action as may be necessary to require:

(a) The payment of the proceeds of the tax which are required to be distributed pursuant to paragraph (a) of subsection 1 of NRS 268.0962 or paragraph (a) of subsection 2 of NRS 268.0962 to the Department of Taxation

on or before the last day of the month immediately following the month for which the tax is collected; and

(b) The schedule for the payment of the tax by persons in the business of providing lodging to provide for the payment of the tax in a sufficiently timely manner to carry out the provisions of paragraph (a).

Sec. 64. NRS 372A.290 is hereby amended to read as follows:

372A.290 1. An excise tax is hereby imposed on each wholesale sale in this State of marijuana by a cultivation facility to another medical marijuana establishment at the rate of 15 percent of the fair market value at wholesale of the marijuana. The excise tax imposed pursuant to this subsection is the obligation of the cultivation facility.

2. An excise tax is hereby imposed on each retail sale in this State of marijuana or marijuana products by a retail marijuana store at the rate of 10 percent of the sales price of the marijuana or marijuana products. The excise tax imposed pursuant to this subsection:

(a) Is the obligation of the retail marijuana store.

(b) Is separate from and in addition to any general state and local sales and use taxes that apply to retail sales of tangible personal property.

3. The revenues collected from the excise tax imposed pursuant to subsection 1 must be distributed:

(a) To the Department and to local governments in an amount determined to be necessary by the Department to pay the costs of the Department and local governments in carrying out the provisions of chapter 453A of NRS; and

(b) If any money remains after the revenues are distributed pursuant to paragraph (a), to the State Treasurer to be deposited to the credit of the State ~~[Distributive School Account in the State General]~~ *Education* Fund.

4. For the purpose of subsection 3 and NRS 453D.510, a total amount of $5,000,000 of the revenues collected from the excise tax imposed pursuant to subsection 1 and the excise tax imposed pursuant to NRS 453D.500 in each fiscal year shall be deemed sufficient to pay the costs of all local governments to carry out the provisions of chapters 453A and 453D of NRS. The Department shall, by regulation, determine the manner in which local governments may be reimbursed for the costs of carrying out the provisions of chapters 453A and 453D of NRS.

5. The revenues collected from the excise tax imposed pursuant to subsection 2 must be paid over as collected to the State Treasurer to be deposited to the credit of the ~~[Account to Stabilize the Operation of the State Government created in the]~~ State ~~[General]~~ *Education* Fund . ~~[pursuant to NRS 353.288.]~~

6. As used in this section:

(a) "Local government" has the meaning ascribed to it in NRS 360.640.

(b) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

(c) "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

Sec. 65. NRS 374.015 is hereby amended to read as follows:

374.015 The Legislature, having carefully considered the needs of the public school system and the financial resources of the State of Nevada, and its several classes of local governments, finds and declares:

1. That sound principles of government require an increased contribution ~~[by the local district, which controls its schools, to their]~~ *for the* support ~~[.]~~ *of the public schools in this State.*

2. That such an increase equitably should not and economically cannot be provided through an increase in the tax upon property.

3. That there is no other object of taxation, except retail sales, which is so generally distributed among the several school districts in proportion to their respective population and wealth as to be suitable for the imposition of a tax in each school district for the support of ~~[its local]~~ *the public* schools.

4. That it is therefore necessary to impose, in addition to the sales and use taxes enacted in 1955 to provide revenue for the State of Nevada, a separate tax upon the privilege of selling tangible personal property at retail in each county to provide revenue for the ~~[school district comprising such county.]~~ *public schools in this State.*

5. That in order to avoid imposing unfair competitive hardships upon merchants in the several counties, it is necessary that such additional tax be imposed:

(a) At the same rate in each county; and

(b) Upon tangible personal property purchased outside this State for use within the State.

6. That the imposition of such a tax at a mandatory and uniform rate throughout the counties of the State makes such tax a fair counterpart to the mandatory property tax levy which it is designed to supplement.

7. That the tax collected upon property purchased outside the State ~~[, which cannot for this reason be returned to its county of origin,]~~ can best serve its purpose of supporting ~~[local]~~ *public* schools if it is channeled to the several school districts through the State ~~[Distributive School Account in the State General]~~ *Education* Fund.

8. That the convenience of the public and of retail merchants will best be served by imposing the local school support tax upon exactly the same transactions, requiring the same reports and making such tax parallel in all respects to the sales and use taxes.

Sec. 66. NRS 374.785 is hereby amended to read as follows:

374.785 1. All fees, taxes, interest and penalties imposed and all amounts of tax required to be paid to counties under this chapter must be paid to the Department in the form of remittances payable to the Department.

2. The Department shall deposit the payments in the State Treasury to the credit of the Sales and Use Tax Account in the State General Fund.

3. The State Controller, acting upon the collection data furnished by the Department, shall, each month, from the Sales and Use Tax Account in the State General Fund:

(a) Transfer .75 percent of all fees, taxes, interest and penalties collected in each county during the preceding month to the appropriate account in the State General Fund as compensation to the State for the costs of collecting the tax.

(b) Transfer .75 percent of all fees, taxes, interest and penalties collected during the preceding month from out-of-state businesses not maintaining a fixed place of business within this State to the appropriate account in the State General Fund as compensation to the State for the costs of collecting the tax.

(c) ~~[Determine for each county the amount of money equal to the fees, taxes, interest and penalties collected in the county pursuant to this chapter during the preceding month less the amount transferred pursuant to paragraph (a).~~

~~(d)]~~ Transfer the total amount of *fees*, taxes *, interest and penalties* collected pursuant to this chapter during the preceding month , ~~[from out of state businesses not maintaining a fixed place of business within this State,]~~ less the amount transferred pursuant to ~~[paragraph]~~ *paragraphs (a) and* (b) and excluding any amounts required to be remitted pursuant to NRS 360.850 and 360.855, to the State ~~[Distributive School Account in the State General]~~ *Education* Fund.

~~[(e) Except as otherwise provided in NRS 387.528 or as required to carry out NRS 360.850 and 360.855, transfer the amount owed to each county to the Intergovernmental Fund and remit the money to the credit of the county school district fund.]~~

Sec. 67. NRS 453A.344 is hereby amended to read as follows:

453A.344 1. Except as otherwise provided in subsection 2, the Department shall collect not more than the following maximum fees:

For the initial issuance of a medical marijuana establishment registration certificate for a medical marijuana dispensary	$30,000
For the renewal of a medical marijuana establishment registration certificate for a medical marijuana dispensary	5,000
For the initial issuance of a medical marijuana establishment registration certificate for a cultivation facility	3,000
For the renewal of a medical marijuana establishment registration certificate for a cultivation facility	1,000
For the initial issuance of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products	3,000
For the renewal of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products	1,000
For each person identified in an application for the initial issuance of a medical marijuana establishment agent registration card	75

For each person identified in an application for the renewal of a medical marijuana establishment agent registration card 75

For the initial issuance of a medical marijuana establishment registration certificate for an independent testing laboratory 5,000

For the renewal of a medical marijuana establishment registration certificate for an independent testing laboratory 3,000

2. In addition to the fees described in subsection 1, each applicant for a medical marijuana establishment registration certificate must pay to the Department:

(a) A one-time, nonrefundable application fee of $5,000; and

(b) The actual costs incurred by the Department in processing the application, including, without limitation, conducting background checks.

3. Any revenue generated from the fees imposed pursuant to this section:

(a) Must be expended first to pay the costs of the Department in carrying out the provisions of NRS 453A.320 to 453A.370, inclusive; and

(b) If any excess revenue remains after paying the costs described in paragraph (a), such excess revenue must be paid over to the State ~~[Distributive School Account in the State General]~~ *Education* Fund.

Sec. 68. NRS 453D.510 is hereby amended to read as follows:

453D.510 Any tax revenues, fees, or penalties collected pursuant to this chapter first must be expended to pay the costs of the Department and of each locality in carrying out this chapter and the regulations adopted pursuant thereto. The Department shall remit any remaining money to the State Treasurer to be deposited to the credit of the State ~~[Distributive School Account in the State General]~~ *Education* Fund.

Sec. 69. NRS 463.385 is hereby amended to read as follows:

463.385 1. In addition to any other license fees and taxes imposed by this chapter, there is hereby imposed upon each slot machine operated in this State an annual excise tax of $250. If a slot machine is replaced by another, the replacement is not considered a different slot machine for the purpose of imposing this tax.

2. The Commission shall:

(a) Collect the tax annually on or before June 30, as a condition precedent to the issuance of a state gaming license to operate any slot machine for the ensuing fiscal year beginning July 1, from a licensee whose operation is continuing.

(b) Collect the tax in advance from a licensee who begins operation or puts additional slot machines into play during the fiscal year, prorated monthly after July 31.

(c) Include the proceeds of the tax in its reports of state gaming taxes collected.

3. Any other person, including, without limitation, an operator of an inter-casino linked system, who is authorized to receive a share of the revenue from any slot machine that is operated on the premises of a licensee is liable to the licensee for that person's proportionate share of the license fees paid by the licensee pursuant to this section and shall remit or credit the full proportionate share to the licensee on or before the dates set forth in subsection 2. A licensee is not liable to any other person authorized to receive a share of the licensee's revenue from any slot machine that is operated on the premises of a licensee for that person's proportionate share of the license fees to be remitted or credited to the licensee by that person pursuant to this section.

4. The Commission shall pay over the tax as collected to the State Treasurer to be deposited to the credit of the State ~~[Distributive School Account in the State General]~~ *Education* Fund, and *of* the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education ~~[,]~~ which are hereby created in the State Treasury as special revenue funds, in the amounts and to be expended only for the purposes specified in this section, or for any other purpose authorized by the Legislature if sufficient money is available in the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education on July 31 of each year to pay the principal and interest due in that fiscal year on the bonds described in subsection 6.

5. During each fiscal year, the State Treasurer shall deposit the tax paid over to him or her by the Commission as follows:

(a) The first $5,000,000 of the tax in the Capital Construction Fund for Higher Education;

(b) Twenty percent of the tax in the Special Capital Construction Fund for Higher Education; and

(c) The remainder of the tax in the State ~~[Distributive School Account in the State General]~~ *Education* Fund.

6. There is hereby appropriated from the balance in the Special Capital Construction Fund for Higher Education on July 31 of each year the amount necessary to pay the principal and interest due in that fiscal year on the bonds issued pursuant to section 5 of chapter 679, Statutes of Nevada 1979, as amended by chapter 585, Statutes of Nevada 1981, at page 1251, the bonds authorized to be issued by section 2 of chapter 643, Statutes of Nevada 1987, at page 1503, the bonds authorized to be issued by section 2 of chapter 614, Statutes of Nevada 1989, at page 1377, the bonds authorized to be issued by section 2 of chapter 718, Statutes of Nevada 1991, at page 2382, the bonds authorized to be issued by section 2 of chapter 629, Statutes of Nevada 1997, at page 3106, and the bonds authorized to be issued by section 2 of chapter 514, Statutes of Nevada 2013, at page 3391. If in any year the balance in that Fund is not sufficient for this purpose, the remainder necessary is hereby appropriated on July 31 from the Capital Construction Fund for Higher Education. The balance remaining unappropriated in the Capital Construction Fund for Higher Education on August 1 of each year and all amounts received

thereafter during the fiscal year must be transferred to the State General Fund for the support of higher education. If bonds described in this subsection are refunded and if the amount required to pay the principal of and interest on the refunding bonds in any fiscal year during the term of the bonds is less than the amount that would have been required in the same fiscal year to pay the principal of and the interest on the original bonds if they had not been refunded, there is appropriated to the Nevada System of Higher Education an amount sufficient to pay the principal of and interest on the original bonds, as if they had not been refunded. The amount required to pay the principal of and interest on the refunding bonds must be used for that purpose from the amount appropriated. The amount equal to the saving realized in that fiscal year from the refunding must be used by the Nevada System of Higher Education to defray, in whole or in part, the expenses of operation and maintenance of the facilities acquired in part with the proceeds of the original bonds.

7. After the requirements of subsection 6 have been met for each fiscal year, when specific projects are authorized by the Legislature, money in the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education must be transferred by the State Controller and the State Treasurer to the State Public Works Board for the construction of capital improvement projects for the Nevada System of Higher Education, including, but not limited to, capital improvement projects for the community colleges of the Nevada System of Higher Education. As used in this subsection, "construction" includes, but is not limited to, planning, designing, acquiring and developing a site, construction, reconstruction, furnishing, equipping, replacing, repairing, rehabilitating, expanding and remodeling. Any money remaining in either Fund at the end of a fiscal year does not revert to the State General Fund but remains in those Funds for authorized expenditure.

8. The money deposited in the State ~~[Distributive School Account in the State General]~~ *Education* Fund under this section must be apportioned as provided in NRS 387.030 among the several school districts and charter schools of the State at the times and in the manner provided by law.

9. The Board of Regents of the University of Nevada may use any money in the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education for the payment of interest and amortization of principal on bonds and other securities, whether issued before, on or after July 1, 1979, to defray in whole or in part the costs of any capital project authorized by the Legislature.

Sec. 70. NRS 482.181 is hereby amended to read as follows:

482.181 1. Except as otherwise provided in subsection 5, after deducting the amount withheld by the Department and the amount credited to the Department pursuant to subsection 6 of NRS 482.180, and the amount transferred to the State Highway Fund pursuant to NRS 482.182, the Department shall certify monthly to the State Board of Examiners the amount of the basic and supplemental governmental services taxes collected for each

county by the Department and its agents during the preceding month, and that money must be distributed monthly as provided in this section.

2. Any supplemental governmental services tax collected for a county must be distributed only to the county, to be used as provided in NRS 371.043, 371.045 and 371.047.

3. The distribution of the basic governmental services tax received or collected for each county must be made to the ~~[county school district within each county]~~ *State Education Fund* *or the fund for capital projects or debt service fund of a county school district, as applicable,* before any distribution is made to a local government, special district or enterprise district. For the purpose of calculating the amount of the basic governmental services tax to be distributed to the ~~[county school district,]~~ *State Education Fund* ~~*[,]*~~ *or the fund for capital projects or debt service fund of a county school district, as applicable,* the taxes levied by each local government, special district and enterprise district are the product of its certified valuation, determined pursuant to subsection 2 of NRS 361.405, and its tax rate, established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1980, except that the tax rate for school districts, including the rate attributable to a district's debt service, is the rate established pursuant to NRS 361.455 for the fiscal year beginning on July 1, 1978, but if the rate attributable to a district's debt service in any fiscal year is greater than its rate for the fiscal year beginning on July 1, 1978, the higher rate must be used to determine the amount attributable to debt service.

4. After making the distributions set forth in subsection 3, the remaining money received or collected for each county must be deposited in the Local Government Tax Distribution Account created by NRS 360.660 for distribution to local governments, special districts and enterprise districts within each county pursuant to the provisions of NRS 360.680 and 360.690.

5. An amount equal to any basic governmental services tax distributed to a redevelopment agency in the Fiscal Year 1987-1988 must continue to be distributed to that agency as long as it exists but must not be increased.

6. The Department shall make distributions of the basic governmental services tax directly to ~~[county school districts.]~~ *the State Education Fund* ~~*[,]*~~ *or the fund for capital projects or debt service fund of a county school district, as applicable.*

7. As used in this section:

(a) "Enterprise district" has the meaning ascribed to it in NRS 360.620.

(b) "Local government" has the meaning ascribed to it in NRS 360.640.

(c) "Received or collected for each county" means:

(1) For the basic governmental services tax collected on vehicles subject to the provisions of chapter 706 of NRS, the amount determined for each county based on the following percentages:

Carson City	1.07 percent	Lincoln	3.12 percent
Churchill	5.21 percent	Lyon	2.90 percent
Clark	22.54 percent	Mineral	2.40 percent

Douglas	2.52 percent	Nye	4.09 percent
Elko	13.31 percent	Pershing	7.00 percent
Esmeralda	2.52 percent	Storey	0.19 percent
Eureka	3.10 percent	Washoe	12.24 percent
Humboldt	8.25 percent	White Pine	5.66 percent
Lander	3.88 percent		

(2) For all other basic and supplemental governmental services tax received or collected by the Department, the amount attributable to each county based on the county of registration of the vehicle for which the tax was paid.

(d) "Special district" has the meaning ascribed to it in NRS 360.650.

Sec. 71. NRS 709.110 is hereby amended to read as follows:

709.110 Every applicant for a franchise for any of the purposes mentioned in NRS 709.050 shall, within 10 days after such franchise is granted, file with the county recorder of such county an agreement properly executed by the grantee of such franchise, right or privilege to pay annually on the first Monday of July of each year to the ~~[county treasurer of the county wherein such franchise, right or privilege is to be exercised,]~~ *State Treasurer for deposit in the State Education Fund* for the benefit of the ~~[county school district fund,]~~ *public schools in this State*, 2 percent of the net profits made by such grantee in the operation of any public utility for which such franchise is granted. No power, function, right or privilege shall be exercised until such agreement shall be filed.

Sec. 72. NRS 709.230 is hereby amended to read as follows:

709.230 1. The grantee of any franchise secured under the provisions of NRS 709.180 to 709.280, inclusive, shall, within 30 days after such franchise is granted, file with the county recorder of such county an agreement, properly executed by the grantee, to pay annually, on the first Monday of July of each year, to the ~~[county treasurer of the county,]~~ *State Treasurer for deposit in the State Education Fund*, for the benefit of the ~~[county school district fund,]~~ *public schools in this State*, 2 percent of the net profits made by such grantee in the operation of such electric light, heat and power lines within the county.

2. No right or privilege shall be exercised under the franchise until the agreement is filed.

Sec. 73. NRS 709.270 is hereby amended to read as follows:

709.270 1. If, upon the hearing of the application, it appears to the satisfaction of the board of county commissioners that the applicant is engaged in the business of furnishing electric light, heat or power within two or more counties, including the county in which the application provided in NRS 709.250 is pending, the board shall thereupon extend the term of the franchise under which the applicant is operating for not exceeding 50 years, including the unexpired portion of the term of such former franchise.

2. The applicant shall, within 30 days after such franchise extending the term of the former franchise is granted, file with the county recorder of such county an agreement, properly executed by the grantee, to pay annually, on the 1st Monday of July of each year, to the ~~[county treasurer of the county,]~~ *State*

Treasurer for deposit in the State Education Fund, for the benefit of the ~~[county school district fund,]~~ *public schools in this State*, 2 percent of the net profits made by such grantee in the operation of its electric light, heat and power lines within the county. No extension of the term of the original franchise shall be effective in the county until such agreement shall be filed.

Sec. 74. Section 3 of chapter 389, Statutes of Nevada 2015, at page 2203, is hereby amended to read as follows:

Sec. 3. This act becomes effective upon passage and approval ~~[.]~~ *, and expires by limitation on July 1, 2019.*

Sec. 75. As soon as practicable after July 1, 2019, the appointing authorities identified in subsection 2 of section 10 of this act shall appoint the members of the Commission on School Funding created by section 10 of this act.

Sec. 76. 1. Using such assumptions and data as the Commission determines to be appropriate, the Commission shall project the distribution of funding for the public schools of this State for the 2019-2021 biennium as if the provisions of this act were in effect for the 2019-2021 biennium and compare the projection to the ~~[actual]~~ projected distribution of funding under existing law for the 2019-2021 biennium.

2. The Commission shall examine the results of the comparison performed pursuant to subsection 1 and, on or before December 1, 2020, make recommendations to the Governor and the Legislature for any changes that the Commission determines to be necessary for the successful implementation of this act.

3. As used in this section, "Commission" means the Commission on School Funding established pursuant to section 10 of this act.

Sec. 77. Notwithstanding the provisions of subsection 1 of section 3 of this act, if the ending fund balance of a county school district fund exceeds 16.6 percent of the total budgeted expenditures for the fund for the fiscal year which ends on June 30, 2020, the county school district may maintain an ending fund balance for its county school district fund in the succeeding fiscal year which does not exceed the ending fund balance for the fiscal year which ends on June 30, 2020, and any amount by which the ending fund balance exceeds that amount must be transferred to the Education Stabilization Account created by section 3 of this act. Until the ending fund balance of such a county school district fund reaches 16.6 percent or less of the total budgeted expenditures for the fund, the ending fund balance for such a county school district fund in each subsequent fiscal year may not exceed the ending fund balance for the county school district fund in the immediately preceding fiscal year, and any amount by which the ending funding balance exceeds that amount must be transferred to the Education Stabilization Account created by section 3 of this act.

Sec. 78. Notwithstanding the provisions of subsection ~~[2]~~ 3 of section 8 of this act, for the purpose of carrying out an effective transition from the Nevada Plan to the Pupil-Centered Funding Plan during the 2021-2023

biennium, each school district shall distribute the weighted funding received by the school district pursuant to paragraph (e) of subsection 2 of section 4 of this act in a manner that, to the greatest extent practicable, ensures a reasonably equal educational opportunity for all relevant pupils.

Sec. 79. 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. 80. NRS 387.122, 387.1245, 387.1247, 387.1251, 387.1253, 387.1255, 387.1257, 387.129, 387.131, 387.133, 387.137, 387.139, 387.163, 387.193, 387.197, 387.2065, 387.2067 and 387.207 are hereby repealed.

Sec. 81. 1. This section and sections 10, 11, 74, 75, 76 and 79 of this act become effective on July 1, 2019.

2. Sections 1 to 9, inclusive, 12 to 73, inclusive, 77, 78 and 80 of this act become effective upon passage and approval for the purpose of creating each school district's budget and the executive budget pursuant to NRS 353.150 to 353.246, inclusive, for the biennium which begins on July 1, 2021, and on July 1, 2021, for all other purposes.

LEADLINES OF REPEALED SECTIONS

387.122 Establishment of basic support guarantees; use, review and revision of equity allocation model to calculate basic support guarantee; Department to make updated information regarding equity allocation model available on Internet website.

387.1245 Emergency financial assistance: Conditions; procedures.

387.1247 Creation of Account; acceptance of gifts and grants; use of money in Account.

387.1251 "Teacher" defined.

387.1253 Creation of Account; use of money in Account; acceptance of gifts, grants, bequests and donations.

387.1255 Distribution of money in Account; board of trustees and governing body to establish special revenue fund; use of money in special revenue fund.

387.1257 Board of trustees and governing bodies to determine manner in which to distribute money to teachers; reimbursement for out-of-pocket expenses; submission, maintenance and inspection of receipts for purchases.

387.129 Creation of Account; use of money in Account; establishment of special revenue fund; use of money in special revenue fund.

387.131 Distribution of money in Account.

387.133 Use of money received by public schools; public school required to consult with certain persons before using money.

387.137 Assessments and examinations used to determine proficiency of pupils for purposes of distributing money; adoption of regulations establishing method for projecting proficiency.

387.139 Department to prescribe school achievement and performance targets to evaluate and track performance of pupils receiving certain services; reporting requirements; independent evaluation of effectiveness of services.

387.163 Local funds available for public schools; reserve of net proceeds of minerals.

387.193 Appropriation of money in State Supplemental School Support Account for operation of school districts and charter schools; authorized uses of money from Account; annual accounting of expenditures required.

387.197 Levy of tax for enhancing safety and security of public schools; report on use of proceeds.

387.2065 Request for waiver by school district, charter school or university school for profoundly gifted pupils from minimum expenditure requirements during economic hardship.

387.2067 Written accounting by school district, charter school or university school for profoundly gifted pupils that receives waiver from minimum expenditure requirements during economic hardship; adjustment of waiver; limitation on use of money to which waiver applies.

387.207 Required annual expenditures for library books, computer software, equipment relating to instruction, and maintenance and repair; exception for certain school districts.

Senator Cannizzaro moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 5:44 p.m.

SENATE IN SESSION

At 6:16 p.m.

President Marshall presiding.

Quorum present.

Senator Woodhouse moved the adoption of the amendment.

Remarks by Senators Woodhouse, Hardy, Denis and Pickard.

SENATOR WOODHOUSE:

Amendment No. 986 to Senate Bill No. 543 makes several changes to the bill. It clarifies interest and income earned on money in the Education Stabilization Account and in each administrative account for federal purposes be credited to such accounts; clarifies actual ending fund balances of school districts and charter schools in excess of 16.6 percent of total actual expenditures are transferred to the Education Stabilization Account; clarifies the balance remaining in the State Education Fund, excluding the balance remaining in the Education Stabilization Account that has not been committed for expenditure on or before June 30 of each fiscal year, must be transferred to the Education Stabilization Account; clarifies if the amount of money contained in the State Education Fund decreases from the preceding fiscal year, it is the intent of the Legislature that a proportional reduction be made in both the Statewide base per-pupil funding amount and the weighted funding; revises language to clarify that money in the Education Stabilization Account and administrative accounts for federal purposes is not considered when distributing funding from the State Education Fund or evaluating the balance of the fund, and revises language to clarify the use of the Consumer Price Index to determine the rate of inflation.

It revises language to require the appointing authorities to consider when making appointments to the Commission on School Funding, whether the membership of the Commission generally reflects the geographic distribution of pupils in the State; adds language to prohibit anyone

registered as a lobbyist in the preceding two years from serving on the Commission on School Funding and to require each member of the Commission have a demonstrated ability in economics, taxation or some other discipline necessary to school finance; adds language to allow the appointed authority to remove a member of the Commission for good cause; clarifies that if the Commission on Education Funding makes a recommendation which would require more money to implement than was appropriated from the State Education Fund in the immediately preceding biennium, the Commission shall also identify a method to fully fund the recommendation within ten years of the date of the recommendation; revises the dates of annual reporting required by the Department of Education; clarifies the Commission on School Funding shall review the reports submitted by the Department of Education and make any recommendations for revision which shall be considered by the Department of Education prior to submission to the Legislative Council Bureau for transmission to the Legislative Committee on Education. The Final report shall be posted on the Department's website no later than August 1 of each year.

Requires the transfer of fees interest and penalties collected in addition to taxes collected to the State Education Fund for purposes of the local school support taxes; clarifies that in transitioning to the Pupil-Centered Funding Plan, if a school district would receive less money under the Pupil-Centered Funding Plan than the district received during the fiscal year ending June 20, 2020, it is the intent of the Legislature that the school district instead, receive the same amount of money the district received during the fiscal year ending June 30, 2020, and be given the flexibility to reapportion money between the adjusted base between pupil funding and weighted funding; clarifies if the enrollment in a school district that received a modified allocation of money as described above declines for a period of two years or more, it is the intent of the Legislature to determine an appropriate method to mitigate the effects of the continued decline in enrollment which may include appropriating money to the school district as if the number of pupils enrolled in the district equals the average number of pupils enrolled in the district over a rolling, three-year average, and revises the apportionment from the State Education Fund to school districts and charter schools from quarterly to monthly.

Finally, the amendment clarifies that only the operating portion of the net proceeds of minerals shall be transferred to the State Education Fund; clarifies that only the operating portion of the basic governmental services tax shall be transferred to the State Education Fund, and revises language in subsection 1 of section 76 to refer to the projected distribution of funding rather than actual distribution of funding for technical reasons. I urge your support.

SENATOR HARDY:

In Senate Bill No. 543, when will the Education Stabilization Account go into effect? Will it run concurrently with what we are doing now, or will money go into the Education State Stabilization Account now, beginning in 2019?

SENATOR DENIS:

That account will begin when the plan kicks-in, which will be in two years. Until then, the plans will run concurrently. The intent is the Stabilization Fund, or Rainy Day Fund, will start when we start the plan.

SENATOR PICKARD:

I cannot find the part in this amendment to Senate Bill No. 543 that discusses funding based on a three-year rolling average of population. Does this mean if the population in a district spikes, the pupil average is held to the three-year, rolling average and they get it in the future? Please explain this in more detail.

SENATOR DENIS:

That information is found in section 15, subsection 3, of the amendment to Senate Bill No. 543. It states: "It is the intent of the Legislature to ensure that no school district that receives a modified allocation of money as described in subsection 2 receives less than money in a school year than the school district received in the immediately preceding school year unless the enrollment in the school district continues to decline for a period of 2 years or more. In the event of such an enrollment decline, it is the intent of the Legislature to determine an appropriate method to mitigate the effects of a continued decline in enrollment, which may include, without limitation,

appropriating money to the school district as if the number of pupils enrolled in the district equaled the average number of pupils enrolled in the district over a rolling 3-year period."

SENATOR PICKARD:

Does this mean a district would receive a declining amount unless the Legislature expressly appropriated more money to that district to keep it afloat? How would this work?

SENATOR DENIS:

This would be based on a 3-year average. If enrollment continued to decline during that period, the Legislature would need to determine if it was going to give additional funds to mitigate the situation. It is a hold-harmless provision related to enrollment.

SENATOR PICKARD:

Are there any districts that this would apply to had this already been in place? Are there districts declining in population that might be affected by this?

SENATOR DENIS:

I do not believe we have that information; it was not one of the reports we received, but we could get it.

Amendment adopted.

The following amendment was proposed by Senator Woodhouse:

Amendment No. 990.

AN ACT relating to education; creating the State Education Fund; revising the method for determining the amount of and distributing money to support the operation of the public schools in this State; establishing certain requirements for the accounting and use of such money; establishing requirements for the establishment of budgetary estimates relating to the public schools in this State; creating the Commission on School Funding and establishing its duties; establishing provisions relating to reports of expenditures by public schools; directing certain revenues to be deposited in the State Education Fund; making an appropriation; and providing other matters properly relating thereto.

If this amendment is adopted, the Legislative Counsel's Digest will be changed as follows:

Legislative Counsel's Digest:

Existing law declares that "the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity" and establishes the Nevada Plan as a formula for distribution of state financial aid to the public schools in this State to accomplish that objective. (NRS 387.121) As part of the Nevada Plan, the Legislature establishes, during each legislative session and for each school year of the biennium, an estimated statewide average basic support guarantee per pupil. (NRS 387.122) This is the per pupil amount that is "guaranteed" on a statewide basis through a combination of state money and certain local revenues, supplemented by other local revenues which are not "guaranteed" by the state. The basic support guarantee for each school district is computed by multiplying the basic support guarantee per pupil that is established by law for the school district for each school year by pupil enrollment. (NRS 387.121-387.1223) In addition to the basic support guarantee per pupil,

state financial aid to public education is provided through various programs, commonly known as "categorical funding," that target specific purposes or populations of pupils for additional support. Such programs include, without limitation, the Account for the New Nevada Education Funding Plan, Zoom schools and Victory schools. (NRS 387.129-387.139; section 1 of chapter 544, Statutes of Nevada 2017, p. 3768; section 2 of chapter 389, Statutes of Nevada 2015, p. 2199)

Beginning with the 2021-2023 biennium, this bill generally replaces the Nevada Plan with the Pupil-Centered Funding Plan, which combines money raised pursuant to state law at the local level with state money to provide a certain basic level of support to each pupil in this State which is adjusted: (1) to account for variation in the local costs to provide a reasonably equal educational opportunity to pupils; and (2) for the costs of providing a reasonably equal educational opportunity to pupils with certain additional educational needs. Section 15 of this bill designates the plan created by this bill as the Pupil-Centered Funding Plan and expresses the intent of the Legislature regarding its creation. Specifically, section 2 of this bill creates the State Education Fund and identifies numerous sources of revenues to be deposited into the Fund, in addition to direct legislative appropriations from the State General Fund. Section 2 also authorizes the Superintendent of Public Instruction to create one or more accounts in the State Education Fund for the purpose of administering money received from the Federal Government. Section 3 of this bill creates the Education Stabilization Account in the State Education Fund and provides for the funding of the Account and the use of the money in the Account. Sections 13, 26, 27, 49, 51, 52, 59-61, 64 and 66-73 of this bill direct certain sources of revenues to the State Education Fund. Sections 17, 19, 22-25, 31-35, 37-42, 45, 47, 48, 50, 53-56, 62, 63 and 65 of this bill make conforming changes for the direction of such sources of revenues to the State Education Fund and the replacement of the State Distributive School Account with the State Education Fund.

Section 4 of this bill requires the Legislature, after making a direct legislative appropriation to the State Education Fund, to determine the statewide base per pupil funding amount for each Fiscal Year of the biennium. Section 4 expresses the intent of the Legislature that the statewide base per pupil funding amount should increase each year by not less than inflation. Section 4 requires the Legislature to appropriate the whole of the State Education Fund, less the money in the Education Stabilization Account or any account created by the Superintendent to receive federal money, to fund, in an amount determined to be sufficient by the Legislature: (1) the operation of the State Board of Education, Superintendent of Public Instruction and the Department of Education; (2) the food service, transportation and similar services of the school districts; (3) the operation of each school district for all pupils generally through adjusted base per pupil funding for each pupil enrolled in the school district; (4) the operation of each charter school and university school for profoundly gifted pupils for all pupils generally through

a statewide base per pupil funding amount for each pupil enrolled in such a school, with an adjustment for certain schools; and (5) the additional educational needs of English learners, at-risk pupils, pupils with disabilities and gifted and talented pupils through additional weighted funding for each such pupil. Section 4 specifies that additional weighted funding be expressed as a multiplier to be applied to the statewide base per pupil funding amount and that a pupil who belongs to more than one category receive only the additional weighted funding for the single category with the highest multiplier. Section 4 generally prohibits the use of additional weighted funding for collective bargaining. Section 58 of this bill generally prohibits the use of a school district's ending fund balance for collective bargaining.

The Nevada Constitution requires that the revenue from a tax upon the net proceeds of all minerals be appropriated to each county and apportioned among the respective governmental units within the county, including the school district. (Nev. Const. Art. 10, § 5) Sections 2 and 61 of this bill require the proceeds of such a tax that are apportioned to each school district to be deposited to the credit of the State Education Fund. Section 4 deems such money to be the first money appropriated as part of the adjusted base per pupil funding and weighted funding to the county school district from which the money originated. To the extent that money exceeds the adjusted base per pupil funding and weighted funding for the county school district to which it was apportioned, paragraph (b) of subsection 6 of section 4 of this bill requires the excess to be transferred to the county school district from which the money originated, section 4 also authorizes the expenditure of that money as a continuing appropriation. Section 4 also specifies that the purposes for which the money may be used include mitigating the adverse effects of the cyclical nature of the mining industry on the school district. These effects include, without limitation, significant and rapid changes in the number of pupils enrolled in the school district which are a unique impediment to pupils receiving a reasonably equal educational opportunity in the counties in which the mining industry is pervasive and cannot be reasonably addressed in a uniform statewide funding plan.

Sections 5-7 of this bill establish certain factors which are applied to the statewide base per pupil funding amount to create the adjusted base per pupil funding for each school district and certain charter schools and university schools for profoundly gifted pupils. Specifically, section 5 of this bill establishes a cost adjustment factor by which the statewide base per pupil funding amount is multiplied for each school district and certain charter schools and university schools for profoundly gifted pupils to account for variation between the counties in the cost of living and the cost of labor. Section 6 of this bill establishes a formula to calculate an additional amount of funding for each necessarily small school in a school district to account for the increased cost to operate certain schools which must necessarily be smaller than the school could be most efficiently operated. Section 7 of this bill establishes a small district equity adjustment by which the statewide base

per pupil funding amount is multiplied for each school district to account for the increased cost per pupil to operate a school district in which relatively fewer pupils are enrolled. Sections 5-7 authorize the Commission on School Funding to revise the method by which these adjustments are calculated in certain circumstances.

Section 8 of this bill requires each school district to account separately for the adjusted base per pupil funding received by the school district and deduct an amount of not more than the amount prescribed by the Commission on School Funding by regulation of the adjusted base per pupil funding for the administrative expenses of the school district. Section 8 requires the remainder of the adjusted base per pupil funding to be distributed to the public schools in the school district in a manner that ensures each pupil in the school district receives a reasonably equal educational opportunity. Similarly, section 8 requires each school district to account separately for all weighted funding received by the school district. Section 8 requires all weighted funding to be distributed directly to each school in which the relevant pupils are enrolled. Section 8 also: (1) requires each public school to account separately for the adjusted base per pupil funding and each category of weighted funding the school receives; (2) requires weighted funding to be used for each relevant pupil to supplement the adjusted base per pupil funding for the pupil and provide such educational programs, services or support as are necessary to provide the pupil a reasonably equal educational opportunity; and (3) limits the use of weighted funding for at-risk pupils and English learners to certain services. Section 8 additionally contains certain provisions relating to the separate accounting of money for pupils with disabilities and gifted and talented pupils which are moved into this section from a separate provision of existing law. Sections 14, 16, 18, 20, 21, 28-30, 36, 43, 44, 46, 57, 74 and 80 of this bill make conforming changes.

Section 9 of this bill requires the Governor, when preparing the proposed executive budget, to reserve an amount of money in the State General Fund for transfer to the State Education Fund which is sufficient to fully fund certain increases in the amount of money in the State Education Fund if the Economic Forum projects an increase in state revenue in the upcoming biennium. If the Economic Forum projects a decrease in state revenue, section 9 requires the Governor to reserve an amount of money in the State General Fund sufficient to ensure that the amount of money transferred from the State General Fund to the State Education Fund does not decrease by a greater percentage than the projected decline in state revenues. Section 9 requires the Governor to include in the proposed executive budget recommendations for the statewide base per pupil funding amount and the multiplier for each category of pupils. Section 9 requires the Governor to consider the recommendations of the Commission on School Funding for an optimal level of school funding and authorizes the Governor to reserve an additional amount of money for transfer to the State Education Fund to fund any such recommendation. Section 9 authorizes the Governor, as part of the proposed executive budget, to

recommend revisions to education funding or additional education funding, but requires the proposed executive budget to include a minimum amount of total funding for the State Education Fund based on the projections of the Economic Forum for the upcoming biennium.

Section 10 of this bill creates the Commission on School Funding and prescribes its membership. Section 11 of this bill prescribes the duties of the Commission. Section 76 of this bill requires the Commission to project the distribution of education funding for the 2019-2021 biennium as if the Pupil-Centered Funding Plan were in effect, compare that projection to the actual distribution of education funding for the 2019-2021 biennium, and make recommendations for the implementation of the Pupil-Centered Funding Plan to the Governor and Legislature.

Section 12 of this bill establishes certain reporting requirements for the Department of Education and for each school district and public school relating to educational expenditures. Section 74.5 of this bill makes an appropriation for the costs of implementing this bill.

Section 4 of Senate Bill No. 543 is hereby amended as follows:

Sec. 4. *1. After a direct legislative appropriation is made to the State Education Fund from the State General Fund pursuant to section 2 of this act, the Legislature shall determine the statewide base per pupil funding amount for each Fiscal Year of the biennium, which is the amount of money expressed on a per pupil basis for the projected enrollment of the public schools in this State, determined to be sufficient by the Legislature to fund the costs of all public schools in this State to operate and generally provide education to all pupils. It is the intent of the Legislature that the statewide base per pupil funding amount for any Fiscal Year be not less than the statewide base per pupil funding amount for the immediately preceding Fiscal Year, adjusted by inflation, unless the amount of money contained in the State Education Fund decreases from the preceding Fiscal Year.*

2. After a direct legislative appropriation is made to the State Education Fund from the State General Fund pursuant to section 2 of this act, the money in the State Education Fund, excluding any amount of money in the Education Stabilization Account or in any account established pursuant to subsection 5 of section 2 of this act, must be appropriated as established by law for each Fiscal Year of the biennium for the following purposes:

(a) To the Department, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to fund the operation of the State Board, the Superintendent of Public Instruction and the Department, including, without limitation, the statewide administration and oversight of the public schools and any educational programs administered by this State.

(b) To each school district, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide food services and transportation for pupils and any other similar service that the Legislature deems appropriate.

(c) To each school district, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide adjusted base per pupil funding for each pupil estimated to be enrolled in the school district.

(d) To each charter school or university school for profoundly gifted pupils, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide:

(1) The statewide base per pupil funding amount for each pupil estimated to be enrolled full-time in a program of distance education provided by the charter school or university school for profoundly gifted pupils; and

(2) Adjusted base per pupil funding for each pupil estimated to be enrolled in the charter school or university school for profoundly gifted pupils other than a pupil identified in subparagraph (1).

(e) To each school district, charter school or university school for profoundly gifted pupils, an amount of money determined to be sufficient by the Legislature, when combined with any other resources available for this purpose, to provide additional weighted funding for each pupil estimated to be enrolled in the school district, charter school or university school for profoundly gifted pupils who is:

(1) An English learner;

(2) An at-risk pupil;

(3) A pupil with a disability; or

(4) A gifted and talented pupil.

3. The adjusted base per pupil funding appropriated pursuant to paragraph (c) of subsection 2 for each school district must be determined by multiplying the cost adjustment factor established pursuant to section 5 of this act which applies to the school district and the statewide base per pupil funding amount by the small district equity adjustment established pursuant to section 7 of this act which applies to the school district and adding the amount of funding for necessarily small schools established pursuant to section 6 of this act which applies to the school district.

4. The adjusted base per pupil funding appropriated pursuant to subparagraph (2) of paragraph (d) of subsection 2 for each charter school or university school for profoundly gifted pupils must be determined by multiplying the cost adjustment factor established pursuant to section 5 of this act which applies to the charter school or university school by the statewide base per pupil funding amount.

5. The weighted funding appropriated pursuant to paragraph (e) of subsection 2 must be established separately for each category of pupils identified in that paragraph and expressed as a multiplier to be applied to the statewide base per pupil funding amount determined pursuant to subsection 1. A pupil who belongs to more than one category of pupils must receive only the weighted funding for the single category to which the pupil belongs which has the largest multiplier. It is the intent of the Legislature that:

(a) The multiplier for each category of pupils for any Fiscal Year be not less than the multiplier for the immediately preceding Fiscal Year unless the amount of money contained in the State Education Fund decreases from the preceding Fiscal Year;

(b) The recommendations of the Commission for the multiplier for each category of pupils be considered and the multiplier for one category of pupils may be changed by an amount that is not proportional to the change in the multiplier for one or more other categories of pupils if the Legislature determines that a disproportionate need to serve the pupils in the affected category exists; and

(c) If the multipliers for all categories of pupils in a Fiscal Year are increased from the multipliers in the immediately preceding Fiscal Year, a proportional increase is considered for the statewide base per pupil funding amount.

6. For any money identified in subsection 4 of NRS 362.170 which is deposited to the credit of the State Education Fund:

(a) The amount of such money for the county from which the money was collected that does not exceed the total amount of money appropriated pursuant to subsection 2 to the county school district is deemed to be the first money appropriated pursuant to subsection 2 for that county school district.

(b) The amount of such money for the county from which the money was collected which exceeds the total amount of money appropriated pursuant to subsection 2 to the county school district must be transferred to the county school district and is hereby authorized for expenditure as a continuing appropriation for the purpose of mitigating the adverse effects of the cyclical nature of the industry of extracting and processing minerals on the ability of the county school district to offer its pupils a reasonably equal educational opportunity.

7. The weighted funding appropriated pursuant to paragraph (e) of subsection 2:

(a) May not be used to settle or arbitrate disputes between a recognized organization representing employees of a school district or the governing body of a charter school and the school district or governing body or to settle any negotiations; and

(b) May not be used to adjust the district-wide schedules of salaries and benefits of the employees of a school district.

NEW section 74.5 of Senate Bill No. 543 is hereby added as follows:

Sec. 74.5. 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee the sum of $6,551,530 for allocation to the Department of Education for the implementation of this act.

2. Any remaining balance of the appropriation made by subsection 1 must not be committed for expenditure after June 30, 2021, by the Interim Finance Committee 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 Interim Finance Committee 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. Senator Cannizzaro moved that the Senate recess subject to the call of the Chair.

Senator Woodhouse moved the adoption of the amendment.

Remarks by Senators Woodhouse, Denis, Hardy and Seevers Gansert.

SENATOR WOODHOUSE:

Amendment No. 990 to Senate Bill No. 543 makes several changes to the bill. It adds subsection 6 to section 4. Pursuant to sections 2 and 61 of the bill, revenue from a tax upon the net proceeds of all minerals that are apportioned to each school district is required to be deposited to the credit of the State Education Funding Account. Subsection 6 of section 4 deems any such money be the first money appropriated as part of the adjusted base per pupil funding and weighted funding to the county school district from which the money originated. Section 4, subsection 6, paragraph (b), further requires that, to the extent the revenue from the tax upon net proceeds of minerals exceeds the adjusted base per pupil funding or the weighted funding to be appropriated to a school district, the excess revenue must be transferred to the county school district from which the money originated. Section 4 also specifies that purposes for which the transferred money may be used include mitigating the adverse effects of a cyclical nature to the mining industry on school districts.

The amendment adds section 74.5, to appropriate $6,551,530 from the State General Fund to the Interim Finance Committee for allocation to the Department of Education for the costs of implementing the bill. The biggest issue is that the Nevada Department of Education (NDE) does not have the hardware and software needed to facilitate this effort. An estimated amount of $5,037,000 is allocated to cover the hardware and software and $500,000 for contract services. An amount of $1,014,530 would cover the cost of the Commission, plus two additional staff members for the NDE needed to facilitate this project. I urge your support.

SENATOR DENIS:

During the hearings one of the districts brought up the constitutionality of the mineral tax use. We are clarifying here that what currently happens would continue to happen. The money would be collected and go to the schools. What is left would go back to the district. This is in line with the constitutionality of how things are currently done.

One of our biggest challenges is that we are doing our $5 billion budget using spreadsheets. This would provide a system to use to do our funding electronically. I urge your support because we need to modernize our education funding in the State, and this would allow for that. It would also allow for the Commission that will do the updates during the interim and will provide guidance for the Governor and the Legislature as we do future budgets.

SENATOR HARDY:

Will the $6 million plus be used for the implementation of something that is going to happen in 2 years?

SENATOR WOODHOUSE:

We have been discussing that schools would be funded under the Nevada Plan while the hardware and software for the new funding formula are put in place. This funding is necessary now in order to be ready in two years. This will allow us to have the kinks ironed out so we can flip the switch, and the new program will begin. We will have the hardware and software ready to go and no longer be using spreadsheets to determine where our school funding is going.

SENATOR DENIS:

For the next two years, the system will not be in place, but we will still provide the information so we can run this in parallel as we are developing the other systems. We want to ensure we can do this in parallel so, when we are ready to implement the new system, we can continue with the new funding formula.

SENATOR SEEVERS GANSERT:

I have a few questions on this amendment to Senate Bill No. 543. The Education Stabilization Account is newly-created and has a trigger for when money goes into it, and it is separate from the Rainy Day Fund. Is there anything that precludes us from using the Rainy Day Fund in the interim? I do not think there is money in that account now. What is the intent if we need to use money? I want to make sure there is nothing that precludes money being taken from the Rainy Day Fund to help with education since we are creating a separate account for that purpose.

SENATOR DENIS:

Are you referring to the State Rainy Day Fund? There is no connection between the State Rainy Day Fund and the Stabilization Fund; that is an education rainy-day fund. The education budget would have a separate rainy-day fund into which money would be placed to stabilize the plan.

SENATOR SEEVERS GANSERT:

I realize these are separate funds. The educational fund does not have money in it. In the interim and if something were to happen, we would be able to use the State Rainy Day Fund. There is a trigger for that, but the way the trigger is established it makes it difficult to know if there is going to be money in the educational account any time soon. Having access to the Rainy Day Fund, if needed, is important.

SENATOR DENIS:

There is not language to address this. There is not current language to move money from the State Rainy Day Fund to the Stabilization Fund at this point.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

UNFINISHED BUSINESS

CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 53.

The following Assembly amendment was read:

Amendment No. 748.

SUMMARY—Revises provisions governing the ~~[review of certain mining regulations.]~~ Mining Oversight and Accountability Commission. (BDR 46-218)

AN ACT relating to mining; revising provisions governing the ~~[review of certain mining regulations by]~~ membership of the Mining Oversight and Accountability Commission; temporarily revising provisions governing the review of certain mining regulations by the Commission; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Mining Oversight and Accountability Commission , prescribes its membership and requires the Commission to provide oversight of compliance with Nevada law relating to the activities of each state agency, board, bureau, commission, department or division with respect to the taxation, operation, safety and environmental regulation of mines and mining in this State. (NRS 514A.040, 514A.060) Section 1 of this bill: (1) removes a provision intended to ensure that not more than two members of the Commission are appointed from any one county in this State; (2) provides that a member serves until his or her successor is appointed and qualified; and (3) authorizes a member to be reappointed. Under existing law, certain

regulations relating to mines or mining are not effective unless they are reviewed by the Mining Oversight and Accountability Commission before they are approved by the Legislative Commission or its Subcommittee to Review Regulations. (NRS 514A.110) ~~[This]~~ Sections 1.5 and 2 of this bill ~~[provides]~~ provide that until June 30, 2020, if the Mining Oversight and Accountability Commission fails to review certain regulations relating to mines or mining adopted by the Commission on Mineral Resources or the State Environmental Commission within 30 days after their adoption, the regulations will become effective if approved in accordance with the applicable provisions of the Nevada Administrative Procedure Act.

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

Section 1. NRS 514A.040 is hereby amended to read as follows:

514A.040 1. There is hereby created the Mining Oversight and Accountability Commission consisting of seven members appointed as follows:

(a) Two members appointed by the Governor;

(b) Two members appointed by the Governor from a list of persons recommended by the Majority Leader of the Senate;

(c) Two members appointed by the Governor from a list of persons recommended by the Speaker of the Assembly; and

(d) One member appointed by the Governor from a list of persons recommended by the Minority Leader of the Senate or the Minority Leader of the Assembly. The Minority Leader of the Senate shall recommend persons for appointment for the initial term, the Minority Leader of the Assembly shall recommend persons for appointment for the next succeeding term, and thereafter, the authority to recommend persons for appointment must alternate each biennium between the Houses of the Legislature.

2. The Governor, Majority Leader of the Senate, Speaker of the Assembly, Minority Leader of the Senate and Minority Leader of the Assembly shall confer before the Governor makes an appointment to ensure that ~~[:~~

~~(a) Not more than two of the members are appointed from any one county in this State; and~~

~~(b) Not~~ *not* more than two of the members have a direct or indirect financial interest in the mining industry or are related by blood or marriage to a person who has such an interest.

3. Each member of the Commission serves for a term of 2 years ~~[.]~~ *and until his or her successor is appointed and qualified. A member may be reappointed.*

4. A vacancy on the Commission must be filled by the Governor in the same manner as the original appointment.

~~[Section 1.]~~ *Sec. 1.5.* NRS 514A.110 is hereby amended to read as follows:

514A.110 ~~[A]~~

1. Except as otherwise provided in this section, a permanent regulation adopted by the:

~~[1.]~~ *(a)* Nevada Tax Commission, pursuant to NRS 360.090, concerning any taxation related to the extraction of any mineral in this State, including, without limitation, the taxation of the net proceeds pursuant to chapter 362 of NRS and Section 5 of Article 10 of the Nevada Constitution;

~~[2.]~~ *(b)* Administrator of the Division of Industrial Relations of the Department of Business and Industry for mine health and safety pursuant to NRS 512.131;

~~[3.]~~ *(c)* Commission on Mineral Resources pursuant to NRS 513.063, 513.094 or 519A.290; and

~~[4.]~~ *(d)* State Environmental Commission pursuant to NRS 519A.160,

➥ is not effective unless it is reviewed by the Mining Oversight and Accountability Commission before it is approved pursuant to chapter 233B of NRS by the Legislative Commission or the Subcommittee to Review Regulations appointed pursuant to subsection 6 of NRS 233B.067. After conducting its review of the regulation, the Mining Oversight and Accountability Commission shall provide a report of its findings and recommendations regarding the regulation to the Legislative Counsel for submission to the Legislative Commission or the Subcommittee to Review Regulations, as appropriate.

2. If the Mining Oversight and Accountability Commission fails to review a permanent regulation described in paragraph (c) or (d) of subsection 1 within 30 days after its adoption, the regulation *may be approved without such a review pursuant to chapter 233B of NRS by the Legislative Commission or the Subcommittee to Review Regulations appointed pursuant to subsection 6 of NRS 233B.067 and* *becomes effective in accordance with the provisions of NRS 233B.070.*

Sec. 2. 1. This act becomes effective upon passage and approval.

2. Section 1.5 of this act expires by limitation on June 30, 2020.

Senator Scheible moved that the Senate concur in Assembly Amendment No. 748 to Senate Bill No. 53.

Remarks by Senator Scheible.

Amendment No. 748 to Senate Bill No. 53 revised certain membership requirements of the Mining Oversight and Accountability Commission and added clarifying language regarding approval of certain mining regulations by the Legislative Commission or the Subcommittee to Review Regulations.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 250.

The following Assembly amendments were read:

Amendment No. 752.

SUMMARY—Revises provisions relating to the dedication of water rights. (BDR 48-664)

AN ACT relating to water; establishing certain requirements relating to the dedication of certain rights to appropriate water; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the State Engineer to require the dedication of a right to appropriate water in certain circumstances before approving a parcel map. (NRS 534.120) Existing law also authorizes the governing body of a county or city to adopt ordinances to regulate land, which may include an ordinance that requires the dedication of a right to appropriate water before approving the development, division or subdivision of a parcel of land. (NRS 278.020) Sections 1 and 3 of this bill provide that before a supplier of water may require the dedication of a right to appropriate water in order to ensure a sufficient supply of water to certain parcels, the dedication requirement must be: (1) required pursuant to an ordinance, ~~[published]~~ rule , ~~[or]~~ regulation or any other requirement adopted by the supplier of water; and (2) based on certain information and considerations. Sections 1 and 3 prohibit, with limited exception, a supplier of water from selling , leasing, conveying or transferring a right to appropriate water that has been dedicated pursuant to an ordinance, ~~[published]~~ rule , ~~[or]~~ regulation or other requirement adopted by the supplier of water.

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. Before a supplier of water may require the dedication of a right to appropriate water in order to ensure a sufficient supply of water to provide new or modified water service to one or more parcels, the dedication requirement must:

(a) Be required pursuant to an ordinance, ~~[published]~~ rule , ~~[or]~~ regulation or any other requirement adopted by the supplier of water;

(b) Be based on reliable data and procedures estimating demand;

(c) Consider any requirements for a sustainable water supply; and

(d) Consider historic usage by similar existing water services.

2. Except as otherwise provided in this subsection, a supplier of water may not sell , lease, convey or transfer a right to appropriate water that has been dedicated pursuant to subsection 1. This subsection does not apply to:

(a) Mergers and acquisitions of a water system owned or operated by a utility; ~~[or]~~

(b) ~~[Transactions]~~ Sales by the supplier of water in furtherance of developing or maintaining a sustainable water supply ~~[.]~~ ; or

(c) Settlements of judicial or administrative proceedings concerning a water system owned or operated by a utility.

3. As used in this section ~~[, "supplier]~~ :

(a) "Modified water service" means a change or alteration to:

(1) The quantity of water delivered to one or more parcels;

(2) The capacity to deliver water to one or more parcels; or

(3) Any facility of the supplier of water necessitated by construction on one or more parcels.

(b) "Supplier of water" ~~[has the meaning ascribed to it in NRS 540.121.]~~ includes, without limitation:

(1) Any county, city, town, local improvement district, general improvement district and water conservancy district;

(2) Any water district, water system, water project or water planning and advisory board created by a special act of the Legislature;

(3) A public utility; and

(4) Any other public or private entity,

➥ that supplies water for municipal, industrial or domestic purposes.

Sec. 2. (Deleted by amendment.)

Sec. 3. Chapter 278 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before a supplier of water may require the dedication of a right to appropriate water in order to ensure a sufficient supply of water to provide new or modified water service to one or more parcels that will be developed, divided or subdivided pursuant to the provisions of this section and NRS 278.010 to 278.630, inclusive, the dedication requirement must:

(a) Be required pursuant to an ordinance, ~~[published]~~ rule , ~~[or]~~ regulation or any other requirement adopted by the supplier of water;

(b) Be based on reliable data and procedures estimating demand;

(c) Consider any requirements for a sustainable water supply; and

(d) Consider historic usage by similar existing water services.

2. A supplier of water may not sell , lease, convey or transfer a right to appropriate water that has been dedicated pursuant to subsection 1. This subsection does not apply to:

(a) Mergers and acquisitions of a water system owned or operated by a utility; ~~[or]~~

(b) ~~[Transactions]~~ Sales by the supplier of water in furtherance of developing or maintaining a sustainable water supply ~~[.]~~ ; or

(c) Settlements of judicial or administrative proceedings concerning a water system owned or operated by a utility.

3. As used in this section ~~[, "supplier]~~ :

(a) "Modified water service" means a change or alteration to:

(1) The quantity of water delivered to one or more parcels;

(2) The capacity to deliver water to one or more parcels; or

(3) Any facility of the supplier of water necessitated by construction on one or more parcels.

(b) "Supplier of water" ~~[has the meaning ascribed to it in NRS 540.121.]~~ includes, without limitation:

(1) Any county, city, town, local improvement district, general improvement district and water conservancy district;

(2) Any water district, water system, water project or water planning and advisory board created by a special act of the Legislature;

(3) A public utility; and

(4) Any other public or private entity,

➥ *that supplies water for municipal, industrial or domestic purposes.*

Sec. 4. NRS 278.010 is hereby amended to read as follows:

278.010 As used in NRS 278.010 to 278.630, inclusive, *and section 3 of this act,* unless the context otherwise requires, the words and terms defined in NRS 278.0103 to 278.0195, inclusive, have the meanings ascribed to them in those sections.

Sec. 5. (Deleted by amendment.)

Sec. 6. The provisions of this act must not be applied in such a manner as to affect, impair or discharge any outstanding contracts or obligations of the State, any political subdivision of the State or other public entity that involve a dedicated right to appropriate water existing on the effective date of this act.

~~[Sec. 6.]~~ *Sec. 7.* This act becomes effective upon passage and approval.

Amendment No. 959.

SUMMARY—Revises provisions relating to the dedication of water rights. (BDR 48-664)

AN ACT relating to water; establishing certain requirements relating to the dedication of certain rights to appropriate water; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the State Engineer to require the dedication of a right to appropriate water in certain circumstances before approving a parcel map. (NRS 534.120) Existing law also authorizes the governing body of a county or city to adopt ordinances to regulate land, which may include an ordinance that requires the dedication of a right to appropriate water before approving the development, division or subdivision of a parcel of land. (NRS 278.020) Sections 1 and 3 of this bill provide that before a supplier of water may require the dedication of a right to appropriate water in order to ensure a sufficient supply of water to certain parcels, the dedication requirement must be: (1) required pursuant to an ordinance, rule, regulation or any other requirement adopted by the supplier of water; and (2) based on certain information and considerations. Sections 1 and 3 prohibit ~~[, with limited exception,]~~ a supplier of water from : (1) reducing the rate of diversion of a right to appropriate water that has been dedicated in connection with a final map unless approved by the State Engineer; and (2) with limited exception, selling, leasing, conveying or transferring a right to appropriate water that has been dedicated pursuant to an ordinance, rule, regulation or other requirement adopted by the supplier of water.

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. Before a supplier of water may require the dedication of a right to appropriate water in order to ensure a sufficient supply of water to provide new or modified water service to one or more parcels, the dedication requirement must:

(a) Be required pursuant to an ordinance, rule, regulation or any other requirement adopted by the supplier of water;

(b) Be based on reliable data and procedures estimating demand;

(c) Consider any requirements for a sustainable water supply; and

(d) Consider historic usage by similar existing water services.

2. If a right to appropriate water has been dedicated pursuant to subsection 1 in connection with the approval of a final map filed pursuant to the provisions of NRS 278.010 to 278.630, inclusive, and section 3 of this act, a supplier of water may not reduce the rate of diversion of the right to appropriate water that has been dedicated unless the State Engineer approves the reduction.

3. Except as otherwise provided in this subsection, a supplier of water may not sell, lease, convey or transfer a right to appropriate water that has been dedicated pursuant to subsection 1. This subsection does not apply to:

(a) Mergers and acquisitions of a water system owned or operated by a utility;

(b) Sales , leases, conveyances or transfers by the supplier of water ~~[in furtherance of developing,]~~ to:

(1) Develop, improve or ~~[maintaining a]~~ maintain the availability and reliability of the water supply; and

(2) Further the sustainable and efficient management of the water supply; or

(c) Settlements of judicial or administrative proceedings concerning a water system owned or operated by a utility.

~~[3.]~~ 4. As used in this section:

(a) "Final map" has the meaning ascribed to it in NRS 278.0145.

(b) "Modified water service" means a change or alteration to:

(1) The quantity of water delivered to one or more parcels;

(2) The capacity to deliver water to one or more parcels; or

(3) Any facility of the supplier of water necessitated by construction on one or more parcels.

~~[(b)]~~ (c) "Supplier of water" includes, without limitation:

(1) Any county, city, town, local improvement district, general improvement district and water conservancy district;

(2) Any water district, water system, water project or water planning and advisory board created by a special act of the Legislature;

(3) A public utility; and

(4) Any other public or private entity,

that supplies water for municipal, industrial or domestic purposes.

Sec. 2. (Deleted by amendment.)

Sec. 3. Chapter 278 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before a supplier of water may require the dedication of a right to appropriate water in order to ensure a sufficient supply of water to provide new or modified water service to one or more parcels that will be developed, divided or subdivided pursuant to the provisions of this section and NRS 278.010 to 278.630, inclusive, the dedication requirement must:

(a) Be required pursuant to an ordinance, rule, regulation or any other requirement adopted by the supplier of water;

(b) Be based on reliable data and procedures estimating demand;

(c) Consider any requirements for a sustainable water supply; and

(d) Consider historic usage by similar existing water services.

2. ~~[A]~~ If a right to appropriate water has been dedicated pursuant to subsection 1 in connection with the approval of a final map filed pursuant to the provisions of this section and NRS 278.010 to 278.630, inclusive, a supplier of water may not reduce the rate of diversion of the right to appropriate water that has been dedicated unless the State Engineer approves the reduction.

3. Except as otherwise provided in this subsection, a supplier of water may not sell, lease, convey or transfer a right to appropriate water that has been dedicated pursuant to subsection 1. This subsection does not apply to:

(a) Mergers and acquisitions of a water system owned or operated by a utility;

(b) Sales , leases, conveyances or transfers by the supplier of water ~~[in furtherance of developing]~~ to:

(1) Develop, improve or ~~[maintaining a]~~ maintain the availability and reliability of the water supply; and

(2) Further the sustainable and efficient management of the water supply; or

(c) Settlements of judicial or administrative proceedings concerning a water system owned or operated by a utility.

~~[3.]~~ 4. As used in this section:

(a) "Final map" has the meaning ascribed to it in NRS 278.0145.

(b) "Modified water service" means a change or alteration to:

(1) The quantity of water delivered to one or more parcels;

(2) The capacity to deliver water to one or more parcels; or

(3) Any facility of the supplier of water necessitated by construction on one or more parcels.

~~[(b)]~~ (c) "Supplier of water" includes, without limitation:

(1) Any county, city, town, local improvement district, general improvement district and water conservancy district;

(2) Any water district, water system, water project or water planning and advisory board created by a special act of the Legislature;

(3) A public utility; and

(4) Any other public or private entity,

➥ *that supplies water for municipal, industrial or domestic purposes.*

Sec. 4. NRS 278.010 is hereby amended to read as follows:

278.010 As used in NRS 278.010 to 278.630, inclusive, *and section 3 of this act,* unless the context otherwise requires, the words and terms defined in NRS 278.0103 to 278.0195, inclusive, have the meanings ascribed to them in those sections.

Sec. 5. (Deleted by amendment.)

Sec. 6. The provisions of this act must not be applied in such a manner as to affect, impair or discharge any outstanding contracts or obligations of the State, any political subdivision of the State or other public entity that involve a dedicated right to appropriate water existing on the effective date of this act.

Sec. 7. This act becomes effective upon passage and approval.

Senator Scheible moved that the Senate concur in Assembly Amendments Nos. 752, 959 to Senate Bill No. 250.

Remarks by Senator Scheible.

Assembly Amendment No. 752 to Senate Bill No. 250 adds that a supplier of water may not sell, lease, convey or transfer certain rights to appropriate water; provides exceptions for certain transfers by the supplier of water; adds "public utility" to the definition of a supplier of water.

Amendment No. 959 to Senate Bill No. 250 requires certain approvals by the State Engineer.

As related to Amendment No. 752, a water supplier is intended to be the entity that supplies municipal water to the end-user, not a private party who might be an owner of water rights which are being dedicated to municipal use.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 258.

The following Assembly amendment was read:

Amendment No. 734.

SUMMARY—Revises provisions relating to applied behavior analysis. (BDR 39-248)

AN ACT relating to applied behavior analysis; abolishing certification as a state certified behavior interventionist; transferring certain responsibilities concerning licensing and regulation from the Aging and Disability Services Division of the Department of Health and Human Services to the Board of Applied Behavior Analysis; authorizing the Board to delegate certain such responsibilities to the Division; requiring the Division to obtain the approval of the Board to conduct an investigation and perform certain related tasks; revising provisions exempting certain persons from licensure or registration to practice applied behavior analysis; requiring continuing education for behavior analysts and assistant behavior analysts to meet nationally recognized standards; revising provisions relating to criminal background checks or applicants for registration as a registered behavior technician; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the certification of state certified behavior interventionists and the registration of registered behavior technicians by the Aging and Disability Services Division of the Department of Health and Human Services. To be registered as a registered behavior technician by the Division, a person is required to be registered as a Registered Behavior Technician, or have an equivalent credential, by the Behavior Analyst Certification Board, Inc., or its successor organization. A person who wishes to be certified as a state certified behavior interventionist is required to meet the qualifications prescribed by the Board of Applied Behavior Analysis, which must be no less stringent than the requirements for registration as a Registered Behavior Technician, or an equivalent credential, by the Behavior Analyst Certification Board, Inc., or its successor organization. (NRS 437.205) Under existing law, both a registered behavior technician and a state certified behavior interventionist are authorized to provide behavioral therapy under the supervision of a licensed psychologist, behavior analyst or assistant behavior analyst. (NRS 437.050, 437.055, 437.505) Sections 1, 4-7, 9-14, 16-20, 23-29, 31, 33-46, 48-53 and 56 of this bill remove certification as a state certified behavior interventionist.

Existing law authorizes the Board of Applied Behavior Analysis to adopt regulations governing its procedure, the examination and licensure, certification or registration of applicants, the granting, refusal, revocation or suspension of licenses, certificates or registrations and the practice of applied behavior analysis. (NRS 437.110) Existing law authorizes the Division to: (1) issue, renew, suspend, revoke and reinstate licenses and registrations; (2) impose disciplinary action against licensees and registrants; (3) adopt regulations prescribing fees for the issuance, renewal or reinstatement of a license or registration; (4) conduct investigations of licensees and registrants; and (5) perform certain related tasks to enforce provisions of law applicable to behavior analysts, assistant behavior analysts and registered behavior technicians. (NRS 437.130-437.140, 437.200-437.490) Sections 14, 16-23, 25, 26, 28, 29, 34, 36, 38 and 42 of this bill transfer the responsibilities to issue, renew, suspend, revoke and reinstate licenses, impose disciplinary action against licensees and registrants and prescribe fees to the Board, while still requiring the Division to collect applications, conduct investigations, disburse money and hold disciplinary hearings. Section 14 of this bill authorizes the Board to delegate those responsibilities to the Division except for making the final determination concerning the suspension or revocation of a license or the imposition of other disciplinary action. Sections 2, 3 and 8 of this bill make conforming changes. Sections 14, 15, 30, 32, 33, 35, 39 and 40 of this bill require the Division to obtain the approval of the Board before conducting investigations or performing certain related tasks. Section 31 of this bill requires the Board to file a complaint with the Division if it becomes aware that grounds for disciplinary action may exist as to a person practicing applied behavior analysis.

Existing law provides that persons who provide certain services that could otherwise constitute applied behavior analysis are exempt from requirements to be licensed or registered to practice applied behavior analysis if they do not provide applied behavior analysis services directly to natural persons. (NRS 437.065) Section 10 of this bill provides that such persons are exempt from those licensure or registration requirements if they do not otherwise separately provide applied behavior analysis services directly to natural persons.

Existing law requires a behavior analyst or assistant behavior analyst to complete continuing education prescribed by the Board. (NRS 437.225) Section 23 of this bill requires the continuing education prescribed by the Board to be consistent with nationally recognized standards for such continuing education.

Existing law requires each person desiring a license as a behavior analyst or assistant behavior analyst or registration as a registered behavior technician to undergo a criminal background check. (NRS 437.200) Section 18 of this bill authorizes an applicant for registration as a registered behavior technician to forego the required background check if he or she submits certain verification that he or she has, within the immediately preceding 6 months, passed a criminal background check for the purpose of certification by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization.

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

Section 1. NRS 437.001 is hereby amended to read as follows:

437.001 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 437.005 to ~~[437.055,]~~ *437.050,* inclusive, have the meanings ascribed to them in those sections.

Sec. 2. NRS 437.005 is hereby amended to read as follows:

437.005 "Assistant behavior analyst" means a person who holds current certification as a Board Certified Assistant Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization, and is licensed as an assistant behavior analyst ~~[by the Division.]~~ *pursuant to this chapter*.

Sec. 3. NRS 437.010 is hereby amended to read as follows:

437.010 "Behavior analyst" means a person who holds current certification as a Board Certified Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization, and is licensed as a behavior analyst ~~[by the Division.]~~ *pursuant to this chapter.*

Sec. 4. NRS 437.020 is hereby amended to read as follows:

437.020 "Community" means the entire area customarily served by behavior analysts and assistant behavior analysts among whom a patient may reasonably choose, not merely the particular area inhabited by the patients of an individual behavior analyst, assistant behavior analyst ~~[, state certified~~

~~behavior interventionist]~~ or registered behavior technician or the particular city or place where the behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician has his or her office.

Sec. 5. NRS 437.030 is hereby amended to read as follows:

437.030 "Gross malpractice" means malpractice where the failure to exercise the requisite degree of care, diligence or skill consists of:

1. Practicing applied behavior analysis with a patient while the behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician is under the influence of an alcoholic beverage as defined in NRS 202.015 or any controlled substance;

2. Gross negligence;

3. Willful disregard of established methods and procedures in the practice of applied behavior analysis; or

4. Willful and consistent use of methods and procedures considered by behavior analysts, assistant behavior analysts ~~[, state certified behavior interventionists]~~ or registered behavior technicians, as applicable, in the community to be inappropriate or unnecessary in the cases where used.

Sec. 6. NRS 437.035 is hereby amended to read as follows:

437.035 "Malpractice" means failure on the part of a behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician to exercise the degree of care, diligence and skill ordinarily exercised by behavior analysts, assistant behavior analysts ~~[, state certified behavior interventionists]~~ or registered behavior technicians, as applicable, in good standing in the community.

Sec. 7. NRS 437.040 is hereby amended to read as follows:

437.040 "Practice of applied behavior analysis" means the design, implementation and evaluation of instructional and environmental modifications based on scientific research and observations of behavior and the environment to produce socially significant improvement in human behavior, including, without limitation:

1. The empirical identification of functional relations between environment and behavior; and

2. The use of contextual factors, motivating operations, antecedent stimuli, positive reinforcement and other procedures to help a person develop new behaviors, increase or decrease existing behaviors and engage in certain behavior under specific environmental conditions.

➥ The term includes the provision of behavioral therapy by a behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician.

Sec. 8. NRS 437.050 is hereby amended to read as follows:

437.050 "Registered behavior technician" means a person who ~~[is]~~ *:*

1. Is certified as a registered behavior technician by the Behavior Analyst Certification Board, Inc., or its successor organization;

2. Is registered as such ~~[by the Division]~~ *pursuant to this chapter;* and ~~[provides]~~

3. Provides behavioral therapy under the supervision of:

~~[1.]~~ *(a)* A licensed psychologist;

~~[2.]~~ *(b)* A licensed behavior analyst; or

~~[3.]~~ *(c)* A licensed assistant behavior analyst.

Sec. 9. NRS 437.060 is hereby amended to read as follows:

437.060 The provisions of this chapter do not apply to:

1. A physician who is licensed to practice in this State;

2. A person who is licensed to practice dentistry in this State;

3. A person who is licensed as a psychologist pursuant to chapter 641 of NRS;

4. A person who is licensed as a marriage and family therapist or marriage and family therapist intern pursuant to chapter 641A of NRS;

5. A person who is licensed as a clinical professional counselor or clinical professional counselor intern pursuant to chapter 641A of NRS;

6. A person who is licensed to engage in social work pursuant to chapter 641B of NRS;

7. A person who is licensed as an occupational therapist or occupational therapy assistant pursuant to NRS 640A.010 to 640A.230, inclusive;

8. A person who is licensed as a clinical alcohol and drug abuse counselor, licensed or certified as an alcohol and drug abuse counselor or certified as an alcohol and drug abuse counselor intern, a clinical alcohol and drug abuse counselor intern, a problem gambling counselor or a problem gambling counselor intern, pursuant to chapter 641C of NRS;

9. Any member of the clergy;

10. A family member of a recipient of applied behavior analysis services who performs activities as directed by a behavior analyst or assistant behavior analyst; or

11. A person who provides applied behavior analysis services to a pupil in a public school in a manner consistent with the training and experience of the person,

➥ if such a person does not commit an act described in NRS 437.510 or represent himself or herself as a behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician.

Sec. 10. NRS 437.065 is hereby amended to read as follows:

437.065 1. A person is not required to be licensed ~~[, certified]~~ or registered ~~[by the Division]~~ *pursuant to this chapter* if he or she:

(a) Provides behavior modification services or training exclusively to animals and not to natural persons;

(b) Provides generalized applied behavior analysis services to an organization but does not *otherwise separately* provide such services directly to natural persons;

(c) Teaches applied behavior analysis or conducts research concerning applied behavior analysis but does not *otherwise separately* provide applied behavior analysis services directly to natural persons;

(d) Provides academic services, including, without limitation, tutoring, instructional design, curriculum production, assessment research and design, or test preparation but does not *otherwise separately* provide applied behavior analysis services directly to natural persons; or

(e) Conducts academic research relating to applied behavior analysis as a primary job responsibility but does not *otherwise separately* provide applied behavior analysis services directly to natural persons.

2. A person described in subsection 1:

(a) May refer to himself or herself as a behavior analyst; and

(b) Shall not represent or imply that he or she is licensed ~~[, certified]~~ or registered ~~[by the Division.]~~ *pursuant to this chapter*.

Sec. 11. NRS 437.070 is hereby amended to read as follows:

437.070 1. A person who has matriculated at an accredited college or university and is not licensed ~~[, certified]~~ or registered ~~[by the Division]~~ *pursuant to this chapter* may practice applied behavior analysis under the direct supervision of a licensed behavior analyst as part of:

(a) A program in applied behavior analysis offered by the college or university in which he or she is enrolled; or

(b) An internship or fellowship.

2. A person described in subsection 1:

(a) Shall clearly identify himself or herself to any person to whom he or she provides applied behavior analysis services as a student, intern, trainee or fellow; and

(b) Shall not identify himself or herself as a behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician, or represent or imply that he or she is licensed ~~[, certified]~~ or registered ~~[by the Division.]~~ *pursuant to this chapter*.

Sec. 12. NRS 437.075 is hereby amended to read as follows:

437.075 1. A licensed behavior analyst or assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician shall limit his or her practice of applied behavior analysis to his or her areas of competence, as documented by education, training and experience.

2. The Board shall adopt regulations to ensure that licensed behavior analysts and assistant behavior analysts ~~[, state certified behavior interventionists]~~ and registered behavior technicians limit their practice of applied behavior analysis to their areas of competence.

Sec. 13. NRS 437.110 is hereby amended to read as follows:

437.110 The Board may make and promulgate rules and regulations not inconsistent with the provisions of this chapter governing its procedure, the examination and licensure ~~[, certification]~~ or registration of applicants, the granting, refusal, revocation or suspension of licenses ~~[, certificates]~~ or registrations and the practice of applied behavior analysis.

Sec. 14. NRS 437.130 is hereby amended to read as follows:

437.130 *1.* ~~[The Division]~~ *Except as otherwise provided in subsection 2, the Board* shall enforce the provisions of this chapter and may, under the provisions of this chapter:

~~[1.]~~ *(a)* Examine and pass upon the qualifications of applicants for licensure ~~[, certification]~~ and registration.

~~[2.]~~ *(b)* License ~~[, certify]~~ and register qualified applicants.

~~[3. Conduct investigations of licensees, certificate holders and registrants.~~

~~4.]~~ *(c)* Revoke or suspend licenses ~~[, certificates]~~ and registrations.

~~[5. Collect all fees and make disbursements pursuant to this chapter.]~~

2. Except as otherwise provided in this subsection, the Board may delegate to the Division, in whole or in part, any duty prescribed by subsection 1. The Board must make the final determination concerning the suspension or revocation of a license or registration or the imposition of any other disciplinary action.

3. The Division shall:

(a) Collect applications and fees and make disbursements pursuant to this chapter;

(b) With the approval of the Board, conduct investigations of licensees and registrants; and

(c) Perform any duty delegated by the Board pursuant to subsection 2.

Sec. 15. NRS 437.135 is hereby amended to read as follows:

437.135 In a manner consistent with the provisions of chapter 622A of NRS ~~[,]~~ *and with the approval of the Board,* the Division may hold hearings and conduct investigations related to its duties under this chapter and take evidence on any matter under inquiry before it.

Sec. 16. NRS 437.140 is hereby amended to read as follows:

437.140 1. The ~~[Division]~~ *Board* shall prescribe, by regulation, fees for the issuance, renewal and reinstatement of a license ~~[, certificate]~~ or registration and any other services provided by the Division pursuant to this chapter. The ~~[Division]~~ *Board* shall ensure, to the extent practicable, that the amount of such fees is sufficient to pay the costs incurred by the Board and the Division under the provisions of this chapter, including, without limitation, the compensation of the Board prescribed by NRS 437.105, and does not exceed the amount necessary to pay those costs.

2. Money received from the licensure of behavior analysts and assistant behavior analysts ~~[, certification of state certified behavior interventionists]~~ and registration of registered behavior technicians, civil penalties collected pursuant to this chapter and any appropriation, gift, grant or donation received by the Board or the Division for purposes relating to the duties of the Board or the Division under the provisions of this chapter must be deposited in a separate account in the State General Fund. The account must be administered by the Division. Money in the account must be expended solely for the purposes of this chapter and does not revert to the State General Fund. The compensation provided for by this chapter and all expenses incurred under this chapter must be paid from the money in the account.

Sec. 17. NRS 437.145 is hereby amended to read as follows:

437.145 1. The Division shall make and keep:

(a) A record of all violations and prosecutions under the provisions of this chapter.

(b) A register of all licenses ~~[, certificates]~~ and registrations.

(c) A register of all holders of licenses ~~[, certificates]~~ and registrations.

2. These records must be kept in an office of the Division and, except as otherwise provided in this section, are subject to public inspection during normal working hours upon reasonable notice.

3. Except as otherwise provided in NRS 239.0115, the Division may keep the personnel records of applicants confidential.

4. Except as otherwise provided in this section and NRS 239.0115, a complaint filed with the Division, all documents and other information filed with the complaint and all documents and other information compiled as a result of an investigation conducted to determine whether to initiate disciplinary action against a person are confidential, unless the person submits a written statement to the Division requesting that such documents and information be made public records.

5. The charging documents filed with the Division to initiate disciplinary action pursuant to chapter 622A of NRS and all other documents and information considered by the Division *and the Board* when determining whether to impose discipline are public records.

6. The provisions of this section do not prohibit the Division *or the Board* from communicating or cooperating with or providing any documents or other information to any licensing board or any other agency that is investigating a person, including, without limitation, a law enforcement agency.

Sec. 18. NRS 437.200 is hereby amended to read as follows:

437.200 1. Each person desiring a license as a behavior analyst or assistant behavior analyst ~~[, certification as a state certified behavior interventionist]~~ or registration as a registered behavior technician must:

(a) Make application to the Division upon a form and in a manner prescribed by the Division. The application must be accompanied by the application fee prescribed by the ~~[Division]~~ *Board pursuant to NRS 437.140* and include all information required to complete the application.

(b) ~~[As]~~ *Except as otherwise provided in subsection 3, as* part of the application and at his or her own expense:

(1) Arrange to have a complete set of fingerprints taken by a law enforcement agency or other authorized entity acceptable to the Division; and

(2) Submit to the Division:

(I) A complete set of fingerprints and written permission authorizing the Division to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the applicant's background, and to such other law enforcement agencies as the Division deems necessary for a report on the applicant's background; or

(II) Written verification, on a form prescribed by the Division, stating that the set of fingerprints of the applicant was taken and directly forwarded electronically or by other means to the Central Repository for Nevada Records of Criminal History and that the applicant provided written permission authorizing the law enforcement agency or other authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the applicant's background, and to such other law enforcement agencies as the Division deems necessary for a report on the applicant's background.

2. The Division may:

(a) Unless the applicant's fingerprints are directly forwarded pursuant to sub-subparagraph (II) of subparagraph (2) of paragraph (b) of subsection 1, submit those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation and to such other law enforcement agencies as the Division deems necessary; and

(b) Request from each agency to which the Division submits the fingerprints any information regarding the applicant's background as the Division deems necessary.

3. *An applicant for registration as a registered behavior technician is not required to comply with paragraph (b) of subsection 1 if he or she submits to the Division verification from a supervising psychologist, behavior analyst or assistant behavior analyst that:*

(a) Within 6 months immediately preceding the date on which the application was submitted, the Behavior Analyst Certification Board, Inc., or its successor organization, determined the applicant to be eligible for registration as a registered behavior technician; and

(b) It is the policy of the Behavior Analyst Certification Board, Inc., or its successor organization, to conduct an investigation into the criminal background of an applicant for registration as a registered behavior technician or an equivalent credential that includes the submission of fingerprints to the Federal Bureau of Investigation.

4. An application is not considered complete and received for purposes of evaluation pursuant to subsection ~~[5]~~ *4* of NRS 437.205 until the Division receives ~~[a]~~ *:*

(a) A complete set of fingerprints or verification that the fingerprints have been forwarded electronically or by other means to the Central Repository for Nevada Records of Criminal History, and written authorization from the applicant pursuant to this section ~~[.]~~ *; or*

(b) If the application is for registration as a registered behavior technician, the documentation described in subsection 3.

Sec. 19. NRS 437.205 is hereby amended to read as follows:

437.205 1. Except as otherwise provided in NRS 437.215 and 437.220, each application for licensure as a behavior analyst must be accompanied by evidence satisfactory to the ~~[Division]~~ *Board* that the applicant:

(a) Is of good moral character as determined by the ~~[Division.]~~ *Board.*

(b) Is a citizen of the United States or is lawfully entitled to remain and work in the United States.

(c) Holds current certification as a Board Certified Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization.

2. Each application for licensure as an assistant behavior analyst must be accompanied by evidence satisfactory to the ~~[Division]~~ *Board* that the applicant:

(a) Is of good moral character as determined by the ~~[Division.]~~ *Board.*

(b) Is a citizen of the United States or is lawfully entitled to remain and work in the United States.

(c) Holds current certification as a Board Certified Assistant Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization.

3. ~~[Each application for certification as a state certified behavior interventionist must contain proof that the applicant meets the qualifications prescribed by regulation of the Board, which must be no less stringent than the requirements for registration as a Registered Behavior Technician, or an equivalent credential, by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization.~~

~~4.]~~ Each application for registration as a registered behavior technician must contain proof that the applicant is registered as a Registered Behavior Technician, or an equivalent credential, by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization. The Board shall not require any additional education or training for registration as a registered behavior technician.

~~[5.]~~ *4.* Except as otherwise provided in NRS 437.215 and 437.220, within 120 days after ~~[receiving]~~ *the Division receives* an application and the accompanying evidence ~~[from an applicant, the Division]~~ *, the Board* shall:

(a) Evaluate the application and accompanying evidence and determine whether the applicant is qualified pursuant to this section for licensure ~~[, certification]~~ or registration; and

(b) Issue a written statement to the applicant of its determination.

~~[6.]~~ *5.* If the ~~[Division]~~ *Board* determines that the qualifications of the applicant are insufficient for licensure ~~[, certification]~~ or registration, the written statement issued to the applicant pursuant to subsection ~~[5]~~ *4* must include a detailed explanation of the reasons for that determination.

Sec. 20. NRS 437.210 is hereby amended to read as follows:

437.210 1. In addition to any other requirements set forth in this chapter:

(a) An applicant for the issuance of a license as a behavior analyst or assistant behavior analyst ~~[, certificate as a state certified behavior interventionist]~~ or registration as a registered behavior technician shall include the social security number of the applicant in the application submitted to the Division.

(b) An applicant for the issuance or renewal of a license as a behavior analyst or assistant behavior analyst ~~[, certificate as a state certified behavior interventionist]~~ or registration as a registered behavior technician shall submit to the Aging and Disability Services Division the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Aging and Disability Services Division shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the license ~~[, certificate]~~ or registration; or

(b) A separate form prescribed by the Division.

3. A license as a behavior analyst or assistant behavior analyst ~~[, certificate as a state certified behavior interventionist]~~ or registration as a registered behavior technician must not be issued or renewed by the ~~[Aging and Disability Services Division]~~ *Board* if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Aging and Disability Services Division shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 21. NRS 437.215 is hereby amended to read as follows:

437.215 1. The ~~[Division]~~ *Board* may issue a license by endorsement as a behavior analyst to an applicant who meets the requirements set forth in this section. An applicant may submit to the Division an application for such a license if the applicant holds a corresponding valid and unrestricted license as a behavior analyst in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Division with his or her application:

(a) Proof satisfactory to the ~~[Division]~~ *Board* that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or any state or territory in

which the applicant currently holds or has held a license as a behavior analyst; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States;

(b) A complete set of fingerprints and written permission authorizing the Division to forward the fingerprints in the manner provided in NRS 437.200;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fee prescribed by the ~~[Division]~~ *Board* pursuant to the regulations adopted pursuant to NRS 437.140; and

(e) Any other information required by the Division.

3. Not later than 15 business days after ~~[receiving]~~ *the Division receives* an application for a license by endorsement as a behavior analyst pursuant to this section, the ~~[Division]~~ *Board* shall provide written notice to the applicant of any additional information required by the ~~[Division]~~ *Board* to consider the application. Unless the ~~[Division]~~ *Board* denies the application for good cause, the ~~[Division]~~ *Board* shall approve the application and issue a license by endorsement as a behavior analyst to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Division receives a report on the applicant's background based on the submission of the applicant's fingerprints,

➥ whichever occurs later.

Sec. 22. NRS 437.220 is hereby amended to read as follows:

437.220 1. The ~~[Division]~~ *Board* may issue a license by endorsement as a behavior analyst to an applicant who meets the requirements set forth in this section. An applicant may submit to the Division an application for such a license if the applicant:

(a) Holds a corresponding valid and unrestricted license as a behavior analyst in the District of Columbia or any state or territory of the United States; and

(b) Is an active member of, or the spouse of an active member of, the Armed Forces of the United States, a veteran or the spouse, widow or widower of a veteran.

2. An applicant for a license by endorsement pursuant to this section must submit to the Division with his or her application:

(a) Proof satisfactory to the ~~[Division]~~ *Board* that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as a behavior analyst; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States;

(b) A complete set of fingerprints and written permission authorizing the Division to forward the fingerprints in the manner provided in NRS 437.200;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fee prescribed by the ~~[Division]~~ *Board* pursuant to the regulations adopted pursuant to NRS 437.140; and

(e) Any other information required by the Division.

3. Not later than 15 business days after ~~[receiving]~~ *the Division receives* an application for a license by endorsement as a behavior analyst pursuant to this section, the ~~[Division]~~ *Board* shall provide written notice to the applicant of any additional information required by the ~~[Division]~~ *Board* to consider the application. Unless the ~~[Division]~~ *Board* denies the application for good cause, the ~~[Division]~~ *Board* shall approve the application and issue a license by endorsement as a behavior analyst to the applicant not later than:

(a) Forty-five days after receiving all the additional information required by the ~~[Division]~~ *Board* to complete the application; or

(b) Ten days after the Division receives a report on the applicant's background based on the submission of the applicant's fingerprints,

➥ whichever occurs later.

4. At any time before making a final decision on an application for a license by endorsement pursuant to this section, the ~~[Division]~~ *Board* may grant a provisional license authorizing an applicant to practice as a behavior analyst in accordance with regulations adopted by the Board.

5. As used in this section, "veteran" has the meaning ascribed to it in NRS 417.005.

Sec. 23. NRS 437.225 is hereby amended to read as follows:

437.225 1. To renew a license as a behavior analyst or assistant behavior analyst ~~[, certificate as a state certified behavior interventionist]~~ or registration as a registered behavior technician, each person must, on or before the first day of January of each odd-numbered year:

(a) Apply to the Division for renewal;

(b) Pay the biennial fee for the renewal of a license ~~[, certificate]~~ or registration;

(c) Submit evidence to the Division ~~[of]~~ *:*

(1) Of completion of the requirements for continuing education as set forth in regulations adopted by the ~~[Division,]~~ *Board,* if applicable; and

(2) That the person's certification or registration, as applicable, by the Behavior Analyst Certification Board, Inc., or its successor organization, remains valid and the holder remains in good standing; and

(d) Submit all information required to complete the renewal.

2. In addition to the requirements of subsection 1, to renew ~~[a certificate as a state certified behavior interventionist or]~~ registration as a registered behavior technician for the third time and every third renewal thereafter, a person must submit to an investigation of his or her criminal history in the manner prescribed in paragraph (b) of subsection 1 of NRS 437.200.

3. The ~~[Division]~~ *Board* shall ~~[,]~~ *adopt regulations that require,* as a prerequisite for the renewal of a license as a behavior analyst or assistant behavior analyst, ~~[require]~~ each holder to ~~[comply with the requirements for]~~ *complete* continuing education , ~~[adopted by the Board,]~~ which must ~~[include,]~~ *:*

(a) Be consistent with nationally recognized standards for the continuing education of behavior analysts or assistant behavior analysts, as applicable; and

(b) Include, without limitation, a requirement that the holder of a license receive at least 2 hours of instruction on evidence-based suicide prevention and awareness.

4. ~~[The Board may adopt regulations requiring each state certified behavior interventionist to receive continuing education as a prerequisite for the renewal of his or her certificate.~~

~~5.]~~ The Board shall not adopt regulations requiring a registered behavior technician to receive continuing education.

Sec. 24. NRS 437.330 is hereby amended to read as follows:

437.330 1. In addition to any other requirements set forth in this chapter, an applicant for the renewal of a license as a behavior analyst or assistant behavior analyst ~~[, certificate as a state certified behavior interventionist]~~ or registration as a registered behavior technician must indicate in the application submitted to the Division whether the applicant has a state business license. If the applicant has a state business license, the applicant must include in the application the business identification number assigned by the Secretary of State upon compliance with the provisions of chapter 76 of NRS.

2. A license as a behavior analyst or assistant behavior analyst ~~[, certificate as a state certified behavior interventionist]~~ or registration as a registered behavior technician may not be renewed if:

(a) The applicant fails to submit the information required by subsection 1; or

(b) The State Controller has informed the Division pursuant to subsection 5 of NRS 353C.1965 that the applicant owes a debt to an agency that has been assigned to the State Controller for collection and the applicant has not:

(1) Satisfied the debt;

(2) Entered into an agreement for the payment of the debt pursuant to NRS 353C.130; or

(3) Demonstrated that the debt is not valid.

3. As used in this section:

(a) "Agency" has the meaning ascribed to it in NRS 353C.020.

(b) "Debt" has the meaning ascribed to it in NRS 353C.040.

Sec. 25. NRS 437.335 is hereby amended to read as follows:

437.335 1. The license of any behavior analyst or assistant behavior analyst ~~[, the certificate of a state certified behavior interventionist]~~ or the registration of a registered behavior technician who fails to pay the biennial fee for the renewal of a license ~~[, certificate]~~ or registration within 60 days

after the date it is due is automatically suspended. The ~~[Division]~~ *Board* may, within 2 years after the date the license ~~[, certificate]~~ or registration is so suspended, reinstate the license ~~[, certificate]~~ or registration upon payment to the Division of the amount of the then current biennial fee for the renewal of a license ~~[, certificate]~~ or registration and the amount of the fee for the restoration of a license ~~[, certificate]~~ or registration so suspended. If the license ~~[, certificate]~~ or registration is not reinstated within 2 years, the ~~[Division]~~ *Board* may reinstate the license ~~[, certificate]~~ or registration only if it also determines that the holder of the license ~~[, certificate]~~ or registration is competent to practice as a behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician, as applicable.

2. A notice must be sent to any person who fails to pay the biennial fee, informing the person that his or her license ~~[, certificate]~~ or registration is suspended.

Sec. 26. NRS 437.400 is hereby amended to read as follows:

437.400 1. The ~~[Division]~~ *Board* may suspend or revoke a person's license as a behavior analyst or assistant behavior analyst ~~[, certificate as a state certified behavior interventionist]~~ or registration as a registered behavior technician, place the person on probation, require remediation for the person or take any other action specified by regulation if the Division finds by a preponderance of the evidence that the person has:

(a) Been convicted of a felony relating to the practice of applied behavior analysis.

(b) Been convicted of any crime or offense that reflects the inability of the person to practice applied behavior analysis with due regard for the health and safety of others.

(c) Been convicted of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive.

(d) Engaged in gross malpractice or repeated malpractice or gross negligence in the practice of applied behavior analysis.

(e) Except as otherwise provided in NRS 437.060 and 437.070, aided or abetted practice as a behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician by a person who is not licensed ~~[, certified]~~ or registered, as applicable, ~~[by the Division.]~~ *pursuant to this chapter.*

(f) Made any fraudulent or untrue statement to the Division ~~[.]~~ *or the Board.*

(g) Violated a regulation adopted by the Board.

(h) Had a license, certificate or registration to practice applied behavior analysis suspended or revoked or has had any other disciplinary action taken against the person by another state or territory of the United States, the District of Columbia or a foreign country, if at least one of the grounds for discipline is the same or substantially equivalent to any ground contained in this chapter.

(i) Failed to report to the Division within 30 days the revocation, suspension or surrender of, or any other disciplinary action taken against, a license,

certificate or registration to practice applied behavior analysis issued to the person by another state or territory of the United States, the District of Columbia or a foreign country.

(j) Violated or attempted to violate, directly or indirectly, or assisted in or abetted the violation of or conspired to violate a provision of this chapter.

(k) Performed or attempted to perform any professional service while impaired by alcohol or drugs or by a mental or physical illness, disorder or disease.

(l) Engaged in sexual activity with a patient or client.

(m) Been convicted of abuse or fraud in connection with any state or federal program which provides medical assistance.

(n) Been convicted of submitting a false claim for payment to the insurer of a patient or client.

(o) Operated a medical facility, as defined in NRS 449.0151, at any time during which:

(1) The license of the facility was suspended or revoked; or

(2) An act or omission occurred which resulted in the suspension or revocation of the license pursuant to NRS 449.160.

➥ This paragraph applies to an owner or other principal responsible for the operation of the facility.

2. As used in this section, "preponderance of the evidence" has the meaning ascribed to it in NRS 233B.0375.

Sec. 27. NRS 437.405 is hereby amended to read as follows:

437.405 The Board shall adopt regulations that establish grounds for disciplinary action for a licensed behavior analyst, licensed assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician in addition to those prescribed by NRS 437.400.

Sec. 28. NRS 437.410 is hereby amended to read as follows:

437.410 1. If the Division or a hearing officer appointed by the Division finds a person guilty in a disciplinary proceeding, the Division *shall transmit notice of that finding to the Board. Upon receiving such notice, the Board* may:

(a) Administer a public reprimand.

(b) Limit the person's practice.

(c) Suspend the person's license ~~[, certificate]~~ or registration for a period of not more than 1 year.

(d) Revoke the person's license ~~[, certificate]~~ or registration.

(e) Impose a fine of not more than $5,000.

(f) Revoke or suspend the person's license ~~[, certificate]~~ or registration and impose a monetary penalty.

(g) Suspend the enforcement of any penalty by placing the person on probation. The ~~[Division]~~ *Board* may revoke the probation if the person does not follow any conditions imposed.

(h) Require the person to submit to the supervision of or counseling or treatment by a person designated by the ~~[Division.]~~ *Board.* The person named in the complaint is responsible for any expense incurred.

(i) Impose and modify any conditions of probation for the protection of the public or the rehabilitation of the probationer.

(j) Require the person to pay for the costs of remediation or restitution.

2. The ~~[Division]~~ *Board* shall not administer a private reprimand.

3. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

Sec. 29. NRS 437.415 is hereby amended to read as follows:

437.415 1. If the Division receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses ~~[, certificates]~~ and permits issued to a person who is the holder of a license ~~[, certificate]~~ or registration issued pursuant to this chapter, the Division *shall transmit the copy to the Board. The Board* shall deem the license ~~[, certificate]~~ or registration issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the Division receives *and transmits to the Board* a letter issued to the holder of the license ~~[, certificate]~~ or registration by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the license ~~[, certificate]~~ or registration has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

2. The ~~[Division]~~ *Board* shall reinstate a license ~~[, certificate]~~ or registration issued pursuant to this chapter that has been suspended by a district court pursuant to NRS 425.540 if the Division receives *and transmits to the Board* a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose license ~~[, certificate]~~ or registration was suspended stating that the person whose license ~~[, certificate]~~ or registration was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

Sec. 30. NRS 437.425 is hereby amended to read as follows:

437.425 1. The Division or a hearing officer may *, with the approval of the Board,* issue subpoenas to compel the attendance of witnesses and the production of books, papers, documents, the records of patients and any other article related to the practice of applied behavior analysis.

2. If any witness refuses to attend or testify or produce any article as required by the subpoena, the Division may *, with the approval of the Board,* file a petition with the district court stating that:

(a) Due notice has been given for the time and place of attendance of the witness or the production of the required articles;

(b) The witness has been subpoenaed pursuant to this section; and

(c) The witness has failed or refused to attend or produce the articles required by the subpoena or has refused to answer questions propounded to him or her,

➥ and asking for an order of the court compelling the witness to attend and testify before the Division or a hearing officer, or produce the articles as required by the subpoena.

3. Upon such a petition, the court shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in its order, the time to be not more than 10 days after the date of the order, and then and there show cause why the witness has not attended or testified or produced the articles. A certified copy of the order must be served upon the witness.

4. If it appears to the court that the subpoena was regularly issued, the court shall enter an order that the witness appear before the Division or a hearing officer at the time and place fixed in the order and testify or produce the required articles, and upon failure to obey the order the witness must be dealt with as for contempt of court.

Sec. 31. NRS 437.430 is hereby amended to read as follows:

437.430 1. The Division, *the Board or* any review panel of a hospital or an association of behavior analysts, assistant behavior analysts ~~[, state certified behavior interventionists]~~ or registered behavior technicians which becomes aware that any one or a combination of the grounds for initiating disciplinary action may exist as to a person practicing applied behavior analysis in this State shall, and any other person who is so aware may, file a written complaint specifying the relevant facts with the Division.

2. The Division shall retain all complaints filed with the Division pursuant to this section for at least 10 years, including, without limitation, any complaints not acted upon.

Sec. 32. NRS 437.435 is hereby amended to read as follows:

437.435 When a complaint is filed with the Division, it shall review the complaint. If, from the complaint or from other official records, it appears that the complaint is not frivolous, the Division may ~~[:]~~ *, with the approval of the Board:*

1. Retain the Attorney General to investigate the complaint; and

2. If the Division retains the Attorney General, transmit the original complaint, along with further facts or information derived from the review, to the Attorney General.

Sec. 33. NRS 437.440 is hereby amended to read as follows:

437.440 1. The Division shall *request the approval of the Board to* conduct an investigation of each complaint filed pursuant to NRS 437.430 which sets forth reason to believe that a person has violated NRS 437.500. *Upon the approval of the Board, the Division shall conduct such an investigation.*

2. If, after an investigation, the Division determines that a person has violated NRS 437.500, the Division:

(a) May ~~[issue]~~ *, with the approval of the Board:*

(1) Issue and serve on the person an order to cease and desist from engaging in any activity prohibited by NRS 437.500 until the person obtains the proper license ~~[, certificate]~~ or registration ~~[from the Division;~~

~~(b) May issue]~~ *; and*

(2) Issue a citation to the person; and

~~[(c)]~~ *(b)* Shall *request the approval of the Board to* provide a written summary of the Division's determination and any information relating to the violation to the Attorney General. *Upon the approval of the Board, the Division shall provide such a summary to the Attorney General.*

3. A citation issued pursuant to subsection 2 must be in writing and describe with particularity the nature of the violation. The citation also must inform the person of the provisions of subsection 5. Each violation of NRS 437.500 constitutes a separate offense for which a separate citation may be issued.

4. For any person who violates the provisions of NRS 437.500, the Division shall assess an administrative fine of:

(a) For a first violation, $500.

(b) For a second violation, $1,000.

(c) For a third or subsequent violation, $1,500.

5. To appeal a citation issued pursuant to subsection 2, a person must submit a written request for a hearing to the Division within 30 days after the date of issuance of the citation.

Sec. 34. NRS 437.445 is hereby amended to read as follows:

437.445 1. If the Division retains the Attorney General pursuant to NRS 437.435, the Attorney General shall conduct an investigation of a complaint transmitted to the Attorney General to determine whether it warrants proceedings for the modification, suspension or revocation of the license ~~[, certificate]~~ or registration. If the Attorney General determines that further proceedings are warranted, he or she shall report the results of the investigation together with a recommendation to the Division in a manner which does not violate the right of the person charged in the complaint to due process in any later hearing on the complaint.

2. The Division shall promptly make a determination with respect to each complaint reported to it by the Attorney General ~~[.]~~ *and submit that determination to the Board.* The ~~[Division]~~ *Board* shall:

(a) Dismiss the complaint; or

(b) Proceed with appropriate disciplinary action.

Sec. 35. NRS 437.450 is hereby amended to read as follows:

437.450 Notwithstanding the provisions of chapter 622A of NRS, if the Division has reason to believe that the conduct of any behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician has raised a reasonable question as to competence to practice applied behavior analysis with reasonable skill and safety to patients, the Division may *, with the approval of the Board,* require the behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician to take a written or oral examination to determine whether the behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician is competent to practice applied behavior analysis. If an examination is required, the reasons therefor must be documented and made

available to the behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician being examined.

Sec. 36. NRS 437.455 is hereby amended to read as follows:

437.455 Notwithstanding the provisions of chapter 622A of NRS, if the ~~[Division or a hearing officer]~~ *Board* issues an order suspending the license of a behavior analyst or assistant behavior analyst ~~[, certificate of a state certified behavior interventionist]~~ or registration of a registered behavior technician pending proceedings for disciplinary action and requires the behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician to submit to an examination of his or her competency to practice applied behavior analysis, the examination must be conducted and the results obtained within 60 days after the ~~[Division or hearing officer]~~ *Board* issues the order.

Sec. 37. NRS 437.465 is hereby amended to read as follows:

437.465 Notwithstanding the provisions of chapter 622A of NRS, in any disciplinary proceeding before the Division or a hearing officer conducted under the provisions of this chapter:

1. Proof of actual injury need not be established where the complaint charges deceptive or unethical professional conduct or practice of applied behavior analysis harmful to the public.

2. A certified copy of the record of a court or a licensing agency showing a conviction or the suspension or revocation of a license as a behavior analyst or assistant behavior analyst ~~[, certificate as a state certified behavior interventionist]~~ or registration as a registered behavior technician is conclusive evidence of its occurrence.

3. The entering of a plea of nolo contendere in a court of competent jurisdiction shall be deemed a conviction of the offense charged.

Sec. 38. NRS 437.470 is hereby amended to read as follows:

437.470 1. Any person who has been placed on probation or whose license ~~[, certificate]~~ or registration has been limited, suspended or revoked pursuant to this chapter is entitled to judicial review of the order.

2. Every order which limits the practice of applied behavior analysis or suspends or revokes a license ~~[, certificate]~~ or registration is effective from the date the ~~[Division certifies]~~ *Board issues* the order until the date the order is modified or reversed by a final judgment of the court.

3. The district court shall give a petition for judicial review of the order priority over other civil matters which are not expressly given priority by law.

Sec. 39. NRS 437.475 is hereby amended to read as follows:

437.475 *1.* Notwithstanding the provisions of chapter 622A of NRS:

~~[1.]~~ *(a)* Pending disciplinary proceedings before the Division or a hearing officer, the court may, upon application by the Division or the Attorney General, issue a temporary restraining order or a preliminary injunction to enjoin any unprofessional conduct of a behavior analyst, an assistant behavior analyst ~~[, a state certified behavior interventionist]~~ or a registered behavior technician which is harmful to the public, to limit the practice of the behavior

analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician or to suspend the license to practice as a behavior analyst or assistant behavior analyst ~~[, certificate to practice as a state certified behavior interventionist]~~ or registration to practice as a registered behavior technician without proof of actual damage sustained by any person, this provision being a preventive as well as a punitive measure.

~~[2.]~~ *(b)* The disciplinary proceedings before the Division or a hearing officer must be instituted and determined as promptly as the requirements for investigation of the case reasonably allow.

2. The Division shall not make an application pursuant to subsection 1 without the approval of the Board.

Sec. 40. NRS 437.480 is hereby amended to read as follows:

437.480 1. The Division *, with the approval of the Board,* or the Attorney General may maintain in any court of competent jurisdiction a suit for an injunction against any person practicing in violation of NRS 437.510 or as a behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician without the proper license ~~[, certificate]~~ or registration . ~~[from the Division.]~~

2. Such an injunction:

(a) May be issued without proof of actual damage sustained by any person, this provision being a preventive as well as a punitive measure.

(b) Does not relieve any person from criminal prosecution for practicing without a license ~~[, certificate]~~ or registration.

Sec. 41. NRS 437.485 is hereby amended to read as follows:

437.485 In addition to any other immunity provided by the provisions of chapter 622A of NRS, the Division, a review panel of a hospital, an association of behavior analysts, assistant behavior analysts ~~[, state certified behavior interventionists]~~ or registered behavior technicians, or any other person who or organization which initiates a complaint or assists in any lawful investigation or proceeding concerning the licensure of a behavior analyst or assistant behavior analyst ~~[, certification of a state certified behavior interventionist]~~ or registration of a registered behavior technician or the discipline of a behavior analyst, an assistant behavior analyst ~~[, a state certified behavior interventionist]~~ or a registered behavior technician for gross malpractice, repeated malpractice, professional incompetence or unprofessional conduct is immune from any civil action for that initiation or assistance or any consequential damages, if the person or organization acted without malicious intent.

Sec. 42. NRS 437.490 is hereby amended to read as follows:

437.490 1. Any person:

(a) Whose practice of applied behavior analysis has been limited;

(b) Whose license ~~[, certificate]~~ or registration has been revoked; or

(c) Who has been placed on probation,

➥ by an order of the ~~[Division or a hearing officer]~~ *Board* may apply to the Division after 1 year for removal of the limitation or termination of the

probation or may apply to the Division pursuant to the provisions of chapter 622A of NRS for reinstatement of the revoked license ~~[, certificate]~~ or registration.

2. In hearing the application, the Division:

(a) May require the person to submit such evidence of changed conditions and of fitness as it considers proper.

(b) Shall determine whether under all the circumstances the time of the application is reasonable.

(c) ~~[May]~~ *Shall submit its determination concerning the application to the Board.*

3. Upon receiving a determination of the Division pursuant to paragraph (c) of subsection 2, the Board may deny the application or modify or rescind its order as it considers the evidence and the public safety warrants.

Sec. 43. NRS 437.500 is hereby amended to read as follows:

437.500 Except as otherwise provided in NRS 437.060, 437.065 and 437.070, a person shall not represent himself or herself as a behavior analyst, assistant behavior ~~[analyst, state certified behavior interventionist]~~ or registered behavior technician within the meaning of this chapter or engage in the practice of applied behavior analysis unless he or she is licensed ~~[, certified]~~ or registered as required by the provisions of this chapter.

Sec. 44. NRS 437.505 is hereby amended to read as follows:

437.505 1. A licensed assistant behavior analyst shall not provide or supervise behavioral therapy except under the supervision of:

(a) A licensed psychologist; or

(b) A licensed behavior analyst.

2. A ~~[state certified behavior interventionist or]~~ registered behavior technician shall not provide behavioral therapy except under the supervision of:

(a) A licensed psychologist;

(b) A licensed behavior analyst; or

(c) A licensed assistant behavior analyst.

Sec. 45. NRS 437.510 is hereby amended to read as follows:

437.510 Any person who:

1. Presents as his or her own the diploma, license, certificate, registration or credentials of another;

2. Gives either false or forged evidence of any kind to the Division in connection with an application for a license ~~[, certificate]~~ or registration;

3. Practices applied behavior analysis under a false or assumed name or falsely personates another behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician of a like or different name;

4. Except as otherwise provided in NRS 437.060 and 437.065, represents himself or herself as a behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician, or uses any title or description which indicates or implies that he or she is a behavior

analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician, unless he or she has been issued a license ~~[, certificate]~~ or registration as required by this chapter; or

5. Except as otherwise provided in NRS 437.060, 437.065 and 437.070, practices as an applied behavior analyst, assistant behavior analyst ~~[, state certified behavior interventionist]~~ or registered behavior technician unless he or she has been issued a license ~~[, certificate]~~ or registration, as applicable,

➥ is guilty of a gross misdemeanor.

Sec. 46. NRS 287.0276 is hereby amended to read as follows:

287.0276 1. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada that provides health insurance through a plan of self-insurance must provide coverage for screening for and diagnosis of autism spectrum disorders and for treatment of autism spectrum disorders to persons covered by the plan of self-insurance under the age of 18 years or, if enrolled in high school, until the person reaches the age of 22 years.

2. Coverage provided under this section is subject to:

(a) A maximum benefit of the actuarial equivalent of $72,000 per year for applied behavior analysis treatment; and

(b) Copayment, deductible and coinsurance provisions and any other general exclusion or limitation of a plan of self-insurance to the same extent as other medical services or prescription drugs covered by the policy.

3. A governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada that provides health insurance through a plan of self-insurance which provides coverage for outpatient care shall not:

(a) Require an insured to pay a higher deductible, copayment or coinsurance or require a longer waiting period for coverage for outpatient care related to autism spectrum disorders than is required for other outpatient care covered by the plan of self-insurance; or

(b) Refuse to issue a plan of self-insurance or cancel a plan of self-insurance solely because the person applying for or covered by the plan of self-insurance uses or may use in the future any of the services listed in subsection 1.

4. Except as otherwise provided in subsections 1 and 2, a governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada that provides health insurance through a plan of self-insurance shall not limit the number of visits an insured may make to any person, entity or group for treatment of autism spectrum disorders.

5. Treatment of autism spectrum disorders must be identified in a treatment plan and may include medically necessary habilitative or rehabilitative care, prescription care, psychiatric care, psychological care, behavioral therapy or therapeutic care that is:

(a) Prescribed for a person diagnosed with an autism spectrum disorder by a licensed physician or licensed psychologist; and

(b) Provided for a person diagnosed with an autism spectrum disorder by a licensed physician, licensed psychologist, licensed behavior analyst or other provider that is supervised by the licensed physician, psychologist or behavior analyst.

➥ A governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada that provides health insurance through a plan of self-insurance may request a copy of and review a treatment plan created pursuant to this subsection.

6. A plan of self-insurance subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after July 1, 2011, has the legal effect of including the coverage required by subsection 1, and any provision of the plan of self-insurance or the renewal which is in conflict with subsection 1 or 2 is void.

7. Nothing in this section shall be construed as requiring a governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada that provides health insurance through a plan of self-insurance to provide reimbursement to a school for services delivered through school services.

8. As used in this section:

(a) "Applied behavior analysis" means the design, implementation and evaluation of environmental modifications using behavioral stimuli and consequences to produce socially significant improvement in human behavior, including, without limitation, the use of direct observation, measurement and functional analysis of the relations between environment and behavior.

(b) "Autism spectrum disorder" has the meaning ascribed to it in NRS 427A.875.

(c) "Behavioral therapy" means any interactive therapy derived from evidence-based research, including, without limitation, discrete trial training, early intensive behavioral intervention, intensive intervention programs, pivotal response training and verbal behavior provided by a licensed psychologist, licensed behavior analyst, licensed assistant behavior analyst ~~[,]~~ *or* registered behavior technician . ~~[or state certified behavior interventionist.]~~

(d) "Evidence-based research" means research that applies rigorous, systematic and objective procedures to obtain valid knowledge relevant to autism spectrum disorders.

(e) "Habilitative or rehabilitative care" means counseling, guidance and professional services and treatment programs, including, without limitation, applied behavior analysis, that are necessary to develop, maintain and restore, to the maximum extent practicable, the functioning of a person.

(f) "Licensed assistant behavior analyst" means a person who holds current certification as a Board Certified Assistant Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that

organization, who is licensed as an assistant behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services and who provides behavioral therapy under the supervision of a licensed behavior analyst or psychologist.

(g) "Licensed behavior analyst" means a person who holds current certification as a Board Certified Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization and is licensed as a behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services.

(h) "Prescription care" means medications prescribed by a licensed physician and any health-related services deemed medically necessary to determine the need or effectiveness of the medications.

(i) "Psychiatric care" means direct or consultative services provided by a psychiatrist licensed in the state in which the psychiatrist practices.

(j) "Psychological care" means direct or consultative services provided by a psychologist licensed in the state in which the psychologist practices.

(k) "Registered behavior technician" has the meaning ascribed to it in NRS 437.050.

(l) "Screening for autism spectrum disorders" means all medically appropriate assessments, evaluations or tests to diagnose whether a person has an autism spectrum disorder.

(m) ~~["State certified behavior interventionist" has the meaning ascribed to it in NRS 437.055.~~

~~(n)]~~ "Therapeutic care" means services provided by licensed or certified speech-language pathologists, occupational therapists and physical therapists.

~~[(o)]~~ *(n)* "Treatment plan" means a plan to treat an autism spectrum disorder that is prescribed by a licensed physician or licensed psychologist and may be developed pursuant to a comprehensive evaluation in coordination with a licensed behavior analyst.

Sec. 47. NRS 427A.040 is hereby amended to read as follows:

427A.040 1. The Division shall, consistent with the priorities established by the Commission pursuant to NRS 427A.038:

(a) Serve as a clearinghouse for information related to problems of the aged and aging.

(b) Assist the Director in all matters pertaining to problems of the aged and aging.

(c) Develop plans, conduct and arrange for research and demonstration programs in the field of aging.

(d) Provide technical assistance and consultation to political subdivisions with respect to programs for the aged and aging.

(e) Prepare, publish and disseminate educational materials dealing with the welfare of older persons.

(f) Gather statistics in the field of aging which other federal and state agencies are not collecting.

(g) Stimulate more effective use of existing resources and available services for the aged and aging.

(h) Develop and coordinate efforts to carry out a comprehensive State Plan for Providing Services to Meet the Needs of Older Persons. In developing and revising the State Plan, the Division shall consider, among other things, the amount of money available from the Federal Government for services to aging persons and the conditions attached to the acceptance of such money, and the limitations of legislative appropriations for services to aging persons.

(i) Coordinate all state and federal funding of service programs to the aging in the State.

2. The Division shall:

(a) Provide access to information about services or programs for persons with disabilities that are available in this State.

(b) Work with persons with disabilities, persons interested in matters relating to persons with disabilities and state and local governmental agencies in:

(1) Developing and improving policies of this State concerning programs or services for persons with disabilities, including, without limitation, policies concerning the manner in which complaints relating to services provided pursuant to specific programs should be addressed; and

(2) Making recommendations concerning new policies or services that may benefit persons with disabilities.

(c) Serve as a liaison between state governmental agencies that provide services or programs to persons with disabilities to facilitate communication and the coordination of information and any other matters relating to services or programs for persons with disabilities.

(d) Serve as a liaison between local governmental agencies in this State that provide services or programs to persons with disabilities to facilitate communication and the coordination of information and any other matters relating to services or programs for persons with disabilities. To inform local governmental agencies in this State of services and programs of other local governmental agencies in this State for persons with disabilities pursuant to this subsection, the Division shall:

(1) Provide technical assistance to local governmental agencies, including, without limitation, assistance in establishing an electronic network that connects the Division to each of the local governmental agencies that provides services or programs to persons with disabilities;

(2) Work with counties and other local governmental entities in this State that do not provide services or programs to persons with disabilities to establish such services or programs; and

(3) Assist local governmental agencies in this State to locate sources of funding from the Federal Government and other private and public sources to establish or enhance services or programs for persons with disabilities.

(e) Administer the following programs in this State that provide services for persons with disabilities:

(1) The program established pursuant to NRS 427A.791, 427A.793 and 427A.795 to provide services for persons with physical disabilities;

(2) The programs established pursuant to NRS 427A.800, 427A.850 and 427A.860 to provide services to persons with traumatic brain injuries;

(3) The program established pursuant to NRS 427A.797 to provide devices for telecommunication to persons who are deaf and persons with impaired speech or hearing;

(4) Any state program for independent living established pursuant to 29 U.S.C. §§ 796 et seq., with the Rehabilitation Division of the Department of Employment, Training and Rehabilitation acting as the designated state unit, as that term is defined in 34 C.F.R. § ~~[364.4;]~~ *385.4;* and

(5) Any state program established pursuant to the Assistive Technology Act of 1998, 29 U.S.C. §§ 3001 et seq.

(f) Provide information to persons with disabilities on matters relating to the availability of housing for persons with disabilities and identify sources of funding for new housing opportunities for persons with disabilities.

(g) Before establishing policies or making decisions that will affect the lives of persons with disabilities, consult with persons with disabilities and members of the public in this State through the use of surveys, focus groups, hearings or councils of persons with disabilities to receive:

(1) Meaningful input from persons with disabilities regarding the extent to which such persons are receiving services, including, without limitation, services described in their individual service plans, and their satisfaction with those services; and

(2) Public input regarding the development, implementation and review of any programs or services for persons with disabilities.

(h) Publish and make available to governmental entities and the general public a biennial report which:

(1) Provides a strategy for the expanding or restructuring of services in the community for persons with disabilities that is consistent with the need for such expansion or restructuring;

(2) Reports the progress of the Division in carrying out the strategic planning goals for persons with disabilities identified pursuant to chapter 541, Statutes of Nevada 2001;

(3) Documents significant problems affecting persons with disabilities when accessing public services, if the Division is aware of any such problems;

(4) Provides a summary and analysis of the status of the practice of interpreting and the practice of realtime captioning, including, without limitation, the number of persons engaged in the practice of interpreting in an educational setting in each professional classification established pursuant to NRS 656A.100 and the number of persons engaged in the practice of realtime captioning in an educational setting; and

(5) Recommends strategies and, if determined necessary by the Division, legislation for improving the ability of the State to provide services to persons with disabilities and advocate for the rights of persons with disabilities.

3. The Division shall confer with the Department as the sole state agency in the State responsible for administering the provisions of this chapter and chapter 435 of NRS.

4. The Division shall ~~[administer]~~ *:*

(a) Administer the provisions of chapters 435 ~~[, 437]~~ and 656A of NRS ~~[.]~~ *; and*

(b) Assist the Board of Applied Behavior Analysis in the administration of the provisions of chapter 437 of NRS as prescribed in that chapter.

5. The Division may contract with any appropriate public or private agency, organization or institution, in order to carry out the provisions of this chapter and chapter 435 of NRS.

Sec. 48. NRS 641.029 is hereby amended to read as follows:

641.029 The provisions of this chapter do not apply to:

1. A physician who is licensed to practice in this State;

2. A person who is licensed to practice dentistry in this State;

3. A person who is licensed as a marriage and family therapist or marriage and family therapist intern pursuant to chapter 641A of NRS;

4. A person who is licensed as a clinical professional counselor or clinical professional counselor intern pursuant to chapter 641A of NRS;

5. A person who is licensed to engage in social work pursuant to chapter 641B of NRS;

6. A person who is licensed as an occupational therapist or occupational therapy assistant pursuant to NRS 640A.010 to 640A.230, inclusive;

7. A person who is licensed as a clinical alcohol and drug abuse counselor, licensed or certified as an alcohol and drug abuse counselor or certified as an alcohol and drug abuse counselor intern, a clinical alcohol and drug abuse counselor intern, a problem gambling counselor or a problem gambling counselor intern, pursuant to chapter 641C of NRS;

8. A person who is licensed as a behavior analyst or an assistant behavior analyst ~~[, certified as a state certified behavior interventionist]~~ or registered as a registered behavior technician pursuant to chapter 437 of NRS, while engaged in the practice of applied behavior analysis as defined in NRS 437.040; or

9. Any member of the clergy,

➥ if such a person does not commit an act described in NRS 641.440 or represent himself or herself as a psychologist.

Sec. 49. NRS 689A.0435 is hereby amended to read as follows:

689A.0435 1. A health benefit plan must provide an option of coverage for screening for and diagnosis of autism spectrum disorders and for treatment of autism spectrum disorders for persons covered by the policy under the age of 18 years or, if enrolled in high school, until the person reaches the age of 22 years.

2. Optional coverage provided pursuant to this section must be subject to:

(a) A maximum benefit of not less than the actuarial equivalent of $72,000 per year for applied behavior analysis treatment; and

(b) Copayment, deductible and coinsurance provisions and any other general exclusions or limitations of a policy of health insurance to the same extent as other medical services or prescription drugs covered by the policy.

3. A health benefit plan that offers or issues a policy of health insurance which provides coverage for outpatient care shall not:

(a) Require an insured to pay a higher deductible, copayment or coinsurance or require a longer waiting period for optional coverage for outpatient care related to autism spectrum disorders than is required for other outpatient care covered by the policy; or

(b) Refuse to issue a policy of health insurance or cancel a policy of health insurance solely because the person applying for or covered by the policy uses or may use in the future any of the services listed in subsection 1.

4. Except as otherwise provided in subsections 1 and 2, an insurer who offers optional coverage pursuant to subsection 1 shall not limit the number of visits an insured may make to any person, entity or group for treatment of autism spectrum disorders.

5. Treatment of autism spectrum disorders must be identified in a treatment plan and may include medically necessary habilitative or rehabilitative care, prescription care, psychiatric care, psychological care, behavioral therapy or therapeutic care that is:

(a) Prescribed for a person diagnosed with an autism spectrum disorder by a licensed physician or licensed psychologist; and

(b) Provided for a person diagnosed with an autism spectrum disorder by a licensed physician, licensed psychologist, licensed behavior analyst or other provider that is supervised by the licensed physician, psychologist or behavior analyst.

➥ An insurer may request a copy of and review a treatment plan created pursuant to this subsection.

6. Nothing in this section shall be construed as requiring an insurer to provide reimbursement to a school for services delivered through school services.

7. As used in this section:

(a) "Applied behavior analysis" means the design, implementation and evaluation of environmental modifications using behavioral stimuli and consequences to produce socially significant improvement in human behavior, including, without limitation, the use of direct observation, measurement and functional analysis of the relations between environment and behavior.

(b) "Autism spectrum disorder" has the meaning ascribed to it in NRS 427A.875.

(c) "Behavioral therapy" means any interactive therapy derived from evidence-based research, including, without limitation, discrete trial training, early intensive behavioral intervention, intensive intervention programs, pivotal response training and verbal behavior provided by a licensed psychologist, licensed behavior analyst, licensed assistant behavior analyst ~~[,]~~ *or* registered behavior technician . ~~[or state certified behavior interventionist.]~~

(d) "Evidence-based research" means research that applies rigorous, systematic and objective procedures to obtain valid knowledge relevant to autism spectrum disorders.

(e) "Habilitative or rehabilitative care" means counseling, guidance and professional services and treatment programs, including, without limitation, applied behavior analysis, that are necessary to develop, maintain and restore, to the maximum extent practicable, the functioning of a person.

(f) "Licensed assistant behavior analyst" means a person who holds current certification as a Board Certified Assistant Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization, who is licensed as an assistant behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services and who provides behavioral therapy under the supervision of a licensed behavior analyst or psychologist.

(g) "Licensed behavior analyst" means a person who holds current certification as a Board Certified Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization, and is licensed as a behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services.

(h) "Prescription care" means medications prescribed by a licensed physician and any health-related services deemed medically necessary to determine the need or effectiveness of the medications.

(i) "Psychiatric care" means direct or consultative services provided by a psychiatrist licensed in the state in which the psychiatrist practices.

(j) "Psychological care" means direct or consultative services provided by a psychologist licensed in the state in which the psychologist practices.

(k) "Registered behavior technician" has the meaning ascribed to it in NRS 437.050.

(l) "Screening for autism spectrum disorders" means medically necessary assessments, evaluations or tests to screen and diagnose whether a person has an autism spectrum disorder.

(m) ~~["State-certified behavior interventionist" has the meaning ascribed to it in NRS 437.055.~~

~~(n)]~~ "Therapeutic care" means services provided by licensed or certified speech-language pathologists, occupational therapists and physical therapists.

~~[(o)]~~ *(n)* "Treatment plan" means a plan to treat an autism spectrum disorder that is prescribed by a licensed physician or licensed psychologist and may be developed pursuant to a comprehensive evaluation in coordination with a licensed behavior analyst.

Sec. 50. NRS 689B.0335 is hereby amended to read as follows:

689B.0335 1. A health benefit plan must provide coverage for screening for and diagnosis of autism spectrum disorders and for treatment of autism spectrum disorders to persons covered by the policy of group health insurance under the age of 18 years or, if enrolled in high school, until the person reaches the age of 22 years.

2. Coverage provided under this section is subject to:

(a) A maximum benefit of the actuarial equivalent of $72,000 per year for applied behavior analysis treatment; and

(b) Copayment, deductible and coinsurance provisions and any other general exclusion or limitation of a policy of group health insurance to the same extent as other medical services or prescription drugs covered by the policy.

3. A health benefit plan that offers or issues a policy of group health insurance which provides coverage for outpatient care shall not:

(a) Require an insured to pay a higher deductible, copayment or coinsurance or require a longer waiting period for coverage for outpatient care related to autism spectrum disorders than is required for other outpatient care covered by the policy; or

(b) Refuse to issue a policy of group health insurance or cancel a policy of group health insurance solely because the person applying for or covered by the policy uses or may use in the future any of the services listed in subsection 1.

4. Except as otherwise provided in subsections 1 and 2, an insurer shall not limit the number of visits an insured may make to any person, entity or group for treatment of autism spectrum disorders.

5. Treatment of autism spectrum disorders must be identified in a treatment plan and may include medically necessary habilitative or rehabilitative care, prescription care, psychiatric care, psychological care, behavioral therapy or therapeutic care that is:

(a) Prescribed for a person diagnosed with an autism spectrum disorder by a licensed physician or licensed psychologist; and

(b) Provided for a person diagnosed with an autism spectrum disorder by a licensed physician, licensed psychologist, licensed behavior analyst or other provider that is supervised by the licensed physician, psychologist or behavior analyst.

➥ An insurer may request a copy of and review a treatment plan created pursuant to this subsection.

6. A policy subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 2011, has the legal effect of including the coverage required by subsection 1, and any provision of the policy or the renewal which is in conflict with subsection 1 or 2 is void.

7. Nothing in this section shall be construed as requiring an insurer to provide reimbursement to a school for services delivered through school services.

8. As used in this section:

(a) "Applied behavior analysis" means the design, implementation and evaluation of environmental modifications using behavioral stimuli and consequences to produce socially significant improvement in human behavior, including, without limitation, the use of direct observation, measurement and functional analysis of the relations between environment and behavior.

(b) "Autism spectrum disorder" has the meaning ascribed to it in NRS 427A.875.

(c) "Behavioral therapy" means any interactive therapy derived from evidence-based research, including, without limitation, discrete trial training, early intensive behavioral intervention, intensive intervention programs, pivotal response training and verbal behavior provided by a licensed psychologist, licensed behavior analyst, licensed assistant behavior analyst ~~[,]~~ *or* registered behavior technician . ~~[or state certified behavior interventionist.]~~

(d) "Evidence-based research" means research that applies rigorous, systematic and objective procedures to obtain valid knowledge relevant to autism spectrum disorders.

(e) "Habilitative or rehabilitative care" means counseling, guidance and professional services and treatment programs, including, without limitation, applied behavior analysis, that are necessary to develop, maintain and restore, to the maximum extent practicable, the functioning of a person.

(f) "Licensed assistant behavior analyst" means a person who holds current certification as a Board Certified Assistant Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization, who is licensed as an assistant behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services and who provides behavioral therapy under the supervision of a licensed behavior analyst or psychologist.

(g) "Licensed behavior analyst" means a person who holds current certification as a Board Certified Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization and is licensed as a behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services.

(h) "Prescription care" means medications prescribed by a licensed physician and any health-related services deemed medically necessary to determine the need or effectiveness of the medications.

(i) "Psychiatric care" means direct or consultative services provided by a psychiatrist licensed in the state in which the psychiatrist practices.

(j) "Psychological care" means direct or consultative services provided by a psychologist licensed in the state in which the psychologist practices.

(k) "Registered behavior technician" has the meaning ascribed to it in NRS 437.050.

(l) "Screening for autism spectrum disorders" means medically necessary assessments, evaluations or tests to screen and diagnose whether a person has an autism spectrum disorder.

(m) ~~["State certified behavior interventionist" has the meaning ascribed to it in NRS 437.055.~~

~~(n)]~~ "Therapeutic care" means services provided by licensed or certified speech-language pathologists, occupational therapists and physical therapists.

~~[(o)]~~ *(n)* "Treatment plan" means a plan to treat an autism spectrum disorder that is prescribed by a licensed physician or licensed psychologist and

may be developed pursuant to a comprehensive evaluation in coordination with a licensed behavior analyst.

Sec. 51. NRS 689C.1655 is hereby amended to read as follows:

689C.1655 1. A health benefit plan must provide coverage for screening for and diagnosis of autism spectrum disorders and for treatment of autism spectrum disorders to persons covered by the health benefit plan under the age of 18 years or, if enrolled in high school, until the person reaches the age of 22 years.

2. Coverage provided under this section is subject to:

(a) A maximum benefit of the actuarial equivalent of $72,000 per year for applied behavior analysis treatment; and

(b) Copayment, deductible and coinsurance provisions and any other general exclusion or limitation of a health benefit plan to the same extent as other medical services or prescription drugs covered by the plan.

3. A health benefit plan that offers or issues a policy of group health insurance which provides coverage for outpatient care shall not:

(a) Require an insured to pay a higher deductible, copayment or coinsurance or require a longer waiting period for coverage for outpatient care related to autism spectrum disorders than is required for other outpatient care covered by the plan; or

(b) Refuse to issue a health benefit plan or cancel a health benefit plan solely because the person applying for or covered by the plan uses or may use in the future any of the services listed in subsection 1.

4. Except as otherwise provided in subsections 1 and 2, a carrier shall not limit the number of visits an insured may make to any person, entity or group for treatment of autism spectrum disorders.

5. Treatment of autism spectrum disorders must be identified in a treatment plan and may include medically necessary habilitative or rehabilitative care, prescription care, psychiatric care, psychological care, behavioral therapy or therapeutic care that is:

(a) Prescribed for a person diagnosed with an autism spectrum disorder by a licensed physician or licensed psychologist; and

(b) Provided for a person diagnosed with an autism spectrum disorder by a licensed physician, licensed psychologist, licensed behavior analyst or other provider that is supervised by the licensed physician, psychologist or behavior analyst.

➥ A carrier may request a copy of and review a treatment plan created pursuant to this subsection.

6. A health benefit plan subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 2011, has the legal effect of including the coverage required by subsection 1, and any provision of the plan or the renewal which is in conflict with subsection 1 or 2 is void.

7. Nothing in this section shall be construed as requiring a carrier to provide reimbursement to a school for services delivered through school services.

8. As used in this section:

(a) "Applied behavior analysis" means the design, implementation and evaluation of environmental modifications using behavioral stimuli and consequences to produce socially significant improvement in human behavior, including, without limitation, the use of direct observation, measurement and functional analysis of the relations between environment and behavior.

(b) "Autism spectrum disorder" has the meaning ascribed to it in NRS 427A.875.

(c) "Behavioral therapy" means any interactive therapy derived from evidence-based research, including, without limitation, discrete trial training, early intensive behavioral intervention, intensive intervention programs, pivotal response training and verbal behavior provided by a licensed psychologist, licensed behavior analyst, licensed assistant behavior analyst ~~[,]~~ *or* registered behavior technician . ~~[or state certified behavior interventionist.]~~

(d) "Evidence-based research" means research that applies rigorous, systematic and objective procedures to obtain valid knowledge relevant to autism spectrum disorders.

(e) "Habilitative or rehabilitative care" means counseling, guidance and professional services and treatment programs, including, without limitation, applied behavior analysis, that are necessary to develop, maintain and restore, to the maximum extent practicable, the functioning of a person.

(f) "Licensed assistant behavior analyst" means a person who holds current certification as a Board Certified Assistant Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization, who is licensed as an assistant behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services and who provides behavioral therapy under the supervision of a licensed behavior analyst or psychologist.

(g) "Licensed behavior analyst" means a person who holds current certification as a Board Certified Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization and is licensed as a behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services.

(h) "Prescription care" means medications prescribed by a licensed physician and any health-related services deemed medically necessary to determine the need or effectiveness of the medications.

(i) "Psychiatric care" means direct or consultative services provided by a psychiatrist licensed in the state in which the psychiatrist practices.

(j) "Psychological care" means direct or consultative services provided by a psychologist licensed in the state in which the psychologist practices.

(k) "Registered behavior technician" has the meaning ascribed to it in NRS 437.050.

(l) "Screening for autism spectrum disorders" means medically necessary assessments, evaluations or tests to screen and diagnose whether a person has an autism spectrum disorder.

(m) ~~["State-certified behavior interventionist" has the meaning ascribed to it in NRS 437.055.~~

~~(n)]~~ "Therapeutic care" means services provided by licensed or certified speech-language pathologists, occupational therapists and physical therapists.

~~[(o)]~~ *(n)* "Treatment plan" means a plan to treat an autism spectrum disorder that is prescribed by a licensed physician or licensed psychologist and may be developed pursuant to a comprehensive evaluation in coordination with a licensed behavior analyst.

Sec. 52. NRS 695C.1717 is hereby amended to read as follows:

695C.1717 1. A health care plan issued by a health maintenance organization must provide coverage for screening for and diagnosis of autism spectrum disorders and for treatment of autism spectrum disorders to persons covered by the health care plan under the age of 18 years or, if enrolled in high school, until the person reaches the age of 22 years.

2. Coverage provided under this section is subject to:

(a) A maximum benefit of the actuarial equivalent of $72,000 per year for applied behavior analysis treatment; and

(b) Copayment, deductible and coinsurance provisions and any other general exclusion or limitation of a health care plan to the same extent as other medical services or prescription drugs covered by the plan.

3. A health care plan issued by a health maintenance organization that provides coverage for outpatient care shall not:

(a) Require an enrollee to pay a higher deductible, copayment or coinsurance or require a longer waiting period for coverage for outpatient care related to autism spectrum disorders than is required for other outpatient care covered by the plan; or

(b) Refuse to issue a health care plan or cancel a health care plan solely because the person applying for or covered by the plan uses or may use in the future any of the services listed in subsection 1.

4. Except as otherwise provided in subsections 1 and 2, a health maintenance organization shall not limit the number of visits an enrollee may make to any person, entity or group for treatment of autism spectrum disorders.

5. Treatment of autism spectrum disorders must be identified in a treatment plan and may include medically necessary habilitative or rehabilitative care, prescription care, psychiatric care, psychological care, behavioral therapy or therapeutic care that is:

(a) Prescribed for a person diagnosed with an autism spectrum disorder by a licensed physician or licensed psychologist; and

(b) Provided for a person diagnosed with an autism spectrum disorder by a licensed physician, licensed psychologist, licensed behavior analyst or other provider that is supervised by the licensed physician, psychologist or behavior analyst.

➥ A health maintenance organization may request a copy of and review a treatment plan created pursuant to this subsection.

6. Evidence of coverage subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 2011, has the legal effect of including the coverage required by subsection 1, and any provision of the evidence of coverage or the renewal which is in conflict with subsection 1 or 2 is void.

7. Nothing in this section shall be construed as requiring a health maintenance organization to provide reimbursement to a school for services delivered through school services.

8. As used in this section:

(a) "Applied behavior analysis" means the design, implementation and evaluation of environmental modifications using behavioral stimuli and consequences to produce socially significant improvement in human behavior, including, without limitation, the use of direct observation, measurement and functional analysis of the relations between environment and behavior.

(b) "Autism spectrum disorder" has the meaning ascribed to it in NRS 427A.875.

(c) "Behavioral therapy" means any interactive therapy derived from evidence-based research, including, without limitation, discrete trial training, early intensive behavioral intervention, intensive intervention programs, pivotal response training and verbal behavior provided by a licensed psychologist, licensed behavior analyst, licensed assistant behavior analyst ~~[,]~~ *or* registered behavior technician . ~~[or state certified behavior interventionist.]~~

(d) "Evidence-based research" means research that applies rigorous, systematic and objective procedures to obtain valid knowledge relevant to autism spectrum disorders.

(e) "Habilitative or rehabilitative care" means counseling, guidance and professional services and treatment programs, including, without limitation, applied behavior analysis, that are necessary to develop, maintain and restore, to the maximum extent practicable, the functioning of a person.

(f) "Licensed assistant behavior analyst" means a person who holds current certification as a Board Certified Assistant Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization, who is licensed as an assistant behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services and who provides behavioral therapy under the supervision of a licensed behavior analyst or psychologist.

(g) "Licensed behavior analyst" means a person who holds current certification as a Board Certified Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization and is licensed as a behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services.

(h) "Prescription care" means medications prescribed by a licensed physician and any health-related services deemed medically necessary to determine the need or effectiveness of the medications.

(i) "Psychiatric care" means direct or consultative services provided by a psychiatrist licensed in the state in which the psychiatrist practices.

(j) "Psychological care" means direct or consultative services provided by a psychologist licensed in the state in which the psychologist practices.

(k) "Registered behavior technician" has the meaning ascribed to it in NRS 437.050.

(l) "Screening for autism spectrum disorders" means medically necessary assessments, evaluations or tests to screen and diagnose whether a person has an autism spectrum disorder.

(m) ~~["State certified behavior interventionist" has the meaning ascribed to it in NRS 437.055.~~

~~(n)]~~ "Therapeutic care" means services provided by licensed or certified speech-language pathologists, occupational therapists and physical therapists.

~~[(o)]~~ *(n)* "Treatment plan" means a plan to treat an autism spectrum disorder that is prescribed by a licensed physician or licensed psychologist and may be developed pursuant to a comprehensive evaluation in coordination with a licensed behavior analyst.

Sec. 53. NRS 695G.1645 is hereby amended to read as follows:

695G.1645 1. A health care plan issued by a managed care organization for group coverage must provide coverage for screening for and diagnosis of autism spectrum disorders and for treatment of autism spectrum disorders to persons covered by the health care plan under the age of 18 years or, if enrolled in high school, until the person reaches the age of 22 years.

2. A health care plan issued by a managed care organization for individual coverage must provide an option for coverage for screening for and diagnosis of autism spectrum disorders and for treatment of autism spectrum disorders to persons covered by the health care plan under the age of 18 years or, if enrolled in high school, until the person reaches the age of 22 years.

3. Coverage provided under this section is subject to:

(a) A maximum benefit of the actuarial equivalent of $72,000 per year for applied behavior analysis treatment; and

(b) Copayment, deductible and coinsurance provisions and any other general exclusion or limitation of a health care plan to the same extent as other medical services or prescription drugs covered by the plan.

4. A managed care organization that offers or issues a health care plan which provides coverage for outpatient care shall not:

(a) Require an insured to pay a higher deductible, copayment or coinsurance or require a longer waiting period for coverage for outpatient care related to autism spectrum disorders than is required for other outpatient care covered by the plan; or

(b) Refuse to issue a health care plan or cancel a health care plan solely because the person applying for or covered by the plan uses or may use in the future any of the services listed in subsection 1.

5. Except as otherwise provided in subsections 1, 2 and 3, a managed care organization shall not limit the number of visits an insured may make to any person, entity or group for treatment of autism spectrum disorders.

6. Treatment of autism spectrum disorders must be identified in a treatment plan and may include medically necessary habilitative or rehabilitative care, prescription care, psychiatric care, psychological care, behavioral therapy or therapeutic care that is:

(a) Prescribed for a person diagnosed with an autism spectrum disorder by a licensed physician or licensed psychologist; and

(b) Provided for a person diagnosed with an autism spectrum disorder by a licensed physician, licensed psychologist, licensed behavior analyst or other provider that is supervised by the licensed physician, psychologist or behavior analyst.

➥ A managed care organization may request a copy of and review a treatment plan created pursuant to this subsection.

7. An evidence of coverage subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 2011, has the legal effect of including the coverage required by subsection 1, and any provision of the evidence of coverage or the renewal which is in conflict with subsection 1 or 3 is void.

8. Nothing in this section shall be construed as requiring a managed care organization to provide reimbursement to a school for services delivered through school services.

9. As used in this section:

(a) "Applied behavior analysis" means the design, implementation and evaluation of environmental modifications using behavioral stimuli and consequences to produce socially significant improvement in human behavior, including, without limitation, the use of direct observation, measurement and functional analysis of the relations between environment and behavior.

(b) "Autism spectrum disorder" has the meaning ascribed to it in NRS 427A.875.

(c) "Behavioral therapy" means any interactive therapy derived from evidence-based research, including, without limitation, discrete trial training, early intensive behavioral intervention, intensive intervention programs, pivotal response training and verbal behavior provided by a licensed psychologist, licensed behavior analyst, licensed assistant behavior analyst ~~[,]~~ *or* registered behavior technician . ~~[or state certified behavior interventionist.]~~

(d) "Evidence-based research" means research that applies rigorous, systematic and objective procedures to obtain valid knowledge relevant to autism spectrum disorders.

(e) "Habilitative or rehabilitative care" means counseling, guidance and professional services and treatment programs, including, without limitation,

applied behavior analysis, that are necessary to develop, maintain and restore, to the maximum extent practicable, the functioning of a person.

(f) "Licensed assistant behavior analyst" means a person who holds current certification as a Board Certified Assistant Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization, who is licensed as an assistant behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services and who provides behavioral therapy under the supervision of a licensed behavior analyst or psychologist.

(g) "Licensed behavior analyst" means a person who holds current certification as a Board Certified Behavior Analyst issued by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization and is licensed as a behavior analyst by the Aging and Disability Services Division of the Department of Health and Human Services.

(h) "Prescription care" means medications prescribed by a licensed physician and any health-related services deemed medically necessary to determine the need or effectiveness of the medications.

(i) "Psychiatric care" means direct or consultative services provided by a psychiatrist licensed in the state in which the psychiatrist practices.

(j) "Psychological care" means direct or consultative services provided by a psychologist licensed in the state in which the psychologist practices.

(k) "Registered behavior technician" has the meaning ascribed to it in NRS 437.050.

(l) "Screening for autism spectrum disorders" means medically necessary assessments, evaluations or tests to screen and diagnose whether a person has an autism spectrum disorder.

(m) ~~["State certified behavior interventionist" has the meaning ascribed to it in NRS 437.055.~~

~~(n)]~~ "Therapeutic care" means services provided by licensed or certified speech-language pathologists, occupational therapists and physical therapists.

~~[(o)]~~ *(n)* "Treatment plan" means a plan to treat an autism spectrum disorder that is prescribed by a licensed physician or licensed psychologist and may be developed pursuant to a comprehensive evaluation in coordination with a licensed behavior analyst.

Sec. 54. Notwithstanding the amendatory provisions of this act:

1. A state certified behavior interventionist who is certified by the Aging and Disability Services Division of the Department of Health and Human Services before July 1, 2019, shall be deemed to be registered as a registered behavior technician by the Board of Applied Behavior Analysis until January 1, 2020.

2. Any disciplinary or other administrative action taken against a behavior analyst, assistant behavior analyst, state certified behavior interventionist or registered behavior technician by the Aging and Disability Services Division of the Department of Health and Human Services before July 1, 2019, remains

in effect as if the action had been taken by the Board of Applied Behavior Analysis.

3. A license as a behavior analyst or assistant behavior analyst or registration as a registered behavior technician that is valid on July 1, 2019, and that was issued by the Aging and Disability Services Division of the Department of Health and Human Services:

(a) Shall be deemed to be issued by the Board of Applied Behavior Analysis; and

(b) Remains valid until its date of expiration, if the holder of the license otherwise remains qualified for the issuance or renewal of the license on or after July 1, 2019.

Sec. 55. Notwithstanding the amendatory provisions of section 16 of this act transferring authority to adopt regulations prescribing fees for the issuance or renewal of a license as a behavior analyst or assistant behavior analyst from the Aging and Disability Services Division of the Department of Health and Human Services to the Board of Applied Behavior Analysis, any regulations adopted by the Board of Psychological Examiners pursuant to NRS 641.100 and 641.228, before July 1, 2019, that prescribe fees for the issuance or renewal of the license of a behavior analyst or assistant behavior analyst remain in effect and may be enforced by the Aging and Disability Services Division of the Department of Health and Human Services until the Board of Applied Behavior Analysis adopts regulations to repeal or replace those regulations.

Sec. 56. NRS 437.055 is hereby repealed.

Sec. 57. This act becomes effective on July 1, 2019.

TEXT OF REPEALED SECTION

437.055 "State certified behavior interventionist" defined. "State certified behavior interventionist" means a person who is certified as such by the Division and provides behavioral therapy under the supervision of:

1. A licensed psychologist;
2. A licensed behavior analyst; or
3. A licensed assistant behavior analyst.

Senator Ratti moved that the Senate concur in Assembly Amendment No. 734 to Senate Bill No. 258.

Remarks by Senator Ratti.

Assembly Amendment No. 734 to Senate Bill No. 258 clarifies existing statutes that exempt individuals who provide certain services that could otherwise constitute applied behavioral analysis from requirements to be licensed or registered to practice applied behavioral analysis if they do not otherwise separately provide such services directly to natural persons.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 347.

The following Assembly amendment was read:

Amendment No. 751.

SUMMARY—Revises provisions relating to hemp. (BDR 49-976)

AN ACT relating to hemp; revising provisions relating to the growth, handling and production of hemp; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the growing and cultivation of industrial hemp for purposes relating to research and the growing and handling of industrial hemp and the production of agricultural hemp seed by persons registered with the State Department of Agriculture. (Chapter 557 of NRS) On December 20, 2018, the President of the United States signed the Agricultural Improvement Act of 2018 into law. Section 10113 of the Act authorizes the production of hemp under the primary jurisdiction of a state or tribal government if the state or tribal government submits a plan to the United States Secretary of Agriculture that satisfies certain requirements. (Public Law 115-334) Because federal law now refers to plants of the genus Cannabis sativa L. with a THC concentration of not more than 0.3 percent as "hemp" rather than "industrial hemp," sections 3-6, 9, 13, 15 and 17-21 of this bill revise various sections of state law to use the term "hemp" for this plant and its derivatives.

Section 1 of this bill requires each site used for growing, handling or producing hemp to be certified and registered with the State Department of Agriculture. Section 14 of this bill authorizes the Department to adopt regulations for the certification and registration of such sites. Section 5 of this bill revises the definition of the term "handler" to remove the word "raw" when referencing the handling of hemp. Section 6 of this bill revises the definition of the term "industrial hemp" to be consistent with federal law. Section 8 of this bill exempts a person who purchases hemp or a commodity or product made using hemp for resale or who transports hemp or a commodity or product made using hemp from the requirements of state law relating to growers, handlers and producers of hemp in certain circumstances.

Section 9 of this bill requires an applicant for registration as a grower, handler or producer to include information concerning the land and crop management practices of the applicant in an application for registration. Section 9 requires an applicant for renewal of registration as a grower, handler or producer to submit certain information. ~~[Section 9 requires a grower, handler or producer who intends to surrender or not renew a registration to notify the Department and submit a plan for the effective disposal or eradication of certain hemp.]~~ Section 9 authorizes the Department to establish by regulation: (1) provisions relating to the transfer of a registration as a grower, handler or producer; and (2) fees for services performed by the Department.

Section 9 also requires a grower, handler or producer who intends to surrender or not renew a registration to notify the Department and submit a plan for the effective disposal or eradication of certain hemp. Section 16 of this bill requires the Department to impose an administrative fine against a person who fails to comply with this requirement.

Section 12 of this bill requires a grower or handler to keep and maintain certain records for a period of not less than 3 years. Section 12 requires a grower to submit to the Department and comply with an approved plan to dispose of a crop that is found to contain a THC concentration that exceeds the maximum THC concentration established by federal law for hemp. Section 12 authorizes the Department to impose an administrative fine for certain land or crop management practices. Section 13 of this bill requires a grower to submit to the Department the legal description of property on which the crop of the grower is located.

Section 14 of this bill authorizes the Department to adopt regulations necessary to comply with any requirement imposed by the United States Department of Agriculture. Section 14 prohibits a grower from obtaining agricultural hemp seed which was produced in this State by a person other than a producer or produced in another state by a person not registered and approved to produce and sell agricultural hemp seed in that state. Section 14 requires a handler to obtain hemp from a grower and agricultural hemp seed from a producer.

Section 15 of this bill eliminates provisions that require a handler to submit a commodity or product made using hemp which is intended for human consumption for certain testing. Section 15 requires a grower or producer to submit, before harvesting, a sample of each crop to the Department or a laboratory approved by the Department for testing to determine the THC concentration of the crop. If a crop is harvested before such testing is completed, section 15 authorizes the Department to detain, seize or embargo the crop.

Section 17 of this bill eliminates provisions that make growing or handling hemp or producing agricultural hemp seed without a registration a misdemeanor. Section 17 instead requires the Department to impose an administrative fine on such a person and report the person to the appropriate local law enforcement agency for investigation.

Section 22 of this bill repeals provisions that provide for the growth or cultivation of industrial hemp for purposes relating to research. Sections 2, 5 ~~[,]~~ and 7-12 ~~[and 16]~~ 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 557 of NRS is hereby amended by adding thereto a new section to read as follows:

Each site used for growing, handling or producing hemp in this State must be certified by and registered with the Department before growing, handling or producing hemp.

Sec. 2. NRS 557.100 is hereby amended to read as follows:

557.100 As used in ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter*, unless the context otherwise requires, the words and terms defined in NRS 557.110 to 557.180, inclusive, have the meanings ascribed to them in those sections.

Sec. 3. NRS 557.120 is hereby amended to read as follows:

557.120 "Crop" means all ~~[industrial]~~ hemp grown by a grower.

Sec. 4. NRS 557.140 is hereby amended to read as follows:

557.140 "Grower" means a person who is registered by the Department and produces ~~[industrial]~~ hemp.

Sec. 5. NRS 557.150 is hereby amended to read as follows:

557.150 "Handler" means a person who is registered by the Department pursuant to ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter* and ~~[receives industrial]~~ *handles* hemp for processing into commodities, products or agricultural hemp seed.

Sec. 6. NRS 557.160 is hereby amended to read as follows:

557.160 1. ~~["Industrial hemp"]~~ *"Hemp"* means ~~[:~~

~~(a) Any]~~ *any* plant of the genus Cannabis *sativa L.* and any part of such a plant ~~[other than a seed,]~~ *, including, without limitation, the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts and salts of isomers,* whether growing or not, with a THC concentration ~~[of not more than 0.3 percent on a dry weight basis; and~~

~~(b) A seed of any plant of the genus Cannabis that:~~

~~(1) Is part of a crop;~~

~~(2) Is retained by a grower for future planting;~~

~~(3) Is agricultural hemp seed;~~

~~(4) Is intended for processing into or for use as agricultural hemp seed; or~~

~~(5) Has been processed in a manner that renders it incapable of germination.]~~ *that does not exceed the maximum THC concentration established by federal law for hemp.*

2. ~~["Industrial hemp"]~~ *"Hemp"* does not include any commodity or product made using ~~[industrial]~~ hemp.

Sec. 7. NRS 557.170 is hereby amended to read as follows:

557.170 "Producer" means a person who is registered by the Department pursuant to ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter* and produces agricultural hemp seed.

Sec. 8. NRS 557.190 is hereby amended to read as follows:

557.190 The provisions of ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter* do not apply to ~~[the Department or an institution of higher education which grows or cultivates industrial hemp pursuant to NRS 557.010 to 557.080, inclusive.]~~ *:*

1. A person who purchases, for the purpose of resale, hemp or a commodity or product made using hemp which was not grown or processed by the person; or

2. A person who transports hemp or a commodity or product made using hemp which was not grown or processed by the person,

➥ *if such a person reasonably believes the hemp or commodity or product made using hemp was grown or processed in compliance with the provisions of this chapter.*

Sec. 9. NRS 557.200 is hereby amended to read as follows:

557.200 1. A person shall not grow or handle ~~[industrial]~~ hemp or produce agricultural hemp seed unless the person is registered with the Department as a grower, handler or producer, as applicable.

2. A person who wishes to grow or handle industrial hemp must register with the Department as a grower or handler, as applicable.

3. A person who wishes to produce agricultural hemp seed must register with the Department as a producer unless the person is:

(a) A grower registered pursuant to subsection 2 who retains agricultural hemp seed solely pursuant to subsection 3 of NRS 557.250; or

(b) A grower or handler registered pursuant to subsection 2 who processes seeds of any plant of the genus Cannabis which are incapable of germination into commodities or products.

➥ A person may not register as a producer unless the person is also registered as a grower or handler.

4. A person who wishes to register with the Department as a grower, handler or producer must submit to the Department the fee established pursuant to subsection ~~[7]~~ *8* and an application, on a form prescribed by the Department, which includes:

(a) The name and address of the applicant;

(b) The name and address of the applicant's business in which ~~[industrial]~~ hemp or agricultural hemp seed will be grown, handled or produced, if different than that of the applicant; ~~[and]~~

(c) *Information concerning the land and crop management practices of the applicant; and*

(d) Such other information as the Department may require by regulation.

5. Registration as a grower, handler or producer expires on December 31 of each year and may be renewed upon submission of an application for renewal containing ~~[such]~~ *:*

(a) Proof satisfactory to the Department that the applicant complied with the provisions of this chapter and the regulations adopted pursuant thereto relating to testing of hemp;

(b) Proof satisfactory to the Department that the land and crop management practices of the applicant are adequate, consistent with any previous information submitted to the Department and do not negatively affect natural resources; and

(c) Such other information as the Department may require by regulation.

6. *A grower, handler or producer who intends to surrender or not renew a registration must notify the Department not less than 30 days before the registration is surrendered or expires and submit to the Department a plan for the effective disposal or eradication of any existing live plants, viable seed or harvested crop.*

7. ~~[Registration]~~ *The Department shall adopt regulations that authorize the transfer of a registration* as a grower, handler or producer ~~[is not transferable. If]~~ *and establish conditions for such a transfer. The regulations*

must include, without limitation, provisions which allow a grower, handler or producer *which* changes its business name or the ownership of the grower, handler or producer ~~[changes, the grower, handler or producer must obtain a new registration pursuant to NRS 557.100 to 557.290, inclusive.]~~ *to transfer its registration to the new entity*.

~~[7.]~~ *8.* The Department shall establish by regulation fees for the issuance and renewal of registration as a grower, handler or producer *and for any other service performed by the Department* in an amount necessary to cover the costs of carrying out ~~[NRS 557.100 to 557.290, inclusive.]~~ *this chapter*.

Sec. 10. NRS 557.210 is hereby amended to read as follows:

557.210 1. In addition to any other requirements set forth in ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter*, an applicant for registration or the renewal of a registration as a grower, handler or producer shall:

(a) Include the social security number of the applicant in the application submitted to the Department.

(b) Submit to the Department the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Department shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the registration; or

(b) A separate form prescribed by the Department.

3. Registration as a grower, handler or producer may not be issued or renewed by the Department if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Department shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 11. NRS 557.230 is hereby amended to read as follows:

557.230 1. In addition to any other requirements set forth in ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter*, an applicant for the renewal of a registration as a grower, handler or producer must indicate in the application submitted to the Department whether the applicant has a state business license. If the applicant has a state business license, the applicant must

include in the application the business identification number assigned by the Secretary of State upon compliance with the provisions of chapter 76 of NRS.

2. Registration as a grower, handler or producer may not be renewed by the Department if:

(a) The applicant fails to submit the information required by subsection 1; or

(b) The State Controller has informed the Department pursuant to subsection 5 of NRS 353C.1965 that the applicant owes a debt to an agency that has been assigned to the State Controller for collection and the applicant has not:

(1) Satisfied the debt;

(2) Entered into an agreement for the payment of the debt pursuant to NRS 353C.130; or

(3) Demonstrated that the debt is not valid.

3. As used in this section:

(a) "Agency" has the meaning ascribed to it in NRS 353C.020.

(b) "Debt" has the meaning ascribed to it in NRS 353C.040.

Sec. 12. NRS 557.240 is hereby amended to read as follows:

557.240 1. A grower or handler shall keep *and maintain for a period of not less than 3 years* such records as the Department may prescribe by regulation and, upon 3 days' notice, make such records available to the Department for inspection during normal business hours. The Department may inspect records pursuant to this subsection to determine whether a person has complied with the provisions of ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter*, the regulations adopted pursuant thereto and any lawful order of the Department.

2. The Department may inspect any growing crop of a grower and take a representative sample for analysis in the field. If the testing of such a sample in the field determines that the crop contains a THC concentration ~~[of more than 0.3 percent on a dry weight basis, the]~~ *that exceeds the maximum THC concentration established by federal law for hemp:*

(a) The Department may detain, seize or embargo the crop ~~[.]~~ *; and*

(b) The grower shall submit a plan for the effective disposal of the crop to the Department for its approval.

3. If a grower fails to submit an approved plan to the Department pursuant to paragraph (b) of subsection 2 or fails to follow the provisions of such a plan, the Department may:

(a) Impose any additional requirement it determines necessary upon the grower;

(b) Suspend or revoke the registration of the grower;

(c) Impose an administrative fine pursuant to NRS 557.280 on the grower;

(d) Report the grower to the appropriate local law enforcement agency for investigation of a violation of the provisions of chapter 453 of NRS.

4. If the Department determines that the land or crop management practices of a grower, handler or producer are inadequate, inconsistent with

the information concerning such practices submitted to the Department pursuant to NRS 557.200 or negatively affect natural resources, the Department may impose an administrative fine pursuant to NRS 557.280.

Sec. 13. NRS 557.250 is hereby amended to read as follows:

557.250 1. Each grower shall provide the Department with a *legal* description of *and additional information to identify* the property on which the crop of the grower is or will be located. Such ~~[a description]~~ *additional information* must be in a manner prescribed by the Department and include, without limitation, global positioning system coordinates.

2. A grower may use any method for the propagation of ~~[industrial]~~ hemp to produce ~~[industrial]~~ hemp, including, without limitation, planting seeds or starts, using clones or cuttings or cultivating ~~[industrial]~~ hemp in a greenhouse.

3. A grower may retain agricultural hemp seed for the purpose of propagating ~~[industrial]~~ hemp in future years.

Sec. 14. NRS 557.260 is hereby amended to read as follows:

557.260 1. The Department may adopt regulations ~~[establishing]~~ *necessary to:*

(a) Establish quality standards and requirements for the packaging and labeling of agricultural hemp seed ~~[.]~~ *;*

(b) Provide for the certification and registration of sites used for growing, producing or handling hemp; and

(c) Comply with any requirement imposed by the United States Department of Agriculture, including, without limitation, any requirement related to reporting information regarding growers, handlers and producers.

2. A producer shall comply with:

(a) Any regulation adopted by the Department pursuant to subsection 1; and

(b) The provisions of NRS 587.015 to 587.123, inclusive, and any regulations adopted pursuant thereto.

3. *Any agricultural hemp seed which is obtained by a grower and was produced:*

(a) In this State must be produced by a producer; and

(b) In another state must be produced by a person who is registered and approved to produce and sell agricultural hemp seed pursuant to the laws of that state.

4. The Department shall provide adequate information to growers to identify producers from which a grower may purchase agricultural hemp seed.

5. A handler may only obtain hemp from a grower and agricultural hemp seed for cleaning and future propagation from a producer.

Sec. 15. NRS 557.270 is hereby amended to read as follows:

557.270 1. A grower, handler or producer may submit ~~[industrial]~~ hemp or a commodity or product made using ~~[industrial]~~ hemp to an independent testing laboratory for testing pursuant to this section and an independent testing laboratory may perform such testing.

2. ~~[A handler may not sell a commodity or product made using industrial hemp which is intended for human consumption unless the commodity or~~

~~product has been submitted to an independent testing laboratory for testing and the independent testing laboratory has confirmed that the commodity or product satisfies the standards established by the Department for the content and quality of industrial hemp.~~

~~3. The Department shall adopt regulations establishing protocols and procedures for the testing of commodities and products made using industrial hemp, including, without limitation, determining appropriate standards for sampling and for the size of batches for testing.~~

~~4.~~] *A grower or producer shall, before harvesting, submit a sample of each crop to the Department or a laboratory approved by the Department to determine whether the crop has a THC concentration that exceeds the maximum THC concentration established by federal law for hemp.* The Department may adopt regulations ~~[requiring the submission of a sample of a crop of industrial hemp by a grower to an independent testing laboratory to determine whether the crop has a THC concentration of not more than 0.3 percent on a dry weight basis. The regulations may]~~ *relating to such testing which* include, without limitation:

(a) Protocols and procedures for the testing of a crop, including, without limitation, determining appropriate standards for sampling and for the size of batches for testing; and

(b) A requirement that ~~[an independent testing]~~ *a* laboratory provide the results of the testing directly to the Department in a manner prescribed by the Department.

~~[5.]~~ *3. A crop which is harvested before the testing required by subsection 2 is completed shall be deemed to have failed the testing and may be detained, seized or embargoed by the Department. The Department shall not renew the registration of a grower or producer who harvests a crop before the testing required by subsection 2 is completed.*

4. As used in this section ~~[:~~

~~(a) "Independent]~~ *, "independent* testing laboratory" means a facility certified as an independent testing laboratory pursuant to NRS 453A.368.

~~[(b) "Intended for human consumption" means intended for ingestion or inhalation by a human or for topical application to the skin or hair of a human.]~~

Sec. 16. NRS 557.280 is hereby amended to read as follows:

557.280 1. The Department may refuse to issue or renew, suspend or revoke the registration of a grower, handler or producer for a violation of any provision of ~~[NRS 557.100 to 557.290, inclusive,]~~ *this chapter,* the regulations adopted pursuant thereto or any lawful order of the Department.

2. ~~[In]~~ *The Department shall impose an administrative fine in an amount not to exceed $2,500 on any person who fails to comply with the provisions of subsection 6 of NRS 557.200.*

3. Except as otherwise provided in subsection 2 and in addition to any other penalty provided by law, the Department may impose an administrative fine on any person who violates any of the provisions of ~~[NRS 557.100 to~~

~~557.290, inclusive,~~] *this chapter,* the regulations adopted pursuant thereto or any lawful order of the Department in an amount not to exceed $2,500.

~~[3.]~~ *4.* All fines collected by the Department pursuant to ~~[subsection]~~ *subsections* 2 *and 3* must be deposited with the State Treasurer for credit to the State General Fund.

Sec. 17. NRS 557.290 is hereby amended to read as follows:

557.290 ~~[Any]~~ *If a* person ~~[who]~~ grows or handles ~~[industrial]~~ hemp or produces agricultural hemp seed without being registered with the Department pursuant to NRS 557.200 , ~~[is guilty of a misdemeanor and shall be punished by imprisonment in the county jail for not more than 6 months, or by a fine of not more than $1,000, or by both fine and imprisonment. The prosecuting attorney and the Department may recover the costs of the proceeding, including investigative costs and attorney's fees, against a person convicted of a misdemeanor pursuant to this section.]~~ *the Department shall:*

1. Impose an administrative fine pursuant to NRS 557.280 on the person; and

2. Report the person to the appropriate local law enforcement agency for investigation of a violation of the provisions of chapter 453 of NRS.

Sec. 18. NRS 453.096 is hereby amended to read as follows:

453.096 1. "Marijuana" means:

(a) All parts of any plant of the genus Cannabis, whether growing or not;

(b) The seeds thereof;

(c) The resin extracted from any part of the plant, including concentrated cannabis; and

(d) Every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin.

2. "Marijuana" does not include:

(a) ~~[Industrial hemp,]~~ *Hemp,* as defined in NRS ~~[557.040,]~~ *557.160,* which is grown or cultivated pursuant to the provisions of chapter 557 of NRS; or

(b) The mature stems of the plant, fiber produced from the stems, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stems (except the resin extracted therefrom), fiber, oil or cake, or the sterilized seed of the plant which is incapable of germination.

Sec. 19. NRS 453.339 is hereby amended to read as follows:

453.339 1. Except as otherwise provided in NRS 453.011 to 453.552, inclusive, a person who knowingly or intentionally sells, manufactures, delivers or brings into this State or who is knowingly or intentionally in actual or constructive possession of marijuana or concentrated cannabis shall be punished, if the quantity involved:

(a) Is 50 pounds or more, but less than 1,000 pounds, of marijuana or 1 pound or more, but less than 20 pounds, of concentrated cannabis, for a category C felony as provided in NRS 193.130 and by a fine of not more than $25,000.

(b) Is 1,000 pounds or more, but less than 5,000 pounds, of marijuana or 20 pounds or more, but less than 100 pounds, of concentrated cannabis, for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 10 years and by a fine of not more than $50,000.

(c) Is 5,000 pounds or more of marijuana or 100 pounds or more of concentrated cannabis, for a category A felony by imprisonment in the state prison:

(1) For life with the possibility of parole, with eligibility for parole beginning when a minimum of 5 years has been served; or

(2) For a definite term of 15 years, with eligibility for parole beginning when a minimum of 5 years has been served,

➥ and by a fine of not more than $200,000.

2. For the purposes of this section:

(a) "Marijuana" means all parts of any plant of the genus Cannabis, whether growing or not, except for ~~[industrial]~~ hemp, as defined in NRS ~~[557.040,]~~ *557.160,* which is grown or cultivated pursuant to the provisions of chapter 557 of NRS. The term does not include concentrated cannabis.

(b) The weight of marijuana or concentrated cannabis is its weight when seized or as soon as practicable thereafter. If marijuana and concentrated cannabis are seized together, each must be weighed separately and treated as separate substances.

Sec. 20. NRS 453A.352 is hereby amended to read as follows:

453A.352 1. The operating documents of a medical marijuana establishment must include procedures:

(a) For the oversight of the medical marijuana establishment; and

(b) To ensure accurate recordkeeping, including, without limitation, the provisions of NRS 453A.354 and 453A.356.

2. Except as otherwise provided in this subsection, a medical marijuana establishment:

(a) That is a medical marijuana dispensary must have a single entrance for patrons, which must be secure, and shall implement strict security measures to deter and prevent the theft of marijuana and unauthorized entrance into areas containing marijuana.

(b) That is not a medical marijuana dispensary must have a single secure entrance and shall implement strict security measures to deter and prevent the theft of marijuana and unauthorized entrance into areas containing marijuana.

➥ The provisions of this subsection do not supersede any state or local requirements relating to minimum numbers of points of entry or exit, or any state or local requirements relating to fire safety.

3. A medical marijuana establishment is prohibited from acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting, supplying or dispensing marijuana for any purpose except to:

(a) Directly or indirectly assist patients who possess valid registry identification cards;

(b) Assist patients who possess valid registry identification cards or letters of approval by way of those patients' designated primary caregivers; and

(c) Return for a refund marijuana, edible marijuana products or marijuana infused products to the medical marijuana establishment from which the marijuana, edible marijuana products or marijuana-infused products were acquired.

➥ For the purposes of this subsection, a person shall be deemed to be a patient who possesses a valid registry identification card or letter of approval if he or she qualifies for nonresident reciprocity pursuant to NRS 453A.364.

4. All cultivation or production of marijuana that a cultivation facility carries out or causes to be carried out must take place in an enclosed, locked facility at the physical address provided to the Department during the registration process for the cultivation facility. Such an enclosed, locked facility must be accessible only by medical marijuana establishment agents who are lawfully associated with the cultivation facility, except that limited access by persons necessary to perform construction or repairs or provide other labor is permissible if such persons are supervised by a medical marijuana establishment agent.

5. A medical marijuana dispensary and a cultivation facility may acquire usable marijuana or marijuana plants from a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver. Except as otherwise provided in this subsection, the patient or caregiver, as applicable, must receive no compensation for the marijuana. A patient who holds a valid registry identification card, and the designated primary caregiver of such a patient, or the designated primary caregiver of a person who holds a letter of approval may sell usable marijuana to a medical marijuana dispensary one time and may sell marijuana plants to a cultivation facility one time.

6. A medical marijuana establishment shall not allow any person to consume marijuana on the property or premises of the establishment.

7. Medical marijuana establishments are subject to reasonable inspection by the Department at any time, and a person who holds a medical marijuana establishment registration certificate must make himself or herself, or a designee thereof, available and present for any inspection by the Department of the establishment.

8. A dual licensee, as defined in NRS 453D.030:

(a) Shall comply with the regulations adopted by the Department pursuant to paragraph (k) of subsection 1 of NRS 453D.200 with respect to the medical marijuana establishment operated by the dual licensee; and

(b) May, to the extent authorized by such regulations, combine the location or operations of the medical marijuana establishment operated by the dual licensee with the marijuana establishment, as defined in NRS 453D.030, operated by the dual licensee.

9. Each medical marijuana establishment shall install a video monitoring system which must, at a minimum:

(a) Allow for the transmission and storage, by digital or analog means, of a video feed which displays the interior and exterior of the medical marijuana establishment; and

(b) Be capable of being accessed remotely by a law enforcement agency in real-time upon request.

10. A medical marijuana establishment shall not dispense or otherwise sell marijuana, edible marijuana products or marijuana-infused products from a vending machine or allow such a vending machine to be installed at the interior or exterior of the premises of the medical marijuana establishment.

11. If a medical marijuana establishment is operated by a dual licensee, as defined in NRS 453D.030, any provision of this section which is determined by the Department to be unreasonably impracticable pursuant to subsection 9 of NRS 453A.370 does not apply to the medical marijuana establishment.

12. A facility for the production of edible marijuana products or marijuana-infused products and a medical marijuana dispensary may acquire ~~[industrial]~~ hemp, as defined in NRS 557.160, from a grower or handler registered by the State Department of Agriculture pursuant to *chapter 557 of* NRS . ~~[557.100 to 557.290, inclusive.]~~ A facility for the production of edible marijuana products or marijuana-infused products may use ~~[industrial]~~ hemp to manufacture edible marijuana products and marijuana-infused products. A medical marijuana dispensary may dispense ~~[industrial]~~ hemp and edible marijuana products and marijuana-infused products manufactured using ~~[industrial]~~ hemp.

Sec. 21. NRS 453A.370 is hereby amended to read as follows:

453A.370 The Department shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of NRS 453A.320 to 453A.370, inclusive. Such regulations are in addition to any requirements set forth in statute and must, without limitation:

1. Prescribe the form and any additional required content of registration and renewal applications submitted pursuant to NRS 453A.322 and 453A.332.

2. Set forth rules pertaining to the safe and healthful operation of medical marijuana establishments, including, without limitation:

(a) The manner of protecting against diversion and theft without imposing an undue burden on medical marijuana establishments or compromising the confidentiality of the holders of registry identification cards and letters of approval.

(b) Minimum requirements for the oversight of medical marijuana establishments.

(c) Minimum requirements for the keeping of records by medical marijuana establishments.

(d) Provisions for the security of medical marijuana establishments, including, without limitation, requirements for the protection by a fully operational security alarm system of each medical marijuana establishment.

(e) Procedures pursuant to which medical marijuana dispensaries must use the services of an independent testing laboratory to ensure that any marijuana,

edible marijuana products and marijuana-infused products sold by the dispensaries to end users are tested for content, quality and potency in accordance with standards established by the Department.

(f) Procedures pursuant to which a medical marijuana dispensary will be notified by the Department if a patient who holds a valid registry identification card or letter of approval has chosen the dispensary as his or her designated medical marijuana dispensary, as described in NRS 453A.366.

(g) Minimum requirements for ~~[industrial]~~ hemp, as defined in NRS 557.160, which is used by a facility for the production of edible marijuana products or marijuana-infused products to manufacture edible marijuana products or marijuana-infused products or dispensed by a medical marijuana dispensary.

3. Establish circumstances and procedures pursuant to which the maximum fees set forth in NRS 453A.344 may be reduced over time to ensure that the fees imposed pursuant to NRS 453A.344 are, insofar as may be practicable, revenue neutral.

4. Set forth the amount of usable marijuana that a medical marijuana dispensary may dispense to a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver, in any one 14-day period. Such an amount must not exceed the limits set forth in NRS 453A.200.

5. As far as possible while maintaining accountability, protect the identity and personal identifying information of each person who receives, facilitates or delivers services in accordance with this chapter.

6. In cooperation with the applicable professional licensing boards, establish a system to:

(a) Register and track attending providers of health care who advise their patients that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical condition;

(b) Insofar as is possible, track and quantify the number of times an attending provider of health care described in paragraph (a) makes such an advisement; and

(c) Provide for the progressive discipline of attending providers of health care who advise the medical use of marijuana at a rate at which the Department, in consultation with the Division, and applicable board determine and agree to be unreasonably high.

7. Establish different categories of medical marijuana establishment agent registration cards, including, without limitation, criteria for training and certification, for each of the different types of medical marijuana establishments at which such an agent may be employed or volunteer or provide labor as a medical marijuana establishment agent.

8. Provide for the maintenance of a log by the Department, in consultation with the Division, of each person who is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200. The

Department shall ensure that the contents of the log are available for verification by law enforcement personnel 24 hours a day.

9. Determine whether any provision of NRS 453A.350 or 453A.352 would make the operation of a medical marijuana establishment or marijuana establishment, as defined in NRS 453D.030, by a dual licensee, as defined in NRS 453D.030, unreasonably impracticable, as defined in NRS 453D.030.

10. Address such other matters as may assist in implementing the program of dispensation contemplated by NRS 453A.320 to 453A.370, inclusive.

Sec. 22. NRS 557.010, 557.020, 557.030, 557.040, 557.050, 557.060, 557.070 and 557.080 are hereby repealed.

Sec. 23. This act becomes effective on July 1, 2019.

LEADLINES OF REPEALED SECTIONS

557.010 Definitions.

557.020 "Agricultural pilot program" defined.

557.030 "Department" defined.

557.040 "Industrial hemp" defined.

557.050 "Institution of higher education" defined.

557.060 "THC" defined.

557.070 Growing and cultivation of industrial hemp for certain purposes; certification and registration of site.

557.080 Regulations.

Senator Scheible moved that the Senate concur in Assembly Amendment No. 751 to Senate Bill No. 347.

Remarks by Senator Scheible.

Assembly Amendment No. 751 to Senate Bill No. 347 requires the State Department of Agriculture to impose an administrative fine against a person who fails to comply with certain requirements of the bill.

Conflict of interest declared by Senator Ohrenschall.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 387.

The following Assembly amendment was read:

Amendment No. 700.

SUMMARY—Revises provisions relating to anatomical gifts. (BDR 40-882)

AN ACT relating to anatomical gifts; providing for the certification of nontransplant anatomical donation organizations; requiring the collection of certain information relating to the procurement of human bodies and parts; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law generally provides for the making of anatomical gifts and for the procurement of human organs, tissues and eyes by certain organizations. (NRS 451.500-451.598) Section 1 of this bill requires each nontransplant anatomical donation organization in this State to be certified by the Division

of Public and Behavioral Health of the Department of Health and Human Services, follow certain standards and guidelines established by the ~~[Division]~~ State Board of Health and report information relating to the human bodies and parts procured by the organization to the Division. Section 1 requires the standards and guidelines established by the ~~[Division]~~ State Board of Health to be substantially based upon federal and state laws and the best standards and ~~[guidelines of certain organizations relating to the procurement of human bodies and parts]~~ practices in the industry and requires the ~~[Division]~~ State Board of Health to seek the input of procurement organizations and nontransplant anatomical donation organizations in this State before establishing or revising such standards and guidelines. Section 1 also requires the Division to make certain information regarding the human bodies and parts collected by nontransplant anatomical donation organizations available to the Governor and the Legislature upon request and to monitor all nontransplant anatomical donation organizations for compliance with federal and state laws and regulations. Sections 2-6 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 451 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each nontransplant anatomical donation organization that procures a human body or part in this State shall:

(a) Be certified by the Division;

(b) Follow the standards and guidelines established by the ~~[Division]~~ State Board of Health pursuant to subsection 2; and

(c) Report to the Division, in a manner and frequency prescribed by the ~~[Division,]~~ State Board of Health, the number and disposition of human bodies or parts procured by the nontransplant anatomical donation organization.

2. The ~~[Division]~~ State Board of Health shall ~~[, by regulation,]~~ :

(a) Adopt regulations that establish standards and guidelines for nontransplant anatomical donation organizations ~~[. The standards and guidelines adopted by the Division]~~ which must be substantially based upon federal laws and regulations relating to the procurement of human bodies and parts, this section and NRS 451.500 to 451.598, inclusive, and the best standards and ~~[guidelines of the American Association of Tissue Banks and the Eye Bank Association of America or their successor organizations.]~~ practices in the industry; and

(b) Adopt any regulations necessary to carry out the provisions of this section, including, without limitation, regulations that establish a fee for an application for the issuance or renewal of a certification as a nontransplant anatomical donation organization.

3. Before adopting or amending any regulation pursuant to subsection 2, the ~~[Division]~~ State Board of Health shall seek input from each procurement organization and nontransplant anatomical donation organization in this State.

4. The Division shall:

(a) Collect and analyze information from each nontransplant anatomical donation organization in this State on the number and disposition of human bodies and parts procured by the nontransplant anatomical donation organization and make such information available to the Governor and the Legislature upon request; and

(b) Monitor all nontransplant anatomical donation organizations in this State for compliance with federal and state laws and regulations . ~~[; and~~

~~*(c) Adopt any regulations necessary to carry out the provisions of this section, including without limitation, regulations that establish a fee for an application for the issuance or renewal of a certification as a nontransplant anatomical donation organization.]*~~

5. A person who engages in the activity of a nontransplant anatomical donation organization without being certified by the Division pursuant to this section or who violates the standards and guidelines adopted by the ~~[Division]~~ State Board of Health pursuant to subsection 2 is guilty of a category C felony and shall be punished as provided in NRS 193.130, or by a fine of not more than $50,000, or by both fine and the punishment provided in NRS 193.130.

6. As used in this section:

(a) "Division" means the Division of Public and Behavioral Health of the Department of Health and Human Services.

(b) "Nontransplant anatomical donation organization" means a person who engages in the recovery, screening, testing, processing, storage or distribution of human bodies or parts for a purpose other than transplantation, including, without limitation, education, research or the advancement of medical, dental or mortuary science.

Sec. 2. NRS 451.503 is hereby amended to read as follows:

451.503 NRS 451.500 to 451.598, inclusive, *and section 1 of this act* apply to an anatomical gift or amendment to, revocation of or refusal to make an anatomical gift, whenever made.

Sec. 3. NRS 451.510 is hereby amended to read as follows:

451.510 As used in NRS 451.500 to 451.598, inclusive, *and section 1 of this act,* unless the context otherwise requires, the words and terms defined in NRS 451.511 to 451.5545, inclusive, have the meanings ascribed to them in those sections.

Sec. 4. NRS 451.592 is hereby amended to read as follows:

451.592 1. A person that acts in accordance with NRS 451.500 to 451.598, inclusive, *and section 1 of this act* or with the applicable anatomical gift law of another state, or attempts in good faith to do so, is not liable for the act in a civil action, criminal prosecution or administrative proceeding.

2. Neither the person making an anatomical gift nor the donor's estate is liable for any injury or damage that results from the making or use of the gift.

3. In determining whether an anatomical gift has been made, amended or revoked under NRS 451.500 to 451.598, inclusive, *and section 1 of this act,* a person may rely upon representations of a natural person listed in

paragraph (b), (c), (d), (e), (f), (g) or (h) of subsection 1 of NRS 451.566 relating to the natural person's relationship to the donor or prospective donor unless the person knows that the representation is untrue.

Sec. 5. NRS 451.593 is hereby amended to read as follows:

451.593 1. A document of gift is valid if executed in accordance with:

(a) The provisions of NRS 451.500 to 451.598, inclusive ~~[.]~~ , *and section 1 of this act;*

(b) The laws of the state or country where it was executed; or

(c) The laws of the state or country where the person making the anatomical gift was domiciled, has a place of residence or was a national at the time the document of gift was executed.

2. If a document of gift is valid under this section, the law of this State governs the interpretation of the document of gift.

3. A person may presume that a document of gift or amendment of an anatomical gift is valid unless that person knows that it was not validly executed or was revoked.

Sec. 6. NRS 451.594 is hereby amended to read as follows:

451.594 1. A person shall not create or maintain a donor registry unless the donor registry complies with the provisions of NRS 451.500 to 451.598, inclusive, *and section 1 of this act* and all other applicable provisions of federal and state law.

2. A donor registry must:

(a) Allow a donor or other person authorized under NRS 451.556 to include on the donor registry a statement or symbol that the donor has made, amended or revoked an anatomical gift;

(b) Be accessible to a procurement organization to allow it to obtain relevant information on the donor registry to determine, at or near death of the donor or a prospective donor, whether the donor or prospective donor has made, amended or revoked an anatomical gift; and

(c) Be accessible for purposes of paragraphs (a) and (b) 7 days a week on a 24-hour basis.

3. Personally identifiable information on a donor registry about a donor or prospective donor may not be used or disclosed without the express consent of the donor, prospective donor or person that made the anatomical gift for any purpose other than to determine, at or near death of the donor or prospective donor, whether the donor or prospective donor has made, amended or revoked an anatomical gift.

4. This section does not apply to a donor registry that is created to contain records of anatomical gifts and amendments to or revocations of anatomical gifts of only the whole body of a donor for the purpose of research or education.

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

Senator Ratti moved that the Senate concur in Assembly Amendment No. 700 to Senate Bill No. 387.

Remarks by Senator Ratti.

Amendment No. 700 makes various changes to Senate Bill No. 387. It requires the State Board of Health, rather than the Division of Public and Behavioral Health, to adopt certain regulations, including regulations that establish a fee for an application for the issuance or renewal of a certification as a nontransplant anatomical donation organization, and replaces references to standards and "guidelines of the American Association of Tissue Banks and the Eye Bank Association of America" with "best standards and practices in the industry."

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 390.

The following Assembly amendment was read:

Amendment No. 815.

SUMMARY—Revises provisions governing the slaughtering of livestock. (BDR 51-258)

AN ACT relating to livestock; ~~[authorizing]~~ requiring the State Quarantine Officer to adopt regulations providing a process for the operator of a farm or other facility that raises poultry to obtain a permit to slaughter and sell the poultry under certain circumstances; ~~[authorizing]~~ requiring the State Quarantine Officer to adopt regulations providing a process for a person to obtain a license to operate a custom processing establishment or mobile processing unit in this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, it is unlawful for any person to possess, with the intent to sell, the carcass of any fowl which is not processed in an establishment approved by the State Department of Agriculture or in accordance with poultry regulations adopted by the Department. (NRS 583.080) Existing law also prohibits a person from operating an official establishment for the commercial slaughter of meat animals unless the person receives a permit issued by the State Quarantine Officer. (NRS 583.453) Section 2 of this bill ~~[authorizes]~~ requires the State Quarantine Officer to adopt regulations , consistent with any federal regulations, providing a process for the operator of a farm or other facility that raises poultry to obtain a permit to slaughter and sell raw poultry to a consumer at the farm or other facility in this State. Section 4 of this bill ~~[authorizes]~~ requires the State Quarantine Officer to adopt regulations , consistent with any federal regulations, providing a process for a person to obtain a license to operate a custom processing establishment or mobile processing unit in this State. ~~[Any]~~ The regulations adopted pursuant to section 2 or 4 must set forth the fees, if any, for the issuance or renewal of the license or permit ~~[.]~~ and require inspections at least annually. Sections 2 and 4 also set forth the circumstances under which a custom processing establishment or mobile processing unit shall be deemed to be an official establishment. Section 1.3 of this bill defines the term "custom processing establishment" and section 1.7 of this bill defines the term "mobile processing unit." Sections 5 and 11-18 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 583 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 to 4, inclusive, of this act.

Sec. 1.3. *"Custom processing establishment" means a fixed facility that slaughters or processes livestock or poultry for or upon request by the owner or person in lawful possession of the livestock or poultry at the facility. The term does not include an official establishment.*

Sec. 1.7. *"Mobile processing unit" means any truck, trailer, van or other vehicle that is used to slaughter or process livestock or poultry for or upon request by the owner or person in lawful possession of the livestock or poultry at the owner's or person's farm or other facility or at a location approved by the Officer. The term does not include an official establishment.*

Sec. 2. *1. The State Quarantine Officer ~~[may]~~ shall adopt regulations providing a process for the owner or operator of a farm or other facility that raises poultry to obtain a permit to slaughter and sell raw poultry to a consumer at the farm or other facility in this State.*

2. ~~[Any]~~ The regulations adopted pursuant to subsection 1 ~~[must]~~ :

(a) Must set forth, without limitation:

~~[(a)]~~ (1) The requirements for the issuance or renewal of the permit;

~~[(b)]~~ (2) The fees, if any, for the issuance or renewal of the permit;

~~[(c) Any requirements relating to sanitation, including, without limitation, the use of any equipment or protective clothing;]~~

(3) The requirements for operating the farm or other facility, including, without limitation, standard operating procedures, sanitation, equipment, conditions, reporting, recordkeeping, labeling and packaging;

(4) A requirement for an inspection of the farm or other facility to be conducted at least annually and at such other times as deemed necessary by the Department; and

~~[(d)]~~ (5) Any other requirements the State Quarantine Officer determines are necessary to carry out the provisions of this section, including, without limitation, the issuance of a stop sale order for a violation of any provision of this chapter or regulations adopted pursuant to this chapter ~~[.]~~ ; and

(b) Must be consistent with any regulations adopted by the United States Department of Agriculture.

3. ~~[If the State Quarantine Officer adopts any regulations pursuant to subsection 1 and the]~~ When an owner or operator of a farm or other facility is issued a permit pursuant to ~~[those]~~ the regulations ~~[,]~~ adopted pursuant to subsection 1, the farm or other facility for which the permit is issued shall be deemed to be an official establishment for the purposes of NRS 583.255 to 583.555, inclusive, and sections 1.3, 1.7 and 4 of this act.

Sec. 3. (Deleted by amendment.)

Sec. 4. *1. The Officer ~~[may]~~ shall adopt regulations providing a process for a person to obtain a license to operate a custom processing establishment or mobile processing unit in this State.*

2. ~~[Any]~~ The regulations adopted pursuant to subsection 1 ~~[must]~~ :

(a) Must set forth, without limitation:

~~[(a)]~~ (1) The requirements for the issuance or renewal of the license;

~~[(b)]~~ (2) The fees, if any, for the issuance or renewal of the license;

~~[(c)]~~ (3) The requirements for operating the custom processing establishment or mobile processing unit, including, without limitation, standard operating procedures, sanitation, equipment, conditions, reporting, recordkeeping, labeling and packaging;

(4) A requirement for an inspection of the custom processing establishment or mobile processing unit to be conducted at least annually and at such other times as deemed necessary by the Department; and

~~[(d)]~~ (5) Any other requirements the Officer determines are necessary to carry out the provisions of this section, including, without limitation, the issuance of a stop sale order for a violation of any provision of this chapter or regulations adopted pursuant to this chapter ~~[.]~~ ; and

(b) Must be consistent with any regulations adopted by the United States Department of Agriculture.

3. ~~[If the State Quarantine Officer adopts any regulations pursuant to subsection 1 and]~~ When a person is issued a license to operate a custom processing facility or mobile processing unit pursuant to ~~[those]~~ the regulations ~~[,]~~ adopted pursuant to subsection 1, the custom processing facility or mobile processing unit for which the license is issued shall be deemed to be an official establishment for the purposes of this section and NRS 583.255 to 583.555, inclusive, and sections 1.3 and 1.7 of this act.

Sec. 5. NRS 583.080 is hereby amended to read as follows:

583.080 1. It shall be unlawful for any person, firm or corporation to possess, with intent to sell:

(a) The carcass or part of any carcass of any fowl which has died from any cause other than being slaughtered in a sanitary manner;

(b) The carcass or part of any carcass of any fowl that shows evidence of any disease, or that came from a sick or diseased fowl; or

(c) The carcass or part of any carcass of any fowl not processed in an establishment approved by the Department or in accordance with poultry regulations adopted by the Department ~~[.]~~ *or a permit issued pursuant to section 2 of this act.*

2. Any person, firm or corporation violating any of the provisions of this section is subject to a civil penalty pursuant to NRS 583.700.

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. (Deleted by amendment.)

Sec. 9. (Deleted by amendment.)

Sec. 10. (Deleted by amendment.)

Sec. 11. NRS 583.255 is hereby amended to read as follows:

583.255 As used in NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act,* unless the context otherwise requires, the words and terms

defined in NRS 583.265 to 583.429, inclusive, *and sections 1.3 and 1.7 of this act* have the meanings ascribed to them in those sections.

Sec. 12. NRS 583.439 is hereby amended to read as follows:

583.439 A person shall not, with respect to any poultry, cattle, sheep, swine, goats, horses, mules or other equines, rabbits, game mammals or birds, or any carcasses, parts of carcasses, meat or meat food products of any such animals:

1. Slaughter an animal or prepare an article which can be used as human food at any establishment preparing animals, carcasses or products for intrastate commerce, except in compliance with the provisions of NRS 583.255 to 583.555, inclusive ~~[.]~~ *, and sections 1.3, 1.7 and 4 of this act.*

2. Sell, transport, offer for sale or transportation or receive for transportation in intrastate commerce any such articles which:

(a) Are capable of use as human food;

(b) Are adulterated or misbranded at the time of the sale, transportation, offer for sale or transportation, or receipt for transportation; or

(c) Are required to be inspected pursuant to the provisions of this Title,

➥ unless they have been so inspected and passed.

3. Do, with respect to any such articles which are capable of use as human food, any act while they are being transported in intrastate commerce or held for sale after transportation which is intended to cause or has the effect of causing any article to be adulterated or misbranded.

Sec. 13. NRS 583.469 is hereby amended to read as follows:

583.469 1. No article subject to the provisions of NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act* shall be sold or offered for sale by any person, firm or corporation, in intrastate commerce, under any name or other marking or labeling which is false or misleading, or in any container of a misleading form or size, but established trade names and other markings and labeling and containers which are not false or misleading and which are approved by the Officer are permitted.

2. If the Officer has reason to believe any person, firm or corporation is violating subsection 1, the Officer may direct that such practice be stopped.

3. If such person, firm or corporation using or proposing to use such marking, labeling or container objects to the direction of the Officer, the person, firm or corporation may request a hearing, but the use of such marking, labeling or container shall, if the Officer so directs, be withheld pending the hearing and final determination by the Officer.

4. Any final determination by the Officer shall be conclusive unless, within 30 days after receipt of notice of such determination, the person, firm or corporation adversely affected thereby appeals to the district court for the county in which such person, firm or corporation has its principal place of business.

Sec. 14. NRS 583.475 is hereby amended to read as follows:

583.475 It is unlawful for any person:

1. To process, sell or offer for sale, transport or deliver or receive for transportation, in intrastate commerce, any livestock or poultry carcass or part thereof unless such article has been inspected and unless the article and its shipping container and immediate container, if any, are marked in accordance with the requirements of NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act* or the Wholesome Meat Act or the Wholesome Poultry Products Act.

2. To sell or otherwise dispose of, for human food, any livestock or poultry carcass or part thereof which has been inspected and declared to be adulterated in accordance with NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act* or which is misbranded.

3. Falsely to make or issue, alter, forge, simulate or counterfeit or use without proper authority any official inspection certificate, memorandum, mark or other identification, or device for making such mark or identification, used in connection with inspection in accordance with NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act,* or cause, procure, aid, assist in, or be a party to such false making, issuing, altering, forging, simulating, counterfeiting or unauthorized use, or knowingly to possess, without promptly notifying the Officer or the Officer's representative, utter, publish or use as true, or cause to be uttered, published or used as true, any such falsely made or issued, altered, forged, simulated or counterfeited official inspection certificate, memorandum, mark or other identification, or device for making such mark or identification, or to represent that any article has been officially inspected in accordance with NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act* when such article has in fact not been so inspected, or knowingly to make any false representations in any certificate prescribed by the Officer or any form resembling any such certificate.

4. To misbrand or do an act intending to misbrand any livestock or poultry carcass or part thereof, in intrastate commerce.

5. To use any container bearing an official inspection mark unless the article contained therein is in the original form in which it was inspected and covered by such mark unless the mark is removed, obliterated or otherwise destroyed.

6. To refuse at any reasonable time to permit access:

(a) By the Officer or his or her agents to the premises of an establishment in this state where carcasses of livestock or poultry, or parts thereof, are processed for intrastate commerce.

(b) By the Secretary of Agriculture or the Secretary's representative to the premises of any establishment specified in paragraph (a), for inspection and the taking of reasonable samples.

7. To refuse to permit access to and the copying of any record as authorized by NRS 583.485.

8. To use for personal advantage, or reveal, other than to the authorized representatives of any state agency in their official capacity, or to the courts when relevant in any judicial proceeding, any information acquired under the

authority of NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act* concerning any matter which as a trade secret is entitled to protection.

9. To deliver, receive, transport, sell or offer for sale or transportation in intrastate commerce, for human consumption, any uneviscerated slaughtered poultry, or any livestock or poultry carcass or part thereof which has been processed in violation of any requirements under NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act,* except as may be authorized by and pursuant to rules and regulations prescribed by the Officer.

10. To apply to any livestock or poultry carcass or part thereof, or any container thereof, any official inspection mark or label required by NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act,* except by, or under the supervision of, an inspector.

Sec. 15. NRS 583.495 is hereby amended to read as follows:

583.495 1. A person who violates any of the provisions of NRS 583.475 and 583.485:

(a) For a first violation, is subject to a civil penalty pursuant to NRS 583.700.

(b) For a second violation, is guilty of a gross misdemeanor and subject to a civil penalty pursuant to NRS 583.700.

(c) For a third or subsequent violation, is guilty of a category D felony and shall be punished as provided in NRS 193.130 and subject to a civil penalty pursuant to NRS 583.700.

2. When construing or enforcing the provisions of NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act,* the act, omission or failure of a person acting for or employed by an individual, partnership, corporation, association or other business unit, within the scope of the person's employment or office, shall in every case be deemed the act, omission or failure of the individual, partnership, corporation, association or other business unit, as well as of the person.

3. A carrier is not subject to the penalties imposed by this section by reason of the carrier's receipt, carriage, holding or delivery, in the usual course of business as a carrier, of livestock or poultry carcasses or parts thereof owned by another person, unless the carrier:

(a) Has knowledge, or is in possession of facts which would cause a reasonable person to believe, that the articles do not comply with the provisions of NRS 583.255 to 583.555, inclusive ~~[.]~~ *, and sections 1.3, 1.7 and 4 of this act.*

(b) Refuses to furnish, on request of a representative of the Officer, the name and address of the person from whom the carrier received the livestock or poultry carcasses, or parts thereof, and copies of all documents pertaining to the delivery of such carcasses, or parts thereof, to the carrier.

4. A person, firm or corporation is not subject to the penalties imposed by this section for receiving for transportation any shipment in violation of NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act* if

the receipt was made in good faith, unless the person, firm or corporation refuses to furnish on request of a representative of the Officer:

(a) The name and address of the person from whom such shipment was received; and

(b) Copies of all documents pertaining to the delivery of the shipment to the person, firm or corporation.

Sec. 16. NRS 583.529 is hereby amended to read as follows:

583.529 1. Whenever any carcass, part of a carcass, meat or meat food product of poultry, cattle, sheep, swine, goats, horses, mules or other equines, or any product exempted from the definition of a meat food product, or any dead, dying, disabled or diseased poultry, cattle, sheep, swine, goat or equine is found by any authorized representative of the Officer upon any premises where it is held for purposes of, or during or after distribution in, intrastate commerce or otherwise subject to NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act* and there is reason to believe that any such article is adulterated or misbranded and is capable of use as human food, or that it has not been inspected, in violation of the provisions of NRS 583.255 to 583.555, inclusive, *and sections 1.3, 1.7 and 4 of this act,* it may be detained by such representative for a period not to exceed 20 days, pending further investigation, and shall not be moved by any person, firm or corporation from the place at which it is located when so detained, until released by such representative.

2. All official marks may be required by such representative to be removed from such article or animal before it is released unless it appears to the satisfaction of the Officer that the article or animal is eligible to retain such marks.

Sec. 17. NRS 583.549 is hereby amended to read as follows:

583.549 The district courts of this state are vested with jurisdiction specifically to enforce and to prevent and restrain violations of NRS 583.255 to 583.555, inclusive ~~[.]~~ *, and sections 1.3, 1.7 and 4 of this act.*

Sec. 18. This act becomes effective:

1. Upon passage and approval for the purposes of adopting regulations and 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 Ratti moved that the Senate concur in Assembly Amendment No. 815 to Senate Bill No. 390.

Remarks by Senator Ratti.

Amendment No. 815 makes various changes to Senate Bill No. 390. It requires, rather than authorizes, the State Quarantine Officer to adopt certain regulations; clarifies the issues the regulations must address, and requires the regulations be consistent with any regulations adopted by the United States Department of Agriculture.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Concurrent Resolution No. 6.

Resolution read.

The following amendment was proposed by the Committee on Legislative Operations and Elections:

Amendment No. 999.

SUMMARY—Directs the Sunset Subcommittee of the Legislative Commission to conduct an interim study concerning professional and occupational licensing boards. (BDR R-520)

SENATE CONCURRENT RESOLUTION—Directing the Sunset Subcommittee of the Legislative Commission to conduct an interim study concerning professional and occupational licensing boards.

WHEREAS, Existing law authorizes many professional and occupational licensing boards to delegate to hearing officers the authority to hear complaints made against their licensees, but existing law does not address the appropriate qualifications for such hearing officers; and

WHEREAS, There is a lack of uniformity among the various professional and occupational licensing boards with respect to the training of their members, with the members of some boards not attending the training provided by the Attorney General that each member of such boards is required to attend under existing law; and

WHEREAS, The absence of a statutory requirement for public access to the financial audits and balance sheets of professional and occupational licensing boards creates a lack of transparency with respect to the fiscal affairs of such boards; and

WHEREAS, Statutory requirements that professional and occupational licensing boards use annual audits or other appropriate methods to obtain financial information would enable such boards to exercise better oversight of their budgeting and management, increase accountability and reduce the risk of mismanagement, fraud and embezzlement; and

WHEREAS, There is a lack of uniformity among the various professional and occupational licensing boards with respect to the maintenance of reasonable reserves with some boards having no policy at all concerning the maintenance of such reserves; and

WHEREAS, To avoid conflicts of interest, existing law allows many professional or occupational licensing boards to retain money collected from administrative fines only if the fine is imposed by a hearing officer and requires that such money be paid into the State General Fund if the fine is imposed directly by the board, but not all boards that are subject to that requirement comply with its terms in practice and other boards are not subject to that requirement; and

WHEREAS, There is a lack of uniformity in existing law and practice with respect to the manner in which the various professional and occupational licensing boards determine the amount of fees charged to their licensees; and

WHEREAS, There is a lack of uniformity in existing law regarding the authority of the various professional and occupational licensing boards to investigate or pursue legal or equitable remedies against persons accused of practicing the profession or occupation without a license; and

WHEREAS, Existing law allows some professional and occupational licensing boards to enter into contracts for services with outside legal counsel and lobbyists, but some of those boards fail to obtain approval of such contracts from the State Board of Examiners as required under existing law; and

WHEREAS, The status of the persons who staff the various professional and occupational licensing boards is not consistent, with some of those persons being public employees entitled to the benefits of such employment while others are non-public employees and so receive different benefits and some are treated as contractors who receive no benefits at all; and

WHEREAS, There is a lack of uniformity in existing law and practice among the various professional and occupational licensing boards with respect to providing their licensees with electronic access for matters such as licensing, renewal and payment of fees; and

WHEREAS, Many professional and occupational licensing boards separately incur expenses for operations, such as personnel and payroll, legal advice, lobbying on certain issues and information technology, whose performance could perhaps be consolidated, centralized and executed by shared personnel at lower aggregate costs; now, therefore, be it

RESOLVED, BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the Sunset Subcommittee of the Legislative Commission is hereby directed to ~~[appoint a committee composed of three members of the Senate and three members of the Assembly, one of whom must be appointed by the Legislative Commission as Chair of the committee, to]~~ conduct an interim study concerning professional and occupational licensing boards; and be it further

~~[RESOLVED, That any recommended legislation proposed by the committee must be approved by a majority of the members of the Senate and a majority of the members of the Assembly appointed to the committee; and be it further]~~

RESOLVED, That the Legislative Commission submit a report of the results of the study and any recommended legislation to the Director of the Legislative Counsel Bureau for transmittal to the 81st Session of the Nevada Legislature.

Senator Ohrenschall moved the adoption of the amendment.

Remarks by Senator Ohrenschall.

Amendment No. 999 to Senate Concurrent Resolution No. 6 provides that the study be conducted by the ongoing Interim Sunset Subcommittee.

Amendment adopted.

Resolution read.

Senator Ohrenschall moved to adopt the resolution.

Remarks by Senator Ohrenschall.

Senate Concurrent Resolution No. 6 was originally requested by the Sunset Subcommittee during the 2017-2018 Legislative Interim. The resolution directs the Sunset Subcommittee of the Legislative Commission to conduct an interim study concerning professional and occupational licensing boards. The Commission shall submit a report of the results of the study and any recommended legislation to the Director of the Legislative Counsel Bureau for transmittal to the 2021 Legislature.

Resolution adopted.

Resolution ordered transmitted to the Assembly.

Senator Cannizzaro moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 6:45 p.m.

SENATE IN SESSION

At 9:03 p.m.

President Marshall presiding.

Quorum present.

REPORTS OF COMMITTEE

Madam President:

Your Committee on Finance, to which were referred Senate Bills Nos. 380, 501, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JOYCE WOODHOUSE, *Chair*

Madam President:

Your Committee on Revenue and Economic Development, to which was re-referred Senate Bill No. 263, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MARILYN DONDERO LOOP, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, May 28, 2019

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 312, 521, 522; Assembly Bills Nos. 44, 487, 536.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 77, 84, 92, 104, 150, 168, 176, 229, 236, 264, 271, 276, 309, 322, 331, 338, 345, 356, 383, 420, 425, 446, 456, 466, 476, 501, 526, 535; Assembly Joint Resolution No. 10.

I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate Amendment No. 660 to Assembly Bill No. 25; Senate Amendments Nos. 740, 858 to Assembly Bill No. 132; Senate Amendment No. 739 to Assembly Bill No. 141; Senate Amendments Nos. 804, 913 to Assembly Bill No. 222; Senate Amendment No. 737 to Assembly Bill No. 310; Senate Amendment No. 771 to Assembly Bill No. 417; Senate Amendments Nos. 808, 963 to Assembly Bill No. 421; Senate Amendments Nos. 807, 965 to Assembly Bill No. 422; Senate Amendment No. 772 to Assembly Bill No. 434; Senate Amendment No. 773 to

Assembly Bill No. 439; Senate Amendments Nos. 661, 692 to Assembly Bill No. 457; Senate Amendments Nos. 736, 960 to Assembly Bill No. 477.

CAROL AIELLO-SALA
Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Assembly Joint Resolution No. 10.

Senator Ratti moved that the resolution be referred to the Committee on Commerce and Labor.

Motion carried.

INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 44.

Senator Ratti moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

Assembly Bill No. 77.

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

Motion carried.

Assembly Bill No. 84.

Senator Ratti moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 92.

Senator Ratti moved that the bill be referred to the Committee on Education.

Motion carried.

Assembly Bill No. 104.

Senator Ratti moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 150.

Senator Ratti moved that the bill be referred to the Committee on Health and Human Services.

Motion carried.

Assembly Bill No. 168.

Senator Ratti moved that the bill be referred to the Committee on Education.

Motion carried.

Assembly Bill No. 176.

Senator Ratti moved that the bill be referred to the Committee on Judiciary.

Motion carried.

Assembly Bill No. 229.

Senator Ratti moved that the bill be referred to the Committee on Natural Resources.

Motion carried.

Assembly Bill No. 236.
Senator Ratti moved that the bill be referred to the Committee on Judiciary.
Motion carried.

Assembly Bill No. 264.
Senator Ratti moved that the bill be referred to the Committee on Government Affairs.
Motion carried.

Assembly Bill No. 271.
Senator Ratti moved that the bill be referred to the Committee on Commerce and Labor.
Motion carried.

Assembly Bill No. 276.
Senator Ratti moved that the bill be referred to the Committee on Education.
Motion carried.

Assembly Bill No. 309.
Senator Ratti moved that the bill be referred to the Committee on Finance.
Motion carried.

Assembly Bill No. 322.
Senator Ratti moved that the bill be referred to the Committee on Finance.
Motion carried.

Assembly Bill No. 331.
Senator Ratti moved that the bill be referred to the Committee on Natural Resources.
Motion carried.

Assembly Bill No. 338.
Senator Ratti moved that the bill be referred to the Committee on Growth and Infrastructure.
Motion carried.

Assembly Bill No. 345.
Senator Ratti moved that the bill be referred to the Committee on Legislative Operations and Elections.
Motion carried.

Assembly Bill No. 356.
Senator Ratti moved that the bill be referred to the Committee on Judiciary.
Motion carried.

Assembly Bill No. 383.
Senator Ratti moved that the bill be referred to the Committee on Government Affairs.
Motion carried.

Assembly Bill No. 420.
Senator Ratti moved that the bill be referred to the Committee on Judiciary.
Motion carried.

Assembly Bill No. 425.
Senator Ratti moved that the bill be referred to the Committee on Judiciary.
Motion carried.

Assembly Bill No. 446.
Senator Ratti moved that the bill be referred to the Committee on Revenue and Economic Development.
Motion carried.

Assembly Bill No. 456.
Senator Ratti moved that the bill be referred to the Committee on Commerce and Labor.
Motion carried.

Assembly Bill No. 466.
Senator Ratti moved that the bill be referred to the Committee on Government Affairs.
Motion carried.

Assembly Bill No. 476.
Senator Ratti moved that the bill be referred to the Committee on Government Affairs.
Motion carried.

Assembly Bill No. 487.
Senator Ratti moved that the bill be referred to the Committee on Finance.
Motion carried.

Assembly Bill No. 501.
Senator Ratti moved that the bill be referred to the Committee on Finance.
Motion carried.

Assembly Bill No. 526.
Senator Ratti moved that the bill be referred to the Committee on Education.
Motion carried.

Assembly Bill No. 535.
Senator Ratti moved that the bill be referred to the Committee on Revenue and Economic Development.
Motion carried.

Assembly Bill No. 536.
Senator Ratti moved that the bill be referred to the Committee on Finance.
Motion carried.

SECOND READING AND AMENDMENT

Senate Bill No. 263.

Bill read second time.

The following amendment was proposed by the Committee on Revenue and Economic Development:

Amendment No. 1017.

SUMMARY—Revises provisions relating to the regulation and taxation of certain vapor products , alternative nicotine products and tobacco products. (BDR 32-700)

AN ACT relating to ~~[taxation;]~~ public health; requiring that certain vapor products and alternative nicotine products be taxed and regulated as other tobacco products; ~~[establishing a license fee for retailers of cigarettes and other tobacco products and wholesale dealers of other tobacco products; requiring certain taxes imposed on vapor products to be used for certain programs related to tobacco prevention and control and public health; requiring a retail dealer of other tobacco products to submit certain taxes on vapor products to the Department of Taxation;]~~ revising provisions related to the areas in which smoking is prohibited; revising provisions pertaining to the sale or distribution of cigarettes, cigarette paper, tobacco, products made or derived from tobacco, vapor products and alternative nicotine products to persons under the age of 18 years; providing penalties; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Department of Taxation to regulate and collect a tax on cigarettes and other tobacco products. (Chapter 370 of NRS) Sections ~~[1]~~ 1.7 and 2 of this bill provide that certain alternative nicotine products and vapor products, including electronic cigarettes, cigars, cigarillos, pipes , hookahs, vape pens and similar products or devices and their components, are regulated and taxed as other tobacco products. Because this bill regulates and taxes such vapor products as other tobacco products, wholesale and retail dealers of those vapor products would be required to obtain a license from the Department and wholesale dealers of those vapor products would be required to ~~[collect and]~~ pay a tax of 30 percent of the wholesale price of those products. (NRS 370.445, 370.450)

~~[Existing law requires retail dealers of cigarettes, retail dealers of other tobacco products and wholesale dealers of other tobacco products to obtain a license to sell cigarettes and other tobacco products. (NRS 370.080, 370.445) Sections 3 and 5 of this bill establish a fee for the issuance of a license as a retail dealer of cigarettes or a license as a retail dealer or wholesale dealer of other tobacco products.~~

~~ Existing law requires the Department of Taxation to deposit the proceeds of the taxes on other tobacco products with the State Treasurer for credit to the Account for the Tax on Products Made From Tobacco, Other Than Cigarettes in the State General Fund. (NRS 370.500) Section 7 of this bill requires the State Controller, based on information provided by the Department of~~

~~Taxation, to distribute the proceeds of the tax on vapor products to the county treasurer of a county in which a health district has been established and transfer those proceeds for credit to the newly created Account for Public Health Improvement administered by the Division of Public and Behavioral Health of the Department of Health and Human Services for those areas for which a health district has not been established, in proportion to the percentage of the population represented by each. Sections 9-11 of this bill require that a health district and the Division use not less than 50 percent of the tax proceeds so received on programs for tobacco prevention and treatment and not more than 50 percent of such tax proceeds to address needs relating to public health. Sections 10 and 11 of this bill require each health district to submit a report to the Division regarding the use of such tax proceeds by the health district. Section 9 of this bill requires the Division to submit a report to the Director of the Legislative Counsel Bureau regarding the use of such tax proceeds by the Division and by the health districts in this State.~~

~~Section 14 of this bill requires retail dealers of other tobacco products who, on July 1, 2019, possess vapor products which would have been subject to the tax imposed by this bill if that tax were imposed before July 1, 2019, to collect and pay to the Department of Taxation the tax that would have been owed on such vapor products if that tax were imposed before July 1, 2019. Under section 14, a retail dealer who pays the tax in accordance with that section is entitled to retain 0.25 percent of the taxes collected to cover the costs of collecting and administering the tax.~~

~~Sections 4, 6, 12 and 13 of this bill make conforming changes.]~~

The Nevada Clean Indoor Air Act was proposed by an initiative petition and approved by the voters at the 2006 General Election. The Act generally prohibits smoking tobacco within indoor places of employment, within school buildings and on school property, but allows smoking tobacco in certain areas or establishments. (NRS 202.2483) Section 7.1 of this bill defines "smoking" and expressly applies the Nevada Clean Indoor Air Act to the use of an electronic smoking device.

Existing law prohibits a person from selling, distributing or offering to sell cigarettes, cigarette paper, tobacco of any description, products made or derived from tobacco, vapor products or alternative nicotine products to any person under the age of 18 years. (NRS 202.2493) For the purposes of this prohibition, existing law defines "vapor products" to include only products containing nicotine that produce a vapor from nicotine in a solution or other form. (NRS 202.2485) Section 7.3 of this bill extends this definition to include products containing other substances, the use or inhalation of which simulates smoking, and certain associated devices and components.

Under existing law, a person who sells, distributes or offers to sell cigarettes, cigarette paper, tobacco of any description, products made or derived from tobacco, vapor products or alternative nicotine products to a person under the age of 18 years is punished by a criminal fine of not more than $500 and a civil penalty of not more than $500. (NRS 202.2493) Sections 1 and 7.5 of this bill:

(1) remove the criminal penalties for violating this prohibition and, instead, authorize the Department to impose a civil penalty on a person who sells, distributes or offers to sell cigarettes, cigarette paper, tobacco of any description, products made or derived from tobacco, vapor products and alternative nicotine products to a person under the age of 18 years; (2) revise the amount of such civil penalties; (3) authorize the imposition of penalties on a licensee whose employee or agent violates this prohibition; and (4) establishes the procedure for the issuance of a notice of infraction to a person who violates this prohibition and the requesting of a hearing before the Department. Sections 1.3, 7.4 and 7.9 make conforming changes related to the removal of criminal penalties and the authorization for the Department to impose civil penalties.

Existing law prohibits a person from knowingly selling or distributing cigarettes, cigarette paper, tobacco of any description or products made or derived from tobacco to a child under the age of 18 years through the use of the Internet. Existing law further requires a person who sells or distributes such products through the use of the Internet to adopt a policy to prevent a child under the age of 18 years from obtaining such products from the person through the use of the Internet, which policy is required to include: (1) a method to ensure that the person who delivers the products to obtain the signature of a person who is over the age of 18 years; (2) a requirement that the packaging or wrapping of the items when they are shipped is clearly marked with the words "cigarettes" or the words "tobacco products;" and (3) a requirement to comply with certain federal law relating to the remote sale of cigarettes and certain tobacco products. (NRS 202.24935) Section 7.7 of this bill removes the requirement for such a policy. Instead, section 7.7 requires a person who sells or distributes cigarettes, cigarette paper, tobacco of any description, products made or derived from tobacco, vapor products or alternative nicotine products through a computer network, telephonic network or other electronic network to: (1) ensure that the packaging in which the items are shipped is labeled "cigarettes" or "tobacco products;" and (2) use certain age verification procedures.

Section 14.5 of this bill makes an appropriation to the Department of Health and Human Services for programs to control and prevent the use of tobacco in the amount of $2.5 million for Fiscal Year 2019-2020 and $2.5 million for Fiscal Year 2020-2021.

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

Section 1. Chapter 370 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsections 2 and 3, a person shall not sell, distribute or offer to sell cigarettes, cigarette paper or other tobacco products to any child under the age of 18 years.

2. A person shall be deemed to be in compliance with the provisions of subsection 1 if, before the person sells, distributes or offers to sell to another, cigarettes, cigarette paper or other tobacco products, the person:

(a) Demands that the other person present a valid driver's license, permanent resident card, tribal identification card or other written or documentary evidence which shows that the other person is 18 years of age or older;

(b) Is presented a valid driver's license, permanent resident card, tribal identification card or other written or documentary evidence which shows that the other person is 18 years of age or older; and

(c) Reasonably relies upon the driver's license, permanent resident card, tribal identification card or other written or documentary evidence presented by the other person.

3. The employer of a child who is under 18 years of age may, for the purpose of allowing the child to handle or transport cigarettes, cigarette paper or other tobacco products, in the course of the child's lawful employment, provide cigarettes, cigarette paper or other tobacco products to the child.

4. A person who violates this section is liable for a civil penalty of:

(a) For the first violation within a 24-month period, $100.

(b) For the second violation within a 24-month period, $250.

(c) For the third and any subsequent violation within a 24-month period, $500.

5. If an employee or agent of a licensee has violated this section:

(a) For the first and second violation within a 24-month period at the same premises, the licensee must be issued a warning.

(b) For the third violation within a 24-month period at the same premises, the licensee is liable for a civil penalty of $500.

(c) For the fourth violation within a 24-month period at the same premises, the licensee is liable for a civil penalty of $1,250.

(d) For the fifth and any subsequent violation within a 24-month period at the same premises, the licensee is liable for a civil penalty of $2,500.

6. A peace officer or any person performing an inspection pursuant to NRS 202.2496 may issue a notice of infraction for a violation of this section. A notice of infraction must be issued on a form prescribed by the Department and must contain:

(a) The location at which the violation occurred;

(b) The date and time of the violation;

(c) The name of the establishment at which the violation occurred;

(d) The signature of the person who issued the notice of infraction;

(e) A copy of the section which allegedly is being violated;

(f) Information advising the person to whom the notice of infraction is issued of the manner in which, and the time within which, the person must submit an answer to the notice of infraction; and

(g) Such other pertinent information as the peace officer or person performing the inspection pursuant to NRS 202.2496 determines is necessary.

7. A notice of infraction issued pursuant to subsection 6 or a facsimile thereof must be filed with the Department and retained by the Department and is deemed to be a public record of matters which are observed pursuant to a duty imposed by law and is prima facie evidence of the facts alleged in the notice.

8. A person to whom a notice of infraction is issued pursuant to subsection 6 shall respond to the notice by:

(a) Admitting the violation stated in the notice and paying to the Department the applicable civil penalty set forth in subsection 4 or 5.

(b) Denying liability for the infraction by notify the Department and requesting a hearing in the manner indicated on the notice of infraction. Upon receipt of a request for a hearing pursuant to this paragraph, the Department shall provide the person submitting the request an opportunity for a hearing pursuant to chapter 233B of NRS.

9. Any money collected by the Department from a civil penalty pursuant to this section must be deposited in a separate account in the State General Fund to be used for the enforcement of this section and NRS 202.2493 and 202.2494.

10. As used in this section, "licensee" means a person who holds a license issued by the Department pursuant to this chapter.

Sec. 1.3. NRS 370.001 is hereby amended to read as follows:

370.001 As used in NRS 370.001 to 370.430, inclusive, and 370.505 to 370.530, inclusive, *and section 1 of this act,* unless the context otherwise requires, the words and terms defined in NRS 370.003 to 370.055, inclusive, have the meanings ascribed to them in those sections.

~~[Section 1.]~~ *Sec. 1.7.* NRS 370.0318 is hereby amended to read as follows:

370.0318 "Other tobacco product" means any tobacco of any description ~~[or]~~ *, any vapor product , any alternative nicotine product or* any product made from tobacco, other than cigarettes . ~~[, or alternative nicotine products, and vapor products.]~~

Sec. 2. NRS 370.054 is hereby amended to read as follows:

370.054 "Vapor product":

1. Means any noncombustible product containing nicotine *or any other substance* that employs a heating element, power source, electronic circuit or other electronic, chemical or mechanical means, regardless of the shape or size thereof, that can be used to produce vapor from nicotine *or any other substance* in a solution or other form ~~[.]~~ *, the use or inhalation of which simulates smoking*.

2. Includes, without limitation :

(a) An ~~*[, an]*~~ electronic cigarette, cigar, cigarillo , ~~[or]~~ pipe *, hookah, or vape pen,* or a similar product or device ; and

(b) ~~[A *the]*~~ *The components of such a product or device, whether or not sold separately, including, without limitation,* vapor ~~[cartridge]~~ *cartridges* or other container of nicotine *or any other substance* in a solution or other form that is

intended to be used with or in an electronic cigarette, cigar, cigarillo , ~~[or]~~ pipe , *hookah, or vape pen,* or a similar product or device. , ~~*[containers,]*~~ *atomizers,* ~~*[batteries,]*~~ *cartomizers, digital displays, clearomizers, tank systems, flavors* , ~~*[and]*~~ *programmable software* ~~*[.]*~~ *or other similar products or devices. As used in this* ~~*[subsection,]*~~ *paragraph, "component" means a product intended primarily or exclusively to be used with or in an electronic cigarette, cigar, cigarillo* , ~~*[or]*~~ *pipe , hookah, or vape pen, or a similar product or device.*

3. Does not include any product ~~[regulated]~~ *:*

(a) Regulated by the United States Food and Drug Administration pursuant to subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

(b) Subject to the excise tax on marijuana or marijuana products pursuant to NRS 372A.200 to 372A.380, inclusive.

(c) Purchased by a person who holds a current, valid registration certificate to operate a medical marijuana establishment pursuant to chapter 453A of NRS.

Sec. 3. ~~[NRS 370.150 is hereby amended to read as follows:~~

~~370.150 1. Each license issued by the Department is valid only for the calendar year for which it is issued, and must be renewed annually.~~

~~2. The Department shall not charge any license fees for a manufacturer's [or retail dealer's] license.~~

~~3. An annual license fee of $150 must be charged for each wholesale dealer's license. If such a license is issued at any time during the year other than on January 1, except for the renewal of a delinquent license pursuant to subsection [5,] 6, the licensee shall pay a proportionate part of the annual fee for the remainder of the year, but not less than 25 percent of the annual license fee.~~

~~*4. An annual license fee of $50 must be charged for each retail dealer's license. If such a license is issued at any time during the year other than on January 1, except for the renewal of a delinquent license pursuant to subsection 6, the licensee shall pay a proportionate part of the annual fee for the remainder of the year, but not less than 25 percent of the annual license fee.*~~

~~5. The fees for a wholesale dealer's license *or retail dealer's license* are due and payable on January 1 of each year. If the annual license fee is not paid by January 15, the license is cancelled automatically.~~

~~[5.] 6. A wholesale dealer's license *or retail dealer's license* which is cancelled for nonpayment of the annual license fee may be renewed at any time by the payment of the fee plus a 5 percent penalty thereon.]~~ (Deleted by amendment.)

Sec. 4. ~~[NRS 370.440 is hereby amended to read as follows:~~

~~370.440 As used in NRS 370.440 to 370.503, inclusive, unless the context otherwise requires:~~

~~1. "Alternative nicotine product" has the meaning ascribed to it in NRS 370.003.~~

~~2. "Other tobacco product" has the meaning ascribed to it in NRS 370.0318.~~

~~3. "Retail dealer" means any person who is engaged in selling other tobacco products.~~

~~4. "Sale" means any transfer, exchange, barter, gift, offer for sale, or distribution for consideration of other tobacco products.~~

~~5. "Ultimate consumer" means a person who purchases one or more other tobacco products for his or her household or personal use and not for resale.~~

~~6. *"Vapor product" has the meaning ascribed to it in NRS 370.054.*~~

~~7. "Wholesale dealer" means any person who:~~

~~(a) Brings or causes to be brought into this State other tobacco products purchased from the manufacturer or a wholesale dealer and who stores, sells or otherwise disposes of such other tobacco products within this State;~~

~~(b) Manufactures or produces other tobacco products within this State and who sells or distributes such other tobacco products within this State to other wholesale dealers, retail dealers or ultimate consumers; or~~

~~(c) Purchases other tobacco products solely for the purpose of bona fide resale to retail dealers or to other persons for the purpose of resale only.~~

~~[7.] 8. "Wholesale price" means:~~

~~(a) Except as otherwise provided in paragraph (b), the established price for which other tobacco products are sold to a wholesale dealer before any discount or other reduction is made.~~

~~(b) For other tobacco products sold to a retail dealer or an ultimate consumer by a wholesale dealer described in paragraph (b) of subsection [6,] 7, the established price for which the other tobacco product is sold to the retail dealer or ultimate consumer before any discount or other reduction is made.]~~ (Deleted by amendment.)

Sec. 5. ~~[NRS 370.445 is hereby amended to read as follows:~~

~~370.445 1. The Department shall issue a license as a wholesale dealer or a license as a retail dealer to a person who submits a complete application on a form prescribed by the Department and who otherwise complies with the applicable provisions of this chapter and any regulations adopted by the Department. [The Department shall not charge any fee for the issuance of a license pursuant to this subsection.]~~

~~2. Except as otherwise provided in subsection 3, a person shall not engage in the business of a wholesale dealer or retail dealer in this State unless the person first obtains a license as a wholesale dealer or retail dealer from the Department. A person may be licensed as a wholesale dealer and as a retail dealer.~~

~~3. A person who wishes to engage in the business of a retail dealer is not required to obtain a license as a retail dealer pursuant to this section if the person is licensed as a retail cigarette dealer pursuant to NRS 370.001 to 370.430, inclusive.~~

~~4. The Department may refuse to issue or renew, or may suspend or revoke, a license issued pursuant to this section for any violation of the provisions of NRS 370.440 to 370.503, inclusive.~~

~~5. The Department may adopt regulations prescribing the form and contents of an application for, or which are otherwise necessary for the issuance of, a license pursuant to this section.~~

~~*6. An annual license fee of $650 must be charged for each license as a wholesale dealer. If such a license is issued at any time during the year other than on January 1, except for the renewal of a delinquent license pursuant to subsection 8, the licensee shall pay a proportionate part of the annual fee for the remainder of the year, but not less than 25 percent of the annual license fee.*~~

~~*7. An annual license fee of $50 must be charged for each license as a retail dealer. If such a license is issued at any time during the year other than on January 1, except for the renewal of a delinquent license pursuant to subsection 8, the licensee shall pay a proportionate part of the annual fee for the remainder of the year, but not less than 25 percent of the annual license fee.*~~

~~*8. The fee for a license as a wholesale dealer or a retail dealer are due and payable on January 1 of each year. If the annual license fee is not paid by January 15, the license is cancelled automatically. A license as a wholesale dealer or retail dealer which is cancelled for nonpayment of the annual license fee may be renewed at any time by the payment of the fee plus a 5 percent penalty thereon.*~~

~~9. Any person who violates any of the provisions of this section is guilty of a misdemeanor.~~] (Deleted by amendment.)

Sec. 6. ~~[NRS 370.465 is hereby amended to read as follows:~~

~~370.465 1. A wholesale dealer shall, not later than 20 days after the end of each month, submit to the Department a report on a form prescribed by the Department setting forth each sale of other tobacco products that the wholesale dealer made during the previous month. *The wholesale dealer shall set forth sales of vapor products separately from sales of other tobacco products that are not vapor products.*~~

~~2. Each report submitted pursuant to this section on or after August 20, 2001, must be accompanied by the tax owed pursuant to NRS 370.450 for other tobacco products that were sold by the wholesale dealer during the previous month.~~

~~3. The Department may impose a penalty on a wholesale dealer who violates any of the provisions of this section as follows:~~

~~(a) For the first violation within 7 years, a fine of $1,000.~~

~~(b) For a second violation within 7 years, a fine of $5,000.~~

~~(c) For a third or subsequent violation within 7 years, revocation of the license of the wholesale dealer.~~] (Deleted by amendment.)

Sec. 7. ~~[NRS 370.500 is hereby amended to read as follows:~~

~~370.500 1. All amounts of tax required to be paid to the State pursuant to NRS 370.440 to 370.490, inclusive, must be paid to the Department in the form of remittances payable to the Department.~~

~~2. The Department shall deposit these payments with the State Treasurer for credit to the Account for the Tax on Products Made From Tobacco, Other Than Cigarettes, in the State General Fund. *Except as otherwise provided in subsection 4, the State Controller, acting upon the relevant information furnished by the Department, shall:*~~

~~*(a) Distribute monthly the taxes, interest and penalties which derive from the tax on vapor products required to be paid to the State pursuant to NRS 370.440 to 370.490, inclusive, to the county treasurer of each county in which a health district has been established pursuant to NRS 439.361 to 439.410, inclusive, and sections 10 and 11 of this act an amount equal to the percentage of the population of this State which resides in that county multiplied by the total amount of such taxes, interest and penalties paid for the previous month.*~~

~~*(b) Transfer monthly to the Account for Public Health Improvement created by section 9 of this act in the State General Fund the taxes, interest and penalties which derive from the tax on vapor products required to be paid to the State pursuant to NRS 370.440 to 370.490, inclusive, and which remain after the distribution made pursuant to paragraph (a).*~~

~~*3. For the purposes of subsection 2, the percentage of the population of this State that resides in a county must be determined according to the population figures most recently certified by the Governor pursuant to NRS 360.285.*~~

~~*4. If a health district is created pursuant to NRS 439.370 on or after July 1, 2019, the Division of Public and Behavioral Health of the Department of Health and Human Services must notify the Department of Taxation and the State Controller of the creation of the health district. Not later than 90 days after receiving the notification, the State Controller shall begin making the distribution required by paragraph (a) of subsection 2 to the county treasurer of the county in which the health district has been established and shall reduce the transfer made to the Account for Public Health Improvement pursuant to paragraph (b) of subsection 2 by a corresponding amount.]~~ (Deleted by amendment.)

Sec. 7.1. NRS 202.2483 is hereby amended to read as follows:

202.2483 1. Except as otherwise provided in subsection 3, smoking ~~[tobacco]~~ in any form is prohibited within indoor places of employment including, but not limited to, the following:

(a) Child care facilities;

(b) Movie theatres;

(c) Video arcades;

(d) Government buildings and public places;

(e) Malls and retail establishments;

(f) All areas of grocery stores; and

(g) All indoor areas within restaurants.

2. Without exception, smoking ~~[tobacco]~~ in any form is prohibited within school buildings and on school property.

3. Smoking ~~[tobacco]~~ is not prohibited in:

(a) Areas within casinos where loitering by minors is already prohibited by state law pursuant to NRS 463.350;

(b) Completely enclosed areas with stand-alone bars, taverns and saloons in which patrons under 21 years of age are prohibited from entering;

(c) Age-restricted stand-alone bars, taverns and saloons;

(d) Strip clubs or brothels;

(e) Retail tobacco stores;

(f) The area of a convention facility in which a meeting or trade show is being held, during the time the meeting or trade show is occurring, if the meeting or trade show:

(1) Is not open to the public;

(2) Is being produced or organized by a business relating to tobacco or a professional association for convenience stores; and

(3) Involves the display of tobacco products; and

(g) Private residences, including private residences which may serve as an office workplace, except if used as a child care, an adult day care or a health care facility.

4. A supervisor on duty or employee of an age-restricted stand-alone bar, tavern or saloon or a stand-alone bar, tavern or saloon shall not allow a person who is under 21 years of age to loiter in an age-restricted stand-alone bar, tavern or saloon or an area of a stand-alone bar, tavern or saloon where smoking is allowed pursuant to this section. A person who violates the provisions of this subsection is guilty of a misdemeanor.

5. If a supervisor on duty or employee of an age-restricted stand-alone bar, tavern or saloon or a stand-alone bar, tavern or saloon violates the provisions of subsection 4, the age-restricted stand-alone bar, tavern or saloon or stand-alone bar, tavern or saloon is liable for a civil penalty of:

(a) For the first offense, $1,000.

(b) For a second or subsequent offense, $2,000.

6. In any prosecution or other proceeding for a violation of the provisions of subsection 4 or 5, it is no excuse for a supervisor, employee, age-restricted bar, tavern or saloon, or stand-alone bar, tavern or saloon alleged to have committed the violation to plead that a supervisor or employee believed that the person who was permitted to loiter was 21 years of age or older.

7. In areas or establishments where smoking is not prohibited by this section, nothing in state law shall be construed to prohibit the owners of said establishments from voluntarily creating nonsmoking sections or designating the entire establishment as smoke free.

8. Nothing in state law shall be construed to restrict local control or otherwise prohibit a county, city or town from adopting and enforcing local

~~[tobacco]~~ *smoking* control measures that meet or exceed the minimum applicable standards set forth in this section.

9. "No Smoking" signs or the international "No Smoking" symbol shall be clearly and conspicuously posted in every public place and place of employment where smoking is prohibited by this section. Each public place and place of employment where smoking is prohibited shall post, at every entrance, a conspicuous sign clearly stating that smoking is prohibited. All ashtrays and other smoking paraphernalia shall be removed from any area where smoking is prohibited.

10. Health authorities, police officers of cities or towns, sheriffs and their deputies shall, within their respective jurisdictions, enforce the provisions of this section and shall issue citations for violations of this section pursuant to NRS 202.2492 and 202.24925.

11. No person or employer shall retaliate against an employee, applicant or customer for exercising any rights afforded by, or attempts to prosecute a violation of, this section.

12. For the purposes of this section, the following terms have the following definitions:

(a) "Age-restricted stand-alone bar, tavern or saloon" means an establishment:

(1) Devoted primarily to the sale of alcoholic beverages to be consumed on the premises;

(2) In which food service or sales may or may not be incidental food service or sales, in the discretion of the operator of the establishment;

(3) In which patrons under 21 years of age are prohibited at all times from entering the premises; and

(4) That must be located within:

(I) A physically independent building that does not share a common entryway or indoor area with a restaurant, public place or any other indoor workplace where smoking is prohibited by this section; or

(II) A completely enclosed area of a larger structure, which may include, without limitation, a strip mall or an airport, provided that indoor windows must remain closed at all times and doors must remain closed when not actively in use.

(b) "Casino" means an entity that contains a building or large room devoted to gambling games or wagering on a variety of events. A casino must possess a nonrestricted gaming license as described in NRS 463.0177 and typically uses the word 'casino' as part of its proper name.

(c) "Child care facility" has the meaning ascribed to it in NRS 441A.030.

(d) "Completely enclosed area" means an area that is enclosed on all sides by any combination of solid walls, windows or doors that extend from the floor to the ceiling.

(e) "Government building" means any building or office space owned or occupied by:

(1) Any component of the Nevada System of Higher Education and used for any purpose related to the System;

(2) The State of Nevada and used for any public purpose; or

(3) Any county, city, school district or other political subdivision of the State and used for any public purpose.

(f) "Health authority" has the meaning ascribed to it in NRS 202.2485.

(g) "Incidental food service or sales" means the service of prepackaged food items including, but not limited to, peanuts, popcorn, chips, pretzels or any other incidental food items that are exempt from food licensing requirements pursuant to subsection 2 of NRS 446.870.

(h) "Place of employment" means any enclosed area under the control of a public or private employer which employees frequent during the course of employment including, but not limited to, work areas, restrooms, hallways, employee lounges, cafeterias, conference and meeting rooms, lobbies and reception areas.

(i) "Public places" means any enclosed areas to which the public is invited or in which the public is permitted.

(j) "Restaurant" means a business which gives or offers for sale food, with or without alcoholic beverages, to the public, guests or employees, as well as kitchens and catering facilities in which food is prepared on the premises for serving elsewhere.

(k) "Retail tobacco store" means a retail store utilized primarily for the sale of tobacco products and accessories and in which the sale of other products is merely incidental.

(l) "School building" means all buildings on the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.

(m) "School property" means the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.

(n) *"Smoking" means inhaling, exhaling, burning or carrying any liquid or heated cigar, cigarette or pipe or any other lighted or heated tobacco or plant product intended for inhalation, in any manner or in any form. The term includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, and the use of any oral smoking device. As used in this paragraph, "electronic smoking device":*

(1) Means any product containing or delivering nicotine, a product made or derived from tobacco or any other substance intended for human consumption that can be used by a person to simulate smoking in the delivery of nicotine or any other substance through inhalation of vapor or aerosol from the product.

(2) Includes any component part of a product described in subparagraph (1), regardless of whether the component part is sold separately.

(3) Does not include any product regulated by the United States Food and Drug Administration pursuant to Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 352 et seq.

(o) "Stand-alone bar, tavern or saloon" means an establishment:

(1) Devoted primarily to the sale of alcoholic beverages to be consumed on the premises;

(2) In which food service or sales may or may not be incidental food service or sales, in the discretion of the operator of the establishment;

(3) In which smoke from such establishments does not infiltrate into areas where smoking is prohibited under the provisions of this section; and

(4) That must be housed in either:

(I) A physically independent building that does not share a common entryway or indoor area with a restaurant, public place or any other indoor workplaces where smoking is prohibited by this section; or

(II) A completely enclosed area of a larger structure, such as a strip mall or an airport, provided that indoor windows must remain shut at all times and doors must remain closed when not actively in use.

~~[(o)]~~ *(p)* "Video arcade" has the meaning ascribed to it in paragraph (d) of subsection 3 of NRS 453.3345.

13. Any statute or regulation inconsistent with this section is null and void.

14. The provisions of this section are severable. If any provision of this section or the application thereof is declared by a court of competent jurisdiction to be invalid or unconstitutional, such declaration shall not affect the validity of the section as a whole or any provision thereof other than the part declared to be invalid or unconstitutional.

Sec. 7.3. NRS 202.2485 is hereby amended to read as follows:

202.2485 As used in NRS 202.2485 to 202.2497, inclusive:

1. "Alternative nicotine product" means any noncombustible product containing nicotine that is intended for human consumption, whether chewed, absorbed, dissolved or ingested by any other means. The term does not include:

(a) A vapor product;

(b) A product made or derived from tobacco; or

(c) Any product regulated by the United States Food and Drug Administration under Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

2. "Distribute" includes furnishing, giving away or providing products made or derived from tobacco or samples thereof at no cost to promote the product, whether or not in combination with a sale.

3. "Health authority" means the district health officer in a district, or his or her designee, or, if none, the Chief Medical Officer, or his or her designee.

4. "Product made or derived from tobacco" does not include any product regulated by the United States Food and Drug Administration pursuant to Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

5. "Vapor product":

(a) Means any noncombustible product containing nicotine *or any other substance* that employs a heating element, power source, electronic circuit or other electronic, chemical or mechanical means, regardless of the shape or size thereof, that can be used to produce vapor from nicotine *or any other substance* in a solution or other form ~~[.]~~ *, the use or inhalation of which simulates smoking.*

(b) Includes, without limitation:

(1) An electronic cigarette, cigar, cigarillo *,* ~~[or]~~ pipe *, hookah or vape pen* or a similar product or device; and

(2) ~~[A]~~ *The components of such a product or device, whether or not sold separately, including, without limitation,* vapor ~~[cartridge]~~ *cartridges* or other container of nicotine *or any other substance* in a solution or other form that is intended to be used with or in an electronic cigarette, cigar, cigarillo *,* ~~[or]~~ pipe *, hookah, or vape pen,* or a similar product or device ~~[.]~~ *, atomizers, cartomizers, digital displays, clearomizers, tank systems, flavors, programmable software or other similar products or devices. As used in this subparagraph, "component" means a product or device intended primarily or exclusively to be used with or in an electronic cigarette, cigar, cigarillo, pipe, hookah, or vape pen, or a similar product or device.*

(c) Does not include any product regulated by the United States Food and Drug Administration pursuant to Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

Sec. 7.4. NRS 202.249 is hereby amended to read as follows:

202.249 1. It is the public policy of the State of Nevada and the purpose of NRS 202.2491, 202.24915 and 202.2492 to place restrictions on the smoking of tobacco in public places to protect human health and safety.

2. The quality of air is declared to be affected with the public interest and NRS 202.2491, 202.24915 and 202.2492 are enacted in the exercise of the police power of this state to protect the health, peace, safety and general welfare of its people.

3. Health authorities, police officers of cities or towns, sheriffs and their deputies and other peace officers of this state shall, within their respective jurisdictions, enforce the provisions of NRS 202.2491, 202.24915 and 202.2492. Police officers of cities or towns, sheriffs and their deputies and other peace officers of this state shall, within their respective jurisdictions, enforce the provisions of NRS 202.2493, 202.24935 and 202.2494 ~~[.]~~ *and section 1 of this act.*

4. Except as otherwise provided in subsection 5, an agency, board, commission or political subdivision of this state, including, without limitation, any agency, board, commission or governing body of a local government, shall not impose more stringent restrictions on the smoking, use, sale, distribution, marketing, display or promotion of tobacco or products made or derived from tobacco than are provided by NRS 202.2491, 202.24915, 202.2492, 202.2493, 202.24935 and 202.2494 ~~[.]~~ *and section 1 of this act.*

5. A school district may, with respect to the property, buildings, facilities and vehicles of the school district, impose more stringent restrictions on the smoking, use, sale, distribution, marketing, display or promotion of tobacco or products made or derived from tobacco than are provided by NRS 202.2491, 202.24915, 202.2492, 202.2493, 202.24935 and 202.2494 ~~[.]~~ *and section 1 of this act.*

Sec. 7.5. NRS 202.2493 is hereby amended to read as follows:

202.2493 1. A person shall not sell, distribute or offer to sell cigarettes, any smokeless product made or derived from tobacco or any alternative nicotine product in any form other than in an unopened package which originated with the manufacturer and bears any health warning required by federal law. A person who violates this subsection shall be punished by a fine of $100 and a civil penalty of $100. As used in this subsection, "smokeless product made or derived from tobacco" means any product that consists of cut, ground, powdered or leaf tobacco and is intended to be placed in the oral or nasal cavity.

2. ~~[Except as otherwise provided in subsections 3, 4 and 5, it is unlawful for any person to sell, distribute or offer to sell cigarettes, cigarette paper, tobacco of any description, products made or derived from tobacco, vapor products or alternative nicotine products to any child under the age of 18 years. A person who violates this subsection shall be punished by a fine of not more than $500 and a civil penalty of not more than $500.~~

~~3. A person shall be deemed to be in compliance with the provisions of subsection 2 if, before the person sells, distributes or offers to sell to another, cigarettes, cigarette paper, tobacco of any description, products made or derived from tobacco, vapor products or alternative nicotine products, the person:~~

~~(a) Demands that the other person present a valid driver's license, permanent resident card, tribal identification card or other written or documentary evidence which shows that the other person is 18 years of age or older;~~

~~(b) Is presented a valid driver's license, permanent resident card, tribal identification card or other written or documentary evidence which shows that the other person is 18 years of age or older; and~~

~~(c) Reasonably relies upon the driver's license, permanent resident card, tribal identification card or written or documentary evidence presented by the other person.~~

~~4. The employer of a child who is under 18 years of age may, for the purpose of allowing the child to handle or transport tobacco, products made or derived from tobacco, vapor products or alternative nicotine products, in the course of the child's lawful employment, provide tobacco, products made or derived from tobacco, vapor products or alternative nicotine products to the child.~~

~~5. With respect to any sale made by an employee of a retail establishment, the owner of the retail establishment shall be deemed to be in compliance with the provisions of subsection 2 if the owner:~~

~~(a) Had no actual knowledge of the sale; and~~

~~(b) Establishes and carries out a continuing program of training for employees which is reasonably designed to prevent violations of subsection 2.~~ ~~6.~~] The owner of a retail establishment shall, whenever any product made or derived from tobacco, vapor product or alternative nicotine product is being sold or offered for sale at the establishment, display prominently at the point of sale:

(a) A notice indicating that:

(1) The sale of cigarettes, other tobacco products, vapor products and alternative nicotine products to minors is prohibited by law; and

(2) The retailer may ask for proof of age to comply with this prohibition; and

(b) At least one sign that complies with the requirements of NRS 442.340.

➥ A person who violates this subsection shall be punished by a fine of not more than $100.

~~[7.]~~ *3.* It is unlawful for any retailer to sell cigarettes through the use of any type of display:

(a) Which contains cigarettes and is located in any area to which customers are allowed access; and

(b) From which cigarettes are readily accessible to a customer without the assistance of the retailer,

➥ except a vending machine used in compliance with NRS 202.2494. A person who violates this subsection shall be punished by a fine of not more than $500.

~~[8. Any money recovered pursuant to this section as a civil penalty must be deposited in a separate account in the State General Fund to be used for the enforcement of this section and NRS 202.2494.]~~

Sec. 7.7. NRS 202.24935 is hereby amended to read as follows:

202.24935 1. It is unlawful for a person to knowingly sell or distribute cigarettes, cigarette paper, tobacco of any description, ~~[or]~~ products made or derived from tobacco *, vapor products or alternative nicotine products* to a child under the age of 18 years through the use of ~~[the Internet.]~~ *a computer network, telephonic network or other electronic network.*

2. A person who violates the provisions of subsection 1 shall be punished by a fine of not more than $500 and a civil penalty of not more than $500. Any money recovered pursuant to this section as a civil penalty must be deposited in the same manner as money is deposited pursuant to subsection ~~[8]~~ *9* of ~~[NRS 202.2493.]~~ *section 1 of this act.*

3. Every person who sells or distributes cigarettes, cigarette paper, tobacco of any description, ~~[or]~~ products made or derived from tobacco*, vapor products or alternative nicotine products* through the use of ~~[the Internet]~~ *a computer network, telephonic network or electronic network* shall ~~[adopt a~~

~~policy to prevent a child under the age of 18 years from obtaining cigarettes, cigarette paper, tobacco of any description or products made or derived from tobacco from the person through the use of the Internet. The policy must include, without limitation, a method for ensuring]~~ *:*

(a) Ensure that ~~[the person who delivers such items obtains the signature of a person who is over the age of 18 years when delivering the items, that]~~ the packaging or wrapping of the items when they are shipped is clearly marked with the word "cigarettes" or *, if the item being shipped are not cigarettes,* the words "tobacco products*."* ~~[," and that the person complies with the provisions of 15 U.S.C. § 376. A person who fails to adopt a policy pursuant to this subsection is guilty of a misdemeanor and shall be punished by a fine of not more than $500.]~~

(b) Perform an age verification through an independent, third-party age verification service that compares information available from public records to the personal information entered by the person during the ordering process that establishes that the person is over the age of 18 years and use a method of mail, shipping or delivery that requires the signature of a person over the age of 18 years before the items are released to the purchaser, unless the person:

(1) Requires the customer to:

(I) Create an online profile or account with personal information, including, without limitation, a name, address, social security number and a valid phone number, that is verified through publicly available records; or

(II) Upload a copy of a government-issued identification card that includes a photograph of the customer; and

(2) Sends the package containing the items to the name and address of the customer who ordered the items.

Sec. 7.9. NRS 202.2496 is hereby amended to read as follows:

202.2496 1. As necessary to comply with any applicable federal law, the Attorney General shall conduct random, unannounced inspections at locations where tobacco, products made or derived from tobacco, vapor products and alternative nicotine products are sold, distributed or offered for sale to inspect for and enforce compliance with NRS 202.2493 and 202.2494 ~~[,]~~ *and section 1 of this act,* as applicable. For assistance in conducting any such inspection, the Attorney General may contract with:

(a) Any sheriff's department;

(b) Any police department; or

(c) Any other person who will, in the opinion of the Attorney General, perform the inspection in a fair and impartial manner.

2. If the inspector desires to enlist the assistance of a child under the age of 18 for such an inspection, the inspector shall obtain the written consent of the child's parent for such assistance.

3. A child assisting in an inspection pursuant to this section shall, if questioned about his or her age, state his or her true age and that he or she is under 18 years of age.

4. If a child is assisting in an inspection pursuant to this section, the person supervising the inspection shall:

(a) Refrain from altering or attempting to alter the child's appearance to make the child appear to be 18 years of age or older.

(b) Photograph the child immediately before the inspection is to occur and retain any photographs taken of the child pursuant to this paragraph.

5. The person supervising an inspection using the assistance of a child shall, within a reasonable time after the inspection is completed:

(a) Inform a representative of the business establishment from which the child attempted to purchase tobacco, products made or derived from tobacco, vapor products or alternative nicotine products that an inspection has been performed and the results of that inspection.

(b) Prepare a report regarding the inspection. The report must include the following information:

(1) The name of the person who supervised the inspection and that person's position;

(2) The age and date of birth of the child who assisted in the inspection;

(3) The name and position of the person from whom the child attempted to purchase tobacco, products made or derived from tobacco, vapor products or alternative nicotine products;

(4) The name and address of the establishment at which the child attempted to purchase tobacco, products made or derived from tobacco, vapor products or alternative nicotine products;

(5) The date and time of the inspection; and

(6) The result of the inspection, including whether the inspection resulted in the sale, distribution or offering for sale of tobacco, products made or derived from tobacco, vapor products or alternative nicotine products to the child.

6. No *administrative,* civil or criminal action based upon an alleged violation of NRS 202.2493 or 202.2494 *or section 1 of this act* may be brought as a result of an inspection for compliance in which the assistance of a child has been enlisted unless the inspection has been conducted in accordance with the provisions of this section.

Sec. 8. ~~[Chapter 439 of NRS is hereby amended by adding thereto the provisions set forth as sections 9, 10 and 11 of this act.]~~ (Deleted by amendment.)

Sec. 9. ~~[*1. The Account for Public Health Improvement is hereby created in the State General Fund. The interest and income earned on the money in the Account must be credited to the Account. The Division shall administer the Account.*~~

~~*2. Not less than 50 percent of the money deposited in the Account must be used to carry out programs for tobacco prevention and treatment in the areas of this State for which a health district has not been established pursuant to NRS 439.361 to 439.410, inclusive, and sections 10 and 11 of this act.*~~

~~*3. The State Board of Health shall:*~~

~~(a) Evaluate the health and public health needs of residents of the areas of this State for which a health district has not been established pursuant to NRS 439.361 to 439.410, inclusive, and sections 10 and 11 of this act; and~~

~~(b) Determine the level of priority of the public health needs described in paragraph (a).~~

~~4. Not more than 50 percent of the money deposited in the Account must be used to address the needs identified pursuant to subsection 3 in accordance with the level of priority determined by the State Board of Health pursuant to that subsection.~~

~~5. 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 over into the next Fiscal Year. If, during a Fiscal Year, the Division does not spend the full amount of money required to be spent on programs for tobacco prevention and treatment pursuant to subsection 2, the remaining amount of money in the Account which must be spent for that purpose during the Fiscal Year must be carried forward to each subsequent Fiscal Year until the money is used for that purpose.~~

~~6. The Division shall not expend money in the Account unless the expenditure has been approved by the State Board of Health. Money in the Account may only be used for the purposes described in subsections 2 and 4. The money in the Account must be used to augment and must not be used to replace or supplant any legislative appropriations to the Division or funding available from other sources.~~

~~7. On or before February 1 of each year, the Division shall submit a report to the Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee, if the report is received during an even-numbered year, or to the next session of the Legislature, if the report is received during an odd-numbered year. The report must include, without limitation, for the Fiscal Year immediately preceding the submission of the report, a description of:~~

~~(a) The use of the money in the Account by the Division, including, without limitation:~~

~~(1) The total expenditures made from the Account to carry out programs for tobacco prevention and treatment;~~

~~(2) The total expenditures made from the Account to address the needs identified pursuant to subsection 3; and~~

~~(3) The programs which received money from the Account.~~

~~(b) The expenditures made by health districts established pursuant to NRS 439.361 to 439.410, inclusive, and sections 10 and 11 of this act of money remitted to such health districts pursuant to NRS 370.500, including, without limitation, whether such expenditures complied with the requirements of section 10 or 11 of this act, as applicable.~~

~~8. If a health district is established pursuant to NRS 439.370 on or after July 1, 2019, the Division must notify the State Controller of the creation of the health district and the State Controller, based on information provided by~~

~~*the Division, must transfer to each county treasurer of a county in which the health district was established a percentage of the money in the Account equal to the total population of each county in which the health district was established, as most recently certified by the Governor pursuant to NRS 360.285, divided by the total population, as most recently certified by the Governor pursuant to NRS 360.285, of each county for which the Division was authorized to spend money in the Account before the establishment of the health district.*~~

~~*9. As used in this section, "program for tobacco prevention and treatment" means a program consistent with the guidelines established by the Centers for Disease Control and Prevention of the United States Department of Health and Human Services relating to evidence-based best practices to prevent, reduce or treat the use of tobacco and the consequences of the use of tobacco.]*~~

(Deleted by amendment.)

Sec. 10. ~~*[1. The board of county commissioners shall create a public health improvement fund in the county treasury. All money received by the county treasurer pursuant to NRS 370.500 and from the Division pursuant to section 9 of this act must be deposited for credit to the fund. The interest and income earned on the money in the fund must be credited to the fund.*~~

~~*2. Not less than 50 percent of the money deposited in the fund each Fiscal Year must be used to carry out programs for tobacco prevention and treatment approved by the district board of health.*~~

~~*3. The district board of health shall:*~~

~~*(a) Evaluate the health and public health needs of residents of the area over which the health district has jurisdiction; and*~~

~~*(b) Determine the level of priority of the public health needs described in paragraph (a).*~~

~~*4. Not more than 50 percent of the money deposited in the fund each Fiscal Year must be used to address the needs identified pursuant to subsection 3 in accordance with the level of priority determined by the district board of health pursuant to that subsection.*~~

~~*5. Any money remaining in the fund at the end of each Fiscal Year does not revert to the county general fund but must be carried over into the next Fiscal Year. If, during a Fiscal Year, the health district does not spend the full amount of money required to be spent on programs for tobacco prevention and treatment pursuant to subsection 2, the remaining amount of money in the fund which must be spent for that purpose during the Fiscal Year must be carried forward to each subsequent Fiscal Year until the money is used for that purpose.*~~

~~*6. The health district shall not expend money in the fund unless the expenditure has been approved by the district board of health for the health district. Money in the fund may only be used for the purposes described in subsections 2 and 4, and must not be used to replace or supplant funding available from other sources.*~~

~~*7. On or before December 1 of each year, the health district shall submit a report to the Division which must include:*~~

~~*(a) The total amount received by the health district from the county treasurer pursuant to NRS 370.500 during the immediately preceding Fiscal Year;*~~

~~*(b) A description of the use of the money in the fund during the immediately preceding Fiscal Year, including, without limitation:*~~

~~*(1) The total expenditures made from the fund to carry out programs for tobacco prevention and treatment;*~~

~~*(2) The total expenditures made from the fund to address the needs identified pursuant to subsection 3;*~~

~~*(3) The total amount of money in the fund which was carried over from a prior Fiscal Year and the amount of such money which must be used to carry out programs for tobacco prevention and treatment; and*~~

~~*(4) A description of the programs which received money from the fund; and*~~

~~*(c) Such other information as the Division may require to ensure that the money in the fund is being used for the purposes described in subsections 2 and 4.*~~

~~*8. As used in this section, "program for tobacco prevention and treatment" means a program consistent with the guidelines established by the Centers for Disease Control and Prevention of the United States Department of Health and Human Services relating to evidence-based best practices to prevent, reduce or treat the use of tobacco and the consequences of the use of tobacco.]*~~

(Deleted by amendment.)

Sec. 11. ~~*[1. The board of county commissioners of each county in which a health district is created pursuant to NRS 439.370 shall create a public health improvement fund in the county treasury. All money received by a county treasurer pursuant to NRS 370.500 and from the Division pursuant to section 9 of this act must be deposited for credit to the fund. The interest and income earned on the money in the fund must be credited to the fund.*~~

~~*2. Not less than 50 percent of the money deposited in the fund each Fiscal Year must be used to carry out programs for tobacco prevention and treatment approved by the district board of health.*~~

~~*3. Each district board of health shall:*~~

~~*(a) Evaluate the health and public health needs of residents of the area over which the health district has jurisdiction; and*~~

~~*(b) Determine the level of priority of the public health needs described in paragraph (a).*~~

~~*4. Not more than 50 percent of the money deposited in the fund each Fiscal Year must be used to address the needs identified pursuant to subsection 3 in accordance with the level of priority determined by the district board of health pursuant to that subsection.*~~

~~*5. Any money remaining in the fund at the end of each Fiscal Year does not revert to any county general fund but must be carried over into the next*~~

~~*Fiscal Year. If, during a Fiscal Year, the health district does not spend the full amount of money required to be spent on programs for tobacco prevention and treatment pursuant to subsection 2, the remaining amount of money in the fund which must be spent for that purpose during the Fiscal Year must be carried forward to each subsequent Fiscal Year until the money is used for that purpose.*~~

~~*6. The health district shall not expend money in the fund unless the expenditure has been approved by the district board of health for the health district. Money in the fund may only be used for the purposes described in subsections 2 and 4, and must not be used to replace or supplant funding available from other sources.*~~

~~*7. On or before December 1 of each year, the health district shall submit a report to the Division which must include:*~~

~~*(a) The total amount received by the health district from the county treasurer pursuant to NRS 370.500 during the immediately preceding Fiscal Year;*~~

~~*(b) A description of the use of the money in the fund during the immediately preceding Fiscal Year, including, without limitation:*~~

~~*(1) The total expenditures made from the fund to carry out programs for tobacco prevention and treatment;*~~

~~*(2) The total expenditures made from the fund to address the needs identified pursuant to subsection 3;*~~

~~*(3) The total amount of money in the fund which was carried over from a prior Fiscal Year and the amount of such money which must be used to carry out programs for tobacco prevention and treatment; and*~~

~~*(4) A description of the programs which received money from the fund; and*~~

~~*(c) Such other information as the Division may require to ensure that the money in the fund is being used for the purposes described in subsections 2 and 4.*~~

~~*8. As used in this section, "program for tobacco prevention and treatment" means a program consistent with the guidelines established by the Centers for Disease Control and Prevention of the United States Department of Health and Human Services relating to evidence-based best practices to prevent, reduce or treat the use of tobacco and the consequences of the use of tobacco.]*~~
(Deleted by amendment.)

Sec. 12. ~~[NRS 439.361 is hereby amended to read as follows:~~

~~439.361 The provisions of NRS 439.361 to 439.3685, inclusive, *and section 10 of this act* apply to a county whose population is 700,000 or more.]~~
(Deleted by amendment.)

Sec. 13. ~~[NRS 439.369 is hereby amended to read as follows:~~

~~439.369 The provisions of NRS 439.369 to 439.410, inclusive, *and section 11 of this act* apply to a county whose population is less than 700,000.]~~
(Deleted by amendment.)

Sec. 14. ~~[1. Notwithstanding any other provision of law, a retail dealer who, on July 1, 2019, possesses vapor products which would have been subject to the tax imposed by NRS 370.450 if that tax were imposed on vapor products before July 1, 2019, and for which the tax imposed by that section has not been paid, including, without limitation, vapor products which were in the inventory of the retail dealer before July 1, 2019, shall collect, at the time of a sale or transfer of such vapor products, the tax that would have been imposed by that section if that tax were imposed on vapor products before July 1, 2019. Not later than 20 days after the end of each month, a retail dealer who collects the tax pursuant to this section shall submit a report on a form prescribed by the Department of Taxation setting forth each sale of vapor products that the retail dealer made during the previous month. Each report submitted pursuant to this section must be accompanied by the tax owed pursuant to this section for vapor products sold or transferred by the retail dealer during the previous month. The retail dealer is entitled to retain 0.25 percent of the taxes collected to cover the costs of collecting and administering the taxes if the taxes are paid in accordance with the provisions of this section.~~

~~2. As used in this section, unless the context otherwise requires, the words and terms defined in NRS 370.440, as amended by section 4 of this act, have the meanings ascribed to them in that section.]~~ (Deleted by amendment.)

Sec. 14.5. 1. There is hereby appropriated from the State General Fund to the Department of Health and Human Services for programs to control and prevent the use of tobacco the following sums:

For Fiscal Year 2019-2020 ..... $2,500,000

For Fiscal Year 2020-2021 ..... $2,500,000

2. Any remaining balance of the appropriation made by subsection 1 for Fiscal Year 2019-2020 must be added to the money appropriated for Fiscal Year 2020-2021 and may be expended as that money is expended. Any remaining balance of the appropriation made by subsection 1 for Fiscal Year 2020-2021, including any such money added from the previous Fiscal Year, 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.

Sec. 15. 1. This section and section 14.5 of this act become effective on July 1, 2019.

2. Sections 1 to 2, inclusive, and 7.1 to 7.9, inclusive, of this act ~~[becomes effective on July]~~ become 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 January 1, ~~[2019.]~~ 2020, for all other purposes.

Senator Dondero Loop moved the adoption of the amendment.

Remarks by Senator Dondero Loop.

Amendment No. 1017 makes several changes to Senate Bill No. 263. Sections 3 through 7 and 8 through 14 of the bill are deleted. The amendment defines smoking and expressly applies the Nevada Clean Indoor Air Act to the use of an electronic smoking device. The amendment revises the definition of other tobacco products to include any alternative nicotine product, and the definition of vapor product is amended to include certain components of a vapor product, whether or not sold separately, a hookah, a vape pen and any other substance in a solution or other form, the use of ventilation of which simulates smoking. The definition of vapor products is also amended to exclude any product purchased by an entity licensed under Nevada Revised Statute 453(a) governing medical use of marijuana.

The amendment removes the criminal penalties for certain violations under the current law relating to the sale and distribution of certain tobacco products to a person under the age of 18 years. Instead, the amendment authorizes the Department of Taxation to impose a civil penalty on a person who sells, distributes or offers to sell cigarettes, cigarette paper, tobacco of any description, products made or derived from tobacco, vapor products or alternative nicotine products to a person under the age of 18. In addition to revising the amount of the civil penalties that may be imposed, the amendment creates the authority for the imposition of penalty of a licensee whose employee or agent violates the prohibition on sales to minors and establishes procedures for the issuance of a Notice of Infraction to a person who violates this prohibition and authorizes the person to request a hearing before the Department of Taxation. The amendment requires a person who sells or distributes certain tobacco products and other tobacco products, as defined pursuant to the bill, through a computer network, telephonic network or other electronic network, to ensure the packaging in which the items are shipped is labeled cigarettes or tobacco products and uses certain age verification procedures.

The amendment additionally makes an appropriation to the Department of Health and Human Services for programs to control and prevent the use of tobacco in the amount of $2.5 million for Fiscal Year 2020 and $2.5 million for Fiscal Year 2021. Finally, the amendment revises the effective date section to provide certain provisions become effective upon passage and approval for the purposes of adopting regulations and performing any other preparatory administrative tasks. Provisions regarding appropriations become effective on July 1, 2019, and the provisions to impose the 30-percent excise tax, pursuant to the bill, become effective January 1, 2020 instead of July 1, 2019.

Conflict of interest declared by Senator Ohrenschall.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 380.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1004.

SUMMARY—Makes an appropriation to the Small Business Enterprise Loan Account. (BDR S-922)

AN ACT making an appropriation from the State General Fund to the Small Business Enterprise Loan Account; and providing other matters properly relating thereto.

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

Section 1. There is hereby appropriated from the State General Fund to the Small Business Enterprise Loan Account created pursuant to

NRS 231.14095 the sum of $1,000,000.

Sec. 2. This act becomes effective ~~[on July 1, 2019.]~~ upon passage and approval.

Senator Woodhouse moved the adoption of the amendment.

Remarks by Senator Woodhouse.

Amendment No. 1004 changes the effective date of Senate Bill No. 380 from July 1, 2019, to effective upon passage and approval.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 501.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1006.

SUMMARY—Makes an appropriation for the relocation of the National Atomic Testing Museum. (BDR S-1164)

AN ACT making an appropriation for the relocation of the National Atomic Testing Museum; and providing other matters properly relating thereto.

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

Section 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee the sum of $1,000,000 for allocation pursuant to section 2 of this act to the nonprofit corporation formed to relocate the National Atomic Testing Museum in Las Vegas, Nevada, upon a showing to the Committee:

1. That the corporation has been incorporated under the laws of this State as a nonprofit corporation; and

2. That the purpose of the corporation is to relocate the National Atomic Testing Museum in Las Vegas, Nevada.

Sec. 2. 1. Allocation of the money appropriated by section 1 of this act is contingent upon matching money being obtained by the nonprofit corporation described in section 1 of this act, including, without limitation, gifts, grants and donations to the nonprofit corporation from private and public sources of money other than the appropriation made by section 1 of this act. The Interim Finance Committee shall not direct the transfer of any portion of money from the appropriation made by section 1 of this act until the nonprofit corporation submits to the Committee proof satisfactory to the Committee that matching money in an equivalent amount has been committed.

2. Upon acceptance of the money allocated pursuant to subsection 1, the nonprofit corporation agrees to:

(a) Prepare and transmit a report to the Interim Finance Committee on or before December 18, 2020, that describes each expenditure made from the money allocated pursuant to subsection 1 from the date on which the money was received by the nonprofit corporation through December 1, 2020;

(b) Prepare and transmit a final report to the Interim Finance Committee on or before September 17, 2021, that describes each expenditure made from the money allocated pursuant to subsection 1 from the date on which the money was received by the nonprofit corporation through June 30, 2021; and

(c) Upon request of the Legislative Commission, make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, of the nonprofit corporation, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money allocated pursuant to subsection 1.

Sec. 3. Any remaining balance of the appropriation made by section 1 of this act 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.

Sec. 4. This act becomes effective ~~[on July 1, 2019.]~~ upon passage and approval.

Senator Woodhouse moved the adoption of the amendment.

Remarks by Senator Woodhouse.

Amendment No. 1006 to Senate Bill No. 501 changes the effective date to upon passage and approval in order to utilize funds from Fiscal Year 2019.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Woodhouse moved that Senate Bill No. 263 be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary signed Senate Bills Nos. 29, 48, 94, 113, 150, 172, 219, 233, 239, 253, 296, 341, 356, 400, 414, 428, 429, 436, 442, 447, 451, 456, 460, 462, 465, 473, 479, 481, 482, 486, 491, 496, 520; Senate Joint Resolutions Nos. 4, 7; Senate Joint Resolutions Nos. 1, 3 of the 79th Session; Senate Concurrent Resolution No. 9.

Senator Cannizzaro moved that the Senate adjourn until Wednesday, May 29, 2019, at 11:00 a.m.

Motion carried.

Senate adjourned at 9:18 p.m.

Approved: KATE MARSHALL
President of the Senate

Attest: CLAIRE J. CLIFT
Secretary of the Senate