

ASSEMBLY BILL NO. 385—ASSEMBLYMAN HAFEN

MARCH 22, 2023

Referred to Committee on Revenue

SUMMARY—Revises provisions relating to the Nevada Educational Choice Scholarship Program. (BDR 34-738)

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

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

AN ACT relating to education; revising provisions governing the eligibility of pupils for a grant under the Nevada Educational Choice Scholarship Program; establishing a minimum amount for a grant provided by a scholarship organization on behalf of a pupil; revising provisions governing the amount of credits the Department of Taxation is authorized to approve against the modified business tax for taxpayers who donate money to a scholarship organization; establishing a credit against the general tax on insurance premiums for insurers who donate money to a scholarship organization; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Under existing law, financial institutions, mining businesses and other
2 employers are required to pay an excise tax (the modified business tax) on wages
3 paid by them. (NRS 363A.130, 363B.110) Existing law also requires each insurer
4 to pay to the Department of Taxation a tax upon net direct premiums and net direct
5 considerations written at the rate of 3.5 percent (the general tax on insurance
6 premiums). (NRS 680B.027) Existing law establishes a credit against the modified
7 business tax for a taxpayer who makes a donation to a scholarship organization that
8 provides grants on behalf of pupils who are members of a household with a
9 household income of not more than 300 percent of the federally designated level
10 signifying poverty to allow those pupils to attend schools in this State, including
11 private schools, chosen by the parents or legal guardians of those pupils. (NRS
12 363A.139, 363B.119, 388D.270) Existing law authorizes the Department of
13 Taxation to approve applications for such tax credits until the total amount of
14 credits authorized for each fiscal year is \$6,655,000. (NRS 363A.139, 363B.119)



15 **Sections 3 and 4** of this bill increase the amount of tax credits that the
16 Department of Taxation is authorized to approve to: (1) \$30,000,000 for Fiscal
17 Year 2023-2024; and (2) for each succeeding fiscal year, 110 percent of the amount
18 authorized for the immediately preceding fiscal year. **Section 2** of this bill removes
19 the requirement for a scholarship organization to make grants on behalf of pupils
20 who are members of a household that has a household income which is not more
21 than 300 percent of the federally designated level signifying poverty and instead
22 requires a scholarship organization to make grants on behalf of pupils: (1) on whose
23 behalf a grant was awarded for the immediately preceding school year; (2) who are
24 the sibling of a pupil on whose behalf a grant was awarded for the current or
25 immediately preceding school year; (3) who are members of a household that has a
26 household income which is not more than 400 percent of the federally designated
27 level signifying poverty; (4) who have an individualized education program; (5)
28 who have a parent or legal guardian who is on active duty in the Armed Forces of
29 the United States; or (6) who have a parent or legal guardian who is a police officer
30 or firefighter. **Section 2** establishes the order of priority in which a scholarship
31 organization is required to award grants. **Section 2** requires each grant made by a
32 scholarship organization to be not less than \$1,000.

33 **Sections 7 and 8** of this bill establish a credit against the general tax on
34 insurance premiums for an insurer who makes a donation to a scholarship
35 organization to be administered in the same manner as the credit against the
36 modified business tax.

37 **Sections 1, 5 and 9-12** of this bill make conforming changes to indicate the
38 proper placement of **sections 7 and 8** in the Nevada Revised Statutes.

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

1 **Section 1.** NRS 388D.250 is hereby amended to read as
2 follows:

3 388D.250 NRS 363A.139, 363B.119 and 388D.250 to
4 388D.280, inclusive, *and sections 7 and 8 of this act* may be cited
5 as the Nevada Educational Choice Scholarship Program.

6 **Sec. 2.** NRS 388D.270 is hereby amended to read as follows:

7 388D.270 1. A scholarship organization must:

8 (a) Be exempt from taxation pursuant to section 501(c)(3) of the
9 Internal Revenue Code, 26 U.S.C. § 501(c)(3).

10 (b) Not own or operate any school in this State, including,
11 without limitation, a private school, which receives any grant money
12 pursuant to the Nevada Educational Choice Scholarship Program.

13 (c) Accept donations from taxpayers and other persons and may
14 also solicit and accept gifts and grants.

15 (d) Not expend more than 5 percent of the total amount of
16 money accepted pursuant to paragraph (c) to pay its administrative
17 expenses.

18 (e) Provide grants *which are not less than \$1,000* on behalf of
19 pupils who ~~fare members of a household that has a household~~
20 ~~income which is not more than 300 percent of the federally~~
21 ~~designated level signifying poverty] meet one of the criteria set~~



1 *forth in subsection 7* to allow those pupils to attend schools in this
2 State chosen by the parents or legal guardians of those pupils,
3 including, without limitation, private schools. The total amount of a
4 grant provided by the scholarship organization on behalf of a pupil
5 pursuant to this paragraph must not exceed \$7,755 for Fiscal Year
6 2015-2016.

7 (f) Not limit to a single school the schools for which it provides
8 grants.

9 (g) Except as otherwise provided in paragraph (e), not limit to
10 specific pupils the grants provided pursuant to that paragraph.

11 2. The maximum amount of a grant provided by the
12 scholarship organization pursuant to paragraph (e) of subsection 1
13 must be adjusted on July 1 of each year for the fiscal year beginning
14 that day and ending June 30 in a rounded dollar amount
15 corresponding to the percentage of increase in the Consumer Price
16 Index (All Items) published by the United States Department of
17 Labor for the preceding calendar year. On May 1 of each year, the
18 Department of Education shall determine the amount of increase
19 required by this subsection, establish the adjusted amounts to take
20 effect on July 1 of that year and notify each scholarship organization
21 of the adjusted amounts. The Department of Education shall also
22 post the adjusted amounts on its Internet website.

23 3. A grant provided on behalf of a pupil pursuant to subsection
24 1 must be paid directly to the school chosen by the parent or legal
25 guardian of the pupil.

26 4. A scholarship organization shall provide each taxpayer and
27 other person who makes a donation, gift or grant of money to the
28 scholarship organization pursuant to paragraph (c) of subsection 1
29 with an affidavit, signed under penalty of perjury, which includes,
30 without limitation:

31 (a) A statement that the scholarship organization satisfies the
32 requirements set forth in subsection 1; and

33 (b) The total amount of the donation, gift or grant made to the
34 scholarship organization.

35 5. Each school in which a pupil is enrolled for whom a grant is
36 provided by a scholarship organization shall maintain a record of the
37 academic progress of the pupil. The record must be maintained in
38 such a manner that the information may be aggregated and reported
39 for all such pupils if reporting is required by the regulations of the
40 Department of Education.

41 6. The Department of Education:

42 (a) Shall adopt regulations prescribing the contents of and
43 procedures for applications for grants provided pursuant to
44 subsection 1.



1 (b) May adopt such other regulations as the Department
2 determines necessary to carry out the provisions of this section.

3 7. *A scholarship organization shall award grants on behalf of*
4 *pupils in the following order of priority:*

5 (a) *Pupils on whose behalf a grant was awarded for the*
6 *immediately preceding school year.*

7 (b) *Pupils who are the sibling of a pupil on whose behalf a*
8 *grant was awarded for the current school year or the immediately*
9 *preceding school year.*

10 (c) *Pupils who are members of a household that has a*
11 *household income which is not more than 400 percent of the*
12 *federally designated level signifying poverty.*

13 (d) *Pupils who meet one of the following criteria, in the order*
14 *in which a completed application for a grant was received on*
15 *behalf of any such pupil:*

16 (1) *A pupil who has an individualized education program;*

17 (2) *A pupil who has a parent or legal guardian who is on*
18 *active duty in the Armed Forces of the United States;*

19 (3) *A pupil who has a parent or legal guardian who is a*
20 *peace officer; or*

21 (4) *A pupil who has a parent or legal guardian who is a*
22 *firefighter.*

23 8. *Notwithstanding the provisions of subsection 7, a*
24 *scholarship organization shall prioritize the award of a grant to a*
25 *pupil described in subsection 7 and on whose behalf a completed*
26 *application for a grant was received on or before the deadline for*
27 *such applications over any pupil on whose behalf a completed*
28 *application was not received until after the deadline for such*
29 *applications.*

30 9. As used in this section ~~[, "private"]~~ :

31 (a) *"Active duty" means full-time duty status in the active*
32 *uniformed armed service of the United States, including members*
33 *of the National Guard and Reserve on active duty orders pursuant*
34 *to 10 U.S.C. §§ 1209 and 1211.*

35 (b) *"Firefighter" means a person who is a salaried employee*
36 *of a fire-fighting agency and whose principal duties are to control,*
37 *extinguish, prevent and suppress fires. As used in this paragraph,*
38 *"fire-fighting agency" means a public fire department, fire*
39 *protection district or other agency of this State or political*
40 *subdivision of this State, the primary functions of which are to*
41 *control, extinguish, prevent and suppress fires.*

42 (c) *"Individualized education program" has the meaning*
43 *ascribed to it in 20 U.S.C. § 1414(d)(1)(A).*

44 (d) *"Peace officer" has the meaning ascribed to it in*
45 *NRS 289.010.*



1 (e) "Private school" has the meaning ascribed to it in
2 NRS 394.103.

3 **Sec. 3.** NRS 363A.139 is hereby amended to read as follows:

4 363A.139 1. Any taxpayer who is required to pay a tax
5 pursuant to NRS 363A.130 may receive a credit against the tax
6 otherwise due for any donation of money made by the taxpayer to a
7 scholarship organization in the manner provided by this section.

8 2. To receive the credit authorized by subsection 1, a taxpayer
9 who intends to make a donation of money to a scholarship
10 organization must, before making such a donation, notify the
11 scholarship organization of the taxpayer's intent to make the
12 donation and to seek the credit authorized by subsection 1. A
13 scholarship organization shall, before accepting any such donation,
14 apply to the Department of Taxation for approval of the credit
15 authorized by subsection 1 for the donation. The Department of
16 Taxation shall, within 20 days after receiving the application,
17 approve or deny the application and provide to the scholarship
18 organization notice of the decision and, if the application is
19 approved, the amount of the credit authorized. Upon receipt of
20 notice that the application has been approved, the scholarship
21 organization shall provide notice of the approval to the taxpayer
22 who must, not later than 30 days after receiving the notice, make the
23 donation of money to the scholarship organization. If the taxpayer
24 does not make the donation of money to the scholarship
25 organization within 30 days after receiving the notice, the
26 scholarship organization shall provide notice of the failure to the
27 Department of Taxation and the taxpayer forfeits any claim to
28 the credit authorized by subsection 1.

29 3. The Department of Taxation shall approve or deny
30 applications for the credit authorized by subsection 1 in the order in
31 which the applications are received.

32 4. Except as otherwise provided in subsection 5, the
33 Department of Taxation may, for each fiscal year, approve
34 applications for the credit authorized by subsection 1 until the total
35 amount of the credits authorized by subsection 1 and approved by
36 the Department of Taxation pursuant to this subsection, ~~and~~
37 subsection 4 of NRS 363B.119 *and subsection 4 of section 7 of this*
38 *act is ~~[\$6,655,000.]~~:*

39 (a) *For Fiscal Year 2023-2024, \$30,000,000; and*

40 (b) *For each succeeding fiscal year, an amount equal to 110*
41 *percent of the amount authorized for the immediately preceding*
42 *fiscal year.*

43 ↪ The amount of any credit which is forfeited pursuant to
44 subsection 2 must not be considered in calculating the amount of
45 credits authorized for any fiscal year.



1 5. Except as otherwise provided in this subsection, in addition
2 to the amount of credits authorized by subsection 4 for Fiscal Years
3 2019-2020, 2020-2021 and 2021-2022, the Department of Taxation
4 may approve applications for the credit authorized by subsection 1
5 for each of those fiscal years until the total amount of the credits
6 authorized by subsection 1 and approved by the Department of
7 Taxation pursuant to this subsection and subsection 5 of NRS
8 363B.119 is \$4,745,000. The provisions of subsection 4 do not
9 apply to the amount of credits authorized by this subsection and the
10 amount of credits authorized by this subsection must not be
11 considered when determining the amount of credits authorized for a
12 fiscal year pursuant to subsection 4. If, in Fiscal Year 2019-2020,
13 2020-2021 or 2021-2022, the amount of credits authorized by
14 subsection 1 and approved pursuant to this subsection and
15 subsection 5 of NRS 363B.119 is less than \$4,745,000, the
16 remaining amount of credits pursuant to this subsection and
17 subsection 5 of NRS 363B.119 must be carried forward and made
18 available for approval during subsequent fiscal years until the total
19 amount of credits authorized by subsection 1 and approved pursuant
20 to this subsection and subsection 5 of NRS 363B.119 is equal to
21 \$14,235,000. The amount of any credit which is forfeited pursuant
22 to subsection 2 must not be considered in calculating the amount of
23 credits authorized pursuant to this subsection.

24 6. If a taxpayer applies to and is approved by the Department
25 of Taxation for the credit authorized by subsection 1, the amount of
26 the credit provided by this section is equal to the amount approved
27 by the Department of Taxation pursuant to subsection 2, which must
28 not exceed the amount of the donation made by the taxpayer to a
29 scholarship organization. The total amount of the credit applied
30 against the taxes described in subsection 1 and otherwise due from a
31 taxpayer must not exceed the amount of the donation.

32 7. If the amount of the tax described in subsection 1 and
33 otherwise due from a taxpayer is less than the credit to which the
34 taxpayer is entitled pursuant to this section, the taxpayer may, after
35 applying the credit to the extent of the tax otherwise due, carry the
36 balance of the credit forward for not more than 5 years after the end
37 of the calendar year in which the donation is made or until the
38 balance of the credit is applied, whichever is earlier.

39 8. As used in this section, "scholarship organization" has the
40 meaning ascribed to it in NRS 388D.260.

41 **Sec. 4.** NRS 363B.119 is hereby amended to read as follows:

42 363B.119 1. Any taxpayer who is required to pay a tax
43 pursuant to NRS 363B.110 may receive a credit against the tax
44 otherwise due for any donation of money made by the taxpayer to a
45 scholarship organization in the manner provided by this section.



1 2. To receive the credit authorized by subsection 1, a taxpayer
2 who intends to make a donation of money to a scholarship
3 organization must, before making such a donation, notify the
4 scholarship organization of the taxpayer's intent to make the
5 donation and to seek the credit authorized by subsection 1. A
6 scholarship organization shall, before accepting any such donation,
7 apply to the Department of Taxation for approval of the credit
8 authorized by subsection 1 for the donation. The Department of
9 Taxation shall, within 20 days after receiving the application,
10 approve or deny the application and provide to the scholarship
11 organization notice of the decision and, if the application is
12 approved, the amount of the credit authorized. Upon receipt of
13 notice that the application has been approved, the scholarship
14 organization shall provide notice of the approval to the taxpayer
15 who must, not later than 30 days after receiving the notice, make the
16 donation of money to the scholarship organization. If the taxpayer
17 does not make the donation of money to the scholarship
18 organization within 30 days after receiving the notice, the
19 scholarship organization shall provide notice of the failure to the
20 Department of Taxation and the taxpayer forfeits any claim to
21 the credit authorized by subsection 1.

22 3. The Department of Taxation shall approve or deny
23 applications for the credit authorized by subsection 1 in the order in
24 which the applications are received.

25 4. Except as otherwise provided in subsection 5, the
26 Department of Taxation may, for each fiscal year, approve
27 applications for the credit authorized by subsection 1 until the total
28 amount of the credits authorized by subsection 1 and approved by
29 the Department of Taxation pursuant to this subsection, ~~and~~
30 subsection 4 of NRS 363A.139 *and subsection 4 of section 7 of this*
31 *act is ~~[\$6,655,000.];~~*

32 *(a) For Fiscal Year 2023-2024, \$30,000,000; and*

33 *(b) For each succeeding fiscal year, an amount equal to 110*
34 *percent of the amount authorized for the immediately preceding*
35 *fiscal year.*

36 ↪ The amount of any credit which is forfeited pursuant to
37 subsection 2 must not be considered in calculating the amount of
38 credits authorized for any fiscal year.

39 5. In addition to the amount of credits authorized by subsection
40 4 for Fiscal Years 2019-2020, 2020-2021 and 2021-2022, the
41 Department of Taxation may approve applications for the credit
42 authorized by subsection 1 for each of those fiscal years until the
43 total amount of the credits authorized by subsection 1 and approved
44 by the Department of Taxation pursuant to this subsection and
45 subsection 5 of NRS 363A.139 is \$4,745,000. The provisions of



1 subsection 4 do not apply to the amount of credits authorized by this
2 subsection and the amount of credits authorized by this subsection
3 must not be considered when determining the amount of credits
4 authorized for a fiscal year pursuant to subsection 4. If, in Fiscal
5 Year 2019-2020, 2020-2021 or 2021-2022, the amount of credits
6 authorized by subsection 1 and approved pursuant to this subsection
7 and subsection 5 of NRS 363A.139 is less than \$4,745,000, the
8 remaining amount of credits pursuant to this subsection and
9 subsection 5 of NRS 363A.139 must be carried forward and made
10 available for approval during subsequent fiscal years until the total
11 amount of credits authorized by subsection 1 and approved pursuant
12 to this subsection and subsection 5 of NRS 363A.139 is equal to
13 \$14,235,000. The amount of any credit which is forfeited pursuant
14 to subsection 2 must not be considered in calculating the amount of
15 credits authorized pursuant to this subsection.

16 6. If a taxpayer applies to and is approved by the Department
17 of Taxation for the credit authorized by subsection 1, the amount of
18 the credit provided by this section is equal to the amount approved
19 by the Department of Taxation pursuant to subsection 2, which must
20 not exceed the amount of the donation made by the taxpayer to a
21 scholarship organization. The total amount of the credit applied
22 against the taxes described in subsection 1 and otherwise due from a
23 taxpayer must not exceed the amount of the donation.

24 7. If the amount of the tax described in subsection 1 and
25 otherwise due from a taxpayer is less than the credit to which the
26 taxpayer is entitled pursuant to this section, the taxpayer may, after
27 applying the credit to the extent of the tax otherwise due, carry the
28 balance of the credit forward for not more than 5 years after the end
29 of the calendar year in which the donation is made or until the
30 balance of the credit is applied, whichever is earlier.

31 8. As used in this section, "scholarship organization" has the
32 meaning ascribed to it in NRS 388D.260.

33 **Sec. 5.** NRS 679A.160 is hereby amended to read as follows:

34 679A.160 Except as otherwise provided by specific statute, no
35 provision of this Code applies to:

36 1. Fraternal benefit societies, as identified in chapter 695A of
37 NRS, except as stated in chapter 695A of NRS.

38 2. Hospital, medical or dental service corporations, as
39 identified in chapter 695B of NRS, except as stated in chapter 695B
40 of NRS.

41 3. Motor clubs, as identified in chapter 696A of NRS, except as
42 stated in chapter 696A of NRS.

43 4. Bail agents, as identified in chapter 697 of NRS, except as
44 stated in NRS 680B.025 to 680B.039, inclusive, *and sections 7 and*
45 *8 of this act* and chapter 697 of NRS.



1 5. Risk retention groups, as identified in chapter 695E of NRS,
2 except as stated in chapter 695E of NRS.

3 6. Captive insurers, as identified in chapter 694C of NRS, with
4 respect to their activities as captive insurers, except as stated in
5 chapter 694C of NRS.

6 7. Health and welfare plans arising out of collective bargaining
7 under chapter 288 of NRS, except that the Commissioner may
8 review the plan to ensure that the benefits are reasonable in relation
9 to the premiums and that the fund is financially sound.

10 8. Programs established pursuant to subsection 1 of NRS
11 315.725 and the entities administering those programs, except as
12 stated in NRS 315.725.

13 **Sec. 6.** Chapter 680B of NRS is hereby amended by adding
14 thereto the provisions set forth as sections 7 and 8 of this act.

15 **Sec. 7. 1.** *Any taxpayer who is required to pay tax pursuant*
16 *to NRS 680B.027 may receive a credit against the tax otherwise*
17 *due for any donation of money made by the taxpayer to a*
18 *scholarship organization in the manner provided by this section.*

19 *2. To receive the credit authorized by subsection 1, a taxpayer*
20 *who intends to make a donation of money to a scholarship*
21 *organization must, before making such a donation, notify the*
22 *scholarship organization of the taxpayer's intent to make the*
23 *donation and to seek the credit authorized by subsection 1. A*
24 *scholarship organization shall, before accepting any such*
25 *donation, apply to the Department of Taxation for approval of the*
26 *credit authorized by subsection 1 for the donation. The*
27 *Department of Taxation shall, within 20 days after receiving the*
28 *application, approve or deny the application and provide to*
29 *the scholarship organization notice of the decision and, if the*
30 *application is approved, the amount of the credit authorized. Upon*
31 *receipt of notice that the application has been approved, the*
32 *scholarship organization shall provide notice of the approval to*
33 *the taxpayer who must, not later than 30 days after receiving the*
34 *notice, make the donation of money to the scholarship*
35 *organization. If the taxpayer does not make the donation of money*
36 *to the scholarship organization within 30 days after receiving the*
37 *notice, the scholarship organization shall provide notice of the*
38 *failure to the Department of Taxation and the taxpayer forfeits*
39 *any claim to the credit authorized by subsection 1.*

40 *3. The Department of Taxation shall approve or deny*
41 *applications for the credit authorized by subsection 1 in the order*
42 *in which the applications are received.*

43 *4. The Department of Taxation may, for each fiscal year,*
44 *approve applications for the credit authorized by subsection 1 until*
45 *the amount of the credits authorized by subsection 1 and approved*



1 by the Department of Taxation pursuant to this subsection,
2 subsection 4 of NRS 363A.139 and subsection 4 of 363B.119 is:

3 (a) For Fiscal Year 2023-2024, \$30,000,000; and

4 (b) For each succeeding fiscal year, an amount equal to 110
5 percent of the amount authorized for the immediately preceding
6 fiscal year.

7 ↪ The amount of any credit which is forfeited pursuant to
8 subsection 2 must not be considered in calculating the amount of
9 credits authorized for any fiscal year.

10 5. If a taxpayer applies to and is approved by the Department
11 of Taxation for the credit authorized by subsection 1, the amount
12 of the credit provided by this section is equal to the amount
13 approved by the Department of Taxation pursuant to subsection 2,
14 which must not exceed the amount of the donation made by the
15 taxpayer to the scholarship organization. The total amount of the
16 credit applied against the taxes described in subsection 1 and
17 otherwise due from a taxpayer must not exceed the amount of the
18 donation.

19 6. If the amount of the tax described in subsection 1 and
20 otherwise due from a taxpayer is less than the credit to which the
21 taxpayer is entitled pursuant to this section, the taxpayer may,
22 after applying the credit to the extent of the tax otherwise due,
23 carry the balance of the credit forward for not more than 5 years
24 after the end of the calendar year in which the donation is made
25 or until the balance of the credit is applied, whichever is earlier.

26 7. As used in this section:

27 (a) "Scholarship organization" has the meaning ascribed to it
28 in NRS 388D.260.

29 (b) "Taxpayer" means any person liable for a tax imposed by
30 this chapter.

31 **Sec. 8. 1.** An insurer who makes a donation of money to a
32 scholarship organization during the calendar quarter for which a
33 report is filed pursuant to NRS 680B.032 or during a calendar
34 year in which a report is filed pursuant to NRS 680B.030 is
35 entitled, in accordance with section 7 of this act, to a credit equal
36 to the amount authorized pursuant to section 7 of this act against
37 any tax otherwise due pursuant to NRS 680B.027.

38 2. As used in this section, "scholarship organization" has the
39 meaning ascribed to it in NRS 388D.260.

40 **Sec. 9.** NRS 680B.025 is hereby amended to read as follows:
41 680B.025 For the purposes of NRS 680B.025 to 680B.039,
42 inclusive **[+]**, and sections 7 and 8 of this act:

43 1. "Total income derived from direct premiums written":

44 (a) Does not include premiums written or considerations
45 received from life insurance policies or annuity contracts issued in



1 connection with the funding of a pension, annuity or profit-sharing
2 plan qualified or exempt pursuant to sections 401, 403, 404, 408,
3 457 or 501 of the United States Internal Revenue Code as
4 renumbered from time to time.

5 (b) Does not include payments received by an insurer from the
6 Secretary of Health and Human Services pursuant to a contract
7 entered into pursuant to section 1876 of the Social Security Act, 42
8 U.S.C. § 1395mm.

9 (c) As to title insurance, consists of the total amount charged by
10 the company for the sale of policies of title insurance.

11 2. Money accepted by a life insurer pursuant to an agreement
12 which provides for an accumulation of money to purchase annuities
13 at future dates may be considered as "total income derived from
14 direct premiums written" either upon receipt or upon the actual
15 application of the money to the purchase of annuities, but any
16 interest credited to money accumulated while under the latter
17 alternative must also be included in "total income derived from
18 direct premiums written," and any money taxed upon receipt,
19 including any interest later credited thereto, is not subject to taxation
20 upon the purchase of annuities. Each life insurer shall signify on its
21 return covering premiums for the calendar year 1971 or for the first
22 calendar year it transacts business in this State, whichever is later,
23 its election between those two alternatives. Thereafter an insurer
24 shall not change his or her election without the consent of the
25 Commissioner. Any such money taxed as "total income derived
26 from direct premiums written" is, in the event of withdrawal of the
27 money before its actual application to the purchase of annuities,
28 eligible to be included as "return premiums" pursuant to the
29 provisions of NRS 680B.030.

30 **Sec. 10.** NRS 680B.0395 is hereby amended to read as
31 follows:

32 680B.0395 An insurer who holds a certificate of authority as a
33 reinsurer is exempt from the requirements of NRS 680B.025 to
34 680B.039, inclusive ~~H~~, *and sections 7 and 8 of this act.*

35 **Sec. 11.** NRS 695B.320 is hereby amended to read as follows:

36 695B.320 1. Nonprofit hospital and medical or dental service
37 corporations are subject to the provisions of this chapter, and to the
38 provisions of chapters 679A and 679B of NRS, subsections 2, 4, 18,
39 19 and 31 of NRS 680B.010, NRS 680B.025 to 680B.060,
40 inclusive, *and sections 7 and 8 of this act*, chapter 681B of NRS,
41 NRS 686A.010 to 686A.315, inclusive, 686B.010 to 686B.175,
42 inclusive, 687B.010 to 687B.040, inclusive, 687B.070 to
43 687B.140, inclusive, 687B.150, 687B.160, 687B.180, 687B.200 to
44 687B.255, inclusive, 687B.270, 687B.310 to 687B.380, inclusive,
45 687B.410, 687B.420, 687B.430, 687B.500 and chapters 692B,



1 692C, 693A and 696B of NRS, to the extent applicable and not in
2 conflict with the express provisions of this chapter.

3 2. For the purposes of this section and the provisions set forth
4 in subsection 1, a nonprofit hospital and medical or dental service
5 corporation is included in the meaning of the term "insurer."

6 **Sec. 12.** NRS 695F.090 is hereby amended to read as follows:

7 695F.090 1. Prepaid limited health service organizations are
8 subject to the provisions of this chapter and to the following
9 provisions, to the extent reasonably applicable:

10 (a) NRS 686B.010 to 686B.175, inclusive, concerning rates and
11 essential insurance.

12 (b) NRS 687B.310 to 687B.420, inclusive, concerning
13 cancellation and nonrenewal of policies.

14 (c) NRS 687B.122 to 687B.128, inclusive, concerning
15 readability of policies.

16 (d) The requirements of NRS 679B.152.

17 (e) The fees imposed pursuant to NRS 449.465.

18 (f) NRS 686A.010 to 686A.310, inclusive, concerning trade
19 practices and frauds.

20 (g) The assessment imposed pursuant to NRS 679B.700.

21 (h) Chapter 683A of NRS.

22 (i) To the extent applicable, the provisions of NRS 689B.340 to
23 689B.580, inclusive, and chapter 689C of NRS relating to the
24 portability and availability of health insurance.

25 (j) NRS 689A.035, 689A.0463, 689A.410, 689A.413 and
26 689A.415.

27 (k) NRS 680B.025 to 680B.060, inclusive, *and sections 7 and 8*
28 *of this act* concerning premium tax, premium tax rate, annual report
29 and estimated quarterly tax payments. For the purposes of this
30 paragraph, unless the context otherwise requires that a section apply
31 only to insurers, any reference in those sections to "insurer" must be
32 replaced by a reference to "prepaid limited health service
33 organization."

34 (l) Chapter 692C of NRS, concerning holding companies.

35 (m) NRS 689A.637, concerning health centers.

36 (n) Chapter 681B of NRS, concerning assets and liabilities.

37 (o) NRS 682A.400 to 682A.468, inclusive, concerning
38 investments.

39 2. For the purposes of this section and the provisions set forth
40 in subsection 1, a prepaid limited health service organization is
41 included in the meaning of the term "insurer."

42 **Sec. 13.** 1. This section becomes effective upon passage and
43 approval.

44 2. Sections 1 to 12, inclusive, of this act become effective:



- 1 (a) Upon passage and approval for the purpose of adopting any
2 regulations and performing any other preparatory administrative
3 tasks that are necessary to carry out the provisions of this act; and
4 (b) On July 1, 2023, for all other purposes.

