
SENATE BILL NO. 37—COMMITTEE ON COMMERCE AND LABOR

PREFILED JANUARY 26, 1999

(ON BEHALF OF LEGISLATIVE COMMITTEE ON WORKERS' COMPENSATION)

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes regarding industrial insurance. (BDR 53-382)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: No.

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

AN ACT relating to industrial insurance; authorizing the manager of the state industrial insurance system to establish a domestic mutual insurance company to transact industrial insurance and other casualty and property insurance in this state; abolishing the state industrial insurance system and authorizing the transfer of the assets of the system to the company under certain circumstances; allowing certain employees of the system and the company to retain their rights to reemployment in the executive branch of state government under certain circumstances; and providing other matters properly relating thereto.

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

1 **Section 1.** NRS 612.265 is hereby amended to read as follows:
2 612.265 1. Except as otherwise provided in this section, information
3 obtained from any employing unit or person pursuant to the administration
4 of this chapter and any determination as to the benefit rights of any person
5 is confidential and may not be disclosed or be open to public inspection in
6 any manner which would reveal the person's or employing unit's identity.
7 2. Any claimant or his legal representative is entitled to information
8 from the records of the division, to the extent necessary for the proper
9 presentation of his claim in any proceeding pursuant to this chapter. A
10 claimant or an employing unit is not entitled to information from the
11 records of the division for any other purpose.

1 3. Subject to such restrictions as the administrator may by regulation
2 prescribe, the information obtained by the division may be made available
3 to:

4 (a) Any agency of this or any other state or any federal agency charged
5 with the administration or enforcement of laws relating to unemployment
6 compensation, public assistance, workers' compensation or labor and
7 industrial relations, or the maintenance of a system of public employment
8 offices;

9 (b) Any state or local agency for the enforcement of child support;

10 (c) The Internal Revenue Service of the Department of the Treasury;

11 (d) The department of taxation; and

12 (e) The state contractors' board in the performance of its duties to
13 enforce the provisions of chapter 624 of NRS.

14 Information obtained in connection with the administration of the
15 employment service may be made available to persons or agencies for
16 purposes appropriate to the operation of a public employment service or a
17 public assistance program.

18 4. Upon written request made by a public officer of a local
19 government, the administrator shall furnish from the records of the division
20 the name, address and place of employment of any person listed in the
21 records of employment of the division. The request must set forth the social
22 security number of the person about whom the request is made and contain
23 a statement signed by proper authority of the local government certifying
24 that the request is made to allow the proper authority to enforce a law to
25 recover a debt or obligation owed to the local government. The information
26 obtained by the local government is confidential and may not be used or
27 disclosed for any purpose other than the collection of a debt or obligation
28 owed to that local government. The administrator may charge a reasonable
29 fee for the cost of providing the requested information.

30 5. The administrator may publish or otherwise provide information on
31 the names of employers, their addresses, their type or class of business or
32 industry, and the approximate number of employees employed by each such
33 employer, if the information released will assist unemployed persons to
34 obtain employment or will be generally useful in developing and
35 diversifying the economic interests of this state. Upon request by a state
36 agency which is able to demonstrate that its intended use of the information
37 will benefit the residents of this state, the administrator may, in addition to
38 the information listed in this subsection, disclose the number of employees
39 employed by each employer and the total wages paid by each employer.
40 The administrator may charge a fee to cover the actual costs of any
41 administrative expenses relating to the disclosure of this information to a
42 state agency. The administrator may require the state agency to certify in

1 writing that the agency will take all actions necessary to maintain the
2 confidentiality of the information and prevent its unauthorized disclosure.

3 6. Upon request therefor the administrator shall furnish to any agency
4 of the United States charged with the administration of public works or
5 assistance through public employment, and may furnish to any state agency
6 similarly charged, the name, address, ordinary occupation ~~and~~ and
7 employment status of each recipient of benefits and the recipient's rights to
8 further benefits pursuant to this chapter.

9 7. To further a current criminal investigation, the chief executive
10 officer of any law enforcement agency of this state may submit a written
11 request to the administrator that he furnish, from the records of the division,
12 the name, address and place of employment of any person listed in the
13 records of employment of the division. The request must set forth the social
14 security number of the person about whom the request is made and contain
15 a statement signed by the chief executive officer certifying that the request
16 is made to further a criminal investigation currently being conducted by the
17 agency. Upon receipt of such a request, the administrator shall furnish the
18 information requested. He may charge a fee to cover the actual costs of any
19 related administrative expenses.

20 8. In addition to the provisions of subsection 5, the administrator shall
21 provide lists containing the names and addresses of employers, the number
22 of employees employed by each employer and the total wages paid by each
23 employer to the department of taxation, upon request, for use in verifying
24 returns for the business tax. The administrator may charge a fee to cover
25 the actual costs of any related administrative expenses.

26 9. ~~{The manager of the state industrial insurance system or a}~~ A private
27 carrier that provides industrial insurance in this state shall submit to the
28 administrator a list containing the name of each person who received
29 benefits pursuant to chapters 616A to 616D, inclusive, or 617 of NRS
30 during the preceding month and request that he compare the information so
31 provided with the records of the division regarding persons claiming
32 benefits pursuant to chapter 612 of NRS for the same period. The
33 information submitted by the ~~{manager or the}~~ private carrier must be in a
34 form determined by the administrator and must contain the social security
35 number of each such person. Upon receipt of the request, the administrator
36 shall make such a comparison and, if it appears from the information
37 submitted that a person is simultaneously claiming benefits under chapter
38 612 of NRS and under chapters 616A to 616D, inclusive, or 617 of NRS,
39 the administrator shall notify the attorney general or any other appropriate
40 law enforcement agency. The administrator shall charge a fee to cover the
41 actual costs of any related administrative expenses.

42 10. The administrator may request the Comptroller of the Currency of
43 the United States to cause an examination of the correctness of any return

1 or report of any national banking association rendered pursuant to the
2 provisions of this chapter, and may in connection with the request transmit
3 any such report or return to the Comptroller of the Currency of the United
4 States as provided in Section 3305(c) of the Internal Revenue Code of
5 1954.

6 11. If any employee or member of the board of review, ~~for~~ the
7 administrator or any employee of the administrator, in violation of the
8 provisions of this section, discloses information obtained from any
9 employing unit or person in the administration of this chapter, or if any
10 person who has obtained a list of applicants for work, or of claimants or
11 recipients of benefits pursuant to this chapter uses or permits the use of the
12 list for any political purpose, he is guilty of a gross misdemeanor.

13 12. All letters, reports or communications of any kind, oral or written,
14 from the employer or employee to each other or to the division or any of its
15 agents, representatives or employees are privileged and must not be the
16 subject matter or basis for any lawsuit if the letter, report or communication
17 is written, sent, delivered or prepared pursuant to the requirements of this
18 chapter.

19 **Sec. 2.** Chapter 616A of NRS is hereby amended by adding thereto the
20 provisions set forth as sections 3 and 4 of this act.

21 **Sec. 3.** *If there is a conflict between the provisions of chapters 616A*
22 *to 617, inclusive, of NRS and the provisions of Title 57 of NRS, the*
23 *provisions of chapters 616A to 617, inclusive, of NRS control.*

24 **Sec. 4.** *“State industrial insurance system” means that entity*
25 *established by section 79 of chapter 642, Statutes of Nevada 1981, at*
26 *page 1449.*

27 **Sec. 5.** NRS 616A.015 is hereby amended to read as follows:

28 616A.015 1. All premiums, contributions, penalties, money,
29 properties, securities, funds, deposits, contracts and awards received,
30 collected, acquired, established or made by the ~~{Nevada industrial~~
31 ~~commission before July 1, 1947, and under the provisions of chapter 111,~~
32 ~~Statutes of Nevada 1913,}~~ *state industrial insurance system under the*
33 *provisions of chapters 616A to 617, inclusive, of NRS before January 1,*
34 *2000,* continue in full force and effect, and the rights, obligations and
35 liabilities of the ~~{commission}~~ *system* thereunder must be assumed and
36 performed by the ~~{system created in chapters 616A to 616D, inclusive, of~~
37 ~~NRS.}~~ *successor organization of the system.*

38 2. All proceedings must be had and rights determined under the
39 provisions of ~~{chapter 111, Statutes of Nevada 1913, and acts amendatory~~
40 ~~thereof and supplemental thereto,}~~ *chapters 616A to 617, inclusive, of*
41 *NRS* on any claims or actions pending or causes of action existing on ~~{June~~
42 ~~30, 1947.}~~ *December 31, 1999.*

1 **Sec. 6.** NRS 616A.025 is hereby amended to read as follows:
2 616A.025 As used in chapters 616A to 616D, inclusive, of NRS,
3 unless the context otherwise requires, the words and terms defined in NRS
4 616A.030 to 616A.360, inclusive, *and section 4 of this act*, have the
5 meanings ascribed to them in those sections.

6 **Sec. 7.** NRS 616A.045 is hereby amended to read as follows:
7 616A.045 “Advisory organization” means the organization designated
8 and licensed by the commissioner to file the classifications of risks for
9 private carriers ~~and the system~~ pursuant to chapters 616A to 616D,
10 inclusive, and chapter 686B of NRS.

11 **Sec. 8.** NRS 616A.127 is hereby amended to read as follows:

12 616A.127 ~~1. Any:~~

13 ~~—(a)~~ **Any:**

14 **1.** Teacher who, as part of the program to offer pupils who are enrolled
15 in grades 7 through 12, inclusive, the skills to make the transition from
16 school to careers established pursuant to NRS 388.368, works without pay
17 for an employer other than the school district, university or community
18 college with which the teacher is employed, and is not specifically covered
19 by any other provisions of chapters 616A to 616D, inclusive, of NRS,
20 while engaging in that work; or

21 ~~[(b)]~~ **2.** Pupil who, as part of the program to offer pupils who are
22 enrolled in grades 7 through 12, inclusive, the skills to make the transition
23 from school to careers established pursuant to NRS 388.368, works without
24 pay for an employer,
25 shall be deemed for the purposes of chapters 616A to 616D, inclusive, of
26 NRS to be an employee of that employer at the wage of \$900 per month.
27 The teacher or pupil is entitled to the benefits of those chapters when the
28 employer complies with the provisions of those chapters and the regulations
29 adopted pursuant thereto.

30 ~~2. A person who is insured by the system and is deemed to be the~~
31 ~~employer of a teacher or pupil pursuant to subsection 1 shall:~~

32 ~~—(a) Report to the insurer the name of the teacher or pupil and the~~
33 ~~classification of risk assigned for the teacher or pupil; and~~

34 ~~—(b) Pay the premium for each month or portion thereof for which the~~
35 ~~teacher or pupil performs work without pay for the employer.]~~

36 **Sec. 9.** NRS 616A.270 is hereby amended to read as follows:

37 616A.270 “Insurer” includes:

38 1. ~~1. The state industrial insurance system;~~

39 ~~2.]~~ A self-insured employer;

40 ~~3.]~~ **2.** An association of self-insured public employers;

41 ~~4.]~~ **3.** An association of self-insured private employers; and

42 ~~5.]~~ **4.** A private carrier.

1 **Sec. 10.** NRS 616A.290 is hereby amended to read as follows:

2 616A.290 "Private carrier" means any insurer or the legal
3 representative of an insurer authorized to provide industrial insurance
4 pursuant to chapters 616A to 617, inclusive, of NRS. The term does not
5 include a self-insured employer ~~or~~ or an association of self-insured public
6 or private employers. ~~for the system.~~

7 **Sec. 11.** NRS 616A.400 is hereby amended to read as follows:

8 616A.400 The administrator shall:

9 1. Prescribe by regulation the time within which adjudications and
10 awards must be made.

11 2. Regulate forms of notices, claims and other blank forms deemed
12 proper and advisable.

13 3. Prescribe by regulation the methods by which an insurer may
14 approve or reject claims, and may determine the amount and nature of
15 benefits payable in connection therewith.

16 4. Prescribe by regulation the method for reimbursing an injured
17 employee for expenses necessarily incurred for travel more than 20 miles
18 one way from his residence or place of employment to his destination as a
19 result of an industrial injury.

20 5. Determine whether an insurer has provided adequate facilities in this
21 state to administer claims and for the retention of a file on each claim.

22 6. Evaluate the services of private carriers ~~and the system~~ provided to
23 employers in:

24 (a) Controlling losses; and

25 (b) Providing information on the prevention of industrial accidents or
26 occupational diseases.

27 7. Conduct such investigations and examinations of insurers as he
28 deems reasonable to determine whether any person has violated the
29 provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS or
30 to obtain information useful to enforce or administer these chapters.

31 8. Except with respect to any matter committed by specific statute to
32 the regulatory authority of another person or agency, adopt such other
33 regulations as he deems necessary to carry out the provisions of chapters
34 616A to 617, inclusive, of NRS.

35 **Sec. 12.** NRS 616A.465 is hereby amended to read as follows:

36 616A.465 1. Except as otherwise provided in this section, the
37 division shall:

38 (a) Regulate insurers pursuant to chapters 616A to 617, inclusive, of
39 NRS; ~~and~~

40 (b) Investigate insurers regarding compliance with statutes and the
41 division's regulations ~~or~~;

42 (c) *Determine whether an employee leasing company is entitled to a*
43 *certificate of registration pursuant to NRS 616B.673; and*

1 ***(d) Regulate employee leasing companies pursuant to the provisions***
2 ***of NRS 616B.670 to 616B.697, inclusive.***

3 2. The commissioner is responsible for reviewing rates, investigating
4 the solvency of insurers, authorizing private carriers pursuant to chapter
5 680A of NRS and certifying:

6 (a) Self-insured employers pursuant to NRS 616B.300 to 616B.330,
7 inclusive, and 616B.336;

8 (b) Associations of self-insured public or private employers pursuant to
9 NRS 616B.350 to 616B.446, inclusive; and

10 (c) Third-party administrators pursuant to chapter 683A of NRS.

11 3. The department of administration is responsible for contested claims
12 relating to industrial insurance pursuant to NRS 616C.310 to 616C.385,
13 inclusive. The administrator is responsible for administrative appeals
14 pursuant to NRS 616B.215.

15 4. The Nevada attorney for injured workers is responsible for legal
16 representation of claimants pursuant to NRS 616A.435 to 616A.460,
17 inclusive, and 616D.120.

18 5. The division is responsible for the investigation of complaints. If a
19 complaint is filed with the division, the administrator shall cause to be
20 conducted an investigation which includes a review of relevant records and
21 interviews of affected persons. If the administrator determines that a
22 violation may have occurred, the administrator shall proceed in accordance
23 with the provisions of NRS 616D.120 and 616D.130.

24 **Sec. 13.** NRS 616A.470 is hereby amended to read as follows:

25 616A.470 1. Except as otherwise provided in subsection 2, each self-
26 insured employer, association of self-insured public or private employers
27 and private carrier shall compensate the ~~{system, the}~~ office of the Nevada
28 attorney for injured workers or the hearings division of the department of
29 administration, as appropriate, for all services which the ~~{system, the}~~
30 occupational safety and health review board, the Nevada attorney for
31 injured workers, the mediators and the appeals officers provide to those
32 employers. The cost of any service must be negotiated by the employer,
33 association or private carrier, and ~~{the system,}~~ the Nevada attorney for
34 injured workers or the division, as appropriate, before the employer,
35 association or private carrier is charged for the service.

36 2. All compensation must be on the basis of actual cost and not on a
37 basis which includes any subsidy for the ~~{system, the}~~ office of the Nevada
38 attorney for injured workers, the division or other employers.

39 **Sec. 14.** NRS 616A.475 is hereby amended to read as follows:

40 616A.475 1. ~~{Every employer insured by the system shall furnish the~~
41 ~~system or the administrator, upon request, all information required to carry~~
42 ~~out the purposes of chapters 616A to 616D, inclusive, of NRS. The~~
43 ~~administrator, or any person employed by the administrator for that~~

1 ~~purpose, may examine, under oath, any employer or officer, agent or~~
2 ~~employee thereof.~~

3 ~~—2.]~~ Every self-insured employer, association of self-insured public or
4 private employers or private carrier shall furnish to the administrator, upon
5 request, all information required to carry out the purposes of chapters 616A
6 to 616D, inclusive, of NRS. The administrator or any person employed by
7 him for that purpose, may examine, under oath, any employer or officer,
8 agent or employee thereof.

9 ~~[3.]~~ 2. Every insured employer shall keep on hand constantly a
10 sufficient supply of blank forms furnished by the insurer.

11 **Sec. 15.** NRS 616A.485 is hereby amended to read as follows:

12 616A.485 ~~[1.—The books, records and payrolls of an employer~~
13 ~~insured by the system must be open to inspection by the administrator, the~~
14 ~~system or its auditor or agent or by auditors of the department of taxation to~~
15 ~~determine:~~

16 ~~—(a) The accuracy of the payroll;~~

17 ~~—(b) The number of persons employed; and~~

18 ~~—(c) Any other information necessary for the administration of chapters~~
19 ~~616A to 617, inclusive, of NRS.~~

20 ~~—2.]~~ The books, records and payroll of an employer who is self-insured,
21 a member of an association of self-insured public or private employers or
22 insured by a private carrier must be open to inspection by the administrator
23 or his auditor or agent ~~[in the manner prescribed in subsection 1.]~~ to

24 ~~determine:~~

25 *1. The accuracy of the payroll;*

26 *2. The number of persons employed; and*

27 *3. Any other information necessary for the administration of*
28 *chapters 616A to 617, inclusive, of NRS.*

29 **Sec. 16.** Chapter 616B of NRS is hereby amended by adding thereto
30 the provisions set forth as sections 17 to 20, inclusive, of this act.

31 **Sec. 17. 1.** *The chief executive officer of any successor*
32 *organization to the state industrial insurance system shall continue to*
33 *hold in trust any money paid to the system for the purpose of providing*
34 *compensation for industrial accidents and occupational diseases and*
35 *administrative expenses incidental thereto. The successor organization*
36 *shall use that money only for the purpose for which it was paid.*

37 *2. If any successor organization to the state industrial insurance*
38 *system ceases to provide industrial insurance in this state, all money held*
39 *in trust pursuant to subsection 1 must be delivered to the commissioner*
40 *on a date that ensures that all benefits will be paid to qualified claimants*
41 *under policies of industrial insurance previously issued by the state*
42 *industrial insurance system or the successor organization. The*

1 *commissioner shall deposit the money delivered to him pursuant to this*
2 *subsection in the state insurance fund.*

3 **Sec. 18. 1.** *There is hereby established in the state treasury the*
4 *state insurance fund. The commissioner shall administer the fund.*

5 **2.** *The money in the fund may be invested by the state treasurer in*
6 *accordance with the provisions of NRS 355.140, 355.150 and 355.160.*

7 **3.** *Any money delivered to the commissioner pursuant to section 17*
8 *of this act and NRS 696B.360 must be deposited in the fund and be held*
9 *in trust by the commissioner as custodian thereof for the purpose of*
10 *providing compensation for industrial accidents and occupational*
11 *diseases and for administrative expenses incidental thereto.*

12 **Sec. 19. 1.** *Any successor organization to the state industrial*
13 *insurance system may take as credit as an asset or as a deduction from*
14 *liability on account of reinsurance for reinsurance ceded to an assuming*
15 *alien insurer with security based on discounted reserves for losses that*
16 *were maintained by the system for accounting periods beginning before*
17 *July 1, 1995, at a rate not to exceed 6 percent.*

18 **2.** *As used in this section, "alien insurer" has the meaning ascribed*
19 *to it in NRS 679A.090.*

20 **Sec. 20. 1.** *Except as otherwise provided in this section, all officers*
21 *and employees of the system are exempt from the provisions of chapter*
22 *284 of NRS and are entitled to such terms and conditions of employment*
23 *as the manager prescribes.*

24 **2.** *An employee hired by the system as a classified employee before*
25 *July 1, 1999, retains his rights to reemployment, including, without*
26 *limitation, the right to be placed on an appropriate reemployment list*
27 *maintained by the department of personnel and to be allowed a*
28 *preference on that list. The department of personnel shall maintain such*
29 *an employee on the reemployment list for at least 24 months after the*
30 *effective date of the layoff or until he is reemployed by the executive*
31 *branch of state government, whichever occurs earlier.*

32 **3.** *The manager shall comply with, and the officers and employees of*
33 *the system are entitled to the rights and privileges granted by, those*
34 *provisions of chapter 284 of NRS governing:*

35 *(a) Sick and disability leave as set forth on NRS 284.355;*

36 *(b) Annual leave as set forth in NRS 284.350;*

37 *(c) Catastrophic leave as set forth in NRS 284.362 to 284.3626,*
38 *inclusive;*

39 *(d) Leave of absence for military service as set forth in NRS 284.365;*

40 *(e) Leave of absence without pay as set forth in NRS 284.360; and*

41 *(f) The plan to encourage continuity of service as set forth in NRS*
42 *284.177.*

1 **4. If the manager lays off an employee described in subsection 2, the**
2 **manager shall:**

3 **(a) Give the employee at least 60 days' written notice before the**
4 **effective date of the layoff; and**

5 **(b) Provide the department of personnel with such information as is**
6 **necessary for the department to ensure the employee receives his rights to**
7 **reemployment.**

8 **5. As used in this section, "rights to reemployment" means all rights**
9 **to be reemployed by the executive branch of state government established**
10 **by the provisions of chapter 284 of NRS and the regulations adopted**
11 **pursuant thereto. The term does not include the right to displace another**
12 **person employed by the executive branch of state government in lieu of**
13 **being laid off.**

14 **Sec. 21.** NRS 616B.027 is hereby amended to read as follows:

15 616B.027 1. Every insurer shall provide:

16 (a) An office in this state operated by the insurer or its third-party
17 administrator in which:

18 (1) A complete file of each claim is kept;

19 (2) Persons authorized to act for the insurer and, if necessary, licensed
20 pursuant to chapter 683A of NRS, may receive information related to a
21 claim and provide the services to an employer and his employees required
22 by chapters 616A to 617, inclusive, of NRS; and

23 (3) An employee or his employer, upon request, is provided with
24 information related to a claim filed by the employee or a copy of the
25 information from the file for that claim.

26 (b) Statewide, toll-free telephone service to that office or accept collect
27 calls from injured employees.

28 2. ~~{The system and each}~~ **Each** private carrier shall provide:

29 (a) Adequate services to its insured employers in controlling losses; and

30 (b) Adequate information on the prevention of industrial accidents and
31 occupational diseases.

32 **Sec. 22.** NRS 616B.030 is hereby amended to read as follows:

33 616B.030 1. Every policy of insurance issued by a private carrier :

34 ~~{for the system:}~~

35 (a) Must be in writing;

36 (b) Must contain the insuring agreements and exclusions;

37 (c) Is subject to chapters 616A to 617, inclusive, of NRS and regulations
38 adopted pursuant to those chapters; and

39 (d) If it contains a provision inconsistent with this chapter or chapter
40 616A, 616C, 616D or 617 of NRS, shall be deemed to be reformed to
41 conform with that chapter.

42 2. The commissioner shall, by regulation, prescribe the basic policy to
43 be used by private carriers.

1 **Sec. 23.** NRS 616B.036 is hereby amended to read as follows:

2 616B.036 1. ~~{The system and private carriers}~~ **A private carrier** may
3 provide industrial insurance for an organization or association of employers
4 as a group if:

5 (a) The members of the group or organization are engaged in a common
6 trade or business; and

7 (b) The formation and operation of a program of industrial insurance for
8 the organization or association will substantially assist in the handling of
9 claims and the prevention of accidents for the employers as a group.

10 2. The commissioner must approve each group or organization before a
11 policy of industrial insurance may be issued to it.

12 3. The commissioner shall adopt regulations for the qualification of
13 groups for industrial insurance.

14 **Sec. 24.** NRS 616B.050 is hereby amended to read as follows:

15 616B.050 1. The state industrial insurance system is hereby
16 established as an independent actuarially funded system to insure
17 employers against liability for injuries and occupational diseases for which
18 their employees may be entitled to receive compensation pursuant to
19 chapters 616A to 616D, inclusive, of NRS or chapter 617 of NRS, and the
20 federal ~~{Longshoremen's}~~ **Longshore** and Harbor Workers' Compensation
21 Act ~~{H}~~, **33 U.S.C. §§ 901 et seq.** The system may create one or more
22 entities to carry out the business of the system, which may be operated
23 under any legal name in addition to the state industrial insurance system on
24 behalf of the system.

25 2. The system is a public agency which administers and is supported by
26 the state insurance fund. The executive and legislative departments of the
27 state government shall regularly review the system.

28 3. The system is entitled but not required to use any services provided
29 to state agencies. ~~{Except as otherwise provided for specified positions, its~~
30 ~~employees are in the classified service of the state.}~~

31 **Sec. 25.** NRS 616B.065 is hereby amended to read as follows:

32 616B.065 1. The manager shall select assistant managers who are ~~{in~~
33 ~~the unclassified service of the state and are}~~ entitled to receive annual
34 salaries fixed by the manager.

35 2. The assistant managers shall serve at the pleasure of the manager.

36 3. The assistant managers must be graduates of a 4-year college or
37 university with a degree in business administration or public administration
38 or an equivalent degree.

39 **Sec. 26.** NRS 616B.068 is hereby amended to read as follows:

40 616B.068 The manager is ~~{in the unclassified service of the state but~~
41 ~~is}~~ entitled to receive an annual salary fixed by the governor.

Sec. 27. NRS 616B.083 is hereby amended to read as follows:

616B.083 1. The money and assets held in trust by the system include:

(a) All premiums and other money paid to the system;

(b) All property and securities acquired through the use of money in the state insurance fund; and

(c) All interest and dividends earned upon money in the state insurance fund and deposited or invested as provided in chapters 616A to 616D, inclusive, of NRS.

2. The system shall ~~1.~~

~~—(a) Report to the commissioner only its financial statement and results of operations for the account for current claims in accordance with those accounting principles that are prescribed by the commissioner and applied to other insurers providing coverage for workers' compensation.~~

~~—(b) Discount~~ **discount** its reserve for losses for accounting periods beginning on or after July 1, 1995, at a rate determined by the manager, but not to exceed 4 percent.

~~[(c) Allocate to the account for the administration of extended claims created pursuant to NRS 616B.087 \$650,000,000 in invested assets.]~~

Sec. 28. NRS 616B.086 is hereby amended to read as follows:

616B.086 1. ~~[(Except as otherwise provided in subsection 3, all premiums, contributions, penalties, bonds, securities and all other properties received, collected or acquired by the system pursuant to the terms of chapters 616A to 616D, inclusive, of NRS:~~

~~—(a) Must be credited on the records of the system to the state insurance fund.~~

~~—(b) Constitute, for the purpose of custody thereof, the state insurance fund, which must be held by the manager as custodian thereof for the benefit of employees and their dependents within the provisions of chapters 616A to 616D, inclusive, of NRS. The manager is liable on his official bond for the faithful performance of his custodial duty.~~

~~—2.]~~ The commissioner or the administrator may delegate to a hearing officer or panel his authority to take any disciplinary action pursuant to NRS 616B.318, 616B.321, 616B.350 to 616B.446, inclusive, 616B.472 or 616D.120, impose and collect administrative fines pursuant to those sections and deposit the money in the fund for workers' compensation and safety.

~~[(3.)~~ **2.** If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection ~~[(2)]~~ **1** and the commissioner or the administrator deposits the money collected from the imposition of administrative fines with the state treasurer for credit to the state general

1 fund, he may present a claim to the state board of examiners for
2 recommendation to the interim finance committee if money is needed to
3 pay attorney's fees or the costs of an investigation, or both.

4 **Sec. 29.** NRS 616B.167 is hereby amended to read as follows:

5 616B.167 The manager:

6 1. Has full power, authority and jurisdiction over the system.

7 2. May perform all acts necessary or convenient in the exercise of any
8 power, authority or jurisdiction over the system, either in the administration
9 of the system or in connection with the business of insurance to be carried
10 on by the system under the provisions of chapters 616A to 616D, inclusive,
11 of NRS, including the establishment of premium rates.

12 3. May appoint ~~{in the unclassified service of the state no}~~ **not** more
13 than five persons, engaged in management, who report directly to the
14 manager or an assistant manager. The manager shall designate these
15 positions, and may not change them without the approval of the personnel
16 commission. These persons are entitled to receive annual salaries fixed by
17 the manager.

18 **Sec. 30.** NRS 616B.185 is hereby amended to read as follows:

19 616B.185 1. Any offender confined at the state prison, while engaged
20 in work in a prison industry or work program, whether the program is
21 operated by an institution of the department of prisons, by contract with a
22 public entity or by a private employer, is entitled to coverage under the
23 modified program of industrial insurance established by regulations
24 adopted by the ~~{system when}~~ **administrator if** the director of the
25 department of prisons ~~{requests such coverage and}~~ complies with the
26 provisions of the regulations, and coverage is approved by ~~{the system.}~~ **a**
27 **private carrier.**

28 2. An offender is limited to the rights and remedies established by the
29 provisions of the modified program of industrial insurance established by
30 regulations adopted by the ~~{system.}~~ **administrator.** The offender is not
31 entitled to any rights and remedies established by the provisions of chapters
32 616A to 617, inclusive, of NRS.

33 3. The ~~{system}~~ **administrator** shall, in cooperation with the
34 department of prisons and the risk management division of the department
35 of administration, adopt regulations setting forth a modified program of
36 industrial insurance to provide offenders with industrial insurance against
37 personal injuries arising out of and in the course of their work in a prison
38 industry or work program.

39 **Sec. 31.** NRS 616B.194 is hereby amended to read as follows:

40 616B.194 Each insurer shall cooperate with the commissioner in the
41 performance of his duties pursuant to chapters 616A to 616D, inclusive, of
42 NRS. Each private carrier ~~{and the system}~~ shall provide the commissioner

1 with any information, statistics or data in its records which pertain to any
2 employer who is making an application to become self-insured or who is
3 self-insured, or who is becoming or who is a member of an association of
4 self-insured public or private employers.

5 **Sec. 32.** NRS 616B.224 is hereby amended to read as follows:

6 616B.224 1. Every employer who is not a self-insured employer or a
7 member of an association of self-insured public or private employers shall,
8 at intervals established by his insurer, furnish the insurer with a true and
9 accurate payroll showing:

10 (a) The total amount paid to employees for services performed;

11 (b) The amount of tips reported to him by every employee pursuant to
12 26 U.S.C. § 6053(a) whose tips in cash totaled \$20 or more; and

13 (c) A segregation of employment in accordance with the requirements of
14 the commissioner,

15 together with the premium due thereon. The payroll and premium must be
16 furnished to the insurer on or before the date established by the insurer for
17 the receipt of the payroll and premium.

18 2. Any employer by agreement in writing with the insurer may arrange
19 for the payment of premiums in advance at an interval established by the
20 insurer.

21 3. ~~{Failure}~~ *The failure* of any employer to comply with the provisions
22 of this section ~~{and NRS 616B.218}~~ operates as a rejection of chapters
23 616A to 616D, inclusive, *and chapter 617* of NRS . ~~{, effective at the~~
24 ~~expiration of the period covered by his estimate.}~~ The insurer shall notify
25 the administrator of each such rejection ~~{,}~~ *within the period specified in*
26 *NRS 616B.460.*

27 4. If an audit of the accounts or actual payroll of an employer shows
28 that the actual premium earned exceeds the estimated premium paid in
29 advance, the insurer may require the payment of money sufficient to cover
30 the deficit, together with such *an* amount as in his judgment constitutes an
31 adequate advance premium for the period covered by the estimate.

32 5. The insurer shall notify any employer or his representative by first-
33 class mail of any failure on his part to comply with the provisions of this
34 section. The notice or its omission does not modify or waive the
35 requirements or effective rejection of chapters 616A to 616D, inclusive, of
36 NRS as otherwise provided in those chapters.

37 6. ~~{The system may impose a penalty not to exceed 10 percent of the~~
38 ~~premiums which are due for the failure of an employer insured by the~~
39 ~~system to submit the information and premium required in subsection 1~~
40 ~~within the time allowed, unless the employer has applied for and been~~
41 ~~granted an extension of that time by the manager.~~

42 ~~—7.}~~ To the extent permitted by federal law, the insurer shall vigorously
43 pursue the collection of premiums that are due under the provisions of

1 chapters 616A to 616D, inclusive, of NRS even if an employer's debts have
2 been discharged in a bankruptcy proceeding.

3 **Sec. 33.** NRS 616B.227 is hereby amended to read as follows:

4 616B.227 1. An employer shall:

5 (a) Make a copy of each report that an employee files with the employer
6 pursuant to 26 U.S.C. § 6053(a) to report the amount of his tips to the
7 United States Internal Revenue Service;

8 (b) Submit the copy to ~~the system or~~ **his** private carrier upon request
9 and retain another copy for his records or, if the employer is self-insured or
10 a member of an association of self-insured public or private employers,
11 retain the copy for his records; and

12 (c) If he is not self-insured or a member of an association of self-insured
13 public or private employers, pay the ~~system or~~ private carrier the
14 premiums for the reported tips at the same rate as he pays on regular wages.

15 2. The division shall adopt regulations specifying the form of the
16 declaration required pursuant to subsection 1.

17 3. The ~~system,~~ private carrier, self-insured employer or association
18 shall calculate compensation for an employee on the basis of wages paid by
19 the employer plus the amount of tips reported by the employee pursuant to
20 26 U.S.C. § 6053. Reports made after the date of injury may not be used
21 for the calculation of compensation.

22 4. An employer shall notify his employees of the requirement to report
23 income from tips for the purposes of calculating his federal income tax and
24 for including the income in the computation of benefits pursuant to chapters
25 616A to 616D, inclusive, of NRS.

26 5. The administrator shall adopt such regulations as are necessary to
27 carry out the provisions of this section.

28 **Sec. 34.** NRS 616B.230 is hereby amended to read as follows:

29 616B.230 ~~{1.—As soon as possible after the expiration of each quarter~~
30 ~~year, every}~~ **Every** state office, department, board, commission, bureau,
31 agency or institution, operating by authority of law, and ~~{the auditor or~~
32 ~~comptroller of each county, and the clerk or other chief financial officer of}~~
33 each **county**, city, school district and other political subdivision ~~{insured by~~
34 ~~the system shall furnish the manager with an accurate payroll of the state~~
35 ~~office, department, board, commission, bureau, agency or institution, and~~
36 ~~county, metropolitan police department, city, or school district or other~~
37 ~~political subdivision showing:~~

38 ~~—(a) The aggregate number of shifts worked during the preceding quarter.~~

39 ~~—(b) The total amount paid to employees for services performed during~~
40 ~~the quarter.~~

41 ~~—(c) A segregation of employment in accordance with the requirements of~~
42 ~~the _____ system.~~

~~—2.— Each of the state offices, departments, boards, commissions, bureaus, agencies and institutions shall submit claims for the amount of premiums due to the system. Each of the auditors, comptrollers, clerks and other chief financial officers shall make up and submit to the respective governing boards of the appropriate county, metropolitan police department, city, school district or other political subdivision, for approval, claims for the amount of premiums due to the system.~~

~~—3.— Each public employer described in this section~~ *of this state* shall budget for industrial insurance in the same manner as for other expenses and, if insured by a private carrier, shall pay premiums as required by its contract.

Sec. 35. NRS 616B.386 is hereby amended to read as follows:

616B.386 1. If an employer wishes to become a member of an association of self-insured public or private employers, the employer must:

(a) Submit an application for membership to the board of trustees or third-party administrator of the association; and

(b) Enter into an indemnity agreement as required by NRS 616B.353.

2. The membership of the applicant becomes effective when each member of the association approves the application or on a later date specified by the association. The application for membership and the action taken on the application must be maintained as permanent records of the board of trustees.

3. Each member who is a member of an association during the 12 months immediately following the formation of the association must:

(a) Have a tangible net worth of at least \$500,000; or

(b) Have had a reported payroll for the previous 12 months which would have resulted in a manual premium ~~{calculated according to the regulations adopted pursuant to NRS 616B.206}~~ of at least \$15,000 ~~[.]~~, *calculated in accordance with a manual prepared pursuant to subsection 4 of NRS 686B.1765.*

Any employer who seeks to become a member of the association subsequently must meet the requirement set forth in paragraph (a) or (b) unless the commissioner adjusts the requirement for membership in the association after conducting an annual review of the actuarial solvency of the association pursuant to subsection 1 of NRS 616B.353.

4. Except as otherwise provided in NRS 616B.389, a member of an association may terminate his membership at any time. To terminate his membership, a member must submit to the association's administrator a notice of intent to withdraw from the association at least 120 days before the effective date of withdrawal. The association's administrator shall, within 10 days after receipt of the notice, notify the commissioner of the employer's intent to withdraw from the association.

1 5. The members of an association may cancel the membership of any
2 member of the association in accordance with the bylaws of the association.

3 6. The association shall:

4 (a) Notify the commissioner and the administrator of the termination or
5 cancellation of the membership of any member of the association within 10
6 days after the termination or cancellation; and

7 (b) At the expense of the member whose membership is terminated or
8 canceled, maintain coverage for that member for 30 days after notice is
9 given pursuant to paragraph (a), unless the association first receives notice
10 from the administrator that the member has:

11 (1) Become insured by the system;

12 (2) Been certified as a self-insured employer pursuant to NRS
13 616B.312;

14 (3) Become a member of another association of self-insured public or
15 private employers; or

16 (4) Become insured by a private carrier.

17 7. If a member of an association changes his name or form of
18 organization, the member remains liable for any obligations incurred or any
19 responsibilities imposed pursuant to chapters 616A to 617, inclusive, of
20 NRS under his former name or form of organization.

21 8. An association is liable for the payment of any compensation
22 required to be paid by a member of the association pursuant to chapters
23 616A to 616D, inclusive, or chapter 617 of NRS during his period of
24 membership. The insolvency or bankruptcy of a member does not relieve
25 the association of liability for the payment of the compensation.

26 **Sec. 36.** NRS 616B.386 is hereby amended to read as follows:

27 616B.386 1. If an employer wishes to become a member of an
28 association of self-insured public or private employers, the employer must:

29 (a) Submit an application for membership to the board of trustees or
30 third-party administrator of the association; and

31 (b) Enter into an indemnity agreement as required by NRS 616B.353.

32 2. The membership of the applicant becomes effective when each
33 member of the association approves the application or on a later date
34 specified by the association. The application for membership and the action
35 taken on the application must be maintained as permanent records of the
36 board of trustees.

37 3. Each member who is a member of an association during the 12
38 months immediately following the formation of the association must:

39 (a) Have a tangible net worth of at least \$500,000; or

40 (b) Have had a reported payroll for the previous 12 months which would
41 have resulted in a manual premium of at least \$15,000, calculated in
42 accordance with a manual prepared pursuant to subsection 4 of NRS
43 686B.1765.

1 Any employer who seeks to become a member of the association
2 subsequently must meet the requirement set forth in paragraph (a) or (b)
3 unless the commissioner adjusts the requirement for membership in the
4 association after conducting an annual review of the actuarial solvency of
5 the association pursuant to subsection 1 of NRS 616B.353.

6 4. ~~{Except as otherwise provided in NRS 616B.389, a}~~ A member of an
7 association may terminate his membership at any time. To terminate his
8 membership, a member must submit to the association's administrator a
9 notice of intent to withdraw from the association at least 120 days before
10 the effective date of withdrawal. The association's administrator shall,
11 within 10 days after receipt of the notice, notify the commissioner of the
12 employer's intent to withdraw from the association.

13 5. The members of an association may cancel the membership of any
14 member of the association in accordance with the bylaws of the association.

15 6. The association shall:

16 (a) Notify the commissioner and the administrator of the termination or
17 cancellation of the membership of any member of the association within 10
18 days after the termination or cancellation; and

19 (b) At the expense of the member whose membership is terminated or
20 canceled, maintain coverage for that member for 30 days after notice is
21 given pursuant to paragraph (a), unless the association first receives notice
22 from the administrator that the member has:

23 (1) ~~{Become insured by the system;~~

24 ~~—(2)}~~ Been certified as a self-insured employer pursuant to NRS
25 616B.312;

26 ~~{(3)}~~ (2) Become a member of another association of self-insured
27 public or private employers; or

28 ~~{(4)}~~ (3) Become insured by a private carrier.

29 7. If a member of an association changes his name or form of
30 organization, the member remains liable for any obligations incurred or any
31 responsibilities imposed pursuant to chapters 616A to 617, inclusive, of
32 NRS under his former name or form of organization.

33 8. An association is liable for the payment of any compensation
34 required to be paid by a member of the association pursuant to chapters
35 616A to 616D, inclusive, or chapter 617 of NRS during his period of
36 membership. The insolvency or bankruptcy of a member does not relieve
37 the association of liability for the payment of the compensation.

38 **Sec. 37.** NRS 616B.460 is hereby amended to read as follows:

39 616B.460 1. An employer may elect to purchase industrial insurance
40 from a private carrier for his employees pursuant to chapters 616A to 617,
41 inclusive, of NRS.

42 2. An employer may elect to purchase insurance from an insurer other
43 than his present insurer if the employer has:

1 (a) Given at least 10 days' notice to the administrator of the change of
2 insurer; and

3 (b) Furnished evidence satisfactory to the administrator that the payment
4 of compensation has otherwise been secured.

5 3. Each private carrier ~~{and the system}~~ shall notify the administrator if
6 an employer has changed his insurer or has allowed his insurance to lapse,
7 within 24 hours or by the end of the next working day after the insurer has
8 notice of the change or lapse.

9 **Sec. 38.** NRS 616B.500 is hereby amended to read as follows:

10 616B.500 1. An insurer may enter into a contract to have his plan of
11 insurance administered by a third-party administrator.

12 2. An insurer shall not enter into a contract with any person for the
13 administration of any part of the plan of insurance unless that person
14 maintains an office in this state and has a valid certificate issued by the
15 commissioner pursuant to NRS 683A.085. ~~{The system may, as a part of a~~
16 ~~contract entered into with an organization for managed care pursuant to~~
17 ~~NRS 616B.515, require the organization to act as its third-party~~
18 ~~administrator.}~~

19 **Sec. 39.** NRS 616B.527 is hereby amended to read as follows:

20 616B.527 A self-insured employer, an association of self-insured
21 public or private employers or a private carrier may:

22 1. Enter into a contract or contracts with one or more organizations for
23 managed care to provide comprehensive medical and health care services to
24 employees for injuries and diseases that are compensable pursuant to
25 chapters 616A to 617, inclusive, of NRS.

26 2. Enter into a contract or contracts with providers of health care,
27 including, without limitation, physicians who provide primary care,
28 specialists, pharmacies, physical therapists, radiologists, nurses, diagnostic
29 facilities, laboratories, hospitals and facilities that provide treatment to
30 outpatients, to provide medical and health care services to employees for
31 injuries and diseases that are compensable pursuant to chapters 616A to
32 617, inclusive, of NRS.

33 3. ~~{Use the services of an organization for managed care that has~~
34 ~~entered into a contract with the manager pursuant to NRS 616B.515, but is~~
35 ~~not required to use such services.~~

36 ~~—4.}~~ Require employees to obtain medical and health care services for
37 their industrial injuries from those organizations and persons with whom
38 the self-insured employer, association or private carrier has contracted
39 pursuant to subsections 1 and 2, or as the self-insured employer, association
40 or private carrier otherwise prescribes.

41 ~~{5.}~~ 4. Require employees to obtain the approval of the self-insured
42 employer, association or private carrier before obtaining medical and health
43 care services for their industrial injuries from a provider of health care who

1 has not been previously approved by the self-insured employer, association
2 or private carrier.

3 **Sec. 40.** NRS 616B.554 is hereby amended to read as follows:

4 616B.554 1. There is hereby established as a special revenue fund in
5 the state treasury the subsequent injury fund for self-insured employers,
6 which may be used only to make payments in accordance with the
7 provisions of NRS 616B.557 and 616B.560. The board shall administer the
8 fund based upon recommendations made by the administrator pursuant to
9 subsection 8.

10 2. All assessments, penalties, bonds, securities and all other properties
11 received, collected or acquired by the board for the subsequent injury fund
12 for self-insured employers must be delivered to the custody of the state
13 treasurer.

14 3. All money and securities in the fund must be held by the state
15 treasurer as custodian thereof to be used solely for workers' compensation
16 for employees of self-insured employers.

17 4. The state treasurer may disburse money from the fund only upon
18 written order of the board.

19 5. The state treasurer shall invest money of the fund in the same
20 manner and in the same securities in which he is authorized to invest state
21 general funds which are in his custody. Income realized from the
22 investment of the assets of the fund must be credited to the fund.

23 6. The board shall adopt regulations for the establishment and
24 administration of assessment rates, payments and penalties. Assessment
25 rates must reflect the relative hazard of the employments covered by self-
26 insured employers, and must be based upon expected annual expenditures
27 for claims for payments from the subsequent injury fund for self-insured
28 employers. ~~[The system must not be required to pay any assessments,~~
29 ~~payments or penalties into the subsequent injury fund for self-insured~~
30 ~~employers, or any costs associated with the fund.]~~

31 7. The commissioner shall assign an actuary to review the
32 establishment of assessment rates. The rates must be filed with the
33 commissioner 30 days before their effective date. Any self-insured
34 employer who wishes to appeal the rate so filed must do so pursuant to
35 NRS 679B.310.

36 8. The administrator shall:

37 (a) Evaluate any claim submitted to the board for payment or
38 reimbursement from the subsequent injury fund for self-insured employers
39 and recommend to the board any appropriate action to be taken concerning
40 the claim; and

41 (b) Submit to the board any other recommendations relating to the fund.

1 **Sec. 41.** NRS 616B.575 is hereby amended to read as follows:

2 616B.575 1. There is hereby established as a special revenue fund in
3 the state treasury the subsequent injury fund for associations of self-insured
4 public or private employers, which may be used only to make payments in
5 accordance with the provisions of NRS 616B.578 and 616B.581. The
6 board shall administer the fund based upon recommendations made by the
7 administrator pursuant to subsection 8.

8 2. All assessments, penalties, bonds, securities and all other properties
9 received, collected or acquired by the board for the subsequent injury fund
10 for associations of self-insured public or private employers must be
11 delivered to the custody of the state treasurer.

12 3. All money and securities in the fund must be held by the state
13 treasurer as custodian thereof to be used solely for workers' compensation
14 for employees of members of associations of self-insured public or private
15 employers.

16 4. The state treasurer may disburse money from the fund only upon
17 written order of the board.

18 5. The state treasurer shall invest money of the fund in the same
19 manner and in the same securities in which he is authorized to invest state
20 general funds which are in his custody. Income realized from the
21 investment of the assets of the fund must be credited to the fund.

22 6. The board shall adopt regulations for the establishment and
23 administration of assessment rates, payments and penalties. Assessment
24 rates must reflect the relative hazard of the employments covered by
25 associations of self-insured public or private employers, and must be based
26 upon expected annual expenditures for claims for payments from the
27 subsequent injury fund for associations of self-insured public or private
28 employers. ~~¶The system must not be required to pay any assessments,~~
29 ~~payments or penalties into the subsequent injury fund for associations of~~
30 ~~self-insured public or private employers, or any costs associated with the~~
31 ~~fund.¶~~

32 7. The commissioner shall assign an actuary to review the
33 establishment of assessment rates. The rates must be filed with the
34 commissioner 30 days before their effective date. Any association of self-
35 insured public or private employers that wishes to appeal the rate so filed
36 must do so pursuant to NRS 679B.310.

37 8. The administrator shall:

38 (a) Evaluate any claim submitted to the board for payment or
39 reimbursement from the subsequent injury fund for associations of self-
40 insured public or private employers and recommend to the board any
41 appropriate action to be taken concerning the claim; and

42 (b) Submit to the board any other recommendations relating to the fund.

1 **Sec. 42.** NRS 616B.584 is hereby amended to read as follows:

2 616B.584 1. There is hereby established as a special revenue fund in
3 the state treasury the subsequent injury fund for private carriers, which may
4 be used only to make payments in accordance with the provisions of NRS
5 616B.587 and 616B.590. The administrator shall administer the fund.

6 2. All assessments, penalties, bonds, securities and all other properties
7 received, collected or acquired by the administrator for the subsequent
8 injury fund for private carriers must be delivered to the custody of the state
9 treasurer.

10 3. All money and securities in the fund must be held by the state
11 treasurer as custodian thereof to be used solely for workers' compensation
12 for employees whose employers are insured by private carriers.

13 4. The state treasurer may disburse money from the fund only upon
14 written order of the state controller.

15 5. The state treasurer shall invest money of the fund in the same
16 manner and in the same securities in which he is authorized to invest state
17 general funds which are in his custody. Income realized from the
18 investment of the assets of the fund must be credited to the fund.

19 6. The administrator shall adopt regulations for the establishment and
20 administration of assessment rates, payments and penalties. Assessment
21 rates must reflect the relative hazard of the employments covered by private
22 carriers and must be based upon expected annual expenditures for claims
23 for payments from the subsequent injury fund for private carriers. ~~The~~
24 ~~system must not be required to pay any assessments, payments or penalties~~
25 ~~into the subsequent injury fund for private carriers, or any costs associated~~
26 ~~with the fund.]~~

27 7. The commissioner shall assign an actuary to review the
28 establishment of assessment rates. The rates must be filed with the
29 commissioner 30 days before their effective date. Any private carrier who
30 wishes to appeal the rate so filed must do so pursuant to NRS 679B.310.

31 **Sec. 43.** NRS 616B.659 is hereby amended to read as follows:

32 616B.659 1. A sole proprietor may elect to be included within the
33 terms, conditions and provisions of chapters 616A to 616D, inclusive, of
34 NRS to secure for himself compensation equivalent to that to which an
35 employee is entitled for any accidental injury sustained by the sole
36 proprietor which arises out of and in the course of his self-employment by
37 filing a written notice of election with the administrator and ~~the system or~~
38 a private carrier.

39 2. A sole proprietor who elects to accept the terms, conditions and
40 provisions of chapters 616A to 616D, inclusive, of NRS shall submit to a
41 physical examination before his coverage commences. The ~~system or the~~
42 private carrier shall prescribe the scope of the examination and shall

1 consider it for rating purposes. The cost of the physical examination must
2 be paid by the sole proprietor.

3 3. A sole proprietor who elects to submit to the provisions of chapters
4 616A to 616D, inclusive, of NRS shall pay to the ~~{system or the}~~ private
5 carrier premiums in such manner and amounts as may be prescribed by the
6 regulations of the commissioner.

7 4. If a sole proprietor fails to pay all premiums required by the
8 regulations of the commissioner, the failure operates as a rejection of
9 chapters 616A to 616D, inclusive, of NRS.

10 5. A sole proprietor who elects to be included pursuant to the
11 provisions of chapters 616A to 616D, inclusive, of NRS remains subject to
12 all terms, conditions and provisions of those chapters and all regulations of
13 the commissioner until he files written notice with the administrator and the
14 ~~{system or the}~~ private carrier that he withdraws his election.

15 6. For ~~the~~ purposes of chapters 616A to 616D, inclusive, of NRS, a
16 sole proprietor shall be deemed to be receiving a wage of \$300 per month
17 unless, at least 90 days before any injury for which he requests coverage, he
18 files written notice with the administrator and the ~~{system or the}~~ private
19 carrier that he elects to pay an additional amount of premiums for
20 additional coverage. If the ~~{system or the}~~ private carrier receives the
21 additional premiums it requires for such additional coverage, the sole
22 proprietor shall be deemed to be receiving a wage of \$1,800 per month.

23 **Sec. 44.** NRS 616B.670 is hereby amended to read as follows:

24 616B.670 As used in NRS 616B.670 to 616B.697, inclusive, unless
25 the context otherwise requires:

26 1. “Applicant” means a person seeking a certificate of ~~{insurance}~~
27 ~~registration~~ pursuant to NRS 616B.670 to 616B.697, inclusive, to operate
28 an employee leasing company.

29 2. “Client company” means a company which leases employees, for a
30 fee, from an employee leasing company pursuant to a written or oral
31 agreement.

32 3. “Employee leasing company” means a company which, pursuant to a
33 written or oral agreement:

34 (a) Places any of the regular, full-time employees of a client company on
35 its payroll and, for a fee, leases them to the client company on a regular
36 basis without any limitation on the duration of their employment; or

37 (b) Leases to a client company:

38 (1) Five or more part-time or full-time employees; or

39 (2) Ten percent or more of the total number of employees within a
40 classification of risk established by the ~~{system.}~~ **commissioner.**

41 **Sec. 45.** NRS 616B.673 is hereby amended to read as follows:

42 616B.673 1. A person shall not operate an employee leasing
43 company in this state unless he has complied with the provisions of NRS

1 616B.670 to 616B.697, inclusive. The ~~{manager}~~ **administrator** shall issue
2 a certificate of ~~{insurance}~~ **registration** to each applicant who complies
3 with the provisions of NRS 616B.670 to 616B.697, inclusive.

4 2. Any person who violates the provisions of subsection 1 is guilty of a
5 misdemeanor.

6 3. Each certificate of ~~{insurance}~~ **registration** issued by the ~~{manager}~~
7 **administrator** pursuant to NRS 616B.670 to 616B.697, inclusive, expires 1
8 year after it is issued unless renewed before that date.

9 **Sec. 46.** NRS 616B.676 is hereby amended to read as follows:

10 616B.676 An applicant for the issuance or renewal of a certificate of
11 ~~{insurance}~~ **registration** must submit to the ~~{manager}~~ **administrator** a
12 written application upon a form provided by the ~~{manager.}~~ **administrator**.

13 **Sec. 47.** NRS 616B.679 is hereby amended to read as follows:

14 616B.679 1. Each application must include:

15 (a) The applicant's name and title of his position with the employee
16 leasing company.

17 (b) The applicant's age, place of birth and social security number.

18 (c) The applicant's address.

19 (d) The business address of the employee leasing company.

20 (e) The business address of the resident agent of the employee leasing
21 company, if the applicant is not the resident agent.

22 (f) If the applicant is a:

23 (1) Partnership, the name of the partnership and the name, address,
24 age, social security number and title of each partner.

25 (2) Corporation, the name of the corporation and the name, address,
26 age, social security number and title of each officer of the corporation.

27 (g) Proof of:

28 (1) The payment of any taxes required by chapter 364A of NRS.

29 (2) The payment of any premiums for industrial insurance required by
30 chapters 616A to 617, inclusive, of NRS.

31 (3) The payment of contributions or payments in lieu of contributions
32 required by chapter 612 of NRS.

33 (4) Insurance coverage for any benefit plan from an insurer
34 authorized pursuant to Title 57 of NRS that is offered by the employee
35 leasing company to its employees.

36 ~~{(5) Membership in the National Staff Leasing Association, or its
37 successor organization.}~~

38 (h) Any other information the ~~{manager}~~ **administrator** requires.

39 2. Each application must be notarized and signed under penalty of
40 perjury:

41 (a) If the applicant is a sole proprietorship, by the sole proprietor.

42 (b) If the applicant is a partnership, by each partner.

43 (c) If the applicant is a corporation, by each officer of the corporation.

1 3. An applicant shall submit to the ~~{manager}~~ **administrator** any
2 change in the information required by this section within 30 days after the
3 change occurs. The ~~{manager}~~ **administrator** may revoke the certificate of
4 ~~{insurance}~~ **registration** of an employee leasing company which fails to
5 comply with **the** provisions of ~~{this subsection. If the manager revokes the~~
6 ~~certificate of insurance and cancels the}~~ **NRS 616B.670 to 616B.697,**
7 **inclusive.**

8 4. ***If an insurer cancels an*** employee leasing company's policy, the
9 ~~{manager}~~ **insurer** shall immediately notify the administrator ~~{, who shall~~
10 ~~proceed in accordance with the provisions of NRS 616D.110.}~~ **in writing.**
11 ***The notice must comply with the provisions of NRS 687B.310 to***
12 ***687B.355, inclusive, and must be served personally on or sent by first-***
13 ***class mail or electronic transmission to the administrator.***

14 **Sec. 48.** NRS 616B.694 is hereby amended to read as follows:

15 616B.694 The ~~{manager, in cooperation with the administrator of the~~
16 ~~employment security division of the department of employment, training~~
17 ~~and rehabilitation, shall, and the commissioner of insurance may,}~~
18 **administrator may** adopt regulations to carry out the provisions of NRS
19 616B.670 to 616B.697, inclusive.

20 **Sec. 49.** NRS 616B.697 is hereby amended to read as follows:

21 616B.697 An action for damages caused by the failure of an employee
22 leasing company to comply with the provisions of NRS 616B.670 to
23 616B.697, inclusive, may be brought against any person who is required to
24 sign the application for a certificate of ~~{insurance}~~ **registration** for the
25 employee leasing company.

26 **Sec. 50.** NRS 616C.015 is hereby amended to read as follows:

27 616C.015 1. An employee or, in the event of the employee's death,
28 one of his dependents, shall provide written notice of an injury that arose
29 out of and in the course of employment to the employer of the employee as
30 soon as practicable, but within 7 days after the accident.

31 2. The notice required by subsection 1 must:

32 (a) Be on a form prescribed by the administrator. The form must allow
33 the injured employee or his dependent to describe briefly the accident that
34 caused the injury or death.

35 (b) Be signed by the injured employee or by a person on his behalf, or in
36 the event of the employee's death, by one of his dependents or by a person
37 acting on behalf of the dependent.

38 (c) Include an explanation of the procedure for filing a claim for
39 compensation.

40 (d) Be prepared in duplicate so that the injured employee or his
41 dependent and the employer can retain a copy of the notice.

42 3. Upon receipt of the notice required by subsection 1, the employer,
43 the injured employee's supervisor or the agent of the employer who was in

1 charge of the type of work or the area where the accident occurred shall
2 sign the notice. The signature of the employer, the supervisor or the
3 employer's agent is an acknowledgment of the receipt of the notice and
4 shall not be deemed to be a waiver of any of the employer's defenses or
5 rights.

6 4. An employer shall maintain a sufficient supply of the forms required
7 to file the notice required by subsection 1 for use by his employees.

8 5. An employer shall retain any notice provided pursuant to subsection
9 1 for 3 years after the date of the accident. An employer insured by ~~the~~
10 ~~system or~~ a private carrier shall not file a notice of injury with the ~~system~~
11 ~~or the~~ private carrier.

12 **Sec. 51.** NRS 616C.055 is hereby amended to read as follows:

13 616C.055 1. The insurer may not, in accepting responsibility for any
14 charges, use fee schedules which unfairly discriminate among physicians
15 and chiropractors.

16 2. If a physician or chiropractor is removed from the panel established
17 pursuant to NRS 616C.090 or from participation in a plan for managed care
18 established pursuant to NRS ~~616B.515 or~~ 616B.527, he must not be paid
19 for any services rendered to the injured employee after the date of his
20 removal.

21 **Sec. 52.** NRS 616C.090 is hereby amended to read as follows:

22 616C.090 1. The administrator shall establish a panel of physicians
23 and chiropractors who have demonstrated special competence and interest
24 in industrial health to treat injured employees under chapters 616A to
25 616D, inclusive, of NRS. Every employer whose insurer has not entered
26 into a contract with an organization for managed care *or with providers of*
27 *health care services* pursuant to NRS ~~616B.515~~ *616B.527* shall maintain
28 a list of those physicians and chiropractors on the panel who are reasonably
29 accessible to his employees.

30 2. An injured employee whose *employer's* insurer has not entered into
31 a contract with an organization for managed care *or with providers of*
32 *health care services pursuant to NRS 616B.527* may choose his treating
33 physician or chiropractor from the panel of physicians and chiropractors. If
34 the injured employee is not satisfied with the first physician or chiropractor
35 he so chooses, he may make an alternative choice of physician or
36 chiropractor from the panel if the choice is made within 90 days after his
37 injury. The insurer shall notify the first physician or chiropractor in writing.
38 The notice must be postmarked within 3 working days after the insurer
39 receives knowledge of the change. The first physician or chiropractor must
40 be reimbursed only for the services he rendered to the injured employee up
41 to and including the date of notification. Any further change is subject to
42 the approval of the insurer, which must be granted or denied within 10 days
43 after a written request for such a change is received from the injured

1 employee. If no action is taken on the request within 10 days, the request
2 shall be deemed granted. Any request for a change of physician or
3 chiropractor must include the name of the new physician or chiropractor
4 chosen by the injured employee.

5 3. An injured employee employed or residing in any county in this state
6 whose *employer's* insurer has entered into a contract with an organization
7 for managed care *or with providers of health care services pursuant to*
8 *NRS 616B.527* must choose his treating physician or chiropractor pursuant
9 to the terms of that contract. If the employee, after choosing his treating
10 physician or chiropractor, moves to a county which is not served by the
11 organization for managed care *or providers of health care services named*
12 *in the contract* and the insurer determines that it is impractical for the
13 employee to continue treatment with the physician or chiropractor, the
14 employee must choose a treating physician or chiropractor who has agreed
15 to the terms of that contract unless the insurer authorizes the employee to
16 choose another physician or chiropractor.

17 4. Except when emergency medical care is required and except as
18 otherwise provided in NRS 616C.055, the insurer is not responsible for any
19 charges for medical treatment or other accident benefits furnished or
20 ordered by any physician, chiropractor or other person selected by the
21 employee in disregard of the provisions of this section or for any
22 compensation for any aggravation of the employee's injury attributable to
23 improper treatments by such physician, chiropractor or other person.

24 5. The administrator may order necessary changes in a panel of
25 physicians and chiropractors and shall suspend or remove any physician or
26 chiropractor from a panel for good cause shown.

27 6. An injured employee may receive treatment by more than one
28 physician or chiropractor if the insurer provides written authorization for
29 such treatment.

30 **Sec. 53.** NRS 616C.110 is hereby amended to read as follows:

31 616C.110 1. For the purposes of NRS ~~616B.540,~~ 616B.557,
32 616C.490 and 617.459, the division shall adopt regulations incorporating
33 the American Medical Association's Guides to the Evaluation of Permanent
34 Impairment by reference and may amend those regulations from time to
35 time as it deems necessary. In adopting the Guides to the Evaluation of
36 Permanent Impairment, the division shall consider the edition most recently
37 published by the American Medical Association.

38 2. If the Guides to the Evaluation of Permanent Impairment adopted by
39 the division contain more than one method of determining the rating of an
40 impairment, the administrator shall designate by regulation the method
41 which must be used to rate an impairment pursuant to NRS 616C.490.

Sec. 54. NRS 616C.190 is hereby amended to read as follows:

616C.190 1. Except as otherwise provided in subsection 4 of NRS 616B.600, if an employee who has been hired or is regularly employed in this state receives **a** personal injury by **an** accident arising out of and in the course of such employment outside of this state, he, or his dependents in case of his death, are entitled to receive compensation according to the law of this state, and such compensation is the exclusive remedy of the employee or dependents.

2. The provisions of this section apply only to those injuries received by the employee within 6 months after leaving this state, unless before the expiration of the 6-month period the employer has filed with the ~~system~~ **or** private carrier or, in the case of a self-insured employer or an association of self-insured public or private employers, with the administrator notice that he has elected to extend the coverage for a greater period.

Sec. 55. NRS 616C.200 is hereby amended to read as follows:

616C.200 1. If an employee who has been hired or is regularly employed in this state receives **a** personal injury by **an** accident arising out of and in the course of such employment outside this state, and he, or his personal or legal representatives, dependents or next of kin commence any action or proceeding in any other state to recover any damages or compensation from his employer for the injury or death, the act of commencing such an action or proceeding constitutes an irrevocable waiver of all compensation for the injury or death to which persons would otherwise have been entitled under the laws of this state.

2. If the injured employee ~~or~~ **or** his personal or legal representatives, dependents or next of kin recover a final judgment against the employer for damages arising out of the injury or death in any court of competent jurisdiction in any other state, the compensation which would otherwise have been payable under the laws of this state, up to the full amount thereof, but less any sums previously paid for the injury or death, must be applied in satisfaction of the judgment as follows:

(a) Upon receipt of an authenticated copy of the final judgment and writ of execution or other process issued in aid thereof, the insurer shall immediately determine the total amount of compensation which would have been payable under the laws of this state if a claim therefor had been made to the insurer. In the case of compensation payable in installments, the insurer shall convert it into a lump sum by such **a** system of computation as the administrator deems proper.

(b) The insurer shall thereupon order to be paid in full or partial satisfaction of the judgment a sum not to exceed the total amount of compensation computed as provided in this section or the amount of the judgment, whichever is less.

1 (c) Except for a self-insured employer or an employer who is a member
2 of an association of self-insured public or private employers, if the
3 judgment is satisfied fully by the employer before any payment by the
4 ~~{system-or}~~ private carrier pursuant to paragraph (b), the amount payable
5 thereunder must be paid to the employer.

6 **Sec. 56.** NRS 616C.215 is hereby amended to read as follows:

7 616C.215 1. If an injured employee or, in the event of his death, his
8 dependents, bring an action in tort against his employer to recover payment
9 for an injury which is compensable under chapters 616A to 616D,
10 inclusive, or chapter 617 of NRS and, notwithstanding the provisions of
11 NRS 616A.020, receive payment from the employer for that injury:

12 (a) The amount of compensation the injured employee or his dependents
13 are entitled to receive pursuant to the provisions of chapters 616A to 616D,
14 inclusive, of NRS, including any future compensation, must be reduced by
15 the amount paid by the employer.

16 (b) The insurer, or in the case of claims involving the uninsured
17 employer's claim fund or a subsequent injury fund the administrator, has a
18 lien upon the total amount paid by the employer if the injured employee or
19 his dependents receive compensation pursuant to the provisions of chapters
20 616A to 616D, inclusive, of NRS.

21 This subsection is applicable whether the money paid to the employee or
22 his dependents by the employer is classified as a gift, a settlement or
23 otherwise. The provisions of this subsection do not grant to an injured
24 employee any right of action in tort to recover damages from his employer
25 for his injury.

26 2. When an employee receives an injury for which compensation is
27 payable pursuant to the provisions of chapters 616A to 616D, inclusive, of
28 NRS and which was caused under circumstances creating a legal liability in
29 some person, other than the employer or a person in the same employ, to
30 pay damages in respect thereof:

31 (a) The injured employee, or in case of death his dependents, may take
32 proceedings against that person to recover damages, but the amount of the
33 compensation the injured employee or his dependents are entitled to
34 receive pursuant to the provisions of chapters 616A to 616D, inclusive, of
35 NRS, including any future compensation, must be reduced by the amount of
36 the damages recovered, notwithstanding any act or omission of the
37 employer or a person in the same employ which was a direct or proximate
38 cause of the employee's injury.

39 (b) If the injured employee, or in case of death his dependents, receive
40 compensation pursuant to the provisions of chapters 616A to 616D,
41 inclusive, of NRS, the insurer, or in case of claims involving the uninsured
42 employers' claim fund or a subsequent injury fund the administrator, has a
43 right of action against the person so liable to pay damages and is

1 subrogated to the rights of the injured employee or of his dependents to
2 recover therefor.

3 3. When an injured employee incurs an injury for which compensation
4 is payable pursuant to the provisions of chapters 616A to 616D, inclusive,
5 of NRS and which was caused under circumstances entitling him, or in the
6 case of death his dependents, to receive proceeds under his employer's
7 policy of uninsured or underinsured vehicle coverage:

8 (a) The injured employee, or in the case of death his dependents, may
9 take proceedings to recover those proceeds, but the amount of
10 compensation the injured employee or his dependents are entitled to
11 receive pursuant to the provisions of chapters 616A to 616D, inclusive, of
12 NRS, including any future compensation, must be reduced by the amount of
13 proceeds received.

14 (b) If an injured employee, or in the case of death his dependents,
15 receive compensation pursuant to the provisions of chapters 616A to 616D,
16 inclusive, of NRS, the insurer, or in the case of claims involving the
17 uninsured employers' claim fund or a subsequent injury fund the
18 administrator, is subrogated to the rights of the injured employee or his
19 dependents to recover proceeds under the employer's policy of uninsured
20 or underinsured vehicle coverage. The insurer and the administrator are not
21 subrogated to the rights of an injured employee or his dependents under a
22 policy of uninsured or underinsured vehicle coverage purchased by the
23 employee.

24 4. In any action or proceedings taken by the insurer or the
25 administrator pursuant to this section, evidence of the amount of
26 compensation, accident benefits and other expenditures which the insurer,
27 the uninsured employers' claim fund or a subsequent injury fund have paid
28 or become obligated to pay by reason of the injury or death of the employee
29 is admissible. If in such action or proceedings the insurer or the
30 administrator recovers more than those amounts, the excess must be paid to
31 the injured employee or his dependents.

32 5. In any case where the insurer or the administrator is subrogated to
33 the rights of the injured employee or of his dependents as provided in
34 subsection 2 or 3, the insurer or the administrator has a lien upon the total
35 proceeds of any recovery from some person other than the employer,
36 whether the proceeds of such recovery are by way of judgment, settlement
37 or otherwise. The injured employee, or in the case of his death his
38 dependents, are not entitled to double recovery for the same injury,
39 notwithstanding any act or omission of the employer or a person in the
40 same employ which was a direct or proximate cause of the employee's
41 injury.

42 6. The lien provided for under subsection 1 or 5 includes the total
43 compensation expenditure incurred by the insurer, the uninsured

1 employers' claim fund or a subsequent injury fund for the injured employee
2 and his dependents.

3 7. An injured employee, or in the case of death his dependents, shall
4 notify the insurer, or in the case of claims involving the uninsured
5 employers' claim fund or a subsequent injury fund the administrator, in
6 writing before initiating a proceeding or action pursuant to this section.

7 8. Within 15 days after the date of recovery by way of actual receipt of
8 the proceeds of the judgment, settlement or otherwise:

9 (a) The injured employee or his dependents, or the attorney or
10 representative of the injured employee or his dependents; and

11 (b) The third-party insurer,
12 shall notify the insurer, or in the case of claims involving the uninsured
13 employers' claim fund or a subsequent injury fund the administrator, of the
14 recovery and pay to the insurer or the administrator, respectively, the
15 amount due under this section together with an itemized statement showing
16 the distribution of the total recovery. The attorney or representative of the
17 injured employee or his dependents and the third-party insurer are jointly
18 and severally liable for any amount to which an insurer is entitled pursuant
19 to this section if the attorney, representative or third-party insurer has
20 knowledge of the lien provided for in this section.

21 9. An insurer shall not sell its lien to a third-party insurer unless the
22 injured employee or his dependents, or the attorney or representative of the
23 injured employee or his dependents, refuses to provide to the insurer
24 information concerning the action against the third party.

25 10. In any trial of an action by the injured employee, or in the case of
26 his death by his dependents, against a person other than the employer or a
27 person in the same employ, the jury must receive proof of the amount of all
28 payments made or to be made by the insurer or the administrator. The court
29 shall instruct the jury substantially as follows:

30
31 Payment of workmen's compensation benefits by the insurer, or
32 in the case of claims involving the uninsured employers' claim fund
33 or a subsequent injury fund the administrator, is based upon the fact
34 that a compensable industrial accident occurred, and does not
35 depend upon blame or fault. If the plaintiff does not obtain a
36 judgment in his favor in this case, he is not required to repay his
37 employer, the insurer or the administrator any amount paid to him
38 or paid on his behalf by his employer, the insurer or the
39 administrator.

40 If you decide that the plaintiff is entitled to judgment against the
41 defendant, you shall find his damages in accordance with the court's
42 instructions on damages and return your verdict in the plaintiff's
43 favor in the amount so found without deducting the amount of any

1 compensation benefits paid to or for the plaintiff. The law provides
2 a means by which any compensation benefits will be repaid from
3 your award.
4

5 11. For the purposes of calculating an employer's premium, the
6 employer's account with the ~~{system}~~ *private carrier* must be credited with
7 an amount equal to that recovered by the ~~{system}~~ *private carrier* from a
8 third party pursuant to this section, less the ~~{system's}~~ *private carrier's*
9 share of the expenses of litigation incurred in obtaining the recovery,
10 except that the total credit must not exceed the amount of compensation
11 actually paid or reserved by the ~~{system}~~ *private carrier* on the injured
12 employee's claim.

13 12. As used in this section, "third-party insurer" means an insurer that
14 issued to a third party who is liable for damages pursuant to subsection 2, a
15 policy of liability insurance the proceeds of which are recoverable pursuant
16 to this section. The term includes an insurer that issued to an employer a
17 policy of uninsured or underinsured vehicle coverage.

18 **Sec. 57.** NRS 616C.220 is hereby amended to read as follows:

19 616C.220 1. *The division shall designate one:*

20 *(a) Third-party administrator who has a valid certificate issued by the*
21 *commissioner pursuant to NRS 683A.085; or*

22 *(b) Insurer, other than a self-insured employer or association of self-*
23 *insured public or private employers,*
24 *to administer claims against the uninsured employers' claim fund. The*
25 *designation must be made pursuant to reasonable competitive bidding*
26 *procedures established by the administrator.*

27 2. An employee may receive compensation from the uninsured
28 employers' claim fund if:

29 (a) He was hired in this state or he is regularly employed in this state;

30 (b) He suffers an accident or injury in this state which arises out of and
31 in the course of his employment;

32 (c) He files a claim for compensation with the division; and

33 (d) He makes an irrevocable assignment to the division of a right to be
34 subrogated to the rights of the injured employee pursuant to NRS
35 616C.215.

36 ~~{2-}~~ 3. If the division receives a claim pursuant to subsection ~~{1-}~~ 2, the
37 division shall immediately notify the employer of the claim.

38 ~~{3-}~~ 4. For the purposes of this section, the employer has the burden of
39 proving that he provided mandatory industrial insurance coverage for the
40 employee or that he was not required to maintain industrial insurance for
41 the employee.

42 ~~{4-}~~ 5. Any employer who has failed to provide mandatory coverage
43 required by the provisions of chapters 616A to 616D, inclusive, of NRS is

1 liable for all payments made on his behalf, including any benefits,
2 administrative costs or attorney's fees paid from the uninsured employers'
3 claim fund or incurred by the division.

4 ~~[5.]~~ 6. The division:

5 (a) May recover from the employer the payments made by the division
6 that are described in subsection ~~[4]~~ 5 and any accrued interest by bringing a
7 civil action in district court.

8 (b) In any civil action brought against the employer, is not required to
9 prove that negligent conduct by the employer was the cause of the
10 employee's injury.

11 (c) May enter into a contract with any person to assist in the collection
12 of any liability of an uninsured employer.

13 (d) In lieu of a civil action, may enter into an agreement or settlement
14 regarding the collection of any liability of an uninsured employer.

15 ~~[6.]~~ 7. The division shall:

16 (a) Determine whether the employer was insured within 30 days after
17 receiving notice of the claim from the employee.

18 (b) Assign the claim to the ~~[system]~~ *third-party administrator or*
19 *insurer designated pursuant to subsection 1* for administration ~~[of the~~
20 ~~claim, payment of benefits and reimbursement of costs of administration~~
21 ~~and benefits paid to the system. Upon determining that a claim is invalid,~~
22 ~~the system]~~ *and payment of compensation.*

23 *Upon determining whether the claim is accepted or denied, the*
24 *designated third-party administrator or insurer* shall notify the ~~[claimant,]~~
25 *injured employee,* the named employer and the division ~~[that the claim will~~
26 ~~not be assigned for benefits from the uninsured employers' claim fund.~~
27 ~~—7.] of its determination.~~

28 (c) *Upon demonstration of the:*

29 (1) *Costs incurred by the designated third-party administrator or*
30 *insurer to administer the claim or pay compensation to the injured*
31 *employee; or*

32 (2) *Amount that the designated third-party administrator or insurer*
33 *will pay for administrative expenses or compensation to the injured*
34 *employee and that such amounts are justified by the circumstances of the*
35 *claim,*
36 *the division shall authorize payment from the uninsured employers'*
37 *claim fund.*

38 8. Any party aggrieved by a ~~[decision]~~ *determination* regarding the
39 administration of an assigned claim or a ~~[decision]~~ *determination* made by
40 the division or by the ~~[system]~~ *designated third-party administrator or*
41 *insurer* regarding any claim made pursuant to this section may appeal that
42 ~~[decision]~~ *determination* within 60 days after the ~~[decision]~~ *determination*
43 is rendered to the hearings division of the department of administration in

1 the manner provided by NRS 616C.305 and 616C.315 to 616C.385,
2 inclusive.

3 ~~{8-}~~ 9. All insurers shall bear a proportionate amount of a claim made
4 pursuant to chapters 616A to 616D, inclusive, of NRS, and are entitled to a
5 proportionate amount of any collection made pursuant to this section as an
6 offset against future liabilities.

7 ~~{9-}~~ 10. An uninsured employer is liable for the interest on any amount
8 paid on his claims from the uninsured employers' claim fund. The interest
9 must be calculated at a rate equal to the prime rate at the largest bank in
10 Nevada, as ascertained by the commissioner of financial institutions, on
11 January 1 or July 1, as the case may be, immediately preceding the date of
12 the claim, plus 3 percent, compounded monthly, from the date the claim is
13 paid from the fund until payment is received by the division from the
14 employer.

15 ~~{10-}~~ 11. Attorney's fees recoverable by the division pursuant to this
16 section must be:

17 (a) If a private attorney is retained by the division, paid at the usual and
18 customary rate for that attorney.

19 (b) If the attorney is an employee of the division, paid at the rate
20 established by regulations adopted by the division.

21 Any money collected must be deposited ~~{to}~~ in the uninsured employers'
22 claim fund.

23 ~~{11-}~~ 12. In addition to any other liabilities provided for in this section,
24 the administrator may impose an administrative fine of not more than
25 \$10,000 against an employer if the employer fails to provide mandatory
26 coverage required by the provisions of chapters 616A to 616D, inclusive,
27 of NRS.

28 **Sec. 58.** NRS 616C.255 is hereby amended to read as follows:

29 616C.255 1. ~~{The system and each}~~ Each private carrier shall collect
30 a premium upon the total payroll of every employer insured by the ~~{system~~
31 ~~or}~~ private carrier at the rate filed with the commissioner pursuant to
32 chapter 686B of NRS.

33 2. Every employer paying this premium is relieved from furnishing
34 accident benefits, and the accident benefits must be provided by the
35 ~~{system or}~~ private carrier.

36 3. The ~~{system or}~~ private carrier is liable for any accident benefits
37 provided in this section. The account provided for accident benefits must
38 be kept as a separate account on the records of the ~~{system or}~~ private
39 carrier.

40 **Sec. 59.** NRS 616C.260 is hereby amended to read as follows:

41 616C.260 1. All fees and charges for accident benefits must not:

42 (a) Exceed the fees and charges usually paid in the state for similar
43 treatment.

1 (b) Be unfairly discriminatory as between persons legally qualified to
2 provide the particular service for which the fees or charges are asked.

3 2. The administrator shall, giving consideration to the fees and charges
4 being paid in the state, establish a schedule of reasonable fees and charges
5 allowable for accident benefits provided to injured employees whose
6 insurers have not contracted with an organization for managed care *or with*
7 *providers of health care services* pursuant to NRS ~~616B.515.~~ **616B.527.**

8 The administrator shall review and revise the schedule on or before
9 October 1 of each year. The administrator may increase or decrease the
10 schedule, but shall not increase the schedule by any factor greater than the
11 corresponding annual increase in the Consumer Price Index, ~~the~~ Medical
12 Care Component, ~~the~~ unless the advisory council of the division approves
13 such an increase.

14 3. The administrator may request a health insurer, health maintenance
15 organization or provider of accident benefits, an agent or employee of such
16 a person, or an agency of the state, to provide the administrator with such
17 information concerning fees and charges paid for similar services as he
18 deems necessary to carry out the provisions of subsection 2. The
19 administrator shall require a person or entity providing records or reports of
20 fees charged to provide interpretation and identification concerning the
21 information delivered. The administrator may impose an administrative fine
22 of \$500 for each refusal to provide the information requested pursuant to
23 this subsection.

24 4. The division may adopt reasonable regulations necessary to carry
25 out the provisions of this section. The regulations must include provisions
26 concerning:

- 27 (a) Standards for the development of the schedule of fees and charges;
28 (b) The periodic revision of the schedule; and
29 (c) The monitoring of compliance by providers of benefits with the
30 adopted schedule of fees and charges.

31 5. The division shall adopt regulations requiring the utilization of a
32 system of billing codes as recommended by the American Medical
33 Association.

34 **Sec. 60.** NRS 616C.275 is hereby amended to read as follows:

35 616C.275 1. If the administrator finds that the employer is furnishing
36 the requirements of accident benefits in such a manner that there are
37 reasonable grounds for believing that the health, life or recovery of the
38 employee is being endangered or impaired thereby, or that an employer has
39 failed to provide benefits pursuant to NRS 616C.265 for which he has
40 made arrangements, the administrator may, upon application of the
41 employee, or upon his own motion, order a change of physicians or
42 chiropractors or of any other requirements of accident benefits.

1 2. If the administrator orders a change of physicians or chiropractors or
2 of any other accident benefits, the cost of the change must be borne by the
3 insurer.

4 3. The cause of action of an insured employee against an employer
5 insured by ~~the system or~~ a private carrier must be assigned to the ~~system~~
6 ~~or the~~ private carrier.

7 **Sec. 61.** NRS 616C.355 is hereby amended to read as follows:

8 616C.355 At any time 10 or more days before a scheduled hearing
9 before an appeals officer, the administrator ~~the manager or the~~
10 ~~manager's~~ *or the administrator's* designee, a party shall mail or deliver to
11 the opposing party any affidavit or declaration which he proposes to
12 introduce into evidence and notice to the effect that unless the opposing
13 party, within 7 days after the mailing or delivery of such affidavit or
14 declaration, mails or delivers to the proponent a request to cross-examine
15 the affiant or declarant, his right to cross-examine the affiant or declarant is
16 waived and the affidavit or declaration, if introduced into evidence, will
17 have the same effect as if the affiant or declarant had given sworn
18 testimony before the appeals officer, the administrator ~~the manager or the~~
19 ~~manager's~~ *or the administrator's* designee.

20 **Sec. 62.** NRS 616C.385 is hereby amended to read as follows:

21 616C.385 If a party petitions the district court for judicial review of a
22 final decision of an appeals officer, the ~~manager or the manager's~~
23 *administrator or the administrator's* designee, and the petition is found by
24 the district court to be frivolous or brought without reasonable grounds, the
25 district court may order costs and a reasonable attorney's fee to be paid by
26 the petitioner.

27 **Sec. 63.** NRS 616C.475 is hereby amended to read as follows:

28 616C.475 1. Except as otherwise provided in this section, NRS
29 616C.175 and 616C.390, every employee in the employ of an employer,
30 within the provisions of chapters 616A to 616D, inclusive, of NRS, who is
31 injured by accident arising out of and in the course of employment, or his
32 dependents, is entitled to receive for the period of temporary total
33 disability, 66 2/3 percent of the average monthly wage.

34 2. Except as otherwise provided in NRS 616B.185 and 616B.186, an
35 injured employee or his dependents are not entitled to accrue or be paid any
36 benefits for a temporary total disability during the time the injured
37 employee is incarcerated. The injured employee or his dependents are
38 entitled to receive such benefits when the injured employee is released from
39 incarceration if he is certified as temporarily totally disabled by a physician
40 or chiropractor.

41 3. If a claim for the period of temporary total disability is allowed, the
42 first payment pursuant to this section must be issued by the insurer within

1 14 working days after receipt of the initial certification of disability and
2 regularly thereafter.

3 4. Any increase in compensation and benefits effected by the
4 amendment of subsection 1 is not retroactive.

5 5. Payments for a temporary total disability must cease when:

6 (a) A physician or chiropractor determines that the employee is
7 physically capable of any gainful employment for which the employee is
8 suited, after giving consideration to the employee's education, training and
9 experience;

10 (b) The employer offers the employee light-duty employment or
11 employment that is modified according to the limitations or restrictions
12 imposed by a physician or chiropractor pursuant to subsection 7; or

13 (c) Except as otherwise provided in NRS 616B.185 and 616B.186, the
14 employee is incarcerated.

15 6. Each insurer may, with each check that it issues to an injured
16 employee for a temporary total disability, include a form approved by the
17 division for the injured employee to request continued compensation for the
18 temporary total disability.

19 7. A certification of disability issued by a physician or chiropractor
20 must:

21 (a) Include the period of disability and a description of any physical
22 limitations or restrictions imposed upon the work of the employee;

23 (b) Specify whether the limitations or restrictions are permanent or
24 temporary; and

25 (c) Be signed by the treating physician or chiropractor authorized
26 pursuant to NRS ~~616B.515 or~~ 616B.527.

27 8. If ~~the~~ certification of disability specifies that the physical limitations
28 or restrictions are temporary, the employer of the employee at the time of
29 his accident is not required to comply with NRS 616C.545 to 616C.575,
30 inclusive, and 616C.590 or the regulations adopted by the division
31 governing vocational rehabilitation services if the employer offers the
32 employee a position that is substantially similar to the employee's position
33 at the time of his injury in relation to the location of the employment, the
34 hours he is required to work and the salary he will be paid.

35 **Sec. 64.** NRS 616C.535 is hereby amended to read as follows:

36 616C.535 1. ~~{The system}~~ **A private carrier** may execute agreements
37 for the provision of vocational rehabilitation services for injured employees
38 with the employment security division of the department of employment,
39 training and rehabilitation, the rehabilitation division of the department of
40 human resources and any other state or federal agency which provides such
41 services. The fees for those services must be established by the agency
42 which provides the services. The provisions of this subsection do not

1 preclude the ~~{system}~~ *private carrier* from providing vocational
2 rehabilitation services for injured employees.

3 2. The administrator shall adopt regulations concerning the use of
4 programs that provide vocational rehabilitation services and which are
5 located outside Nevada.

6 **Sec. 65.** NRS 616D.050 is hereby amended to read as follows:

7 616D.050 1. Appeals officers, the administrator ~~{, the manager and~~
8 ~~the manager's}~~ *and the administrator's* designee, in conducting hearings or
9 other proceedings pursuant to the provisions of chapters 616A to 616D,
10 inclusive, of NRS or regulations adopted pursuant to those chapters may:

11 (a) Issue subpoenas requiring the attendance of any witness or the
12 production of books, accounts, papers, records and documents.

13 (b) Administer oaths.

14 (c) Certify to official acts.

15 (d) Call and examine under oath any witness or party to a claim.

16 (e) Maintain order.

17 (f) Rule upon all questions arising during the course of a hearing or
18 proceeding.

19 (g) Permit discovery by deposition or interrogatories.

20 (h) Initiate and hold conferences for the settlement or simplification of
21 issues.

22 (i) Dispose of procedural requests or similar matters.

23 (j) Generally regulate and guide the course of a pending hearing or
24 proceeding.

25 2. Hearing officers, in conducting hearings or other proceedings
26 pursuant to the provisions of chapters 616A to 616D, inclusive, of NRS or
27 regulations adopted pursuant to those chapters, may:

28 (a) Issue subpoenas requiring the attendance of any witness or the
29 production of books, accounts, papers, records and documents that are
30 relevant to the dispute for which the hearing or other proceeding is being
31 held.

32 (b) Maintain order.

33 (c) Permit discovery by deposition or interrogatories.

34 (d) Initiate and hold conferences for the settlement or simplification of
35 issues.

36 (e) Dispose of procedural requests or similar matters.

37 (f) Generally regulate and guide the course of a pending hearing or
38 proceeding.

39 **Sec. 66.** NRS 616D.070 is hereby amended to read as follows:

40 616D.070 If any person:

41 1. Disobeys an order of an appeals officer, a hearing officer, the
42 administrator ~~{, the manager or the manager's}~~ *or the administrator's*
43 designee, or a subpoena issued by the ~~{manager, manager's designee,}~~

1 administrator, *administrator's designee*, appeals officer, hearing officer,
2 inspector or examiner;

3 2. Refuses to permit an inspection; or

4 3. As a witness, refuses to testify to any matter for which he may be
5 lawfully interrogated,

6 the district judge of the county in which the person resides, on application
7 of the appeals officer, the hearing officer, the administrator ~~[, the manager~~
8 ~~or the manager's]~~ *or the administrator's* designee, shall compel obedience
9 by attachment proceedings as for contempt, as in the case of disobedience
10 of the requirements of subpoenas issued from the court on a refusal to
11 testify therein.

12 **Sec. 67.** NRS 616D.080 is hereby amended to read as follows:

13 616D.080 1. Each officer who serves a subpoena is entitled to
14 receive the same fees as a sheriff.

15 2. Each witness who appears, in obedience to a subpoena which has
16 been issued pursuant to this chapter or chapter 616A, 616B or 616C of
17 NRS, before an appeals officer, a hearing officer, the administrator ~~[, the~~
18 ~~manager or the manager's]~~ *or the administrator's* designee, is entitled to
19 receive for his attendance the fees and mileage provided for witnesses in
20 civil cases in courts of record.

21 3. The appeals officer, hearing officer, administrator ~~[, manager or~~
22 ~~manager's]~~ *or the administrator's* designee shall:

23 (a) Authorize payment from his administrative budget of the fees and
24 mileage due to such a witness; or

25 (b) Impose those costs upon the party at whose instance the witness was
26 subpoenaed or, for good cause shown, upon any other party.

27 **Sec. 68.** NRS 616D.100 is hereby amended to read as follows:

28 616D.100 1. A transcribed copy of the evidence and proceedings, or
29 any specific part thereof, of any final hearing or investigation, ~~[made]~~
30 *which is:*

31 (a) *Made* by a stenographer appointed by an appeals officer, a hearing
32 officer, the administrator ~~[, the manager or the manager's designee, being~~
33 ~~certified]~~ *or the administrator's designee;*

34 (b) *Carefully compared by that stenographer with his original notes;*
35 *and*

36 (c) *Certified* by that stenographer to be a true and correct transcript of
37 the testimony in the final hearing or investigation, or of a particular witness,
38 or of a specific part thereof, ~~[and carefully compared by him with his~~
39 ~~original notes,]~~ and to be a correct statement of the evidence and
40 proceedings had on the final hearing or investigation so purporting to be
41 taken and transcribed,

42 may be received in evidence with the same effect as if the stenographer had
43 been present and testified to the facts so certified.

1 2. A copy of the transcript must be furnished on demand to any party
2 upon the payment of the fee required for transcripts in courts of record.

3 **Sec. 69.** NRS 616D.200 is hereby amended to read as follows:

4 616D.200 1. If the administrator finds that an employer within the
5 provisions of NRS 616B.633 has failed to provide and secure
6 compensation as required by the terms of chapters 616A to 616D,
7 inclusive, of NRS or that the employer has provided and secured that
8 compensation but has failed to maintain it, he shall make a determination
9 thereon and may charge the employer an amount equal to the sum of:

10 (a) The premiums that would otherwise have been owed ~~[to the system]~~
11 pursuant to the terms of chapters 616A to 616D, inclusive, of NRS , *as*
12 *determined by the administrator based upon the manual rates adopted by*
13 *the commissioner*, for the period that the employer was doing business in
14 this state without providing, securing or maintaining that compensation, but
15 not to exceed 6 years; *and*

16 (b) ~~[The actual costs incurred by the system in reinstating the policy, but~~
17 ~~not to exceed 10 percent of the premiums owed by the employer; and~~
18 ~~—(c)—~~ Interest at a rate determined pursuant to NRS 17.130 computed
19 from the time that the premiums should have been paid.

20 2. The administrator shall deliver a copy of his determination to the
21 employer. An employer who is aggrieved by the determination of the
22 administrator may appeal from the determination pursuant to subsection 2
23 of NRS 616D.220.

24 3. Any employer within the provisions of NRS 616B.633 who fails to
25 provide, secure or maintain compensation as required by the terms of
26 chapters 616A to 616D, inclusive, of NRS, is:

27 (a) For the first offense, guilty of a misdemeanor.

28 (b) For a second or subsequent offense committed within 7 years after
29 the previous offense, guilty of a category C felony and shall be punished as
30 provided in NRS 193.130.

31 Any criminal penalty imposed must be in addition to the amount charged
32 pursuant to subsection 1.

33 **Sec. 70.** NRS 616D.210 is hereby amended to read as follows:

34 616D.210 1. Any person who:

35 (a) Is the legal or beneficial owner of 25 percent or more of a business
36 which terminates operations while owing a premium to ~~[the system or]~~ a
37 private carrier and becomes, or induces or procures another person to
38 become, the legal or beneficial owner of 25 percent or more of a new
39 business engaging in similar operations; or

40 (b) Knowingly aids or abets another person in carrying out such
41 conduct,

42 is liable in a civil action for the payment of any premium, interest and

43 penalties owed to the ~~[system or the]~~ private carrier and the reasonable

1 costs incurred by the ~~{system-or}~~ private carrier to investigate and act upon
2 such conduct.

3 2. The ~~{system-or}~~ private carrier shall not *knowingly* insure any
4 business which engages in the conduct described in subsection 1 unless the
5 premium and any interest and penalties owed to the ~~{system-or}~~ private
6 carrier have been paid.

7 3. As used in this section, “business” includes, but is not limited to, a
8 firm, sole proprietorship, *general or limited partnership*, voluntary
9 association or private corporation.

10 **Sec. 71.** NRS 616D.250 is hereby amended to read as follows:

11 616D.250 1. ~~{Any employer insured by the system who refuses to~~
12 ~~submit his books, records and payroll for inspection, as provided by NRS~~
13 ~~616A.485, to a representative of the system or the administrator, or to an~~
14 ~~auditor from the department of taxation, presenting written authority for the~~
15 ~~inspection, is subject to a penalty of \$1,000 for each offense, to be~~
16 ~~collected by a civil action in the name of the system or the administrator.~~

17 ~~—2.~~ A self-insured employer, a member of an association of self-insured
18 public or private employers or an employer insured by a private carrier who
19 refuses to submit his books, records and payroll to the administrator for
20 inspection as provided by NRS 616A.485, is subject to a penalty of \$1,000
21 for each offense, to be collected by a civil action in the name of the
22 administrator.

23 ~~{3.}~~ 2. The person who ~~{gives}~~ *makes* such refusal is guilty of a
24 misdemeanor.

25 **Sec. 72.** NRS 616D.260 is hereby amended to read as follows:

26 616D.260 1. If an employer refuses to produce any book, record,
27 payroll report or other document in conjunction with an audit conducted by
28 ~~{the system,}~~ a private carrier or the department of taxation to verify the
29 employer’s premium, the administrator may issue a subpoena to require the
30 production of that document.

31 2. If an employer refuses to produce any document as required by the
32 subpoena, the administrator may report to the district court by petition,
33 setting forth that:

34 (a) Due notice has been given of the time and place of the production of
35 the document;

36 (b) The employer has been subpoenaed by the administrator pursuant to
37 this section; and

38 (c) The employer has failed or refused to produce the document required
39 by the subpoena,
40 and asking for an order of the court compelling the employer to produce the
41 document.

42 3. Upon such petition, the court shall enter an order directing the
43 employer to appear before the court at a time and place to be fixed by the

1 court in its order, the time to be not more than 10 days after the date of the
2 order, and to show cause why he has not produced the document. A
3 certified copy of the order must be served upon the employer.

4 4. If it appears to the court that the subpoena was regularly issued by
5 the administrator, the court shall enter an order that the employer produce
6 the required document at the time and place fixed in the order. Failure to
7 obey the order constitutes contempt of court.

8 **Sec. 73.** NRS 616D.400 is hereby amended to read as follows:

9 616D.400 1. A person who, upon submitting a charge for or upon
10 receiving payment for accident benefits pursuant to chapters 616A to 616D,
11 inclusive, or chapter 617 of NRS, intentionally fails to maintain such
12 records as are necessary to disclose fully the nature of the accident benefits
13 for which a charge was submitted or payment was received, or such records
14 as are necessary to disclose fully all income and expenditures upon which
15 rates of payment were based, for at least 5 years after the date on which
16 payment was received, is guilty of a gross misdemeanor.

17 2. A person who fails to make such records available to the attorney
18 general ~~[, manager]~~ or the administrator upon reasonable request is guilty
19 of a gross misdemeanor.

20 3. A person who intentionally destroys such records within 5 years
21 after the date payment was received is guilty of a category D felony and
22 shall be punished as provided in NRS 193.130.

23 **Sec. 74.** NRS 616D.430 is hereby amended to read as follows:

24 616D.430 1. A person who receives a payment or benefit to which he
25 is not entitled by reason of a violation of any of the provisions of NRS
26 616D.300, 616D.370, 616D.380, 616D.390, 616D.400 or 616D.410 is
27 liable in a civil action commenced by the attorney general for:

28 (a) An amount equal to three times the amount unlawfully obtained;

29 (b) Not less than \$5,000 for each act of deception;

30 (c) An amount equal to three times the total amount of the reasonable
31 expenses incurred by the state in enforcing this section; and

32 (d) Payment of interest on the amount of the excess payment at the rate
33 fixed pursuant to NRS 99.040 for the period from the date upon which
34 payment was made to the date upon which repayment is made.

35 2. A criminal action need not be brought against a person who receives
36 a payment or benefit to which he is not entitled by reason of a violation of
37 any of the provisions of NRS 616D.300, 616D.370, 616D.380, 616D.390,
38 616D.400 or 616D.410 before civil liability attaches under this section.

39 3. A person who unknowingly accepts a payment in excess of the
40 amount to which he is entitled is liable for the repayment of the excess
41 amount. It is a defense to any action brought pursuant to this subsection
42 that the person returned or attempted to return the amount which was in

1 excess of that to which he was entitled within a reasonable time after
2 receiving it.

3 4. Any repayment of money collected pursuant to paragraph (a) or (d)
4 of subsection 1 must be paid to the insurer who made the payment to the
5 person who violated the provisions of this section. Any payment made to an
6 insurer may not exceed the amount paid by the insurer to that person. ~~If the~~
7 ~~insurer is the system, the system shall deposit any repayment of money~~
8 ~~collected pursuant to this section with the state treasurer for credit to the~~
9 ~~state insurance fund.~~

10 5. Any penalty collected pursuant to paragraph (b) or (c) of subsection
11 1 must be used to pay the salaries and other expenses of the fraud control
12 unit for industrial insurance established pursuant to NRS 228.420. Any
13 money remaining at the end of any fiscal year does not revert to the state
14 general fund.

15 **Sec. 75.** NRS 617.1665 is hereby amended to read as follows:

16 617.1665 Every employer insured by ~~the system or~~ a private carrier,
17 to receive the benefits of this chapter and to provide and secure
18 compensation for his employees, shall pay premiums according to the
19 classification and rules filed by the advisory organization, and the rates
20 filed by the insurers, with the commissioner.

21 **Sec. 76.** NRS 617.1675 is hereby amended to read as follows:

22 617.1675 1. There is hereby created in the state general fund the
23 account for pensions for silicosis, diseases related to asbestos and other
24 disabilities. The account consists of money appropriated to the account by
25 the legislature and interest and income earned pursuant to subsection 2.

26 2. The interest and income earned on money in the account, after
27 deducting any applicable charges, must be credited to the account.

28 3. The account must be administered by the state treasurer. The money
29 in the account may be expended only for the purposes set forth in NRS
30 617.168 and none of the money in the account may be expended for
31 administrative purposes. The expenditures must be made on claims
32 approved by the ~~system~~ insurer and paid as other claims against the state
33 are paid.

34 **Sec. 77.** NRS 617.168 is hereby amended to read as follows:

35 617.168 1. The money in the account for pensions for silicosis,
36 diseases related to asbestos and other disabilities must be expended to
37 provide:

38 (a) The continuing benefits described in subsection 6 of NRS 617.460;

39 (b) The increased benefits for permanent total disability described in
40 NRS 616C.455; and

41 (c) The increased death benefits described in NRS 616C.510.

42 2. Upon receiving a monthly statement showing the amount of benefits
43 to be paid for the month to the persons entitled thereto pursuant to

1 subsection 1, the state treasurer shall pay an amount equal to that shown on
2 the statement from the account to the ~~{system.}~~ insurer.

3 3. At such time as all claimants, their dependents, widows, widowers,
4 surviving children or surviving parent who are provided benefits or
5 increased benefits pursuant to the provisions of subsection 1 are no longer
6 eligible for those benefits, the balance of the account must revert to the
7 state general fund.

8 **Sec. 78.** NRS 617.225 is hereby amended to read as follows:

9 617.225 1. A sole proprietor may elect to be included within the
10 terms, conditions and provisions of this chapter to secure for himself
11 compensation equivalent to that to which an employee is entitled for any
12 occupational disease contracted by the sole proprietor which arises out of
13 and in the course of his self-employment by filing a written notice of
14 election with the administrator and ~~{the system or}~~ a private carrier.

15 2. A sole proprietor who elects to accept the terms, conditions and
16 provisions of this chapter shall submit to a physical examination by a
17 physician selected by the ~~{system or the}~~ private carrier before the
18 commencement of coverage and on a yearly basis thereafter. The ~~{system~~
19 ~~or the}~~ private carrier shall prescribe the scope of the examination and shall
20 consider it for rating purposes. The cost of the physical examination must
21 be paid by the sole proprietor.

22 3. A sole proprietor who elects to submit to the provisions of this
23 chapter shall pay to the ~~{system or the}~~ private carrier premiums in such
24 manner and amounts as may be prescribed by the regulations of the
25 commissioner.

26 4. If a sole proprietor fails to pay all premiums required by the
27 regulations of the commissioner, the failure operates as a rejection of this
28 chapter.

29 5. A sole proprietor who elects to be included under the provisions of
30 this chapter remains subject to all terms, conditions and provisions of this
31 chapter and all regulations of the commissioner until he files a written
32 notice with the ~~{system or the}~~ private carrier and the administrator that he
33 withdraws his election.

34 6. For purposes of this chapter, a sole proprietor shall be deemed to be
35 an employee receiving a wage of \$300 per month.

36 **Sec. 79.** NRS 617.342 is hereby amended to read as follows:

37 617.342 1. An employee or, in the event of the employee's death,
38 one of his dependents, shall provide written notice of an occupational
39 disease for which compensation is payable under this chapter to the
40 employer of the employee as soon as practicable, but within 7 days after the
41 employee or dependent has knowledge of the disability and its relationship
42 to the employee's employment.

43 2. The notice required by subsection 1 must:

1 (a) Be on a form prescribed by the administrator. The form must allow
2 the employee or his dependent to describe briefly the circumstances which
3 caused the disease or death.

4 (b) Be signed by the employee or by a person on his behalf, or in the
5 event of the employee's death, by one of his dependents or by a person
6 acting on behalf of the dependent.

7 (c) Include an explanation of the procedure for filing a claim for
8 compensation.

9 (d) Be prepared in duplicate so that the employee or his dependent and
10 the employer can retain a copy of the notice.

11 3. Upon receipt of the notice required by subsection 1, the employer,
12 the employee's supervisor or the agent of the employer who was in charge
13 of the type of work performed by the employee shall sign the notice. The
14 signature of the employer, the supervisor or the employer's agent is an
15 acknowledgment of the receipt of the notice and shall not be deemed to be
16 a waiver of any of the employer's defenses or rights.

17 4. An employer shall maintain a sufficient supply of the forms required
18 to file the notice required by subsection 1 for use by his employees.

19 5. An employer shall retain any notice provided pursuant to subsection
20 1 for 3 years after the date of the receipt of the notice. An employer insured
21 by ~~{the system or}~~ a private carrier shall not file a notice of injury with the
22 ~~{system or the}~~ private carrier.

23 **Sec. 80.** NRS 617.401 is hereby amended to read as follows:

24 617.401 1. *The division shall designate one:*

25 *(a) Third-party administrator who has a valid certificate issued by the*
26 *commissioner pursuant to NRS 683A.085; or*

27 *(b) Insurer, other than a self-insured employer or association of self-*
28 *insured public or private employers,*
29 *to administer claims against the uninsured employers' claim fund. The*
30 *designation must be made pursuant to reasonable competitive bidding*
31 *procedures established by the administrator.*

32 2. An employee may receive compensation from the uninsured
33 employers' claim fund if:

34 (a) He was hired in this state or he is regularly employed in this state;

35 (b) He contracts an occupational disease as a result of work performed
36 in this state;

37 (c) He files a claim for compensation with the division; and

38 (d) He makes an irrevocable assignment to the division of a right to be
39 subrogated to the rights of the employee pursuant to NRS 616C.215.

40 ~~{2-}~~ 3. If the division receives a claim pursuant to subsection ~~{1-}~~ 2, the
41 division shall immediately notify the employer of the claim.

42 ~~{3-}~~ 4. For the purposes of this section, the employer has the burden of
43 proving that he provided mandatory coverage for occupational diseases for

1 the employee or that he was not required to maintain industrial insurance
2 for the employee.

3 ~~[4.]~~ 5. Any employer who has failed to provide mandatory coverage
4 required by the provisions of this chapter is liable for all payments made on
5 his behalf, including, but not limited to, any benefits, administrative costs
6 or attorney's fees paid from the uninsured employers' claim fund or
7 incurred by the division.

8 ~~[5.]~~ 6. The division:

9 (a) May recover from the employer the payments made by the division
10 that are described in subsection ~~[4]~~ 5 and any accrued interest by bringing a
11 civil action in district court.

12 (b) In any civil action brought against the employer, is not required to
13 prove that negligent conduct by the employer was the cause of the
14 occupational disease.

15 (c) May enter into a contract with any person to assist in the collection
16 of any liability of an uninsured employer.

17 (d) In lieu of a civil action, may enter into an agreement or settlement
18 regarding the collection of any liability of an uninsured employer.

19 ~~[6.]~~ 7. The division shall:

20 (a) Determine whether the employer was insured within 30 days after
21 receiving the claim from the employee.

22 (b) Assign the claim to the ~~[system]~~ *third-party administrator or*
23 *insurer designated pursuant to subsection 1* for administration ~~[of the~~
24 ~~claim, payment of benefits and reimbursement of costs of administration~~
25 ~~and benefits paid to the system. Upon determining that a claim is invalid,~~
26 ~~the system]~~ *and payment of compensation.*
27 *Upon determining whether the claim is accepted or denied, the*
28 *designated third-party administrator or insurer* shall notify the ~~[claimant,]~~
29 *injured employee,* the named employer and the division ~~[that the claim will~~
30 ~~not be assigned for benefits from the uninsured employers' claim fund.~~
31 ~~—7.] of its determination.~~

32 (c) *Upon demonstration of the:*

33 (1) *Costs incurred by the designated third-party administrator or*
34 *insurer to administer the claim or pay compensation to the injured*
35 *employee; or*

36 (2) *Amount that the designated third-party administrator or insurer*
37 *will pay for administrative expenses or compensation to the injured*
38 *employee and that such amounts are justified by the circumstances of the*
39 *claim,*
40 *the division shall authorize payment from the uninsured employers'*
41 *claim fund.*

42 8. Any party aggrieved by a ~~[decision]~~ *determination* regarding the
43 administration of an assigned claim or a ~~[decision]~~ *determination* made by

1 the division or by the ~~{system}~~ *designated third-party administrator or*
2 *insurer* regarding any claim made pursuant to this section may appeal that
3 ~~{decision}~~ *determination* within 60 days after the ~~{decision}~~ *determination*
4 is rendered to the hearings division of the department of administration in
5 the manner provided by NRS 616C.305 and 616C.315 to 616C.385,
6 inclusive.

7 ~~{8-}~~ **9.** All insurers shall bear a proportionate amount of a claim made
8 pursuant to this chapter, and are entitled to a proportionate amount of any
9 collection made pursuant to this section as an offset against future
10 liabilities.

11 ~~{9-}~~ **10.** An uninsured employer is liable for the interest on any amount
12 paid on his claims from the uninsured employers' claim fund. The interest
13 must be calculated at a rate equal to the prime rate at the largest bank in
14 Nevada, as ascertained by the commissioner of financial institutions, on
15 January 1 or July 1, as the case may be, immediately preceding the date of
16 the claim, plus 3 percent, compounded monthly, from the date the claim is
17 paid from the fund until payment is received by the division from the
18 employer.

19 ~~{10-}~~ **11.** Attorney's fees recoverable by the division pursuant to this
20 section must be:

21 (a) If a private attorney is retained by the division, paid at the usual and
22 customary rate for that attorney.

23 (b) If the attorney is an employee of the division, paid at the rate
24 established by regulations adopted by the division.

25 Any money collected must be deposited ~~{to}~~ *in* the uninsured employers'
26 claim fund.

27 ~~{11-}~~ **12.** In addition to any other liabilities provided for in this section,
28 the administrator may impose an administrative fine of not more than
29 \$10,000 against an employer if the employer fails to provide mandatory
30 coverage required by the provisions of this chapter.

31 **Sec. 81.** NRS 617.430 is hereby amended to read as follows:

32 617.430 1. Every employee who is disabled or dies because of an
33 occupational disease, as defined in this chapter, arising out of and in the
34 course of employment in the State of Nevada, or the dependents, as that
35 term is defined in chapters 616A to 616D, inclusive, of NRS, of an
36 employee whose death is caused by an occupational disease, are entitled to
37 the compensation provided by those chapters for temporary disability,
38 permanent disability or death, as the facts may warrant, subject to the
39 modifications mentioned in this chapter.

40 2. In cases of tenosynovitis, prepatellar bursitis, and infection or
41 inflammation of the skin, no person is entitled to such compensation unless
42 for 90 days next preceding the contraction of the occupational disease the
43 employee has been:

- 1 (a) A resident of the State of Nevada; or
2 (b) Employed by a self-insured employer, a member of an association of
3 self-insured public or private employers, **or** an employer insured by a
4 private carrier that provides coverage for occupational diseases . ~~for an~~
5 ~~employer insured by the system.~~

6 **Sec. 82.** NRS 209.189 is hereby amended to read as follows:

7 209.189 1. The fund for prison industries is hereby created as an
8 enterprise fund to receive all revenues derived from programs for
9 vocational training and employment of offenders and the operation of the
10 prison farm and to receive all revenues raised by the department from
11 private employers for the leasing of space, facilities or equipment within
12 the institutions or facilities of the department of prisons.

13 2. Money in the fund must be maintained in separate budgetary
14 accounts, including at least one account for industrial programs and one for
15 the prison farm.

16 3. Subject to the approval of the state board of examiners, the director
17 may expend money deposited in this fund for the promotion and
18 development of these programs and the prison farm. The director ~~[shall]~~
19 **may** expend money deposited in this fund to pay ~~to the state industrial~~
20 ~~insurance system the~~ **any** premiums required for coverage of offenders
21 under the modified program of industrial insurance adopted pursuant to
22 NRS 616B.185.

23 4. The interest and income earned on the money in the fund, after
24 deducting any applicable charges, must be credited to the fund.

25 5. If money owed to the department for the leasing of space, facilities
26 or equipment within the institutions or facilities of the department or for the
27 purchase of goods or services, which must be deposited into the fund for
28 prison industries pursuant to subsection 1, is not paid on or before the date
29 due, the department shall charge and collect, in addition to the money due,
30 interest on the money due at the rate of 1.5 percent per month or fraction
31 thereof from the date on which the money became due until the date of
32 payment.

33 **Sec. 83.** NRS 218.2754 is hereby amended to read as follows:

34 218.2754 1. The summary of each bill or joint resolution introduced
35 in the legislature must include the statement:

- 36 (a) “Fiscal Note: Effect on Local Government: Yes,”
37 “Fiscal Note: Effect on Local Government: No,”
38 “Fiscal Note: Effect on Local Government: Contains Appropriation
39 included in Executive Budget,” or
40 “Fiscal Note: Effect on Local Government: Contains Appropriation
41 not included in Executive Budget,”

42 whichever is appropriate; and

- 43 (b) “Effect on the State : ~~for on Industrial Insurance;~~ Yes,”

1 “Effect on the State : ~~{or on Industrial Insurance:}~~ No,”
2 “Effect on the State : ~~{or on Industrial Insurance:}~~ Contains
3 Appropriation included in Executive Budget,”
4 “Effect on the State : ~~{or on Industrial Insurance:}~~ Executive
5 Budget,” or
6 “Effect on the State : ~~{or on Industrial Insurance:}~~ Contains
7 Appropriation not included in Executive Budget,”
8 whichever is appropriate.

9 2. The legislative counsel shall consult the fiscal analysis division to
10 secure the appropriate information for summaries of bills and joint
11 resolutions.

12 **Sec. 84.** NRS 218.5377 is hereby amended to read as follows:
13 218.5377 The committee:

14 1. May review issues related to workers’ compensation.

15 2. May study the desirability of establishing a preferred employee
16 program which provides exemptions from the payment of premiums and
17 other financial incentives for employers who provide suitable employment
18 for injured employees and any other program for returning injured
19 employees to work.

20 3. May review the manner used by the division of industrial relations
21 of the department of business and industry to rate physical impairments of
22 injured employees.

23 4. ~~{Shall, to ensure the solvency of the state industrial insurance~~
24 ~~system:~~

25 ~~—(a) Review and study the financial condition of the state industrial~~
26 ~~insurance system; and~~

27 ~~—(b) Determine the extent of any apparent insolvency of the system.~~

28 ~~—5.}~~ May conduct investigations and hold hearings in connection with
29 carrying out its duties pursuant to this section.

30 ~~{6.}~~ 5. May direct the legislative counsel bureau to assist in its
31 research, investigations, hearings and reviews.

32 **Sec. 85.** NRS 218.610 is hereby amended to read as follows:

33 218.610 As used in NRS 218.610 to 218.735, inclusive, “agency of the
34 state” includes all offices, departments, boards, commissions ~~{or}~~ **and**
35 institutions of the state . ~~{, and the state industrial insurance system.}~~

36 **Sec. 86.** NRS 218.737 is hereby amended to read as follows:

37 218.737 As used in NRS 218.740 to 218.893, inclusive, “agency of the
38 state” includes all offices, departments, boards, commissions ~~{or}~~ **and**
39 institutions of the state ~~{,}~~ **and** the judicial department of the state , ~~{and the~~
40 ~~state industrial insurance system,}~~ but does not include the legislative
41 branch of government.

Sec. 87. NRS 228.420 is hereby amended to read as follows:

228.420 1. The attorney general has primary jurisdiction to investigate and prosecute any alleged criminal violations of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440, inclusive, and any fraud in the administration of chapter 616A, 616B, 616C, 616D or 617 of NRS or in the provision of compensation required by chapters 616A to 617, inclusive, of NRS.

2. For this purpose, the attorney general shall establish within his office a fraud control unit for industrial insurance. The unit must consist of such persons as are necessary to carry out the duties set forth in this section, including, without limitation, an attorney, an auditor and an investigator.

3. The attorney general, acting through the unit established pursuant to subsection 2:

(a) Is the single state agency responsible for the investigation and prosecution of any alleged criminal violations of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440, inclusive, and any fraud in the administration of chapter 616A, 616B, 616C, 616D or 617 of NRS or in the provision of compensation required by chapters 616A to 617, inclusive, of NRS;

(b) Shall cooperate with the ~~{state industrial insurance system, the}~~ division of industrial relations of the department of business and industry, self-insured employers, associations of self-insured public or private employers, private carriers and other state and federal investigators and prosecutors in coordinating state and federal investigations and prosecutions involving violations of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440, inclusive, and any fraud in the administration of chapter 616A, 616B, 616C, 616D or 617 of NRS or in the provision of compensation required by chapters 616A to 617, inclusive, of NRS;

(c) Shall protect the privacy of persons who are eligible to receive compensation pursuant to the provisions of chapter 616A, 616B, 616C, 616D or 617 of NRS and establish procedures to prevent the misuse of information obtained in carrying out this section; and

(d) May, upon request, inspect the records of any self-insured employer, association of self-insured public or private employers, ~~or~~ private carrier, ~~{the state industrial insurance system,}~~ the division of industrial relations of the department of business and industry and the state contractors' board to investigate any alleged violation of any of the provisions of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440, inclusive, or any fraud in the administration of chapter 616A, 616B, 616C, 616D or 617 of NRS or in the provision of compensation required by chapters 616A to 617, inclusive, of NRS.

1 4. When acting pursuant to **this section or** NRS 228.175, 228.410 , ~~for~~
2 ~~this section,~~ the attorney general may commence his investigation and file
3 a criminal action without leave of court, and he has exclusive charge of the
4 conduct of the prosecution.

5 5. The attorney general shall report the name of any person who has
6 been convicted of violating any of the provisions of NRS 616D.200,
7 616D.220, 616D.240, 616D.300, 616D.310, 616D.350 to 616D.440,
8 inclusive, to the occupational board that issued the person's license or
9 certificate to provide medical care, remedial care or other services in this
10 state.

11 6. The attorney general shall establish a toll-free telephone number for
12 persons to report information regarding alleged violations of any of the
13 provisions of NRS 616D.200, 616D.220, 616D.240, 616D.300, 616D.310,
14 616D.350 to 616D.440, inclusive, and any fraud in the administration of
15 chapter 616A, 616B, 616C, 616D or 617 of NRS or in the provision of
16 compensation required by chapters 616A to 617, inclusive, of NRS.

17 7. As used in this section:

18 (a) "Association of self-insured private employers" has the meaning
19 ascribed to it in NRS 616A.050.

20 (b) "Association of self-insured public employers" has the meaning
21 ascribed to it in NRS 616A.055.

22 (c) "Private carrier" has the meaning ascribed to it in NRS 616A.290.

23 (d) "Self-insured employer" has the meaning ascribed to it in NRS
24 616A.305.

25 **Sec. 88.** NRS 232.550 is hereby amended to read as follows:

26 232.550 As used in NRS 232.550 to 232.700, inclusive, unless the
27 context otherwise requires:

28 1. "Administrator" means the administrator of the division.

29 2. "Director" means the director of the department of business and
30 industry.

31 3. "Division" means the division of industrial relations of the
32 department of business and industry.

33 4. "Insurer" includes:

34 (a) ~~The state industrial insurance system;~~

35 ~~(b)~~ A self-insured employer;

36 ~~(c)~~ (b) An association of self-insured public employers;

37 ~~(d)~~ (c) An association of self-insured private employers; and

38 ~~(e)~~ (d) A private carrier.

39 **Sec. 89.** NRS 232.680 is hereby amended to read as follows:

40 232.680 1. The cost of carrying out the provisions of NRS 232.550
41 to 232.700, inclusive, and of supporting the division, a full-time employee
42 of the legislative counsel bureau, the fraud control unit for industrial

43 insurance established pursuant to NRS 228.420 and the legislative

1 committee on workers' compensation created pursuant to NRS 218.5375,
2 must be paid from assessments payable by each ~~+~~
3 ~~—(a) Insurer based upon expected annual premiums to be received; and~~
4 ~~—(b) Employer]~~ **insurer, including each employer** who provides accident
5 benefits for injured employees pursuant to NRS 616C.265, based upon ~~this~~
6 ~~expected annual expenses of providing those benefits.~~
7 ~~For the purposes of this subsection, the “premiums to be received” by a~~
8 ~~self-insured employer or an association of self-insured public or private~~
9 ~~employers shall be deemed to be the same fraction of the premiums to be~~
10 ~~received by the state industrial insurance system that his expected annual~~
11 ~~expenditure for claims is of the expected annual expenditure of the system~~
12 ~~for claims.]~~ **expected annual expenditures for claims for injuries**
13 **occurring on or after July 1, 1999.** The division shall adopt regulations
14 which establish formulas of assessment which result in an equitable
15 distribution of costs among the insurers and employers who provide
16 accident benefits for injured employees. The formulas may utilize actual
17 expenditures for claims.

18 2. Federal grants may partially defray the costs of the division.

19 3. Assessments made against insurers by the division after the adoption
20 of regulations must be used to defray all costs and expenses of
21 administering the program of workers' compensation, including the
22 payment of:

23 (a) All salaries and other expenses in administering the division,
24 including the costs of the office and staff of the administrator.

25 (b) All salaries and other expenses of administering NRS 616A.435 to
26 616A.460, inclusive, the offices of the hearings division of the department
27 of administration and the programs of self-insurance and review of
28 premium rates by the commissioner of insurance.

29 (c) The salary and other expenses of a full-time employee of the
30 legislative counsel bureau whose principal duties are limited to conducting
31 research and reviewing and evaluating data related to industrial insurance.

32 (d) All salaries and other expenses of the fraud control unit for industrial
33 insurance established pursuant to NRS 228.420.

34 (e) Claims against uninsured employers arising from compliance with
35 NRS 616C.220 and 617.401.

36 (f) All salaries and expenses of the members of the legislative committee
37 on workers' compensation and any other expenses incurred by the
38 committee in carrying out its duties pursuant to NRS 218.5375 to
39 218.5378, inclusive.

40 **Sec. 90.** NRS 242.131 is hereby amended to read as follows:

41 242.131 1. The department shall provide state agencies and elected
42 state officers with all ~~to~~ their required design of information systems. All

1 agencies and officers must use those services and equipment, except as
2 otherwise provided in subsection 2.

3 2. The following agencies may negotiate with the department for its
4 services or the use of its equipment, subject to the provisions of this
5 chapter, and the department shall provide such services and the use of such
6 equipment as may be mutually agreed:

7 (a) Court administrator;

8 (b) Department of motor vehicles and public safety;

9 (c) Department of transportation;

10 (d) Employment security division of the department of employment,
11 training and rehabilitation;

12 (e) Legislative counsel bureau;

13 (f) ~~{State industrial insurance system;~~

14 ~~–(g)–~~ State controller;

15 ~~{(h)}~~ (g) State gaming control board and Nevada gaming commission;
16 and

17 ~~{(i)}~~ (h) University and Community College System of Nevada.

18 3. Any state agency or elected state officer who uses the services of the
19 department and desires to withdraw substantially from that use must apply
20 to the director for approval. The application must set forth justification for
21 the withdrawal. If the director denies the application, the agency or officer
22 must:

23 (a) If the legislature is in regular or special session, obtain the approval
24 of the legislature by concurrent resolution.

25 (b) If the legislature is not in regular or special session, obtain the
26 approval of the interim finance committee. The director shall, within 45
27 days after receipt of the application, forward the application together with
28 his recommendation for approval or denial to the interim finance
29 committee. The interim finance committee has 45 days after the application
30 and recommendation are submitted to its secretary within which to consider
31 the application. Any application which is not considered by the committee
32 within the 45-day period shall be deemed approved.

33 4. If the demand for services or use of equipment exceeds the
34 capability of the department to provide them, the department may contract
35 with other agencies or independent contractors to furnish the required
36 services or use of equipment and is responsible for the administration of the
37 contracts.

38 **Sec. 91.** NRS 244.33505 is hereby amended to read as follows:

39 244.33505 1. In a county in which a license to engage in a business is
40 required, the board of county commissioners shall not issue such a license
41 unless the applicant for the license signs an affidavit affirming that the
42 business:

1 (a) Has received coverage by ~~the state industrial insurance system or~~ a
2 private carrier as required pursuant to chapters 616A to 616D, inclusive, of
3 NRS;

4 (b) Maintains a valid certificate of self-insurance pursuant to chapters
5 616A to 616D, inclusive, of NRS;

6 (c) Is a member of an association of self-insured public or private
7 employers; or

8 (d) Is not subject to the provisions of chapters 616A to 616D, inclusive,
9 of NRS.

10 2. In a county in which such a license is not required, the board of
11 county commissioners shall require a business, when applying for a post
12 office box, to submit to the board the affidavit required by subsection 1.

13 3. Each board of county commissioners shall submit to the
14 administrator of the division of industrial relations of the department of
15 business and industry monthly a list of the names of those businesses which
16 have submitted an affidavit required by subsections 1 and 2.

17 4. Upon receiving an affidavit required by this section, a board of
18 county commissioners shall provide the owner of the business with a
19 document setting forth the rights and responsibilities of employers and
20 employees to promote safety in the workplace, in accordance with
21 regulations adopted by the division of industrial relations of the department
22 of business and industry pursuant to NRS 618.376.

23 **Sec. 92.** NRS 268.0955 is hereby amended to read as follows:

24 268.0955 1. In an incorporated city in which a license to engage in a
25 business is required, the city council or other governing body of the city
26 shall not issue such a license unless the applicant for the license signs an
27 affidavit affirming that the business:

28 (a) Has received coverage by ~~the state industrial insurance system or~~ a
29 private carrier as required pursuant to chapters 616A to 616D, inclusive, of
30 NRS;

31 (b) Maintains a valid certificate of self-insurance pursuant to chapters
32 616A to 616D, inclusive, of NRS;

33 (c) Is a member of an association of self-insured public or private
34 employers; or

35 (d) Is not subject to the provisions of chapters 616A to 616D, inclusive,
36 of NRS.

37 2. In an incorporated city in which such a license is not required, the
38 city council or other governing body of the city shall require a business,
39 when applying for a post office box, to submit to the governing body the
40 affidavit required by subsection 1.

41 3. Each city council or other governing body of an incorporated city
42 shall submit to the administrator of the division of industrial relations of the
43 department of business and industry monthly a list of the names of those

1 businesses which have submitted an affidavit required by subsections 1 and
2 2.

3 4. Upon receiving an affidavit required by this section, the city council
4 or other governing body of an incorporated city shall provide the applicant
5 with a document setting forth the rights and responsibilities of employers
6 and employees to promote safety in the workplace, in accordance with
7 regulations adopted by the division of industrial relations of the department
8 of business and industry pursuant to NRS 618.376.

9 **Sec. 93.** NRS 277.185 is hereby amended to read as follows:

10 277.185 1. The agencies of this state, and the local governments
11 within this state, that collect taxes or fees from persons engaged in
12 business, or require such persons to provide related information and forms,
13 shall coordinate their collection of information and forms so that each
14 enterprise is required to furnish information in as few separate reports as
15 possible. This section applies specifically, but is not limited, to the
16 department of taxation, the employment security division of the department
17 of employment, training and rehabilitation, the state department of
18 conservation and natural resources, ~~the state industrial insurance system,~~
19 and the counties and cities that require a business license.

20 2. On or before October 1 of each year, the executive director of the
21 department of taxation shall convene the heads, or persons designated by
22 the respective heads, of the state agencies named in subsection 1 and the
23 appropriate officers of the cities and counties that require a business
24 license. The secretary of state, a representative of the Nevada Association
25 of Counties and a representative of the Nevada League of Cities must be
26 invited to attend the meeting. If he knows, or is made aware by persuasive
27 information furnished by any enterprise required to pay a tax or fee or to
28 provide information, that any other state or local agency needs to
29 participate to accomplish the purpose set forth in subsection 1, he shall also
30 invite the head of that agency or the appropriate officer of the local
31 government, and the person so invited shall attend. The director of the
32 department of information technology shall assist in effecting the
33 consolidation of the information and the creation of the forms.

34 3. The persons so assembled shall design and modify, as appropriate,
35 the necessary joint forms for use during the ensuing fiscal year to
36 accomplish the purpose set forth in subsection 1. If any dispute cannot be
37 resolved by the participants, it must be referred to the Nevada tax
38 commission for a decision that is binding on all parties.

39 4. On or before February 15 of each year, the executive director of the
40 department of taxation shall submit a report to the director of the legislative
41 counsel bureau for presentation to the legislature. The report must include a
42 summary of the annual meeting held during the immediately preceding year
43 and any recommendations for proposed legislation.

1 5. The provisions of chapter 241 of NRS apply to a meeting held
2 pursuant to this section. The executive director of the department of
3 taxation shall provide members of the staff of the department of taxation to
4 assist in complying with the requirements of chapter 241 of NRS.

5 **Sec. 94.** NRS 281.125 is hereby amended to read as follows:

6 281.125 ~~[1.]~~ In cases where the salary of an appointive officer or
7 employee is determined by law, such salary must not be paid unless a
8 specific legislative appropriation of money or a specific legislative
9 authorization for the expenditure of money is made or enacted for the
10 department or agency.

11 ~~[2.— None of the provisions of this section apply to any officers or~~
12 ~~employees of the state industrial insurance system.]~~

13 **Sec. 95.** NRS 281.390 is hereby amended to read as follows:

14 281.390 1. When any public employee is eligible at the same time for
15 benefits for temporary total disability pursuant to chapters 616A to 616D,
16 inclusive, or 617 of NRS and for any sick leave benefit, he may, by giving
17 notice to his employer, elect to continue to receive his normal salary instead
18 of the benefits pursuant to those chapters until his accrued sick leave time is
19 exhausted. The employer shall notify the ~~[state industrial insurance system~~
20 ~~or the]~~ insurer that provides industrial insurance for that employer of the
21 election. The employer shall continue to pay the employee his normal
22 salary but charge against the employee's accrued sick leave time as taken
23 during the pay period an amount which represents the difference between
24 his normal salary and the amount of any benefit for temporary total
25 disability received, exclusive of reimbursement or payment of medical or
26 hospital expenses pursuant to chapters 616A to 616D, inclusive, or 617 of
27 NRS for that pay period.

28 2. When the employee's accrued sick leave time is exhausted, payment
29 of his normal salary pursuant to subsection 1 must be discontinued and the
30 employer shall promptly notify the ~~[state industrial insurance system or the]~~
31 insurer that provides industrial insurance for that employer so that it may
32 begin paying the benefits to which the employee is entitled directly to the
33 employee.

34 3. An employee who declines to make the election provided in
35 subsection 1, may use all or part of the sick leave benefit normally payable
36 to him while directly receiving benefits for temporary total disability
37 pursuant to chapters 616A to 616D, inclusive, or 617 of NRS, but the
38 amount of sick leave benefit paid to the employee for any pay period must
39 not exceed the difference between his normal salary and the amount of any
40 benefit received, exclusive of reimbursement or payment of medical or
41 hospital expenses pursuant to those chapters for that pay period.

42 4. If the amount of the employee's sick leave benefit is reduced
43 pursuant to subsection 3 below the amount normally payable, the amount of

1 sick leave time charged against the employee as taken during that pay
2 period must be reduced in the same proportion.

3 5. The public employee may decline to use any or part of the sick leave
4 benefit normally payable to him while receiving benefits pursuant to
5 chapters 616A to 616D, inclusive, or 617 of NRS. During that ~~period of~~
6 time, the employee ~~shall~~ **must** be considered on leave of absence without
7 pay.

8 **Sec. 96.** NRS 284.013 is hereby amended to read as follows:

9 284.013 1. Except as otherwise provided in subsection 4, this chapter
10 does not apply to:

11 (a) Agencies, bureaus, commissions, officers or personnel in the
12 legislative department or the judicial department of state government,
13 including the commission on judicial discipline;

14 (b) Any person who is employed by a board, commission, committee or
15 council created in chapters 590, 623 to 625A, inclusive, 628, 630 to 644,
16 inclusive, 648, 652, 654 and 656 of NRS; or

17 (c) Officers or employees of any agency of the executive department of
18 the state government, **including the state industrial insurance system,**
19 who are exempted by specific statute.

20 2. Except as otherwise provided in subsection 3, the terms and
21 conditions of employment of all persons referred to in subsection 1,
22 including salaries not prescribed by law and leaves of absence, including,
23 without limitation, annual leave and sick and disability leave, must be fixed
24 by the appointing or employing authority within the limits of legislative
25 appropriations or authorizations.

26 3. Except as otherwise provided in this subsection, leaves of absence
27 prescribed pursuant to subsection 2 must not be of lesser duration than
28 those provided for other state officers and employees pursuant to the
29 provisions of this chapter. The provisions of this subsection do not govern
30 the legislative commission with respect to the personnel of the legislative
31 counsel bureau.

32 4. Any board, commission, committee or council created in chapters
33 590, 623 to 625A, inclusive, 628, 630 to 644, inclusive, 648, 652, 654 and
34 656 of NRS which contracts for the services of a person, shall require the
35 contract for those services to be in writing. The contract must be approved
36 by the state board of examiners before those services may be provided.

37 **Sec. 97.** NRS 284.173 is hereby amended to read as follows:

38 284.173 1. Elective officers and heads of departments, boards,
39 commissions or institutions may contract for the services of persons as
40 independent contractors.

41 2. An independent contractor is a natural person, firm or corporation
42 who agrees to perform services for a fixed price according to his or its own
43 methods and without subjection to the supervision or control of the other

1 contracting party, except as to the results of the work, and not as to the
2 means by which the services are accomplished.

3 3. For the purposes of this section:

4 (a) Travel, subsistence and other personal expenses may be paid to an
5 independent contractor, if provided for in the contract, in such amounts as
6 provided for in the contract. Those expenses must not be paid pursuant to
7 the provisions of NRS 281.160.

8 (b) There must be no:

9 (1) Withholding of income taxes by the state;

10 (2) Coverage for industrial insurance provided by the state;

11 (3) Participation in group insurance plans which may be available to
12 employees of the state;

13 (4) Participation or contributions by either the independent contractor
14 or the state to the public employees' retirement system;

15 (5) Accumulation of vacation leave or sick leave; or

16 (6) Coverage for unemployment compensation provided by the state
17 if the requirements of NRS 612.085 for independent contractors are met.

18 4. An independent contractor is not in the classified or unclassified
19 service of the state, and has none of the rights or privileges available to
20 officers or employees of the State of Nevada.

21 5. Except as otherwise provided in this subsection, each contract for
22 the services of an independent contractor must be in writing. The form of
23 the contract must be first approved by the attorney general, and, except as
24 otherwise provided in subsection 7, an executed copy of each contract must
25 be filed with the fiscal analysis division of the legislative counsel bureau
26 and the clerk of the state board of examiners. The state board of examiners
27 may waive the requirements of this subsection in the case of contracts
28 which are for amounts less than \$750.

29 6. Except as otherwise provided in subsection 7, and except contracts
30 entered into by the University and Community College System of Nevada,
31 each proposed contract with an independent contractor must be submitted
32 to the state board of examiners. The contracts do not become effective
33 without the prior approval of the state board of examiners, but the state
34 board of examiners may authorize its clerk or his designee to approve
35 contracts which are:

36 (a) For amounts less than \$5,000 or, in contracts necessary to preserve
37 life and property, for amounts less than \$25,000.

38 (b) Entered into by the state gaming control board for the purposes of
39 investigating an applicant for or holder of a gaming license.

40 The state board of examiners shall adopt regulations to carry out the
41 provisions of this section.

42 7. Copies of the following types of contracts need not be filed or

43 approved as provided in subsections 5 and 6:

1 (a) Contracts executed by the department of transportation for any work
2 of construction or reconstruction of highways.

3 (b) Contracts executed by the state public works board or any other state
4 department or agency for any work of construction or major repairs of state
5 buildings if the contracting process was controlled by the rules of open
6 competitive bidding.

7 (c) Contracts executed by the housing division of the department of
8 business and industry.

9 (d) ~~Contracts executed by the state industrial insurance system.~~

10 ~~—(e)—~~ Contracts executed with business entities for any work of
11 maintenance or repair of office machines and equipment.

12 8. The state board of examiners shall review each contract submitted
13 for approval pursuant to subsection 6 to consider:

14 (a) Whether sufficient authority exists to expend the money required by
15 the contract; and

16 (b) Whether the service which is the subject of the contract could be
17 provided by a state agency in a more cost-effective manner.

18 If the contract submitted for approval continues an existing contractual
19 relationship, the board shall ask each agency to ensure that the state is
20 receiving the services that the contract purports to provide.

21 9. If the services of an independent contractor are contracted for to
22 represent an agency of the state in any proceeding in any court, the contract
23 must require the independent contractor to identify in all pleadings the
24 specific state agency which he is representing.

25 **Sec. 98.** NRS 333.020 is hereby amended to read as follows:

26 333.020 As used in this chapter, unless the context otherwise requires:

27 1. “Chief” means the chief of the purchasing division.

28 2. “Director” means the director of the department of administration.

29 3. “Proprietary information” means:

30 (a) Any trade secret or confidential business information that is
31 contained in a bid submitted on a particular contract; or

32 (b) Any other trade secret or confidential business information
33 submitted by a bidder and designated as proprietary by the chief.

34 As used in this subsection, “confidential business information” means any
35 information relating to the amount or source of any income, profits, losses
36 or expenditures of a person, including data relating to cost or price
37 submitted in support of a bid or proposal. The term does not include the
38 amount of a bid or proposal.

39 4. “Purchasing division” means the purchasing division of the
40 department of administration.

41 5. “Purchasing officer” means a person who is authorized by the chief
42 or a using agency to participate in:

43 (a) The evaluation of bids or proposals for a contract;

1 (b) Any negotiations concerning a contract; or

2 (c) The development, review or approval of a contract.

3 6. “Request for a proposal” means a statement which sets forth the
4 requirements and specifications of a contract to be awarded by competitive
5 selection.

6 7. “Trade secret” has the meaning ascribed to it in NRS 600A.030.

7 8. “Using agencies” means all officers, departments, institutions,
8 boards, commissions and other agencies in the executive department of the
9 state government which derive their support from public money in whole or
10 in part, whether the money is provided by the State of Nevada, received
11 from the Federal Government or any branch, bureau or agency thereof, or
12 derived from private or other sources, except the Nevada rural housing
13 authority, local governments as defined in NRS 354.474, conservation
14 districts, irrigation districts ~~[, the state industrial insurance system]~~ and the
15 University and Community College System of Nevada.

16 9. “Volunteer fire department” means a volunteer fire department
17 which pays premiums for industrial insurance pursuant to the provisions of
18 chapters 616A to 616D, inclusive, of NRS.

19 **Sec. 99.** NRS 333.470 is hereby amended to read as follows:

20 333.470 1. The University and Community College System of
21 Nevada, ~~[the state industrial insurance system and]~~ local governments as
22 defined in NRS 354.474, conservation districts and irrigation districts in the
23 State of Nevada may obtain supplies, materials and equipment on a
24 voluntary basis through the facilities of the purchasing division.

25 2. The chief shall issue bulletins from time to time to:

26 (a) Each state agency;

27 (b) Each local governmental agency;

28 (c) Each irrigation district;

29 (d) Each conservation district; *and*

30 (e) The University and Community College System of Nevada, ~~[- and~~
31 ~~-(f) The state industrial insurance system,]~~

32 indicating the supplies, materials and equipment available and the prices
33 thereof.

34 3. The specifications for all bids for supplies, materials or equipment to
35 be furnished pursuant to the provisions of subsection 1 must be so written
36 that all suppliers of the market in the industry or business concerned are
37 given an opportunity to bid pursuant to notice as provided for in this
38 chapter.

39 **Sec. 100.** NRS 338.1905 is hereby amended to read as follows:

40 338.1905 1. The governor shall designate one or more energy retrofit
41 coordinators for the buildings occupied by the executive branch of
42 government, including, without limitation, the ~~[state industrial insurance~~

1 ~~system, the~~ University and Community College System of Nevada and the
2 public employees' retirement system.

3 2. The supreme court shall designate an energy retrofit coordinator for
4 the buildings occupied by the judicial branch of state government.

5 3. The legislature, by concurrent resolution, shall designate an energy
6 retrofit coordinator for the buildings occupied by the legislative branch of
7 government. If the position becomes vacant at a time when the legislature is
8 not in session, the legislative commission may designate a replacement.

9 4. The governor shall appoint a person who is trained in the
10 management of facilities to assist the energy retrofit coordinator of the:

11 (a) Judicial branch of government, upon request of the supreme court.

12 (b) Legislative branch of government, upon request of the legislative
13 commission.

14 A person appointed to assist an energy retrofit coordinator pursuant to this
15 subsection shall provide all assistance requested including making
16 recommendations for proposals for retrofitting buildings and any other
17 assistance necessary to enable the coordinator to carry out the provisions of
18 NRS 338.1906.

19 **Sec. 101.** NRS 353.210 is hereby amended to read as follows:

20 353.210 1. Except as otherwise provided in subsection 6, on or
21 before August 15 of each even-numbered year, all departments, institutions
22 and other agencies of the executive department of the state government,
23 and all agencies of the executive department of the state government
24 receiving state money, fees or other money under the authority of the state,
25 including those operating on money designated for specific purposes by the
26 constitution or otherwise, shall prepare, on blanks furnished them by the
27 chief, and submit to the chief estimates of their expenditure requirements,
28 together with all anticipated income from fees and all other sources, for the
29 next 2 fiscal years compared with the corresponding figures of the last
30 completed fiscal year and the estimated figures for the current fiscal year.

31 2. The chief shall direct that one copy of the forms submitted pursuant
32 to subsection 1, accompanied by every supporting schedule and any other
33 related material, be delivered directly to the fiscal analysis division of the
34 legislative counsel bureau on or before August 15 of each even-numbered
35 year.

36 3. The budget division of the department of administration shall give
37 advance notice to the fiscal analysis division of the legislative counsel
38 bureau of any conference between the budget division of the department of
39 administration and personnel of other state agencies regarding budget
40 estimates. A fiscal analyst of the legislative counsel bureau or his
41 designated representative may attend any such conference.

42 4. The estimates of expenditure requirements submitted pursuant to
43 subsection 1 must be classified to set forth the data of funds, organizational

1 units, and the character and objects of expenditures, and must include a
2 mission statement and measurement indicators for each program. The
3 organizational units may be subclassified by functions and activities, or in
4 any other manner at the discretion of the chief.

5 5. If any department, institution or other agency of the executive
6 department of the state government, whether its money is derived from
7 state money or from other money collected under the authority of the state,
8 fails or neglects to submit estimates of its expenditure requirements as
9 provided in this section, the chief may, from any data at hand in his office
10 or which he may examine or obtain elsewhere, make and enter a proposed
11 budget for the department, institution or agency in accordance with the
12 data.

13 6. Agencies, bureaus, commissions and officers of the legislative
14 department, the public employees' retirement system ~~[, the state industrial~~
15 ~~insurance system]~~ and the judicial department of the state government shall
16 submit to the chief for his information in preparing the proposed executive
17 budget the budgets which they propose to submit to the legislature.

18 **Sec. 102.** NRS 353.246 is hereby amended to read as follows:

19 353.246 1. Except as otherwise provided in subsection 2 of this
20 section and subsection 6 of NRS 353.210, the provisions of NRS 353.150
21 to 353.245, inclusive, do not apply to agencies, bureaus, commissions and
22 officers of the legislative department, the public employees' retirement
23 system ~~[, the state industrial insurance system]~~ and the judicial department
24 of the state government.

25 2. The legislative department, the public employees' retirement system
26 ~~[, the state industrial insurance system]~~ and the judicial department of the
27 state government shall submit their budgets to the legislature in the same
28 format as the proposed executive budget unless otherwise provided by the
29 legislative commission. All projections of revenue and any other
30 information concerning future state revenue contained in those budgets
31 must be based upon the projections and estimates prepared by the economic
32 forum pursuant to NRS 353.228.

33 **Sec. 103.** NRS 353.335 is hereby amended to read as follows:

34 353.335 1. Except as otherwise provided in subsections 5 and 6, a
35 state agency may accept any gift or grant of property or services from any
36 source only if it is included in an act of the legislature authorizing
37 expenditures of nonappropriated money or, when it is not so included, if it
38 is approved as provided in subsection 2.

39 2. If:

40 (a) Any proposed gift or grant is necessary because of an emergency as
41 defined in NRS 353.263 or for the protection or preservation of life or
42 property, the governor shall take reasonable and proper action to accept it
43 and shall report the action and his reasons for determining that immediate

1 action was necessary to the interim finance committee at its first meeting
2 after the action is taken. Action by the governor pursuant to this paragraph
3 constitutes acceptance of the gift or grant, and other provisions of this
4 chapter requiring approval before acceptance do not apply.

5 (b) The governor determines that any proposed gift or grant would be
6 forfeited if the state failed to accept it before the expiration of the period
7 prescribed in paragraph (c), he may declare that the proposed acceptance
8 requires expeditious action by the interim finance committee. Whenever the
9 governor so declares, the interim finance committee has 15 days after the
10 proposal is submitted to its secretary within which to approve or deny the
11 acceptance. Any proposed acceptance which is not considered within the
12 15-day period shall be deemed approved.

13 (c) The proposed acceptance of any gift or grant does not qualify
14 pursuant to paragraph (a) or (b), it must be submitted to the interim finance
15 committee. The interim finance committee has 45 days after the proposal is
16 submitted to its secretary within which to consider acceptance. Any
17 proposed acceptance which is not considered within the 45-day period shall
18 be deemed approved.

19 3. The secretary shall place each request submitted to him pursuant to
20 paragraph (b) or (c) of subsection 2 on the agenda of the next meeting of
21 the interim finance committee.

22 4. In acting upon a proposed gift or grant, the interim finance
23 committee shall consider, among other things:

24 (a) The need for the facility or service to be provided or improved;

25 (b) Any present or future commitment required of the state;

26 (c) The extent of the program proposed; and

27 (d) The condition of the national economy, and any related fiscal or
28 monetary policies.

29 5. A state agency may accept:

30 (a) Gifts, including grants from nongovernmental sources, not exceeding
31 \$10,000 each in value; and

32 (b) Governmental grants not exceeding \$100,000 each in value,
33 if the gifts or grants are used for purposes which do not involve the hiring
34 of new employees and if the agency has the specific approval of the
35 governor or, if the governor delegates this power of approval to the chief of
36 the budget division of the department of administration, the specific
37 approval of the chief.

38 6. This section does not apply to:

39 (a) ~~The state industrial insurance system;~~

40 ~~—(b)—~~ The University and Community College System of Nevada; or

41 ~~[(c)]~~ (b) The department of human resources while acting as the state
42 health planning and development agency pursuant to paragraph (d) of

1 subsection 2 of NRS 439A.081 or for donations, gifts or grants to be
2 disbursed pursuant to NRS 433.395.

3 **Sec. 104.** NRS 353A.010 is hereby amended to read as follows:

4 353A.010 As used in this chapter, unless the context otherwise
5 requires:

6 1. “Agency” means every agency, department, division, board,
7 commission or similar body, or elected officer, of the executive branch of
8 the state, except:

9 (a) A board or commission created by the provisions of chapters 623 to
10 625, inclusive, 628 to 644, inclusive, 654 and 656 of NRS.

11 (b) The University and Community College System of Nevada.

12 (c) The public employees’ retirement system.

13 (d) ~~The state industrial insurance system.~~

14 ~~—(e) The housing division of the department of business and industry.~~

15 ~~[(f)]~~ (e) The Colorado River commission.

16 2. “Director” means the director of the department of administration.

17 3. “Internal accounting and administrative control” means a method
18 through which agencies can safeguard assets, check the accuracy and
19 reliability of their accounting information, promote efficient operations and
20 encourage adherence to prescribed managerial policies.

21 **Sec. 105.** NRS 355.140 is hereby amended to read as follows:

22 355.140 1. In addition to other investments provided for by a specific
23 statute, the following bonds and other securities are proper and lawful
24 investments of any of the money of this state, of its various departments,
25 institutions and agencies, and of the state insurance fund:

26 (a) Bonds and certificates of the United States;

27 (b) Bonds, notes, debentures and loans if they are underwritten by or
28 their payment is guaranteed by the United States;

29 (c) Obligations or certificates of the United States Postal Service, the
30 Federal National Mortgage Association, the Federal Home Loan Banks, the
31 Federal Home Loan Mortgage Corporation or the Student Loan Marketing
32 Association, whether or not guaranteed by the United States;

33 (d) Bonds of this state or other states of the Union;

34 (e) Bonds of any county of this state or of other states;

35 (f) Bonds of incorporated cities in this state or in other states of the
36 Union, including special assessment district bonds if those bonds provide
37 that any deficiencies in the proceeds to pay the bonds are to be paid from
38 the general fund of the incorporated city;

39 (g) General obligation bonds of irrigation districts and drainage districts
40 in this state which are liens upon the property within those districts, if the
41 value of the property is found by the board or commission making the
42 investments to render the bonds financially sound over and above all other

43 obligations of the districts;

- 1 (h) Bonds of school districts within this state;
- 2 (i) Bonds of any general improvement district whose population is
3 200,000 or more and which is situated in two or more counties of this state
4 or of any other state, if:
- 5 (1) The bonds are general obligation bonds and constitute a lien upon
6 the property within the district which is subject to taxation; and
- 7 (2) That property is of an assessed valuation of not less than five
8 times the amount of the bonded indebtedness of the district;
- 9 (j) Medium-term obligations for counties, cities and school districts
10 authorized pursuant to chapter 350 of NRS;
- 11 (k) Loans bearing interest at a rate determined by the state board of
12 finance when secured by first mortgages on agricultural lands in this state
13 of not less than three times the value of the amount loaned, exclusive of
14 perishable improvements, and of unexceptional title and free from all
15 encumbrances;
- 16 (l) Farm loan bonds, consolidated farm loan bonds, debentures,
17 consolidated debentures and other obligations issued by federal land banks
18 and federal intermediate credit banks under the authority of the Federal
19 Farm Loan Act, formerly 12 U.S.C. §§ 636 to 1012, inclusive, and §§ 1021
20 to 1129, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to
21 2259, inclusive, and bonds, debentures, consolidated debentures and other
22 obligations issued by banks for cooperatives under the authority of the
23 Farm Credit Act of 1933, formerly 12 U.S.C. §§ 1131 to 1138e, inclusive,
24 and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive,
25 excluding such money thereof as has been received or which may be
26 received hereafter from the Federal Government or received pursuant to
27 some federal law which governs the investment thereof;
- 28 (m) Negotiable certificates of deposit issued by commercial banks or
29 insured savings and loan associations;
- 30 (n) Bankers' acceptances of the kind and maturities made eligible by
31 law for rediscount with Federal Reserve banks or trust companies which are
32 members of the Federal Reserve System, except that acceptances may not
33 exceed 180 days' maturity, and may not, in aggregate value, exceed 20
34 percent of the total par value of the portfolio as determined on the date of
35 purchase;
- 36 (o) Commercial paper issued by a corporation organized and operating
37 in the United States or by a depository institution licensed by the United
38 States or any state and operating in the United States that:
- 39 (1) At the time of purchase has a remaining term to maturity of ~~no~~
40 **not** more than 270 days; and
- 41 (2) Is rated by a nationally recognized rating service as "A-1," "P-1"
42 or its equivalent, or better,

1 except that investments pursuant to this paragraph may not, in aggregate
2 value, exceed 20 percent of the total par value of the portfolio as
3 determined on the date of purchase, and if the rating of an obligation is
4 reduced to a level that does not meet the requirements of this paragraph, it
5 must be sold as soon as possible;

6 (p) Notes, bonds and other unconditional obligations for the payment of
7 money, except certificates of deposit that do not qualify pursuant to
8 paragraph (m), issued by corporations organized and operating in the
9 United States or by depository institutions licensed by the United States or
10 any state and operating in the United States that:

11 (1) Are purchased from a registered broker-dealer;

12 (2) At the time of purchase have a remaining term to maturity of ~~no~~
13 **not** more than 3 years; and

14 (3) Are rated by a nationally recognized rating service as “A” or its
15 equivalent, or better,

16 except that investments pursuant to this paragraph may not, in aggregate
17 value, exceed 20 percent of the total par value of the portfolio, and if the
18 rating of an obligation is reduced to a level that does not meet the
19 requirements of this paragraph, it must be sold as soon as possible;

20 (q) Money market mutual funds which:

21 (1) Are registered with the Securities and Exchange Commission;

22 (2) Are rated by a nationally recognized rating service as “AAA” or
23 its equivalent; and

24 (3) Invest only in securities issued by the Federal Government or
25 agencies of the Federal Government or in repurchase agreements fully
26 collateralized by such securities; and

27 (r) Collateralized mortgage obligations that are rated by a nationally
28 recognized rating service as “AAA” or its equivalent.

29 2. Repurchase agreements are proper and lawful investments of money
30 of the state and the state insurance fund for the purchase or sale of
31 securities which are negotiable and of the types listed in subsection 1 if
32 made in accordance with the following conditions:

33 (a) The state treasurer shall designate in advance and thereafter maintain
34 a list of qualified counterparties which:

35 (1) Regularly provide audited and, if available, unaudited financial
36 statements to the state treasurer;

37 (2) The state treasurer has determined to have adequate capitalization
38 and earnings and appropriate assets to be highly credit worthy; and

39 (3) Have executed a written master repurchase agreement in a form
40 satisfactory to the state treasurer and the state board of finance pursuant to
41 which all repurchase agreements are entered into. The master repurchase
42 agreement must require the prompt delivery to the state treasurer and the

43 appointed custodian of written confirmations of all transactions conducted

1 thereunder, and must be developed giving consideration to the Federal
2 Bankruptcy Act ~~H~~, 11 U.S.C. §§ 101 et seq.

3 (b) In all repurchase agreements:

4 (1) At or before the time money to pay the purchase price is
5 transferred, title to the purchased securities must be recorded in the name of
6 the appointed custodian, or the purchased securities must be delivered with
7 all appropriate, executed transfer instruments by physical delivery to the
8 custodian;

9 (2) The state must enter *into* a written contract with the custodian
10 appointed pursuant to subparagraph (1) which requires the custodian to:

11 (I) Disburse cash for repurchase agreements only upon receipt of
12 the underlying securities;

13 (II) Notify the state when the securities are marked to the market if
14 the required margin on the agreement is not maintained;

15 (III) Hold the securities separate from the assets of the custodian;
16 and

17 (IV) Report periodically to the state concerning the market value of
18 the securities;

19 (3) The market value of the purchased securities must exceed 102
20 percent of the repurchase price to be paid by the counterparty and the value
21 of the purchased securities must be marked to the market weekly;

22 (4) The date on which the securities are to be repurchased must not be
23 more than 90 days after the date of purchase; and

24 (5) The purchased securities must not have a term to maturity at the
25 time of purchase in excess of 10 years.

26 3. As used in subsection 2:

27 (a) “Counterparty” means a bank organized and operating or licensed to
28 operate in the United States pursuant to federal or state law or a securities
29 dealer which is:

30 (1) A registered broker-dealer;

31 (2) Designated by the Federal Reserve Bank of New York as a
32 “primary” dealer in United States government securities; and

33 (3) In full compliance with all applicable capital requirements.

34 (b) “Repurchase agreement” means a purchase of securities by the state
35 or state insurance fund from a counterparty which commits to repurchase
36 those securities or securities of the same issuer, description, issue date and
37 maturity on or before a specified date for a specified price.

38 4. No money of this state may be invested pursuant to a reverse-
39 repurchase agreement, except money invested pursuant to chapter 286 ~~for~~
40 ~~chapters 616A to 616D, inclusive,~~ of NRS.

41 **Sec. 106.** NRS 355.150 is hereby amended to read as follows:

42 355.150 1. Before making any investment in the bonds and other
43 securities designated in NRS 355.140, the ~~state—industrial—insurance~~

1 ~~system, the~~ state board of finance, or other board, commission or agency
2 of the state ~~;~~ contemplating the making of any such investments shall
3 make due and diligent inquiry as to:

4 (a) Whether the bonds of such federal agencies are actually underwritten
5 or payment thereof is guaranteed by the United States.

6 (b) The financial standing and responsibility of the state or states,
7 county or counties, incorporated cities, irrigation districts, drainage
8 districts, school districts, and general improvement districts in the bonds or
9 securities of which such investments are contemplated or are to be made.

10 (c) Whether such bonds and other securities are valid and duly
11 authorized and issued, and the proceedings incident thereto have been fully
12 complied with.

13 (d) The financial standing and responsibility of the person or persons,
14 company or companies, corporation or corporations to whom or to which
15 such loans are contemplated.

16 (e) The value of the lands so mortgaged.

17 2. Such commission, board or other state agency shall require the
18 attorney general:

19 (a) To give his legal opinion in writing as to:

20 (1) The validity of any laws under which such bonds or securities are
21 issued and authorized and in which such investments are contemplated.

22 (2) The validity of such bonds or other securities.

23 (b) To examine and pass upon and to give his official opinion in writing
24 upon the title and abstract of title or title insurance of all agricultural lands
25 so mortgaged to secure such loans.

26 3. Unless such commission, board or other state agency is satisfied
27 from such inquiry and opinion that the bonds of such federal agencies are
28 underwritten or payment thereof guaranteed by the United States and of the
29 financial standing and responsibility of the state, county, incorporated city
30 or district issuing such bonds, then such commission, board or other state
31 agency shall not invest such funds therein, ~~;~~ but if satisfied, such
32 commission, board or other state agency may, at its option, so invest such
33 funds in such bonds.

34 **Sec. 107.** NRS 355.160 is hereby amended to read as follows:

35 355.160 Except as otherwise provided in NRS 355.140 and 355.150,
36 the ~~[state industrial insurance system, the]~~ state board of finance, ~~[the]~~ state
37 board of education or other state agency shall proceed in the same manner
38 as the law relating to each of them requires in the making of such
39 investments, the purpose of NRS 355.140 and 355.150, being merely to
40 designate the classes of bonds and other securities and loans in which the
41 funds mentioned in NRS 355.140 lawfully may be invested and the other
42 matters relating thereto as specified in NRS 355.140 and 355.150.

1 **Sec. 108.** NRS 396.591 is hereby amended to read as follows:

2 396.591 The University of Nevada, Reno, and the University of
3 Nevada, Las Vegas, may each elect to insure members of varsity and
4 freshman athletic teams representing the respective campuses for unlimited
5 medical coverage for injuries incurred while the members of the teams are
6 engaged in organized practice or actual competition or any activity related
7 thereto. Such insurance ~~{may}~~ **must** be obtained from a private carrier . ~~{or~~
8 ~~from the state industrial insurance system.}~~

9 **Sec. 109.** NRS 433A.430 is hereby amended to read as follows:

10 433A.430 1. Whenever the administrator determines that division
11 facilities within the state are inadequate for the care of any mentally ill
12 person, he may designate two physicians, licensed under the provisions of
13 chapter 630 of NRS, and familiar with the field of psychiatry, to examine
14 that person. If the two physicians concur with the opinion of the
15 administrator, the administrator may contract with appropriate
16 corresponding authorities in any other state of the United States having
17 adequate facilities for such purposes for the reception, detention, care or
18 treatment of that person, but if the person in any manner objects to the
19 transfer, the procedures in subsection 3 of NRS 433.484 and subsections 2
20 and 3 of NRS 433.534 must be followed. The two physicians so designated
21 are entitled to a reasonable fee for their services ~~{based upon rates set by~~
22 ~~the state industrial insurance system for similar services, which fee}~~ **which**
23 must be paid by the county of the person's last known residence.

24 2. Money to carry out the provisions of this section must be provided
25 by direct legislative appropriation.

26 **Sec. 110.** NRS 475.110 is hereby amended to read as follows:

27 475.110 1. All sheriffs, their deputies, firewardens ~~{,}~~ **or** other peace
28 officers or any national forest officer may call upon able-bodied male
29 persons within the State of Nevada who are between the ages of 16 years
30 and 50 years for assistance in extinguishing fires in timber or in brush.

31 2. Persons who refuse to obey the summons or who refuse to assist in
32 fighting fire for the period stated in subsection 3, unless they present
33 sufficient reasons, are guilty of a misdemeanor.

34 3. No male person may be required to fight fires a total of more than 5
35 days during any 1 year.

36 4. The board of county commissioners may fix the amount of
37 compensation to be paid to male persons drafted to fight fires as provided
38 in this section, and the sums so fixed must be allowed and paid as other
39 claims against the county are paid.

40 5. For the purpose of obtaining the benefits of the Nevada Industrial
41 Insurance Act, male persons drafted to fight fires ~~{shall}~~ **must** be
42 considered employees of the county demanding their services, and they are
43 entitled to receive for disability incurred by reason thereof the benefits

1 under the Nevada Industrial Insurance Act. The county shall report and pay
2 premiums to ~~the state industrial insurance system or~~ a private carrier
3 authorized to provide industrial insurance in this state for persons so
4 engaged.

5 **Sec. 111.** NRS 475.230 is hereby amended to read as follows:

6 475.230 1. Any fire department which engages in fighting a fire on
7 property owned by the state within the jurisdictional limits of the fire
8 department may submit a claim to the secretary of the state board of
9 examiners to recover any direct expenses and losses incurred as a result of
10 fighting that fire.

11 2. The claim must include:

- 12 (a) The name, address and jurisdictional limits of the fire department;
- 13 (b) The name, address and telephone number of the person making the
14 claim on behalf of the fire department;
- 15 (c) The name and address, if known, of the state agency having
16 jurisdiction over the property on which the fire occurred;
- 17 (d) The exact location of the fire;
- 18 (e) A description of the property burned;
- 19 (f) The number and classification of the personnel and the number and
20 type of equipment used to fight the fire;
- 21 (g) A copy of the fire report; and
- 22 (h) An itemized list of direct expenses and losses incurred while fighting
23 the fire , including the purchase cost, estimated cost of repairs and a
24 statement of depreciated value immediately preceding and after the damage
25 to or destruction of any equipment and the extent of any insurance
26 coverage.

27 3. As used in this section, "direct expenses and losses" means certain
28 expenses and losses which were incurred while fighting a fire on property
29 owned by the state. The term is limited to:

- 30 (a) The depreciated value, if any, of any equipment or vehicle which
31 was damaged or destroyed; and
- 32 (b) If the employer maintains a plan which supplements coverage for
33 workers' compensation provided pursuant to chapters 616A to 616D,
34 inclusive, of NRS by ~~the state industrial insurance system~~ **a private**
35 **carrier** and the benefits are provided from public money and not by an
36 insurer, any injury or death benefits which would have been paid by the
37 employer from public money.

38 **Sec. 112.** NRS 538.101 is hereby amended to read as follows:

39 538.101 1. While engaged in official business of the commission,
40 each commissioner appointed by the governor is entitled to receive a salary
41 of not more than \$80 per day, as fixed by the commission.

2. While engaged in the business of the commission, each member and employee of the commission is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

3. The director or an employee of the commission designated by the director shall certify all bills and claims for compensation, per diem expense allowances and travel expenses of the commissioners, and shall submit them for payment in the same manner as all other state claims. The bills and claims must be paid from the Colorado River commission fund or any other fund administered by the commission and designated to be used for those expenses by the director.

4. The commission shall provide its members who are appointed by the governor with industrial insurance through ~~the state industrial insurance system or~~ a private carrier authorized to provide industrial insurance in this state and shall budget and pay for the premiums for that insurance.

Sec. 113. NRS 624.328 is hereby amended to read as follows:

624.328 The employment security division of the department of employment, training and rehabilitation and the administrator of the division of industrial relations of the department of business and industry shall make available, upon request, to any licensed contractor the names and addresses of subcontractors who are delinquent in paying the amounts owed by the subcontractor to ~~the:~~

~~1. Division~~ :

1. The division for benefits for unemployment pursuant to chapter 612 of NRS; and

2. ~~State industrial insurance system or a~~ A private carrier that provides industrial insurance in this state for premiums for industrial insurance.

Sec. 114. NRS 668.045 is hereby amended to read as follows:

668.045 1. It is unlawful for a president, director, manager, cashier or other officer or employee of any bank to permit the bank to remain open for business, or to assent to the reception of deposits or the creation of debts by the banking institution, after he has knowledge of the fact that it is insolvent or in failing circumstances. An officer, director, manager or agent of a bank shall examine the affairs of the bank and shall know its condition. Upon the failure of any such person to discharge his duty of examination, he must be held, for the purpose of this Title, to have had knowledge of the insolvency of the bank, or that it was in failing circumstances, and shall be deemed to have assented to the receipt of deposits while the bank was insolvent or in failing circumstances. A person who violates the provisions of this subsection is individually responsible for deposits so received, and all such debts so contracted, but any director who has paid more than his share of such liabilities has a remedy at law against other persons who have not paid their full share of such liabilities for contribution.

1 2. It is unlawful for a president, director, manager, cashier or other
2 officer or employee of any bank willfully to give or concur in giving to a
3 creditor of the bank any fraudulent, undue or unfair preference over other
4 creditors, by giving security to the creditor, or by changing the nature of his
5 claim, or otherwise, but this subsection does not prohibit the bank from
6 giving security for public money of the State of Nevada or any political
7 subdivision thereof, ~~[the state industrial insurance system,]~~ or of the United
8 States, or an officer, agent, agency or department thereof, in the manner
9 provided by law.

10 3. A person who violates the provisions of this section, or who is an
11 accessory to, or permits or connives at, the receiving or accepting of any
12 such deposits, or the giving of such preferences, is guilty of a category D
13 felony and shall be punished as provided in NRS 193.130.

14 **Sec. 115.** NRS 680B.027 is hereby amended to read as follows:

15 680B.027 1. Except as otherwise provided in NRS 680B.033 and
16 680B.050, for the privilege of transacting business in this state, each
17 insurer shall pay to the department of taxation a tax upon his net direct
18 premiums and net direct considerations written at the rate of 3.5 percent.

19 2. The tax must be paid in the manner required by NRS 680B.030 and
20 680B.032.

21 3. The commissioner or the executive director of the department of
22 taxation may require at any time verified supplemental statements with
23 reference to any matter pertinent to the proper assessment of the tax.

24 ~~[4.—For the purposes of this section, “insurer” includes the state~~
25 ~~industrial insurance system.]~~

26 **Sec. 116.** NRS 680B.050 is hereby amended to read as follows:

27 680B.050 1. Except as otherwise provided in this section, a domestic
28 or foreign insurer which owns and substantially occupies and uses any
29 building in this state as its home office or as a regional home office, as
30 defined in subsection 2, is entitled to the following credits against the tax
31 otherwise imposed by NRS 680B.027:

32 (a) An amount equal to 50 percent of the aggregate amount of the tax as
33 determined under NRS 680B.025 to 680B.039, inclusive; and

34 (b) An amount equal to the full amount of ad valorem taxes paid by the
35 insurer during the calendar year next preceding the filing of the report
36 required by NRS 680B.030, upon the home office or regional home office
37 together with the land, as reasonably required for the convenient use of the
38 office, upon which the home office or regional home office is situated.
39 These credits must not reduce the amount of tax payable to less than 20
40 percent of the tax otherwise payable by the insurer under NRS 680B.027.

41 2. For the purposes of this section, a “regional home office” means an
42 office of the insurer performing for an area covering two or more states,

1 with a minimum of 25 employees on its office staff, the supervision,
2 underwriting, issuing and servicing of the insurance business of the insurer.

3 3. The insurer shall on or before March 1 of each year furnish proof to
4 the satisfaction of the executive director of the department of taxation, on
5 forms furnished by or acceptable to the executive director, as to its
6 entitlement to the tax reduction provided for in this section. A
7 determination of the executive director of the department of taxation
8 pursuant to this section is not binding upon the commissioner for the
9 purposes of NRS 682A.240.

10 4. An insurer is not entitled to the credits provided in this section
11 unless:

12 (a) The insurer owned the property upon which the reduction is based
13 for the entire year for which the reduction is claimed; and

14 (b) The insurer occupied at least 70 percent of the usable space in the
15 building to transact insurance or the insurer is a general or limited partner
16 and occupies 100 percent of its ownership interest in the building.

17 5. If two or more insurers under common ownership or management
18 and control jointly own in equal interest, and jointly occupy and use such a
19 home office or regional home office in this state for the conduct and
20 administration of their respective insurance businesses as provided in this
21 section, each of the insurers is entitled to the credits provided for by this
22 section if otherwise qualified therefor under this section.

23 ***6. The state industrial insurance system is entitled to a credit against***
24 ***the tax otherwise imposed by NRS 680B.027 in an amount equal to 50***
25 ***percent of the aggregate amount of the tax as determined under NRS***
26 ***680B.025 to 680B.039, inclusive. This credit must not reduce the amount***
27 ***of tax payable to less than 20 percent of the tax otherwise payable by the***
28 ***system under NRS 680B.027.***

29 **Sec. 117.** NRS 680B.060 is hereby amended to read as follows:

30 680B.060 1. Except as otherwise provided in subsection 6, the taxes
31 imposed under NRS 680B.027 must be collected by the department of
32 taxation and promptly deposited with the state treasurer for credit to the
33 state general fund.

34 2. If the tax is not paid by the insurer on or before the date required for
35 payment, the tax then becomes delinquent, and payment thereof may be
36 enforced by court action instituted on behalf of the state by the attorney
37 general. The attorney general may employ additional counsel in the city
38 where the home office of the insurer is located, subject to ***the*** approval of
39 compensation for such services by the state board of examiners. The
40 administrative and substantive enforcement provisions of chapters 360 and
41 372 of NRS apply to the enforcement of the taxes imposed under NRS
42 680B.027.

1 3. Upon the tax becoming delinquent, the executive director of the
2 department of taxation shall notify the commissioner, who shall suspend or
3 revoke the insurer's certificate of authority pursuant to NRS 680A.190.

4 4. If a dispute arises between an insurer and the state as to the amount
5 of tax, if any, payable, the insurer is entitled to pay under protest the tax in
6 the amount assessed by the department of taxation, without waiving or
7 otherwise affecting any right of the insurer to recover any amount
8 determined, through appropriate legal action taken by the insurer against
9 the department of taxation, to have been in excess of the amount of tax
10 lawfully payable.

11 5. Except as otherwise provided in subsection 6, all taxes, fees,
12 licenses, fines and charges collected under this code, including the general
13 premium tax provided for under NRS 680B.027 and as increased in any
14 instances pursuant to NRS 680A.330, must be promptly deposited with the
15 state treasurer for credit to the state general fund.

16 6. The taxes collected pursuant to NRS 680B.027 from insurers that
17 are writing industrial insurance in this state, including the state industrial
18 insurance system, which are attributable to industrial insurance must be
19 promptly deposited with the state treasurer for credit to ~~the account for the~~
20 ~~administration of extended claims established in~~ the state insurance fund
21 ~~pursuant to NRS 616B.087,~~ until the commissioner notifies the state
22 treasurer that the balance in the ~~account is sufficient to satisfy all~~
23 ~~obligations and liabilities of the account as they become due.~~ *state*
24 *insurance fund is sufficient to ensure the solvency of the state industrial*
25 *insurance system.* Upon receipt of such a notice, the state treasurer shall
26 discontinue depositing the taxes in the ~~account~~ *state insurance fund* and
27 shall deposit the taxes collected from these insurers for credit to the state
28 general fund.

29 **Sec. 118.** NRS 680B.060 is hereby amended to read as follows:

30 680B.060 1. ~~Except as otherwise provided in subsection 6, the~~ *The*
31 taxes imposed under NRS 680B.027 must be collected by the department
32 of taxation and promptly deposited with the state treasurer for credit to the
33 state general fund.

34 2. If the tax is not paid by the insurer on or before the date required for
35 payment, the tax then becomes delinquent, and payment thereof may be
36 enforced by court action instituted on behalf of the state by the attorney
37 general. The attorney general may employ additional counsel in the city
38 where the home office of the insurer is located, subject to the approval of
39 compensation for such services by the state board of examiners. The
40 administrative and substantive enforcement provisions of chapters 360 and
41 372 of NRS apply to the enforcement of the taxes imposed under NRS
42 680B.027.

1 3. Upon the tax becoming delinquent, the executive director of the
2 department of taxation shall notify the commissioner, who shall suspend or
3 revoke the insurer's certificate of authority pursuant to NRS 680A.190.

4 4. If a dispute arises between an insurer and the state as to the amount
5 of tax, if any, payable, the insurer is entitled to pay under protest the tax in
6 the amount assessed by the department of taxation, without waiving or
7 otherwise affecting any right of the insurer to recover any amount
8 determined, through appropriate legal action taken by the insurer against
9 the department of taxation, to have been in excess of the amount of tax
10 lawfully payable.

11 5. ~~{Except as otherwise provided in subsection 6, all}~~ All taxes, fees,
12 licenses, fines and charges collected under this code, including the general
13 premium tax provided for under NRS 680B.027 and as increased in any
14 instances pursuant to NRS 680A.330, must be promptly deposited with the
15 state treasurer for credit to the state general fund.

16 ~~{6.—The taxes collected pursuant to NRS 680B.027 from insurers that~~
17 ~~are writing industrial insurance in this state, including the state industrial~~
18 ~~insurance system, which are attributable to industrial insurance must be~~
19 ~~promptly deposited with the state treasurer for credit to the state insurance~~
20 ~~fund until the commissioner notifies the state treasurer that the balance in~~
21 ~~the state insurance fund is sufficient to ensure the solvency of the state~~
22 ~~industrial insurance system. Upon receipt of such a notice, the state~~
23 ~~treasurer shall discontinue depositing the taxes in the state insurance fund~~
24 ~~and shall deposit the taxes collected from these insurers for credit to the~~
25 ~~state general fund.}~~

26 **Sec. 119.** NRS 681B.020 is hereby amended to read as follows:

27 681B.020 **1.** In addition to assets impliedly excluded by the
28 provisions of NRS 681B.010, the following expressly ~~{shall}~~ **may** not be
29 allowed as assets in any determination of the financial condition of an
30 insurer:

31 ~~{1.}~~ **(a)** Goodwill, trade names and other like intangible assets.

32 ~~{2.}~~ **(b)** Advances to officers, ~~{}~~ other than policy loans, ~~{}~~ whether
33 secured or not, and advances to employees, agents and other persons on
34 personal security only.

35 ~~{3.}~~ **(c)** Stock of such insurer, owned by it, or any equity therein or loans
36 secured thereby, or any proportionate interest in such stock acquired or
37 held through the ownership by such insurer of an interest in another firm,
38 corporation or business unit.

39 ~~{4.}~~ **(d)** Furniture, fixtures, furnishings, safes, vehicles, libraries,
40 stationery, literature and supplies, ~~{}~~ other than data processing,
41 recordkeeping and accounting systems authorized under subsection 13 of
42 NRS 681B.010 ~~{}, except:~~

43 ~~—(a)}~~ ,

except:

1 **(1)** In the case of title insurers such materials and plants as the insurer
2 is expressly authorized to invest in under NRS 682A.220; and

3 ~~**(b)**~~ **(2)** In the case of any insurer, such personal property as the insurer
4 is permitted to hold pursuant to chapter 682A of NRS , ~~**((investments))**~~ or
5 which is reasonably necessary for the maintenance and operation of real
6 property lawfully acquired and held by the insurer other than real property
7 used by it for home office, branch office and similar purposes.

8 ~~**(5)**~~ **(e)** The amount, if any, by which the aggregate book value of
9 investments as carried in the ledger assets of the insurer exceeds the
10 aggregate value thereof as determined under this code.

11 **2. If any successor organization to the state industrial insurance**
12 **system that was established by section 79 of chapter 642, Statutes of**
13 **Nevada 1981, at page 1449, wishes to transact in this state property or**
14 **casualty insurance other than industrial insurance, the money required**
15 **to be held in trust by that organization pursuant to section 17 of this act**
16 **may not be allowed as assets of the successor organization in**
17 **determining its financial condition to transact such insurance.**

18 **Sec. 120.** NRS 682A.020 is hereby amended to read as follows:

19 682A.020 1. Insurers ~~**(shall)**~~ **may** invest in or lend their funds on the
20 security of, and ~~**(shall)**~~ **may** hold as invested assets, only eligible
21 investments as prescribed in this chapter.

22 2. Any particular investment held by an insurer on January 1, 1972,
23 which was a legal investment at the time it was made, and which the insurer
24 was legally entitled to possess immediately ~~**(prior to)**~~ **before** January 1,
25 1972, shall be deemed to be an eligible investment.

26 3. **Any particular investment held by a successor organization to the**
27 **state industrial insurance system that was established by section 79 of**
28 **chapter 642, Statutes of Nevada 1981, at page 1449, which was a legal**
29 **investment of the system made before January 1, 2000, and which the**
30 **successor organization is legally entitled to possess on or after January 1,**
31 **2000, shall be deemed to be an eligible investment of the successor**
32 **organization.**

33 4. Eligibility of an investment ~~**(shall)**~~ **must** be determined as of the date
34 of its making or acquisition, except as stated in ~~**(subsection 2-**~~
35 ~~**4.) subsections 2 and 3.**~~

36 5. Any investment limitation based upon the amount of the insurer's
37 assets or particular funds ~~**(shall)**~~ **must** relate to such assets or funds as
38 shown by the insurer's annual statement as of December 31 next preceding
39 the date of acquisition of the investment by the insurer, or as shown by a
40 current financial statement resulting from merger of another insurer, bulk
41 reinsurance or change in capitalization.

42 ~~**(5)**~~ 6. No insurer ~~**(shall)**~~ **may** pay any commission or brokerage for the
43 purchase or sale of property in excess of that usual and customary at the

1 time and in the locality where such purchases or sales are made, and
2 complete information regarding all payments of commission and brokerage
3 ~~{shall}~~ **must** be reported in the next annual statement.

4 **Sec. 121.** NRS 682B.055 is hereby amended to read as follows:

5 682B.055 The commissioner ~~{may}~~ :

6 **1. May** allow an insurer to use securities as a deposit or as a part of a
7 deposit without delivering the securities to the commissioner under the
8 conditions specified in regulations adopted pursuant to subsection 1 of
9 NRS 680A.140.

10 **2. Shall allow any successor organization to the state industrial**
11 **insurance system that was established by section 79 of chapter 642,**
12 **Statutes of Nevada 1981, at page 1449, to use the money held in trust by**
13 **the organization pursuant to section 17 of this act as a deposit or as a**
14 **part of a deposit for authority to transact industrial insurance without**
15 **delivering that money to the commissioner.**

16 **Sec. 122.** NRS 683A.100 is hereby amended to read as follows:

17 683A.100 In addition to persons excluded by the terms thereof, the
18 definitions of an agent, broker, solicitor or managing general agent shall not
19 be deemed to include any of the following:

20 1. Salaried employees rendering solely clerical and administrative
21 services in the office of the employer.

22 2. Salaried administrative and clerical employees of agents and brokers
23 performing any functions in the office and under the supervision of the
24 employer and receiving no commissions.

25 3. Salaried employees of insurers, ~~{or of}~~ organizations employed by
26 insurers ~~{or}~~ **or the state industrial insurance system** engaged in inspecting,
27 rating or classifying risks, or in general supervision of agents, and not in the
28 solicitation or writing of insurance.

29 4. Officers of insurers or of an association of insurers engaged in the
30 performance of their usual and customary executive duties, exclusive of
31 field solicitation of insurance other than rendering assistance to or on
32 behalf of a licensed agent but receiving no commission or other
33 compensation directly dependent upon the amount of business transacted.

34 5. Persons completing or delivering declarations or certificates of
35 coverage under running inland marine insurance contracts evidencing
36 coverage thereunder, if:

37 (a) Such persons receive no commissions directly or indirectly on such
38 insurance; and

39 (b) Such persons or their employers have an insurable interest in the risk
40 evidenced by the certificate or declaration.

41 6. Persons who secure and furnish information for the purposes of
42 group life insurance, group or blanket health insurance or annuity
43 coverages, or for enrolling individuals under such plans or issuing

1 certificates thereunder or otherwise assisting in administering such plans
2 where no commission is paid for such services.

3 7. Service representatives.

4 **Sec. 123.** NRS 686B.1759 is hereby amended to read as follows:

5 686B.1759 “Insurer” means ~~the state industrial insurance system and~~
6 ~~all private carriers~~ *any private carrier* authorized to provide industrial
7 insurance in this state.

8 **Sec. 124.** NRS 687A.020 is hereby amended to read as follows:

9 687A.020 Except as otherwise provided in subsection 5 of NRS
10 695E.200, this chapter applies to all direct insurance, except:

- 11 1. Life, annuity, health or disability insurance;
- 12 2. Mortgage guaranty, financial guaranty or other forms of insurance
13 offering protection against investment risks;
- 14 3. Fidelity or surety bonds or any other bonding obligations;
- 15 4. Credit insurance as defined in NRS 690A.015;
- 16 5. Insurance of warranties or service contracts;
- 17 6. Title insurance;
- 18 7. Ocean marine insurance;
- 19 8. Any transaction or combination of transactions between a person,
20 including affiliates of the person, and an insurer, including affiliates of the
21 insurer, which involves the transfer of investment or credit risk
22 unaccompanied by *the* transfer of insurance risk; or
- 23 9. Any insurance provided by or guaranteed by a governmental entity .
24 ~~for industrial insurance provided by the state industrial insurance system.~~

25 **Sec. 125.** NRS 695C.120 is hereby amended to read as follows:

26 695C.120 The powers of a health maintenance organization include,
27 but are not limited to , the following:

- 28 1. The purchase, lease, construction, renovation, operation or
29 maintenance of hospitals, medical facilities, or both, and their ancillary
30 equipment, and such property as may reasonably be required for its
31 principal office or for such other purposes as may be necessary in the
32 transaction of the business of the organization;
- 33 2. The making of loans to a medical group under contract with it in
34 furtherance of its program or the making of loans to a corporation under its
35 control for the purpose of acquiring or constructing medical facilities and
36 hospitals or in furtherance of a program providing health care services to
37 enrollees;
- 38 3. The furnishing of health care service through providers which are
39 under contract with or employed by the health maintenance organization;
- 40 4. The contracting with any person for the performance on its behalf of
41 certain functions such as marketing, enrollment and administration; *and*
- 42 5. The contracting with an insurance company licensed in this state or
43 authorized to do business in this state for the provision of such insurance,

1 indemnity, or reimbursement against the cost of health care services
2 provided by the health maintenance organization . ~~[- and~~
3 ~~—6.— The contracting with the manager of the state industrial insurance~~
4 ~~system pursuant to NRS 616B.515 to provide comprehensive medical and~~
5 ~~health care services to injured employees whose employers are insured by~~
6 ~~the state industrial insurance system for injuries and diseases that are~~
7 ~~compensable pursuant to chapters 616A to 617, inclusive, of NRS.]~~

8 **Sec. 126.** NRS 696B.360 is hereby amended to read as follows:

9 696B.360 1. ~~{The moneys}~~ *Except as otherwise provided in this*
10 *section:*

11 *(a) The money* collected by the commissioner in a proceeding under this
12 chapter ~~{shall}~~ *must* be from time to time deposited in one or more state or
13 national banks, savings banks or trust companies, and in the case of the
14 insolvency or voluntary or involuntary liquidation of any such depository
15 which is an institution organized and supervised under the laws of this
16 state, such deposits ~~{shall be}~~ *are* entitled to priority of payment on an
17 equality with any other priority given by the banking laws of this state.

18 ~~{2.}~~ *(b)* The commissioner may ~~{in his discretion}~~ deposit such ~~{moneys}~~
19 *money* or any part thereof in a national bank or trust company as a trust
20 fund.

21 *2. The commissioner shall deposit in the state insurance fund any*
22 *money collected in a proceeding under this chapter that is required to be*
23 *held in trust by a successor organization of the state industrial insurance*
24 *system by section 17 of this act. The money must be used by the*
25 *commissioner for the payment of claims made against the successor*
26 *organization under a policy of industrial insurance issued by that*
27 *organization, and any administration costs and expenses related thereto.*
28 *The payment of the claims must be made in accordance with the*
29 *provisions of this chapter.*

30 **Sec. 127.** 1. NRS 616B.087 and 616B.088 are hereby repealed.

31 2. NRS 218.2725, 616A.275, 616A.325, 616B.014, 616B.050,
32 616B.056, 616B.059, 616B.062, 616B.065, 616B.068, 616B.071,
33 616B.074, 616B.077, 616B.083, 616B.089, 616B.092, 616B.095,
34 616B.104, 616B.107, 616B.167, 616B.170, 616B.173, 616B.176,
35 616B.179, 616B.182, 616B.188, 616B.191, 616B.197, 616B.209,
36 616B.211, 616B.212, 616B.218, 616B.239, 616B.242, 616B.245,
37 616B.248, 616B.251, 616B.254, 616B.257, 616B.260, 616B.263,
38 616B.266, 616B.269, 616B.389, 616B.515, 616B.518, 616B.521,
39 616B.524, 616B.530, 616B.533, 616B.536, 616B.540, 616C.565, 617.167
40 and 679B.223 are hereby repealed.

41 **Sec. 128.** 1. On or before August 1, 1999, the manager of the state
42 industrial insurance system may take such actions as are necessary to
43 establish a domestic mutual insurance company in this state to:

1 (a) Insure employers against liability for injuries and occupational
2 diseases for which their employees may be entitled to receive compensation
3 pursuant to chapters 616A to 617, inclusive, of NRS and the federal
4 Longshore and Harbor Workers' Compensation Act, 33 U.S.C. §§ 901 et
5 seq.;

6 (b) Provide employer's liability insurance incidental to and provided in
7 connection with the insurance specified in paragraph (a); and

8 (c) Transact such other kinds of property and casualty insurance for
9 which the company is otherwise qualified under the provisions of Title 57
10 of NRS.

11 2. If the manager establishes a domestic mutual insurance company
12 pursuant to subsection 1:

13 (a) On or before September 1, 1999, that company shall file with the
14 commissioner of insurance all documents and information required,
15 pursuant to chapters 680A and 692B of NRS, to obtain:

16 (1) A certificate of authority to transact industrial insurance in this
17 state; and

18 (2) An order authorizing the company to issue nonassessable policies
19 of insurance pursuant to NRS 693A.250.

20 (b) The governor shall appoint an advisory committee to adopt the
21 initial bylaws of the company. The advisory committee must be composed
22 of representatives of employers who are insured by the state industrial
23 insurance system on the effective date of this section. To the extent
24 practicable:

25 (1) The members of the advisory committee must include
26 representatives of employers designated by the manager as small, medium
27 and large employers.

28 (2) The members of the advisory committee must include
29 representatives of employers whose places of employment are located in
30 the various regions of the state.

31 (3) The members of the advisory committee must include
32 representatives of employers with different occupations, industries or
33 operations.

34 (4) No two members of the advisory committee may represent the
35 same employer.

36 A majority vote of the members of the advisory committee is required to
37 adopt the initial bylaws of the company. Upon the adoption of the initial
38 bylaws, the advisory committee shall cause a copy of those bylaws to be
39 delivered to the chief executive officer of the company. The provisions of
40 this paragraph do not prohibit the amendment of the initial bylaws of the
41 company in accordance with the provisions of chapter 693A of NRS and
42 the applicable provisions of the general statutes of this state relating to
43 private corporations.

1 3. On or before December 31, 1999, the commissioner of insurance
2 shall review all the documents and information submitted pursuant to
3 paragraph (a) of subsection 2 to determine whether the domestic mutual
4 insurance company established pursuant to subsection 1 qualifies for:

5 (a) A certificate of authority to transact industrial insurance in this state;
6 and

7 (b) The authority to issue nonassessable policies of insurance pursuant
8 to NRS 693A.250.

9 In making these determinations, the commissioner shall consider the receipt
10 of assets and the assumption of debts and liabilities described in subsection
11 2 of section 129 of this act to have occurred.

12 **Sec. 129.** 1. On or before December 31, 1999, if the governor
13 determines that:

14 (a) The state industrial insurance system has purchased a sufficient
15 amount of reinsurance to enable it to operate in a financially responsible
16 manner;

17 (b) The manager of the state industrial insurance system has established
18 a domestic mutual insurance company pursuant to section 128 of this act;

19 (c) The state industrial insurance system has received a private letter
20 ruling from the Internal Revenue Service which states substantially that the
21 Internal Revenue Service will not consider the domestic mutual insurance
22 company established by the manager pursuant to section 128 of this act to
23 have recognized any gain or income if it receives the assets and assumes
24 the debts and liabilities of the state industrial insurance system pursuant to
25 subsection 2; and

26 (d) The commissioner of insurance has determined that the domestic
27 mutual insurance company established by the manager pursuant to section
28 128 of this act qualifies:

29 (1) For a certificate of authority to transact industrial insurance in this
30 state; and

31 (2) For the authority to issue nonassessable policies of insurance
32 pursuant to NRS 693A.250,
33 the governor shall issue a proclamation stating that the events described in
34 paragraphs (a) to (d), inclusive, have occurred.

35 2. If the governor issues a proclamation pursuant to subsection 1, on
36 January 1, 2000:

37 (a) The manager of the state industrial insurance system may transfer to
38 the chief executive officer of the domestic mutual insurance company
39 established pursuant to section 128 of this act the premiums and other
40 money paid to the state industrial insurance system, including contributions
41 and penalties, all property and securities acquired through the use of money
42 in the state insurance fund, all interests and dividends earned upon money
43 from the state insurance fund that were deposited or invested, and all other

1 properties received, collected or acquired by the state industrial insurance
2 system before January 1, 2000;

3 (b) If the manager transfers the assets of the system pursuant to
4 paragraph (a):

5 (1) The domestic mutual insurance company to whom the assets are
6 so transferred shall assume all debts and liabilities, known and unknown, of
7 the state industrial insurance system and the state insurance fund and shall
8 issue an endorsement to each outstanding policy evidencing the equity
9 ownership interest of the policyholders in the domestic mutual insurance
10 company pursuant to chapter 693A of NRS;

11 (2) The division of state lands of the state department of conservation
12 and natural resources shall transfer the title to all real property held by the
13 division in the name of the State of Nevada pursuant to NRS 616B.176 to
14 the domestic mutual insurance company;

15 (3) The division of state library and archives of the department of
16 museums, library and arts shall release all records of the state industrial
17 insurance system held by the division to the domestic mutual insurance
18 company; and

19 (4) The commissioner of insurance shall issue:

20 (I) A certificate of authority to the domestic mutual insurance
21 company for the purpose of transacting industrial insurance in this state;
22 and

23 (II) An order authorizing the domestic mutual insurance company
24 to issue nonassessable policies of insurance pursuant to NRS 693A.250;

25 (c) If the manager does not transfer the assets of the system pursuant to
26 paragraph (a), he shall take such actions as are necessary to dissolve the
27 domestic mutual insurance company established pursuant to section 128 of
28 this act; and

29 (d) The manager shall notify the director of the legislative counsel
30 bureau of his actions taken pursuant to this section.

31 **Sec. 130.** 1. A classified employee of the state industrial insurance
32 system who:

33 (a) Is employed by the system on June 30, 1999; and

34 (b) Is laid off by the state industrial insurance system before January 1,
35 2000,

36 is entitled to the rights to reemployment provided by chapter 284 of NRS
37 and the regulations adopted pursuant thereto, including, without limitation,
38 the right to be placed on an appropriate reemployment list maintained by
39 the department of personnel and to be allowed a preference on that list. The
40 department of personnel shall maintain such an employee on the
41 reemployment list for at least 24 months after the effective date of the
42 layoff or until he is reemployed by the executive branch of state
43 government, whichever occurs earlier.

1 2. If the state industrial insurance system lays off an employee
2 described in subsection 1 before January 1, 2000, it shall:

3 (a) Give the employee at least 60 days' written notice before the
4 effective date of the layoff; and

5 (b) Provide the department of personnel with such information as is
6 necessary for the department to ensure the employee receives his rights to
7 reemployment.

8 3. As used in this section, "rights to reemployment" does not include
9 the right to displace another person employed by the executive branch of
10 state government in lieu of being laid off.

11 **Sec. 131.** 1. If a domestic mutual insurance company receives the
12 assets and assumes the debts and liabilities of the state industrial system on
13 January 1, 2000, pursuant to section 129 of this act, a person who:

14 (a) Is employed on January 1, 2000, by that company;

15 (b) Was employed as a classified employee by the state industrial
16 insurance system on June 30, 1999; and

17 (c) Is laid off by the company on or after January 1, 2000, but before
18 January 1, 2003,

19 is entitled to the rights to reemployment provided by chapter 284 of NRS
20 and the regulations adopted pursuant thereto, including, without limitation,
21 the right to be placed on an appropriate reemployment list maintained by
22 the department of personnel and to be allowed a preference on that list. The
23 department of personnel shall maintain such an employee on the
24 reemployment list for at least 24 months after the effective date of the
25 layoff or until he is reemployed by the executive branch of state
26 government, whichever occurs earlier.

27 2. If the domestic mutual insurance company lays off an employee
28 described in subsection 1 on or before December 31, 2002, it shall:

29 (a) Give the employee at least 60 days' written notice before the
30 effective date of the layoff; and

31 (b) Provide the department of personnel with such information as is
32 necessary for the department to ensure the employee receives his rights to
33 reemployment.

34 3. As used in this section, "rights to reemployment" does not include
35 the right to displace another person employed by the executive branch of
36 state government in lieu of being laid off.

37 **Sec. 132.** 1. A person who is employed by the state industrial
38 insurance system on July 1, 1999, may request the department of personnel
39 to place his name on an appropriate reemployment list maintained by the
40 department and is entitled to be allowed a preference on that list. Upon
41 receipt of such a request, the department shall maintain such an employee
42 on the reemployment list until July 1, 2001, or until he is reemployed by the
43 executive branch of state government, whichever occurs earlier.

1 2. If a domestic mutual insurance company receives the assets and
2 assumes the debts and liabilities of the state industrial system on January 1,
3 2000, pursuant to section 129 of this act, a person who is employed on
4 January 1, 2000, by that company may request the department of personnel
5 to place his name on an appropriate reemployment list maintained by the
6 department and is entitled to be allowed a preference on that list. Upon
7 receipt of such a request, the department shall maintain such an employee
8 on the reemployment list until January 1, 2002, or until he is reemployed by
9 the executive branch of state government, whichever occurs earlier.

10 **Sec. 133.** If a domestic mutual insurance company receives the assets
11 and assumes the debts and liabilities of the state industrial insurance system
12 on January 1, 2000, pursuant to section 129 of this act and, after January 1,
13 2000, that company is required to reduce the number of its employees, the
14 chief executive officer of the company shall enter into an agreement with
15 the department of employment, training and rehabilitation for the provision
16 of services and training to an employee of the company who is laid off
17 before January 1, 2002, and requires additional training to obtain other
18 gainful employment. The company shall pay the fees required for those
19 services and training in an amount established by the department, which
20 must not exceed \$2,000,000.

21 **Sec. 134.** If a domestic mutual insurance company receives the assets
22 and assumes the debts and liabilities of the state industrial insurance system
23 on January 1, 2000, pursuant to section 129 of this act and, after January 1,
24 2000, that company is required to reduce the number of its employees, the
25 company shall pay the full actuarial cost to purchase credit for not more
26 than 5 years of service pursuant to NRS 286.300 for an employee who:

- 27 1. Is eligible to purchase credit;
- 28 2. Will be made eligible to receive an unreduced service retirement
29 allowance pursuant to chapter 286 of NRS by the purchase of the credit;
30 and
- 31 3. Agrees to retire upon completion of the purchase or on or before
32 July 1, 2001, whichever occurs earlier.

33 **Sec. 135.** Any retrospective rating agreement or contract of the state
34 industrial insurance system that exists on June 30, 1999, shall be deemed to
35 be approved by the commissioner of insurance until December 31, 2000, or
36 until the agreement or contract expires or is renewed, reissued or amended,
37 whichever occurs earlier.

38 **Sec. 136.** A certificate of insurance issued by the manager of the state
39 industrial insurance system pursuant to NRS 616B.670 to 616B.697,
40 inclusive, on or before December 31, 1999, which has not expired or been
41 revoked before that date, shall be deemed to be a certificate of registration
42 issued by the administrator of the division of industrial relations of the

1 department of business and industry pursuant to NRS 616B.670 to
2 616B.697, inclusive, as amended by this act.

3 **Sec. 137.** Any writ of attachment issued pursuant to the provisions of
4 NRS 616B.239 or any lien created pursuant to the provisions of NRS
5 616B.251 or 616B.266 before January 1, 2000, may be executed,
6 foreclosed, released, compromised or satisfied on or after that date by any
7 successor organization to the state industrial insurance system.

8 **Sec. 138.** 1. If a domestic mutual insurance company receives the
9 assets and assumes the debts and liabilities of the state industrial insurance
10 system on January 1, 2000, pursuant to section 129 of this act, any person
11 employed by the state industrial insurance system on December 31, 1999,
12 shall be deemed to be employed by that company on January 1, 2000. The
13 provisions of this section do not prohibit the company from terminating the
14 employment of such a person after that date.

15 2. A person employed by that domestic mutual insurance company on
16 January 1, 2000, shall be deemed to be an employee of the state whose
17 employment has been terminated for the purposes of chapter 286 of NRS
18 and NRS 287.041 to 287.049, inclusive, and is entitled to all of the benefits
19 and privileges granted to such an employee pursuant to those provisions
20 and federal law.

21 **Sec. 139.** 1. Except as otherwise provided in this section, a
22 regulation adopted by the state industrial insurance system before January
23 1, 2000, is hereby repealed.

24 2. A regulation adopted by the state industrial insurance system before
25 January 1, 2000, pursuant to NRS 616B.185 or 616B.694 remains in effect
26 as a regulation of the administrator of the division of industrial relations of
27 the department of business and industry until amended or repealed by the
28 administrator.

29 **Sec. 140.** 1. This section, section 27, subsection 1 of section 127,
30 and sections 128 and 129 of this act become effective upon passage and
31 approval.

32 2. Sections 2, 3, 20, 24, 25, 26, 29, 96, 116, 122, subsection 1 of
33 section 132 and section 135 of this act become effective on July 1, 1999.

34 3. Sections 35, 89 and 117 of this act become effective at 12:01 a.m.
35 on July 1, 1999.

36 4. Sections 1, 4 to 19, inclusive, 21, 22, 23, 28, 30 to 34, inclusive, 36
37 to 88, inclusive, 90 to 95, inclusive, 97 to 115, inclusive, 118 to 121,
38 inclusive, 123 to 126, inclusive, subsection 2 of 127, 130, 131, subsection 2
39 of section 132, 133, 134, 136 to 139, inclusive, and 141 of this act become
40 effective on January 1, 2000, only if, on that date, the manager of the state
41 industrial insurance system transfers the assets of the state industrial
42 insurance system to a domestic mutual insurance company pursuant to
43 section 129 of this act.

5. Sections 20, 96, 116 and 122 of this act expire by limitation on January 1, 2000, if the manager of the state industrial insurance system transfers the assets of the state industrial insurance system to a domestic mutual insurance company pursuant to section 129 of this act.

6. Section 8 of this act expires by limitation on June 30, 2003.

7. Section 100 of this act expires by limitation on May 1, 2013.

Sec. 141. The legislative counsel shall:

1. In preparing the reprint and supplements to the Nevada Revised Statutes, appropriately correct any obsolete or incorrect reference to the state industrial insurance system or the manager of the system.

2. In preparing supplements to the Nevada Administrative Code, appropriately correct any obsolete or incorrect reference to the state industrial insurance system or the manager of the system.

LEADLINES OF REPEALED SECTIONS

218.2725 Fiscal note required for bills and joint resolutions affecting state insurance fund or premiums for industrial insurance.

616A.275 “Manager” defined.

616A.325 “System” defined.

616B.014 Confidentiality of certain records of the system; exceptions.

616B.050 Creation; purpose; use of multiple entities to carry out business of system; status as public agency; executive and legislative review; use of state services; classification of employees.

616B.056 Duties of manager.

616B.059 Liability of manager.

616B.062 Manager: Appointment; function; qualifications; bond.

616B.065 Assistant managers: Selection; classification; salaries; qualifications.

616B.068 Manager: Classification and salary.

616B.071 Manager and assistant managers: Other employment; conflicts of interest prohibited.

616B.074 Manager, assistant managers and staff: Administration of system.

616B.077 Facsimile signature of manager.

616B.083 Money and assets held in trust by system; accounting practices; allocation to account for administration of extended claims.

616B.087 Account for administration of extended claims.

616B.088 Account for administration of current claims

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616B.089 Liability of State of Nevada for payment of compensation, salaries or expenses in administration of statutes relating to workers' compensation; responsibility for preservation of state insurance fund.

616B.092 Reinsurance for protection of state insurance fund.

616B.095 Effect of declarations of invalidity; accounting.

616B.104 Investment of money in funds of system.

616B.107 Qualifications and employment of investment counsel; duties of state board of finance.

616B.167 General powers of manager.

616B.170 General powers of system.

616B.173 Buildings: Acquisition and sale; rentals of space.

616B.176 Acquisition of real property in name of State of Nevada; system's power to sell or exchange property.

616B.179 Power of system to insure and reinsure.

616B.182 System to provide separate program of medical coverage for members of athletic teams of University and Community College System of Nevada.

616B.188 Cooperative agreements to provide services to claimants and other patients.

616B.191 Manager may contract with private persons for provision of services necessary or appropriate to carry out functions and duties of system; procedures for award of contract.

616B.197 Duty of system to comply with statutes regarding insurance and orders issued by commissioner; limitations; payment of costs of examination by commissioner.

616B.209 Employers of excluded persons to be placed in separate class.

616B.211 Establishment of plan for insuring small employers; determination by manager of premiums of employers in plan.

616B.212 Establishment of plan for insuring high-risk employers; determination by manager of premiums of employers in plan.

616B.218 Payment of premiums or deposit upon entering or resuming business.

616B.239 Power of manager or authorized representative to bring action to collect amount of delinquent premiums; issuance of writ of attachment; determination of delinquency and amount of premium due.

616B.242 Payment of lien for premiums upon distribution of employer's assets; priority of premiums due upon employer's adjudication in bankruptcy.

616B.245 Adjustment or refund for amount of premiums, penalties or interest erroneously collected.

616B.248 Power of manager to assess accrued premiums, penalties and interest before prescribed date for paying premiums; stay of assessment by employer upon filing of bond or other security.

616B.251 Unpaid premiums, penalties and interest constitute lien upon assets of employer; filing of notice of claim of lien by manager; foreclosure of lien in district court; release of lien by manager; filing of notice of release or satisfaction of lien.

616B.254 Authorization to give notice of payment owed by employer to person in possession or having control of money, credits or other personal property of, or owing debts to, delinquent employer; effect of notice; demand for remission or delivery of money, credits or other personal property up to amount owed by delinquent employer.

616B.257 Filing of certificate specifying amounts owed to system with clerk of court; request for entry of judgment against employer.

616B.260 Entry of judgment against employer required by county clerk upon filing of certificate by manager.

616B.263 Execution of judgment upon request of manager; sales under execution.

616B.266 Recording of abstract or copy of judgment against delinquent employer; recorded judgment becomes lien upon real and personal property owned by delinquent employer; force, effect and priority of lien; extension of lien.

616B.269 Successors or assigns of business to withhold sufficient portion of purchase price to cover amounts owing to system; personal liability of purchaser of business or stock of goods when amount not withheld; time within which obligation of successor may be enforced.

616B.389 Membership in association: Required period of insurance coverage by system upon termination or cancellation of membership; determination of premium; exception.

616B.515 Authority of manager to contract with organizations for managed care; competitive bidding required; discriminatory practices prohibited.

616B.518 Required provisions in plan for provision of services.

616B.521 Selection of organization for managed care in which employer will participate.

616B.524 Participation of employees in plan for managed care established by system; selection of treating physician or chiropractor by injured employee.

616B.530 Common agreement to form organization for managed care: Definitions.

616B.533 Common agreement to form organization for managed care: Application for preliminary permit to discuss formation of organization; effect of preliminary permit; renewal.

616B.536 Common agreement to form organization for managed care: Application for permit to form organization; effect of permit; renewal; modification of agreement; revocation of permit.

616B.540 Claim to remove charge from employer's account for compensation due for subsequent injury; appeal of decision.

616C.565 Duty of system to develop and maintain list of jobs suitable for injured employees; reference to list required before plan for program of vocational rehabilitation is developed.

617.167 Occupational diseases account.

679B.223 Review of balance of state insurance fund.

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