

Senate Bill No. 39–Senator Amodei

CHAPTER.....

AN ACT relating to credit unions; authorizing the State of Nevada and agencies and subdivisions thereof, and certain other persons, to deposit money in credit unions; requiring the commissioner of financial institutions to adopt regulations relating to records of credit unions; providing that deposits for insurance for credit unions' members' accounts are nonrisk assets; increasing the amount a credit union may loan to its directors and committee members without approval of its board of directors; authorizing credit unions to invest in certain bank obligations; and providing other matters properly relating thereto.

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

Section 1. NRS 673.276 is hereby amended to read as follows:

673.276 An association may invest in:

1. Without limit, obligations of, or obligations guaranteed as to principal and interest by, the United States or any state.
2. Obligations of the United States Postal Service, whether or not guaranteed as to principal and interest by the United States.
3. Stock of a Federal Home Loan Bank of which the association is eligible to be a member.
4. Any obligations or consolidated obligations of any Federal Home Loan Bank or Banks.
5. Stock or obligations of the Federal Deposit Insurance Corporation.
6. Stock or obligations of a national mortgage association or any successor or successors thereto, including the Federal National Mortgage Association.
7. Demand, time or savings deposits with any bank , *credit union* or trust company whose deposits are insured by the Federal Deposit Insurance Corporation ~~H~~ , *the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755.*
8. Stock or obligations of any corporation or agency of the United States or any state, or in deposits therewith to the extent that such a corporation or agency assists in furthering or facilitating the association's purposes or powers.
9. Savings accounts of any insured association licensed by the state and of any federal savings and loan association, if the accounts of the savings and loan association are insured by the Federal Deposit Insurance Corporation.
10. Bonds, notes or other evidences of indebtedness which are general obligations of any city, town, county, school district or other municipal corporation or political subdivision of any state.
11. Capital stock and other securities of:
 - (a) A state development corporation organized under the provisions of chapter 670 of NRS.

(b) A corporation for economic revitalization and diversification organized under the provisions of chapter 670A of NRS, if the association is a member of the corporation, and to the extent of its loan limit established under NRS 670A.200.

12. Any other investment at the discretion of the association's directors if, after the investment is made, the association's accounts remain insurable by the Federal Deposit Insurance Corporation.

Sec. 2. NRS 673.377 is hereby amended to read as follows:

673.377 1. Every association shall have on hand at all times in available money, ~~{bank-deposits,}~~ *deposits in banks and credit unions*, United States Government bonds, certificates of insured savings and loan associations, Federal Home Loan Bank evidences of indebtedness, time certificates of insured federal and state banks, *time certificates of insured credit unions* or ~~{of}~~ any indebtedness of any United States Government instrumentality which is by statute fully guaranteed, a sum not less than 5 percent of the aggregate of savings accounts and investment certificates to enable it to pay withdrawals in excess of receipts and to meet accruing expenses. The commissioner may prescribe from time to time different amounts required for liquidity purposes, but the amounts must not be less than 4 percent or more than 8 percent.

2. A deposit in a bank, *credit union* or association under the control or the possession of appropriate supervisory authority must not be considered as cash. Except for deposits in a Federal Home Loan Bank, a time deposit established hereafter, whether or not time deposit-open account or deposit evidenced by a certificate of deposit, must not be considered as cash for such purposes unless:

(a) The member itself made the deposit in question;

(b) The deposit, together with all other time deposits of the association in the same bank ~~{,}~~ *or credit union*, does not exceed the greater of ~~{one-quarter}~~ :

(1) *One-quarter* of 1 percent of the ~~{bank's}~~ total deposits *of the bank or credit union* as of the ~~{bank's}~~ last published statement of condition *of the bank or credit union*; or ~~{ \$15,000; }~~

(2) *Fifteen thousand dollars*; and

(c) No consideration was received from a third party in connection with the making of the deposit.

3. An association must not make or purchase any loan, other than advances on the sole security of its savings accounts, at any time when its liquidity drops below the required level. For the purpose of this section, a loan is deemed to have been made as of the date the borrower executed the security instrument, and a loan is deemed to have been purchased as of the date of the payment therefor.

Sec. 3. NRS 676.220 is hereby amended to read as follows:

676.220 Each licensee shall:

1. Open and maintain a separate trust account in a state ~~{bank}~~ or national bank *or credit union* doing business in this state. All money

received from debtors for the benefit of creditors must be deposited in, and all payments to creditors must be disbursed from, this account.

2. Keep and use such books and accounting records as are in accord with sound and accepted accounting practices.

3. Maintain a separate record or ledger card for the account of each debtor, showing the amount of money received from and disbursed on behalf of each debtor.

4. Maintain a separate record, in a form approved by the commissioner, or ledger card for each creditor, identifying the particular debtor-source of money and showing the amount of money disbursed in accordance with the appropriate debt-adjustment contract.

5. Preserve all books and accounting records for at least 7 years after making the final entry therein.

Sec. 4. NRS 677.230 is hereby amended to read as follows:

677.230 1. Except as otherwise provided in subsection 2, the commissioner may establish the basis upon which reasonable and adequate reserves must be created and maintained, which must be no less than 3 percent of the deposits, in ~~cash~~ :

(a) *Cash* and due from federally insured financial institutions in this state , *financial institutions insured by a private insurer approved pursuant to NRS 678.755*, or any Federal Reserve Bank ~~in~~ ;

(b) United States treasury bills or notes ~~short-term~~ ;

(c) *Short-term* obligations of the federal or state government ; or ~~money~~

(d) *Money* deposited in federally insured financial institutions in this state , *financial institutions insured by a private insurer approved pursuant to NRS 678.755*, or any Federal Reserve Bank.

For the purposes of this subsection, “short-term” means having a maturity of 2 years or less.

2. The commissioner shall require a licensee who is insured by the Federal Deposit Insurance Corporation to comply with the reserve requirements established by that insurer.

Sec. 5. NRS 677.570 is hereby amended to read as follows:

677.570 When the commissioner takes possession of the property and business of any company for the purpose of liquidation or conservation, he may liquidate or conserve the company. In such a liquidation or conservation the commissioner has the same authority with reference to licensees as are vested in the commissioner by Title 55 of NRS with reference to banks and in addition may deposit money coming into his hands in the course of liquidation in one or more state or national banks ~~or~~ *or credit unions*.

Sec. 6. NRS 677.600 is hereby amended to read as follows:

677.600 A licensee shall not deposit any of its money with any other moneyed corporation, unless that corporation has been designated as a depository by a majority vote of the directors or the executive committee, exclusive of any director who is an officer, director or trustee of the

depository so designated. Such a depository must be a federally insured financial institution, *a financial institution insured by a private insurer approved pursuant to NRS 678.755* or any Federal Reserve Bank.

Sec. 7. NRS 677.610 is hereby amended to read as follows:

677.610 A licensee shall not invest any of its money, except:

1. As authorized in this chapter;
 2. In legal investments for banks, *credit unions* or savings associations;
- or

3. To the extent of 5 percent or less of its total assets, in preferred stock of corporations which have been given a rating of "A" or better by a national rating service and which are not in default in the payment of dividends.

Sec. 8. NRS 678.260 is hereby amended to read as follows:

678.260 The commissioner shall:

1. Adopt a regulation establishing the minimum surety bond required of credit unions in relation to the amount of property under their control.
2. *Adopt a regulation that sets forth the records a credit union must keep and prescribes the period for which those records must be retained.*
3. Maintain the original application of every credit union in a permanent file.

~~[3.]~~ 4. Maintain for at least 6 years, every report filed by a credit union with the division of financial institutions.

~~[4.]~~ 5. Except as otherwise provided in NRS 678.800 and 678.810, deposit all fees, charges for expenses, assessments and other money which is collected pursuant to the provisions of this chapter or any regulation adopted thereunder, in the state treasury for credit to the state general fund.

~~[5.]~~ 6. Prepare copies of articles of incorporation and bylaws consistent with the provisions of this chapter which may be used by persons interested in organizing a credit union.

Sec. 9. NRS 678.490 is hereby amended to read as follows:

678.490 A credit union may:

1. Hold membership in other credit unions organized under this chapter, in the Nevada Credit Union League and in other organizations composed of credit unions;

2. Perform such tasks and missions as may be requested by the Federal Government, the State of Nevada or any agency or political subdivision thereof, *including, without limitation, a city, county or school district,* when approved by the board of directors and not inconsistent with the provisions of this chapter;

3. Act as fiscal agent for and receive deposits from the Federal Government, ~~for any of the subdivisions thereof;~~ *the State of Nevada or an agency or political subdivision thereof, including, without limitation, a city, county or school district;* and

4. Perform trust services for its members, including the trust estates of deceased members, and act as a custodian of qualified pension funds of self-employed individuals under the provisions of 26 U.S.C. §§ 861 et seq.

Sec. 10. NRS 678.690 is hereby amended to read as follows:

678.690 For the purpose of establishing the reserves required by NRS 678.670 and 678.680, all assets except the following are considered risk assets:

1. Cash on hand;
2. Deposits or shares in federal or state banks, savings and loan associations and credit unions;
3. Assets which are insured by, fully guaranteed as to principal and interest by, or due from the ~~U.S.~~ *United States* Government, its agencies, the Federal National Mortgage Association or the Government National Mortgage Association;
4. Loans to other credit unions;
5. Loans to members of the credit union which are fully secured by the shares of the member applying therefor;
6. Loans to students insured under the provisions of the Higher Education Act of 1965, ~~42~~ 20 U.S.C. §§ 1071 et seq., ~~42~~ or similar state insurance programs;
7. Loans insured under the National Housing Act, as amended, ~~42~~ 12 U.S.C. § 1703, ~~42~~ by the Federal Housing Administration;
8. Shares or deposits in central credit unions organized under the provisions of NRS 678.850, or of any other state law or the Federal Credit Union Act of 1934, as amended, ~~42~~ 12 U.S.C. §§ 1751 et seq., ~~42~~;
9. Common trust investments which deal in investments authorized by this chapter;
10. Prepaid expenses;
11. Accrued interest on nonrisk investments;
12. Furniture and equipment; ~~and~~
13. Land and buildings ~~;~~ *and*
14. *A deposit for insurance for members' accounts required pursuant to subsection 3 of NRS 678.750.*

Sec. 11. NRS 678.730 is hereby amended to read as follows:

678.730 1. A credit union may make loans to its directors and to members of its committees, except that any loan or aggregate of loans to any one director or member of a committee which is more than ~~[\$10,000]~~ *\$30,000* plus pledged shares must be approved by the board.

2. A credit union may permit its directors and members of its committees to act as guarantor or endorser of loans to other members, except that when such a loan standing alone or when added to any outstanding loan to the guarantor is more than ~~[\$10,000,]~~ *\$30,000*, approval of the board is required.

Sec. 12. NRS 678.760 is hereby amended to read as follows:

678.760 Money not used in loans to members may be invested in:

1. Securities, obligations, participations or other instruments of or issued by or fully guaranteed as to principal and interest by the United States of America or any agency thereof or in any trust or trusts established for investing directly or collectively in these instruments;

2. Obligations of this state or any political subdivision thereof ~~and~~, *including, without limitation, a city, county or school district;*

3. Certificates of deposit or passbook type accounts issued by a state or national bank, mutual savings bank or savings and loan association;

4. Loans to or shares or deposits of other credit unions as permitted by the bylaws;

5. Capital shares, obligations or preferred stock issues of any agency or association organized either as a stock company, mutual association or membership corporation if the membership or stockholdings, as the case may be, of the agency or association are confined or restricted to credit unions or organizations of credit unions, and the purposes for which the agency or association is organized are designed to service or otherwise assist credit union operations;

6. Shares of a cooperative society organized under the laws of this state or the United States in a total amount not exceeding 10 percent of the shares, deposits and surplus of the credit union;

7. Capital stock and other securities of a corporation for economic revitalization and diversification organized under the provisions of chapter 670A of NRS, if the credit union is a member of the corporation, and to the extent of its loan limit established under NRS 670A.200;

8. Stocks and bonds of United States corporations to a maximum of 5 percent of unallocated reserves, except that such an investment must be limited to stocks or bonds yielding income which are approved by the commissioner; ~~and~~

9. Loans to any credit union association, national or state, of which the credit union is a member, except that such an investment must be limited to 1 percent of the shares, capital deposits and unimpaired surplus of the credit union ~~and~~; *and*

10. *Negotiable obligations of federal or state banks.*

Sec. 13. NRS 11.290 is hereby amended to read as follows:

11.290 Except as otherwise provided in subsection 5 of NRS 104.3118, to actions brought to recover money or other property deposited with any bank, *credit union*, banker, trust company or savings and loan society, there is no limitation.

Sec. 14. NRS 31.291 is hereby amended to read as follows:

31.291 1. Debts and credits, due or to become due, from a bank incorporated under the laws of the State of Nevada or the laws of the United States of America, or other personal property held by the bank must be garnished by serving a copy of the writ of garnishment on one of the following officers of the bank:

(a) If the bank has no branches, trust department or military facility, on the president, vice president, assistant vice president, cashier, assistant cashier, manager or other managing officer in charge of the bank owing the debts, or having in its possession or under its control the credits or other personal property.

(b) If the bank has branches or military facilities owing the debts or having in its possession or under its control the credits or other personal property, on the vice president, assistant vice president, assistant cashier, manager or other managing officer in charge of the branch or in charge of the military facility. Service on that officer or agent constitutes a valid levy on any debt, credit or other personal property owing by any branch or military facility of the bank.

(c) If the bank has a trust department owing the debts or having in its possession or under its control the credits or other personal property, on the vice president and trust officer, trust officer, assistant trust officer or other managing officer of the trust department.

2. Debts and credits due or to become due from a **credit union or** savings and loan association incorporated under the laws of the State of Nevada or the laws of the United States of America or other personal property and choses in action held by the **credit union or** savings and loan association must be garnished by serving the writ of garnishment in the same manner as upon banks pursuant to subsection 1.

3. A garnishment pursuant to this section creates a lien only upon the amounts in the accounts or to the credit of the debtor at the time of service of the writ of garnishment. An item in the process of collection is included in the amount of an account unless the item is returned unpaid. Money in the accounts that the garnishee has declared under oath and in answers to interrogatories to be exempt from execution is not included in the amount of the account.

4. No garnishment may occur until the defendant has been served with the notice of execution in substantially the form prescribed in NRS 31.045 and in the manner prescribed in NRS 21.076.

Sec. 15. NRS 80.015 is hereby amended to read as follows:

80.015 1. For the purposes of this chapter, the following activities do not constitute doing business in this state:

- (a) Maintaining, defending or settling any proceeding;
- (b) Holding meetings of the board of directors or stockholders or carrying on other activities concerning internal corporate affairs;
- (c) Maintaining ~~bank accounts;~~ **accounts in banks or credit unions;**
- (d) Maintaining offices or agencies for the transfer, exchange and registration of the corporation's own securities or maintaining trustees or depositaries with respect to those securities;
- (e) Making sales through independent contractors;
- (f) Soliciting or receiving orders outside of this state through or in response to letters, circulars, catalogs or other forms of advertising, accepting those orders outside of this state and filling them by shipping goods into this state;
- (g) Creating or acquiring indebtedness, mortgages and security interests in real or personal property;
- (h) Securing or collecting debts or enforcing mortgages and security interests in property securing the debts;

- (i) Owning, without more, real or personal property;
- (j) Isolated transactions completed within 30 days and not a part of a series of similar transactions;
- (k) The production of motion pictures as defined in NRS 231.020;
- (l) Transacting business as an out-of-state depository institution pursuant to the provisions of Title 55 of NRS; and
- (m) Transacting business in interstate commerce.

2. The list of activities in subsection 1 is not exhaustive.

3. A person who is not doing business in this state within the meaning of this section need not qualify or comply with any provision of NRS 80.010 to ~~80.270,~~ **80.280**, inclusive, chapter 645A or 645B of NRS or Title 55 or 56 of NRS unless he:

(a) Maintains an office in this state for the transaction of business; or

(b) Solicits or accepts deposits in the state, except pursuant to the provisions of chapter 666 or 666A of NRS.

Sec. 16. NRS 91.110 is hereby amended to read as follows:

91.110 "Financial institution" means a bank, **credit union**, savings institution or trust company organized under, or supervised pursuant to, the laws of the United States or of any state.

Sec. 17. NRS 100.060 is hereby amended to read as follows:

100.060 It ~~shall be~~ **is** lawful for any party of whom a bond, undertaking or other obligation is required, to agree with his surety or sureties for the deposit of any ~~for all moneys~~ **money** and assets for which he and his surety or sureties are or may be held responsible, with a bank, **credit union**, savings bank, safe-deposit or trust company, authorized by law to do business as such, or with ~~other~~ **another** depository approved by the court or a judge thereof, if ~~such~~ **the** deposit is otherwise proper, for the safekeeping thereof, and in such manner as to prevent the withdrawal of ~~such~~ **the** money or assets or any part thereof, without the written consent of ~~such~~ **the** surety or sureties, or an order of court or a judge thereof, made on such notice to ~~such~~ **the** surety or sureties as ~~such~~ **the** court or judge may direct; but ~~such agreement shall~~ **the agreement does** not in any manner release from or change the liability of the principal or sureties as established by the terms of the bond.

Sec. 18. NRS 100.065 is hereby amended to read as follows:

100.065 1. In lieu of any cash payment or surety bond required as protection for the State of Nevada, the person required to provide the cash payment or surety bond may deposit with the state treasurer, unless a different custodian is named by specific statute:

(a) Bonds of the United States or of the State of Nevada of an actual market value of not less than the amount of the required cash payment or surety bond;

(b) A letter of credit from a bank, savings bank, **credit union** or savings and loan association situated in Nevada, which meets the requirements set for that purpose by the state treasurer; or

(c) A savings certificate, certificate of deposit or investment certificate of a bank, savings bank, **credit union** or savings and loan association situated in Nevada, which must indicate an account of an amount not less than the amount of the required cash payment or surety bond and, except as otherwise provided by specific statute, that the amount is not available for withdrawal except by direct order of the state treasurer.

2. Whenever a savings certificate, certificate of deposit or investment certificate is deposited as provided in this section, interest earned on the certificate accrues to the account of the depositor.

3. If a surety bond is provided as protection for the State of Nevada, the bond must be issued by an insurer who is authorized or otherwise allowed under Title 57 of NRS to issue such a bond pursuant to Title 57 of NRS.

Sec. 19. NRS 117.065 is hereby amended to read as follows:

117.065 Any person who receives fees from a purchaser of a condominium for the maintenance of the project shall:

1. Immediately deposit ~~{such moneys}~~ **the money** in a separate custodial account maintained by him with some bank, **credit union** or recognized depository in this state.

2. Keep records of all such ~~{moneys}~~ **money** deposited therein.

Sec. 20. NRS 142.020 is hereby amended to read as follows:

142.020 1. Except as **otherwise** provided in subsection 6, the requirement of a bond of an executor, administrator or successor executor or administrator is discretionary with the court. Whether a bond is expressly required by the will or not, the court may:

(a) Require a bond if it determines a bond is desirable; or

(b) Dispense with the requirement of a bond if it determines a bond is unnecessary.

2. The bond must be conditioned that the executor or administrator will faithfully execute the duties of the trust according to law, and the bond must be recorded by the clerk.

3. Personal assets of an estate may be deposited with a domestic banking or trust corporation **or credit union** upon such terms as may be prescribed by order of the court having jurisdiction of the estate. The deposit is subject to the further order of the court. The bond of the executor or administrator may be reduced accordingly.

4. During the pendency of the administration, any person, including a creditor, having an interest in the estate whose value exceeds \$10,000 may make a written demand that the executor, administrator or any successor submit a bond. Upon receipt of the demand, the executor, administrator or any successor shall refrain from exercising any powers, except those necessary to preserve the estate, until the bond is filed. The executor, administrator or any successor is not required to file a bond in an amount which is greater than the amount of the claim of the person having an interest in the estate. The court may, upon the petition of the executor, administrator or any successor, dispense with the requirement of a bond.

5. The amount of the bond is the estimated value of all personal property plus income for 1 year from both real and personal property, unless the amount of the bond is expressly mentioned in the will, changed by the court, or required pursuant to subsection 4.

6. If a banking corporation, as defined in NRS 657.016, or trust company, as defined in NRS 669.070, doing business in this state is appointed executor or administrator of the estate of a deceased, no bond is required of the executor or administrator, unless otherwise specifically required by the court.

Sec. 21. NRS 143.175 is hereby amended to read as follows:

143.175 Executors and administrators may, without court approval, deposit or invest ~~{funds}~~ **money** of the estate in:

1. United States treasury notes, bills or bonds;
2. Negotiable commercial paper, not exceeding 180 days maturity, of prime quality as defined by a nationally recognized organization which rates such securities;
3. Bankers' acceptances;
4. Savings accounts or certificates of deposit in national banks, banks chartered by the State of Nevada, **federal credit unions, credit unions chartered by the State of Nevada**, federal savings and loan associations or savings and loan associations chartered by the State of Nevada; or
5. Any other investment in which an executor or administrator is authorized by law or by a will to invest ~~{moneys or funds}~~ **money** under his control.

Sec. 22. NRS 144.020 is hereby amended to read as follows:

144.020 1. The executor or administrator may engage a qualified and disinterested appraiser to ascertain the fair market value, as of the decedent's death, of any asset the value of which is subject to reasonable doubt. Different persons may be engaged to appraise different kinds of assets included in the estate.

2. Any such appraiser is entitled to a reasonable compensation for his appraisal and may be paid the compensation by the executor or administrator out of the estate at any time after completion of the appraisal.

3. Where there is no reasonable doubt as to the value of assets, such as money, deposits in banks ~~{ }~~ **or credit unions**, bonds, policies of life insurance or securities for money or evidence of indebtedness, ~~{when the same is}~~ **which are** equal in value to money, the executor or administrator shall file a verified record of value in lieu of the appraisal.

Sec. 23. NRS 159.117 is hereby amended to read as follows:

159.117 1. Upon approval of the court by order, a guardian of the estate may:

(a) Invest the property of the ward, make loans and accept security therefor, in the manner and to the extent authorized by the court.

(b) Exercise options of the ward to purchase or exchange securities or other property.

2. A guardian of the estate may, without securing the prior approval of the court, invest the property of the ward in the following:

(a) Savings accounts in any bank, **credit union** or savings and loan association in this state, to the extent that ~~{such}~~ **the** deposits are insured by the Federal Deposit Insurance Corporation ~~{,}~~, **the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755.**

(b) Interest-bearing obligations of or fully guaranteed by the United States.

(c) Interest-bearing obligations of the United States Postal Service.

(d) Interest-bearing obligations of the Federal National Mortgage Association.

(e) Interest-bearing general obligations of this state.

(f) Interest-bearing general obligations of any county, city or school district of this state.

(g) Money market mutual funds which are invested only in those instruments listed in paragraphs (a) to (f), inclusive.

3. A guardian of the estate for two or more wards may invest the property of two or more of the wards in property in which each ward whose property is so invested has an undivided interest. The guardian shall keep a separate record showing the interest of each ward in the investment and in the income, profits or proceeds therefrom.

Sec. 24. NRS 163.150 is hereby amended to read as follows:

163.150 Where a person who is a trustee of two or more trusts has mingled the ~~{funds}~~ **money** of two or more trusts in the same aggregate of cash, or in the same bank, **credit union** or brokerage account or other investment, and a withdrawal is made therefrom by the trustee for his own benefit, or for the benefit of a third person not a beneficiary or creditor of one or more of the trusts, or for an unknown purpose, ~~{such a withdrawal shall}~~ **the withdrawal must** be charged first to the amount of cash, credit, or other property of the trustee in the mingled fund, if any, and after the exhaustion of the trustee's cash, credit, or other property, then to the ~~{several}~~ trusts in proportion to their ~~{several}~~ interests in the cash, credit, or other property at the time of the withdrawal.

Sec. 25. NRS 209.201 is hereby amended to read as follows:

209.201 1. The prison revolving account in the sum of \$10,000 is hereby created, and may be used for the payment of bills requiring immediate payment and for the issuance of money to assist newly released or paroled offenders, and for no other purposes.

2. The director may deposit the prison revolving account in one or more banks **or credit unions** of reputable standing.

3. Payments made from the prison revolving account must be promptly reimbursed from appropriated money of the department on claims as other claims against the state are paid.

Sec. 26. NRS 209.248 is hereby amended to read as follows:

209.248 1. The department of prisons shall establish in any insured bank, **credit union** or savings and loan association doing business in this state an account for disbursements to offenders. The balance in the account must not exceed \$600,000. Money in the account may be expended only for the payment of transactions involving offenders' trust funds.

2. Payments made from the account for disbursements to offenders must be promptly reimbursed from money in the appropriate fund on deposit with the state treasurer.

Sec. 27. NRS 210.160 is hereby amended to read as follows:

210.160 1. The superintendent may accept money and other valuables of inmates for safekeeping pending their discharges, and shall deposit any such money in a trust fund which he shall establish in a bank, **credit union** or savings and loan association qualified to receive deposits of public money. He shall keep a full account of any such money and valuables, and shall submit reports to the administrator relative to them as may be required from time to time.

2. The superintendent may transfer the amount of any uncashed check issued by the school to an inmate to the youth training center's gift account after 1 year from the date the check was issued. Each check so issued must be stamped "void after 1 year from date of issue."

Sec. 28. NRS 210.170 is hereby amended to read as follows:

210.170 1. The superintendent, subject to the approval of the administrator, may establish an inmates' commissary or store for the benefit and use of the inmates. So far as practicable, sales of supplies and materials to the inmates must be at cost. The superintendent shall keep, or cause to be kept, a record of all transactions of the commissary.

2. The youth training center commissary fund is hereby created, and must be used to purchase supplies and materials for resale to the inmates, to provide money for needy inmates, and for other incidentals as may be deemed necessary by the superintendent. All money drawn from the fund must be repaid wherever possible.

3. The superintendent shall deposit any money received for the fund in insured banks ~~for in insured~~ **credit unions or** savings and loan associations and maintain a small sum as petty cash at the commissary.

Sec. 29. NRS 210.540 is hereby amended to read as follows:

210.540 1. ~~Money~~ **Money** to carry out the provisions of NRS 210.400 to 210.715, inclusive, ~~shall~~ **must** be provided by legislative appropriation from the general fund.

2. All ~~money~~ **money** in any fund in the state treasury available to the school ~~shall~~ **must** be paid out on claims approved by the superintendent as other claims against the state are paid.

3. All ~~money~~ **money** on deposit in banks ~~which are~~ **or credit unions, which is** available to the school, ~~shall~~ **must** be paid out by checks signed by the superintendent or by a deputy designated by him for the purpose.

Sec. 30. NRS 210.560 is hereby amended to read as follows:

210.560 1. The superintendent may accept money and other valuables of inmates for safekeeping pending their discharges, and shall deposit any such money in a trust fund which he shall establish in a bank , **credit union** or ~~in a~~ savings and loan association qualified to receive deposits of public money. The superintendent shall keep a full account of any such money and valuables, and shall submit reports to the administrator relative to them as may be required from time to time.

2. The superintendent may transfer the amount of any uncashed check issued by the school to an inmate to the Caliente youth center's gift account after 1 year from the date the check was issued. Each check so issued must be stamped "void after 1 year from date of issue."

Sec. 31. NRS 210.570 is hereby amended to read as follows:

210.570 1. The superintendent, subject to the approval of the administrator, may establish an inmates' commissary or store for the benefit and use of the inmates. So far as practicable, sales of supplies and materials to the inmates must be at cost. The superintendent shall keep, or cause to be kept, a record of all transactions of the commissary.

2. The Caliente youth center commissary fund is hereby created, and must be used to purchase supplies and materials for resale to the inmates, to provide money for needy inmates, and for **such** other incidentals as may be deemed necessary by the superintendent. All money from the fund must be repaid wherever possible.

3. The superintendent shall deposit any money received for the fund in ~~in a bank or in an insured~~ **an insured bank, credit union or** savings and loan association qualified to receive deposits of public money under the provisions of chapter 356 of NRS, and the deposit must be secured by a depository bond satisfactory to the state board of examiners.

4. The superintendent may maintain a small sum as petty cash at the commissary.

Sec. 32. NRS 210.750 is hereby amended to read as follows:

210.750 1. Each person who is paroled from the Nevada youth training center or the Caliente youth center must be placed in a reputable home and in either an educational or work program or both. The chief of the youth parole bureau may pay the expenses incurred in providing alternative placements for residential programs and for structured nonresidential programs from money appropriated to the bureau for that purpose.

2. The chief may accept money of parolees for safekeeping pending their discharges from parole. The chief must deposit the money in ~~federally insured~~ accounts in banks , **credit unions** or savings and loan associations ~~that are federally insured or insured by a private insurer approved pursuant to NRS 678.755.~~ He shall keep or cause to be kept a fair and full account of the money, and shall submit such reports concerning the accounts to the administrator of the division of child and family services of the department of human resources as the administrator may require.

3. When any person so paroled has proven his ability to make an acceptable adjustment outside the center or, in the opinion of the chief, is no longer amenable to treatment as a juvenile, the chief shall apply to the committing court for a dismissal of all proceedings and accusations pending against the person.

4. Before the chief recommends that the committing court revoke a person's parole, he shall ascertain from the superintendent of the appropriate center whether adequate facilities remain available at the center to provide the necessary care for the person. If the superintendent advises that there are not such facilities available, that there is not enough money available for support of the person at the center or that the person is not suitable for admission to the center, the chief shall report that fact to the administrator of the division of child and family services, who shall recommend a suitable alternative to the court.

Sec. 33. NRS 211.380 is hereby amended to read as follows:

211.380 1. The sheriff of each county may accept money and valuables in the physical possession of a prisoner at the time he is taken into custody. The sheriff shall account separately for all money so accepted and deposit the money in a trust fund which he has established in a bank, **credit union** or savings and loan association qualified to receive deposits of public money. During the time of the prisoner's incarceration, the sheriff may also accept and deposit in the trust fund money belonging to the prisoner which is intended for use by the prisoner to purchase items at the commissary.

2. The sheriff:

(a) Shall keep, or cause to be kept, a full and accurate account of the money and valuables, and shall submit reports to the board of county commissioners relating to the money and valuables as may be required from time to time.

(b) May permit withdrawals for immediate expenditure by a prisoner for personal needs, for payment to a person who is not incarcerated in the jail or for payment required of a prisoner pursuant to NRS 211.241 to 211.249, inclusive.

(c) Shall, upon the release of each prisoner, return his valuables and pay over to the prisoner any remaining balance in his individual account.

3. The interest and income earned on the money in the fund, after deducting any applicable charges, must be credited to the account established for the commissary pursuant to NRS 211.360. If a commissary has not been established, the interest and income earned must be deposited with the county treasurer for credit to the county general fund.

Sec. 34. NRS 218.644 is hereby amended to read as follows:

218.644 1. The legislative counsel bureau shall maintain a checking account in any qualified bank **or credit union** for the purposes of providing advance money and reimbursement to legislators and employees for travel expenses, paying the salaries of persons on the payroll of the legislative branch of government, related payroll costs and any other expenses directed by the legislative commission. The account must be secured by a depository

bond to the extent the account is not insured by the Federal Deposit Insurance Corporation ~~{ }~~, *the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755*. All checks written on this account must be signed by the chairman of the legislative commission and the director of the legislative counsel bureau or his designee, except that during a regular session of the legislature, the majority leader of the senate and the speaker of the assembly shall sign the checks.

2. A request for advance money for travel constitutes a lien in favor of the legislative fund upon the accrued salary, subsistence allowance and travel expenses of the legislator or employee in an amount equal to the sum advanced.

3. The legislator or employee is entitled to receive upon request any authorized travel expenses in excess of the amount advanced. The legislator or employee shall reimburse the legislative fund any amount advanced that is not used for reimbursable travel expenses.

Sec. 35. NRS 228.099 is hereby amended to read as follows:

228.099 1. There is hereby created a revolving account for the office of attorney general in the sum of \$5,000, which must be used for payment of expenses related to litigation which are unexpected and require prompt payment and for no other purposes.

2. The attorney general shall deposit the money in the revolving account in a bank *or credit union* qualified to receive deposits of public ~~{funds}~~ *money* as provided by law and the deposit must be secured by a depository bond satisfactory to the state board of examiners.

3. The attorney general or his designee may sign all checks drawn upon the revolving account.

4. Payments made from the revolving account must be promptly reimbursed from the legislative appropriation, if any, to the attorney general for special litigation expenses. The claim for reimbursement must be processed and paid as other claims against the state are paid.

Sec. 36. NRS 244.207 is hereby amended to read as follows:

244.207 1. Notwithstanding any other provision of law, the boards of county commissioners in their respective counties may establish by ordinance central receiving and disbursing systems for the handling of county money and money held in trust by the county or by any of its elected or appointed officers. Such systems may include, but are not limited to, the following:

(a) The commingling of all the money from any source if the accounting system employed supplies full information concerning the sources of the money.

(b) The elimination of departmental *accounts in an insured* bank ~~{accounts, or accounts in insured}~~, *credit union or* savings and loan ~~{associations}~~ *association* by commingling the money in an account or accounts maintained by the county treasurer.

(c) The elimination of trust ~~{bank}~~ accounts *in a bank or credit union*, created for any reason ~~{whatsoever,}~~ as long as adequate records are

maintained to identify fully all trust money. The money previously held in such trust ~~{bank}~~ accounts may be commingled with other money held in ~~{bank}~~ accounts maintained *in a bank or credit union* by the county treasurer.

(d) The centralization of all disbursing of all money, including trust money, if the accounting system employed supplies full information concerning the disposition of the money.

(e) The centralization of part or all of billing and collection aspects of business licenses, personal property and any other activity of any of the offices of the county that involves billing for services, taxes or fees imposed by statute or ordinance, or the collection of money in payment of such billings.

(f) In a county whose population is 100,000 or more, the centralization of part or all of *the* billing and collection aspects of any fine, fee, bail or forfeiture imposed by a court and any payment ordered by a court pursuant to NRS 178.3975.

2. Investment income from the commingled money ~~{will}~~ *must* be credited to the general fund of the county if other provisions of law or contract do not require other allocation of ~~{such}~~ *the* investment income.

3. ~~{Nothing in this section:~~

~~(a) Eliminates} This section does not:~~

(a) Eliminate the reporting requirements of various elected and appointed officials relating to the receipt and disposition of money.

(b) {Limits} Limit the right of a local government as defined in NRS 354.474, but not including a county, whose money is held in trust by the county to direct the receipt, disbursement and investment of its money independently of the system provided for in this section, where ~~{such}~~ *the* independent direction is otherwise authorized by law.

Sec. 37. NRS 244A.721 is hereby amended to read as follows:

244A.721 1. The county may provide that proceeds from the sale of bonds and special funds from the revenues of the project must be invested and reinvested in such securities and other investments, whether or not any such investment or reinvestment is authorized under any other law of this state, as may be provided in the proceedings under which the bonds are authorized to be issued, including, but not limited to:

(a) Bonds or other obligations of the United States of America.

(b) Bonds or other obligations, the payment of the principal and interest of which is unconditionally guaranteed by the United States of America.

(c) Obligations issued or guaranteed as to principal and interest by any agency or person controlled or supervised by and acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States of America.

(d) Obligations issued or guaranteed by any state of the United States of America, or any political subdivision of any such state.

(e) Prime commercial paper.

(f) Prime finance company paper

- (g) Bankers' acceptances drawn on and accepted by commercial banks.
- (h) Repurchase agreements fully secured by obligations issued or guaranteed as to principal and interest by the United States of America or by any person controlled or supervised by and acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States of America.
- (i) Certificates of deposit issued by **credit unions or** commercial banks, including banks domiciled outside of the United States of America.
- (j) Money market mutual funds that:
 - (1) Are registered with the Securities and Exchange Commission;
 - (2) Are rated by a nationally recognized rating service as "AAA" or its equivalent; and
 - (3) Invest only in securities issued or guaranteed as to payment of principal and interest by the Federal Government, or its agencies or instrumentalities, or in repurchase agreements that are fully collateralized by ~~{such}~~ **the** securities.

2. The county may also provide that such proceeds or funds or investments and the payments payable under the lease, the agreement of sale or the financing agreement must be received, held and disbursed by one or more banks, **credit unions** or trust companies located within or out of this state.

Sec. 38. NRS 266.515 is hereby amended to read as follows:

266.515 1. The treasurer, or the county treasurer when acting as ex officio city treasurer, shall keep all money belonging to the city separate from all other money held by him for any other purpose or fund and may, when one or more insured banks, **credit unions** or ~~{insured}~~ savings and loan associations are located in the city, deposit, with unanimous consent of his bondsmen, city money in such banks, **credit unions** or savings and loan associations in demand or time accounts. When no such banks, **credit unions** or savings and loan associations exist in the city, he may deposit, with the unanimous consent of his bondsmen, city money with any **insured** bank, ~~{or any insured}~~ **credit union or** savings and loan association in the State of Nevada in demand or time accounts.

2. The accounts must be kept in the name of the city in such manner as the governing board of the city may prescribe and under such terms and conditions for the protection of the money as the governing board may determine, not inconsistent with other laws of the State of Nevada regulating the deposit of public money.

3. The balances in banks, **credit unions** or savings and loan associations, as certified to by the proper officer thereof, and by the oath of the city treasurer, may be counted as cash.

Sec. 39. NRS 268.025 is hereby amended to read as follows:

268.025 Any incorporated city or other local government may deposit any money under the control of its treasurer in any insured state or national bank, ~~{or in any insured}~~ **credit union or** savings and loan association which has an office within the State of Nevada.

Sec. 40. NRS 268.540 is hereby amended to read as follows:

268.540 1. Unless prohibited by its charter, the city may provide that proceeds from the sale of bonds and special funds from the revenues of the project be invested and reinvested in such securities and other investments, whether or not any such investment or reinvestment is authorized under any other law of this state, as provided in the proceedings under which the bonds are authorized to be issued, including , but not limited to:

- (a) Bonds or other obligations of the United States of America.
- (b) Bonds or other obligations, the payment of the principal and interest of which is unconditionally guaranteed by the United States of America.
- (c) Obligations issued or guaranteed as to principal and interest by any agency or person controlled or supervised by and acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States of America.
- (d) Obligations issued or guaranteed by any state of the United States of America, or any political subdivision of any such state.
- (e) Prime commercial paper.
- (f) Prime finance company paper.
- (g) Bankers' acceptances drawn on and accepted by commercial banks.
- (h) Repurchase agreements fully secured by obligations issued or guaranteed as to principal and interest by the United States of America or by any person controlled or supervised by and acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States of America.
- (i) Certificates of deposit issued by **credit unions or** commercial banks, including banks domiciled outside of the United States of America.
- (j) Money market mutual funds that:
 - (1) Are registered with the Securities and Exchange Commission;
 - (2) Are rated by a nationally recognized rating service as "AAA" or its equivalent; and
 - (3) Invest only in securities issued or guaranteed as to payment of principal and interest by the Federal Government, or its agencies or instrumentalities, or in repurchase agreements that are fully collateralized by ~~{such}~~ **the** securities.

2. The city may also provide that such proceeds or funds or investments and the payments payable under the lease, the agreement of sale or the financing agreement be received, held and disbursed by one or more banks , **credit unions** or trust companies located within or out of this state.

Sec. 41. NRS 281.171 is hereby amended to read as follows:

281.171 1. The account for travel advances is hereby created. Money in the account must be used by the state treasurer ~~{for the purpose of providing}~~ **to provide** advance money to state officers and employees for travel expenses and subsistence allowances.

2. The state treasurer shall deposit the money in the account in a bank **or credit union** qualified to receive deposits of public ~~{funds,}~~ **money**, and

the deposit must be secured by collateral satisfactory to the state board of examiners.

3. The state treasurer or any of his officers or employees whom he has designated for ~~the~~ **this** purpose may sign all checks and warrants drawn upon the account.

Sec. 42. NRS 286.220 is hereby amended to read as follows:

286.220 1. The board shall establish a fund known as the public employees' retirement fund.

2. It is hereby declared to be the policy of the legislature that the public employees' retirement fund is a trust fund established to afford a degree of security to long-time public employees of the state and its political subdivisions. The money in the fund must not be used or appropriated for any purpose incompatible with the policy of the public employees' retirement system, as expressed in NRS 286.015. The fund must be invested and administered to assure the highest return consistent with safety in accordance with accepted investment practices.

3. The interest and income earned on the money in the public employees' retirement fund, after deducting any applicable charges, must be credited to the fund.

4. Money in the public employees' retirement fund must be expended by the board for the purpose of paying:

- (a) Service retirement allowances;
- (b) Disability retirement allowances;
- (c) Post-retirement allowances;
- (d) Benefits for survivors;
- (e) Authorized refunds to members and their beneficiaries;
- (f) Amounts equivalent to disability retirement allowances to be used by employers for rehabilitation; and
- (g) Allowances to beneficiaries,

and for the payment of expenses authorized by law to be paid from the fund.

5. Contributions from members and from participating public employers to the public employees' retirement fund must be deposited in a bank **or credit union** of reputable standing in the State of Nevada. Such deposits must be secured in a manner satisfactory to the board.

6. All checks drawn upon the public employees' retirement fund must be signed by two persons designated by the board.

Sec. 43. NRS 286.680 is hereby amended to read as follows:

286.680 1. In addition to the provisions of chapter 355 of NRS, the board may invest and reinvest the money in its funds as provided in this section and NRS 286.682 and may employ investment counsel for that purpose. The board may also employ investment supervisory services, trust audit services and other related investment services which it deems necessary to invest effectively and safeguard the money in the system's funds.

2. No person engaged in business as a broker or dealer in securities or who has a direct pecuniary interest in any such business who receives

commissions for transactions performed as agent for the board is eligible for employment as investment counsel for the board.

3. The board shall not engage investment counsel unless:

(a) The principal business of the person selected by the board consists of giving continuous advice as to the investment of money on the basis of the individual needs of each client;

(b) The person and his predecessors have been continuously engaged in such a business for a period of 5 or more years;

(c) The person is registered as an investment adviser under the laws of the United States as from time to time in effect, or is a bank or an investment management subsidiary of a bank; and

(d) The contract between the board and the investment counsel is of no specific duration and is voidable at any time by either party.

4. The board and its individual members are not liable for investment decisions made by investment counsel if they obtain qualified investment counsel, establish proper objectives and policies for investments, and issue appropriate interim directives. Investment counsel is liable for any investment decision that is not made in accordance with the objectives and policies established by the board and any applicable interim directives.

5. The expenses incurred in obtaining and reviewing services pursuant to the provisions of this section and the reimbursements to employees for their expenses incurred in connection with investment decisions must be paid out of the public employees' retirement fund and the police and firemen's retirement fund in proportion to their respective assets.

6. The board shall tender invitations to banks **and credit unions** for commercial banking and trust services, consider proposals submitted by interested banks **and credit unions**, and consider contracts for commercial banking and trust services at least every 5 years.

Sec. 44. NRS 287.010 is hereby amended to read as follows:

287.010 1. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other public agency of the State of Nevada may:

(a) Adopt and carry into effect a system of group life, accident or health insurance, or any combination thereof, for the benefit of its officers and employees, and the dependents of officers and employees who elect to accept the insurance and who, where necessary, have authorized the governing body to make deductions from their compensation for the payment of premiums on the insurance.

(b) Purchase group policies of life, accident or health insurance, or any combination thereof, for the benefit of such officers and employees, and the dependents of such officers and employees, as have authorized the purchase, from insurance companies authorized to transact the business of such insurance in the State of Nevada, and, where necessary, deduct from the compensation of officers and employees the premiums upon insurance and pay the deductions upon the premiums.

(c) Provide group life, accident or health coverage through a self-insurance reserve fund and, where necessary, deduct contributions to the maintenance of the fund from the compensation of officers and employees and pay the deductions into the fund. The money accumulated for this purpose through deductions from the compensation of officers and employees and contributions of the governing body must be maintained as an internal service fund as defined by NRS 354.543. The money must be deposited in a state or national bank **or credit union** authorized to transact business in the State of Nevada. Any independent administrator of a fund created under this section is subject to the licensing requirements of chapter 683A of NRS, and must be a resident of this state. Any contract with an independent administrator must be approved by the commissioner of insurance as to the reasonableness of administrative charges in relation to contributions collected and benefits provided. The provisions of NRS 689B.030 to 689B.050, inclusive, apply to coverage provided pursuant to this paragraph.

(d) Defray part or all of the cost of maintenance of a self-insurance fund or of the premiums upon insurance. The money for contributions must be budgeted for in accordance with the laws governing the county, school district, municipal corporation, political subdivision, public corporation or other public agency of the State of Nevada.

2. If a school district offers group insurance to its officers and employees pursuant to this section, members of the board of trustees of the school district must not be excluded from participating in the group insurance. If the amount of the deductions from compensation required to pay for the group insurance exceeds the compensation to which a trustee is entitled, the difference must be paid by the trustee.

Sec. 45. NRS 315.400 is hereby amended to read as follows:

315.400 1. A commissioner or employee of the authority shall not voluntarily acquire any interest, direct or indirect, except as a residential tenant, in any housing project or in any property included or planned to be included in any housing project, or in any contract or proposed contract in connection with any housing project. Where the acquisition is not voluntary, the commissioner or employee shall immediately disclose the interest in writing to the authority and the disclosure must be entered upon the minutes of the authority. Upon disclosure the commissioner or employee shall not participate in any action by the authority involving the housing project, property or contract. If any commissioner or employee of the authority previously owned or controlled an interest, direct or indirect, in any housing project or in any property included or planned to be included in any housing project, or in any contract or proposed contract in connection with any housing project, he shall immediately disclose the interest in writing to the authority and the disclosure must be entered upon the minutes of the authority. Upon disclosure the commissioner or employee shall not participate in any action by the authority involving the housing project, property or contract.

2. Any violation of this section constitutes misconduct in office.

3. This section is not applicable to the acquisition of any interest in notes or bonds of the authority issued in connection with any housing project or the execution of agreements by ~~{banking}~~ *financial* institutions for the deposit or handling of ~~{funds}~~ *money* in connection with a housing project or to act as trustee under any trust indenture.

Sec. 46. NRS 315.981 is hereby amended to read as follows:

315.981 1. A commissioner or employee of the authority shall not voluntarily acquire any interest, direct or indirect, except as a residential tenant, in any housing project or in any property included or planned to be included in any housing project, or in any contract or proposed contract in connection with any housing project. Where the acquisition is not voluntary, the commissioner or employee shall immediately disclose the interest in writing to the authority and the disclosure must be entered upon the minutes of the authority. Upon disclosure the commissioner or employee shall not participate in any action by the authority involving the housing project, property or contract. If any commissioner or employee of the authority previously owned or controlled an interest, direct or indirect, in any housing project or in any property included or planned to be included in any housing project, or in any contract or proposed contract in connection with any housing project, he shall immediately disclose the interest in writing to the authority and the disclosure must be entered upon the minutes of the authority. Upon disclosure the commissioner or employee shall not participate in any action by the authority involving the housing project, property or contract.

2. A violation of any provision of this section constitutes malfeasance in office.

3. This section is not applicable to the acquisition of any interest in notes or bonds of the authority issued in connection with any housing project or the execution of agreements by ~~{banking}~~ *financial* institutions for the deposit or handling of ~~{funds}~~ *money* in connection with a housing project or to act as trustee under any trust indenture.

Sec. 47. NRS 349.160 is hereby amended to read as follows:

349.160 “Commercial bank” means ~~{a}~~ :

1. A state or national bank or trust company ~~{which}~~ *that* is a member of the Federal Deposit Insurance Corporation, including , without limitation ~~{any trust bank as herein defined.}~~ , *a branch of the Federal Reserve Bank.*

2. *A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755.*

Sec. 48. NRS 349.208 is hereby amended to read as follows:

349.208 “Trust bank” means ~~{a}~~ :

1. A commercial bank as defined in NRS 349.160 ~~{which bank}~~ *that* is authorized to exercise and is exercising trust powers . ~~{and also means any}~~

2. A branch of the Federal Reserve Bank

.

3. A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755 that is authorized to exercise and is exercising trust powers.

Sec. 49. NRS 349.450 is hereby amended to read as follows:

349.450 “Expense of operation and maintenance” means any reasonable and necessary current expense of the state for the operation, maintenance or administration of a project or of the collection and administration of revenues from a project. The term includes, among other expenses:

1. Expenses for engineering, auditing, reporting, legal services and other expenses of the director which are directly related to the administration of projects.
2. Premiums for fidelity bonds and policies of property and liability insurance pertaining to projects, and shares of the premiums of blanket bonds and policies which may be reasonably allocated to the state.
3. Payments to pension, retirement, health insurance and other insurance funds.
4. Reasonable charges made by any paying agent, commercial bank, ***credit union***, trust company or other depository bank pertaining to any bonds.
5. Services rendered under the terms of contracts, services of professionally qualified persons, salaries, administrative expenses and the cost of materials, supplies and labor pertaining to the issuance of any bonds, including the expenses of any trustee, receiver or other fiduciary.
6. Costs incurred in the collection and any refund of revenues from the project, including the amount of the refund.

Sec. 50. NRS 349.630 is hereby amended to read as follows:

349.630 The director shall adopt regulations for:

1. Investment and reinvestment of the proceeds from the sale of bonds, including, but not limited to:
 - (a) Bonds or other obligations of the United States of America.
 - (b) Bonds or other obligations, the payment of the principal and interest of which is unconditionally guaranteed by the United States of America.
 - (c) Obligations issued or guaranteed as to principal and interest by any agency or person controlled or supervised by and acting as an instrumentality of the United States of America pursuant to authority granted by the Congress of the United States of America.
 - (d) Obligations issued or guaranteed by any state of the United States of America, or any political subdivision of any state.
 - (e) Prime commercial paper.
 - (f) Prime finance company paper.
 - (g) Bankers’ acceptances drawn on and accepted by commercial banks.
 - (h) Repurchase agreements fully secured by obligations issued or guaranteed as to principal and interest by the United States of America or by any person controlled or supervised by and acting as an instrumentality of

the United States of America pursuant to authority granted by the Congress of the United States of America.

(i) Certificates of deposit issued by **credit unions or** commercial banks, including banks domiciled outside **of** the United States of America.

(j) Money market mutual funds that:

(1) Are registered with the Securities and Exchange Commission;

(2) Are rated by a nationally recognized rating service as “AAA” or its equivalent; and

(3) Invest only in securities issued or guaranteed as to payment of principal and interest by the Federal Government, or its agencies or instrumentalities, or in repurchase agreements that are fully collateralized by such securities.

2. Receiving, holding and disbursing of proceeds of the sale of bonds by one or more banks, **credit unions** or trust companies located within or out of this state.

Sec. 51. NRS 349.907 is hereby amended to read as follows:

349.907 “Expense of operation and maintenance” means any reasonable and necessary current expense of the state for the operation, maintenance or administration of the financing or of the collection and administration of revenues from the financing, and includes, but is not limited to:

1. Expenses for engineering, auditing, reporting or legal services and any other expense incurred by the director which are directly related to the administration of the financing;

2. Premiums for fidelity bonds and policies of property and liability insurance pertaining to the financing;

3. Premiums for blanket bonds and policies, or any portion of, which may be reasonably allocated to the state;

4. Payments to pension, retirement and health insurance and other insurance funds;

5. Reasonable charges by any paying agent, commercial bank, **credit union**, trust company or other depository bank pertaining to any bonds;

6. Salaries or fees paid pursuant to any contract for professional services;

7. Cost of materials, supplies and labor pertaining to the issuance of any bonds, including the expenses of any trustee, receiver or other fiduciary; and

8. Costs incurred in the collection and any refund of revenues pursuant to the financing.

Sec. 52. NRS 349.924 is hereby amended to read as follows:

349.924 The director shall adopt regulations for:

1. Investment and reinvestment of the proceeds designated for the account for venture capital from the sale of bonds, including, but not limited to:

(a) Bonds or other obligations of the United States.

(b) Bonds or other obligations, the payment of the principal and interest of which is unconditionally guaranteed by the United States.

(c) Obligations issued or guaranteed as to principal and interest by any agency or person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States.

(d) Obligations issued or guaranteed by any state of the United States, or any political subdivision of any state.

(e) Prime commercial paper.

(f) Prime finance company paper.

(g) Bankers' acceptances drawn on and accepted by commercial banks.

(h) Repurchase agreements fully secured by obligations issued or guaranteed as to principal and interest by the United States or by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States.

(i) Certificates of deposit issued by **credit unions or** commercial banks, including banks domiciled outside of the United States.

(j) Money market mutual funds that:

(1) Are registered with the Securities and Exchange Commission;

(2) Are rated by a nationally recognized rating service as "AAA" or its equivalent; and

(3) Invest only in securities issued or guaranteed as to payment of principal and interest by the Federal Government, or its agencies or instrumentalities, or in repurchase agreements that are fully collateralized by such securities.

2. Receiving, holding and disbursing of proceeds of the sale of bonds by one or more banks or trust companies located within or outside of this state.

This section does not expand the authority for investing the proceeds of bonds placed in the fund for the retirement of bonds.

Sec. 53. NRS 349.939 is hereby amended to read as follows:

349.939 "Expense of operation and maintenance" means any reasonable and necessary current expense of the state for the operation, maintenance or administration of a water project or of the collection and administration of revenues from a water project. The term includes, among other expenses:

1. Expenses for engineering, auditing, reporting, legal services and other expenses of the director which are directly related to the administration of water projects.

2. Premiums for fidelity bonds and policies of property and liability insurance pertaining to water projects, and shares of the premiums of blanket bonds and policies which may be reasonably allocated to the state.

3. Payments to pension, retirement, health insurance and other insurance funds.

4. Reasonable charges made by any paying agent, commercial bank, **credit union**, trust company or other depository bank pertaining to any bonds.

5. Services rendered under the terms of contracts, services of professionally qualified persons, salaries, administrative expenses and the cost of materials, supplies and labor pertaining to the issuance of any bonds, including the expenses of any trustee, receiver or other fiduciary.

6. Costs incurred in the collection and any refund of revenues from the water project, including the amount of the refund.

Sec. 54. NRS 350.512 is hereby amended to read as follows:

350.512 “Commercial bank” means ~~that~~ :

1. A state or national bank or trust company ~~which~~ *that* is a member of the Federal Deposit Insurance Corporation, including , without limitation ~~any trust bank as herein defined.~~ , *a branch of the Federal Reserve Bank.*

2. *A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755.*

Sec. 55. NRS 350.564 is hereby amended to read as follows:

350.564 “Trust bank” means ~~that~~ :

1. A commercial bank as defined in NRS 350.512 ~~which bank~~ *that* is authorized to exercise and is exercising trust powers . ~~and also means any~~

2. A branch of the Federal Reserve Bank.

3. *A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755 that is authorized to exercise and is exercising trust powers.*

Sec. 56. NRS 350A.040 is hereby amended to read as follows:

350A.040 “Cost of a lending project” means all or any designated part of the cost of any lending project, including any incidental cost pertaining to such a project. The cost of a lending project may include, without limitation, the costs of:

1. Surveys, audits, preliminary plans, other plans, specifications, estimates and other costs of preparations.

2. Appraising, printing, estimating, advice, services of engineers, architects, financial consultants, attorneys, clerical personnel and other agents and employees.

3. Publishing, posting, mailing and otherwise giving notice, filing or recording instruments, taking options and fees to banks ~~and~~ *and credit unions.*

4. Establishment of a reserve for contingencies.

5. Interest on state securities for any time which does not exceed 3 years, discounts on such state securities, reserves for the payment of the principal of and interest on such securities, replacement expenses and other costs of issuing such securities.

6. Amending any resolution or other instrument authorizing the issuance of, or otherwise relating to, state securities for any lending project.

7. Funding medium-term obligations.

8. Financing the issuance of state securities and any other expenses necessary in connection with a lending project, as determined by the board.

Sec. 57. NRS 350A.050 is hereby amended to read as follows:

350A.050 “Expense of operation and maintenance” means any reasonable and necessary current expense of the state for the operation, maintenance or administration of a lending project or of the collection and administration of revenues therefrom. The term includes, without limitation:

1. Expenses for engineering, auditing, reporting, legal services and other expenses of the state treasurer which are directly related to the administration of lending projects.
2. Premiums for fidelity bonds and policies of property and liability insurance pertaining to lending projects, and shares of the premiums of blanket bonds and policies which may be reasonably allocated to lending projects.
3. Payments to pension, retirement, health insurance and other insurance funds.
4. Reasonable charges made by any paying agent, commercial bank, *credit union*, trust company or other depository bank pertaining to any state securities.
5. Services rendered under the terms of contracts, services of professionally qualified persons, salaries, administrative expenses and the cost of materials, supplies and labor pertaining to the issuance of any state securities, including the expenses of any trustee, receiver or other fiduciary.
6. Costs incurred in the collection and any refund of revenues from a lending project, including the amount of the refund.

Sec. 58. NRS 354.603 is hereby amended to read as follows:

354.603 1. The board of trustees of any county school district, the board of hospital trustees of any county hospital or the board of trustees of any consolidated library district or district library may establish and administer separate accounts in ~~any bank~~ :

(a) *A bank* whose deposits are insured by the Federal Deposit Insurance Corporation ;

(b) *A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755; or in any*

(c) *A savings and loan association whose deposits if made by the state, a local government or an agency of either , are insured by the Federal Deposit Insurance Corporation, or the legal successor of the Federal Deposit Insurance Corporation,*
for money deposited by the county treasurer which is by law to be administered and expended by those boards.

2. The county treasurer shall transfer the money to ~~such~~ a separate account *pursuant to subsection 1* when the following conditions are met:

(a) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library adopts a resolution declaring an intention to establish and administer a separate account in accordance with the provisions of this section.

(b) The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library sends a certificate to the county treasurer, the county auditor, the board of county commissioners and, in the case of the board of trustees of the county school district, to the department of education, attested by the secretary of the board, declaring the intention of the board to establish and administer a separate account in accordance with the provisions of this section.

(c) The board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library submits monthly reports, listing all transactions involving the separate account, to the county treasurer, the county auditor and the board of county commissioners. The reports must be certified by the secretary of the board. In addition, the board shall give a full account and record of all money in such an account upon request of the board of county commissioners.

~~[2-]~~ 3. The separate account of the board of trustees of the county school district established under the provisions of this section must be composed of:

- (a) The county school district fund; and
- (b) The county school district building and sites fund.

~~[3-]~~ 4. The separate account established by the board of county hospital trustees is designated the county hospital fund.

~~[4-]~~ 5. The separate account of the board of trustees of the consolidated library district or district library established under the provisions of this section must be composed of:

- (a) The fund for the consolidated library or district library, as appropriate; and
- (b) The fund for capital projects of the consolidated library or district library, as appropriate.

~~[5-]~~ 6. No expenditures from an account may be made in excess of the balance of the account.

~~[6-]~~ 7. Such an account must support all expenditures properly related to the purpose of the fund, excluding direct payments of principal and interest on general obligation bonds, and including, but not limited to, debt service, capital projects, capital outlay and operating expenses.

~~[7-]~~ 8. The board of county commissioners, if it determines that there is clear evidence of misuse or mismanagement of money in any separate account, may order the closing of the account and the return of the money to the county treasury to be administered in accordance with existing provisions of law. The board of trustees of the county school district, the board of hospital trustees of the county hospital or the board of trustees of the consolidated library district or district library is entitled to a hearing before the board of county commissioners.

Sec. 59. NRS 354.609 is hereby amended to read as follows:

354.609 1. The governing body of any local government may, by resolution, establish one or more petty cash accounts, imprest accounts or

revolving ~~{bank}~~ accounts *in a bank or credit union* to assist in the administration of any activities in which ~~{such}~~ *the* local government is authorized by law to engage.

2. ~~{Such}~~ A resolution establishing any petty cash account, imprest account or revolving ~~{bank}~~ account *in a bank or credit union* shall, in detail, set forth the following:

(a) The object and purpose of ~~{such}~~ *the* account.

(b) The source of money to be used to establish and maintain ~~{such}~~ *the* account.

(c) The method of controlling expenditures from ~~{such}~~ *the* account.

(d) The maximum dollar amount of any single expenditure.

3. Payments made out of any such accounts in accordance with the establishing resolution may be made directly without approval of the governing body of any local government.

4. Reimbursement of *any* such petty cash, imprest or revolving accounts ~~{shall be effected}~~ *must be made* no less often than monthly. ~~{Such reimbursement shall}~~ *The reimbursement must* be supported by proper evidences of expenditures made from the account and ~~{shall}~~ *must* be approved by the governing body in the same manner as other claims against the fund to which ~~{such}~~ *the* reimbursement is to be charged.

Sec. 60. NRS 354.695 is hereby amended to read as follows:

354.695 1. As soon as practicable after taking over the management of a local government, the department shall, with the approval of the committee:

(a) Establish and implement a management policy and a financing plan for the local government;

(b) Provide for the appointment of a financial manager for the local government who is qualified to manage the fiscal affairs of the local government;

(c) Provide for the appointment of any other persons necessary to enable the local government to provide the basic services for which it was created in the most economical and efficient manner possible;

(d) Establish an accounting system and separate ~~{bank accounts,}~~ *accounts in a bank or credit union*, if necessary, to receive and expend all money and assets of the local government;

(e) Impose such hiring restrictions as deemed necessary after considering the recommendations of the financial manager;

(f) Negotiate and approve all contracts entered into by or on behalf of the local government before execution and enter into such contracts on behalf of the local government as the department deems necessary;

(g) Negotiate and approve all collective bargaining contracts to be entered into by the local government, except issues submitted to a factfinder whose findings and recommendations are final and binding pursuant to the provisions of the Local Government Employee-Management Relations Act;

(h) Approve all expenditures of money from any fund or account and all transfers of money from one fund to another;

- (i) Employ such technicians as are necessary for the improvement of the financial condition of the local government;
- (j) Meet with the creditors of the local government and formulate a debt liquidation program;
- (k) Approve the issuance of bonds or other forms of indebtedness by the local government;
- (l) Discharge any of the outstanding debts and obligations of the local government; and
- (m) Take any other actions necessary to ensure that the local government provides the basic services for which it was created in the most economical and efficient manner possible.

2. The department may provide for reimbursement from the local government for the expenses it incurs in managing the local government. If such reimbursement is not possible, the department may request an allocation by the interim finance committee from the contingency fund pursuant to NRS 353.266, 353.268 and 353.269.

3. The governing body of a local government which is being managed by the department pursuant to this section may make recommendations to the department or the financial manager concerning the management of the local government.

4. Each state agency, board, department, commission, committee or other entity of the state shall provide such technical assistance concerning the management of the local government as is requested by the department.

5. The department may delegate any of the powers and duties imposed by this section to the financial manager appointed pursuant to paragraph (b) of subsection 1.

6. Except as otherwise provided in section 1 of *Assembly Bill No. 275 of this ~~act,~~ session*, once the department has taken over the management of a local government pursuant to the provisions of subsection 1, that management may only be terminated pursuant to NRS 354.725.

Sec. 61. NRS 355.140 is hereby amended to read as follows:

355.140 1. In addition to other investments provided for by a specific statute, the following bonds and other securities are proper and lawful investments of any of the money of this state, of its various departments, institutions and agencies, and of the state insurance fund:

- (a) Bonds and certificates of the United States;
- (b) Bonds, notes, debentures and loans if they are underwritten by or their payment is guaranteed by the United States;
- (c) Obligations or certificates of the United States Postal Service, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation or the Student Loan Marketing Association, whether or not guaranteed by the United States;
- (d) Bonds of this state or other states of the Union;
- (e) Bonds of any county of this state or of other states

;

(f) Bonds of incorporated cities in this state or in other states of the Union, including special assessment district bonds if those bonds provide that any deficiencies in the proceeds to pay the bonds are to be paid from the general fund of the incorporated city;

(g) General obligation bonds of irrigation districts and drainage districts in this state which are liens upon the property within those districts, if the value of the property is found by the board or commission making the investments to render the bonds financially sound over all other obligations of the districts;

(h) Bonds of school districts within this state;

(i) Bonds of any general improvement district whose population is 200,000 or more and which is situated in two or more counties of this state or of any other state, if:

(1) The bonds are general obligation bonds and constitute a lien upon the property within the district which is subject to taxation; and

(2) That property is of an assessed valuation of not less than five times the amount of the bonded indebtedness of the district;

(j) Medium-term obligations for counties, cities and school districts authorized pursuant to chapter 350 of NRS;

(k) Loans bearing interest at a rate determined by the state board of finance when secured by first mortgages on agricultural lands in this state of not less than three times the value of the amount loaned, exclusive of perishable improvements, and of unexceptional title and free from all encumbrances;

(l) Farm loan bonds, consolidated farm loan bonds, debentures, consolidated debentures and other obligations issued by federal land banks and federal intermediate credit banks under the authority of the Federal Farm Loan Act, formerly 12 U.S.C. §§ 636 to 1012, inclusive, and §§ 1021 to 1129, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, and bonds, debentures, consolidated debentures and other obligations issued by banks for cooperatives under the authority of the Farm Credit Act of 1933, formerly 12 U.S.C. §§ 1131 to 1138e, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, excluding such money thereof as has been received or which may be received hereafter from the Federal Government or received pursuant to some federal law which governs the investment thereof;

(m) Negotiable certificates of deposit issued by commercial banks, ~~for~~ insured *credit unions or* savings and loan associations;

(n) Bankers' acceptances of the kind and maturities made eligible by law for rediscount with Federal Reserve banks or trust companies which are members of the Federal Reserve System, except that acceptances may not exceed 180 days' maturity, and may not, in aggregate value, exceed 20 percent of the total par value of the portfolio as determined on the date of purchase;

(o) Commercial paper issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States that:

(1) At the time of purchase has a remaining term to maturity of no more than 270 days; and

(2) Is rated by a nationally recognized rating service as “A-1,” “P-1” or its equivalent, or better,

except that investments pursuant to this paragraph may not, in aggregate value, exceed 20 percent of the total par value of the portfolio as determined on the date of purchase, and if the rating of an obligation is reduced to a level that does not meet the requirements of this paragraph, it must be sold as soon as possible;

(p) Notes, bonds and other unconditional obligations for the payment of money, except certificates of deposit that do not qualify pursuant to paragraph (m), issued by corporations organized and operating in the United States or by depository institutions licensed by the United States or any state and operating in the United States that:

(1) Are purchased from a registered broker-dealer;

(2) At the time of purchase have a remaining term to maturity of no more than 5 years; and

(3) Are rated by a nationally recognized rating service as “A” or its equivalent, or better,

except that investments pursuant to this paragraph may not, in aggregate value, exceed 20 percent of the total par value of the portfolio, and if the rating of an obligation is reduced to a level that does not meet the requirements of this paragraph, it must be sold as soon as possible;

(q) Money market mutual funds which:

(1) Are registered with the Securities and Exchange Commission;

(2) Are rated by a nationally recognized rating service as “AAA” or its equivalent; and

(3) Invest only in securities issued by the Federal Government or agencies of the Federal Government or in repurchase agreements fully collateralized by such securities;

(r) Collateralized mortgage obligations that are rated by a nationally recognized rating service as “AAA” or its equivalent; and

(s) Asset-backed securities that are rated by a nationally recognized rating service as “AAA” or its equivalent.

2. Repurchase agreements are proper and lawful investments of money of the state and the state insurance fund for the purchase or sale of securities which are negotiable and of the types listed in subsection 1 if made in accordance with the following conditions:

(a) The state treasurer shall designate in advance and thereafter maintain a list of qualified counterparties which:

(1) Regularly provide audited and, if available, unaudited financial statements to the state treasurer;

(2) The state treasurer has determined to have adequate capitalization and earnings and appropriate assets to be highly credit worthy; and

(3) Have executed a written master repurchase agreement in a form satisfactory to the state treasurer and the state board of finance pursuant to which all repurchase agreements are entered into. The master repurchase agreement must require the prompt delivery to the state treasurer and the appointed custodian of written confirmations of all transactions conducted thereunder, and must be developed giving consideration to the Federal Bankruptcy Act.

(b) In all repurchase agreements:

(1) At or before the time money to pay the purchase price is transferred, title to the purchased securities must be recorded in the name of the appointed custodian, or the purchased securities must be delivered with all appropriate, executed transfer instruments by physical delivery to the custodian;

(2) The state must enter into a written contract with the custodian appointed pursuant to subparagraph (1) which requires the custodian to:

(I) Disburse cash for repurchase agreements only upon receipt of the underlying securities;

(II) Notify the state when the securities are marked to the market if the required margin on the agreement is not maintained;

(III) Hold the securities separate from the assets of the custodian; and

(IV) Report periodically to the state concerning the market value of the securities;

(3) The market value of the purchased securities must exceed 102 percent of the repurchase price to be paid by the counterparty and the value of the purchased securities must be marked to the market weekly;

(4) The date on which the securities are to be repurchased must not be more than 90 days after the date of purchase; and

(5) The purchased securities must not have a term to maturity at the time of purchase in excess of 10 years.

3. As used in subsection 2:

(a) "Counterparty" means a bank organized and operating or licensed to operate in the United States pursuant to federal or state law or a securities dealer which is:

(1) A registered broker-dealer;

(2) Designated by the Federal Reserve Bank of New York as a "primary" dealer in United States government securities; and

(3) In full compliance with all applicable capital requirements.

(b) "Repurchase agreement" means a purchase of securities by the state or state insurance fund from a counterparty which commits to repurchase those securities or securities of the same issuer, description, issue date and maturity on or before a specified date for a specified price.

4. No money of this state may be invested pursuant to a reverse-repurchase agreement, except money invested pursuant to chapter 286 or chapters 616A to 616D, inclusive, of NRS.

Sec. 62. NRS 355.165 is hereby amended to read as follows:

355.165 1. The local government pooled long-term investment account is hereby created. The account must be administered by the state treasurer.

2. All of the provisions of NRS 355.167 apply to the local government pooled long-term investment account.

3. In addition to the investments which are permissible pursuant to subsection 3 of NRS 355.167, the treasurer may invest the money in the local government pooled long-term investment account in:

(a) Mutual funds which:

(1) Are registered with the Securities and Exchange Commission;

(2) Are rated in the highest rating category by at least one nationally recognized rating service; and

(3) Invest only in securities issued by the Federal Government or agencies of the Federal Government or in repurchase agreements fully collateralized by such securities.

(b) An investment contract that is collateralized with securities issued by the Federal Government or agencies of the Federal Government if:

(1) The collateral has a market value of at least 102 percent of the amount invested and any accrued unpaid interest thereon;

(2) The treasurer receives a security interest in the collateral that is fully perfected and the collateral is held in custody for the state by a third-party agent of the state which is a commercial bank authorized to exercise trust powers;

(3) The market value of the collateral is determined not less frequently than weekly and, if the ratio required by subparagraph (1) is not met, sufficient additional collateral is deposited with the agent of this state to meet that ratio within 2 business days after the determination; and

(4) The party with whom the investment contract is executed is a commercial bank **or credit union**, or that party or a guarantor of the performance of that party is:

(I) An insurance company which has a rating on its ability to pay claims of not less than "Aa2" by Moody's Investors Service, Inc., or "AA" by Standard and Poor's Ratings Services, or their equivalent; or

(II) An entity which has a credit rating on its outstanding long-term debt of not less than "A2" by Moody's Investors Service, Inc., or "A" by Standard and Poor's Ratings Services, or their equivalent.

4. In addition to the reasonable charges against the account which the state treasurer may assess pursuant to subsection 7 of NRS 355.167, the state treasurer may, in the case of a local government pooled long-term investment account, assess the costs:

(a) Associated with a calculation of any rebate of arbitrage profits which is required to be paid to the Federal Government by 26 U.S.C. § 148; and

(b) Of contracting with qualified persons to assist in the:

(1) Calculation of any rebate of arbitrage profits which is required to be paid to the Federal Government by 26 U.S.C. § 148; and

(2) Administration of the account.

5. In addition to the quarterly computations of interest to be reinvested for or paid to each participating local government pursuant to subsection 8 of NRS 355.167, the state treasurer may, in the case of a local government pooled long-term investment account, compute and reinvest or pay the interest more frequently. He may also base his computations on the amount of interest accrued rather than the amount received.

6. The treasurer may establish one or more separate subaccounts in the local government pooled long-term investment account for identified investments that are made for and allocated to specific participating local governments.

Sec. 63. NRS 355.169 is hereby amended to read as follows:

355.169 1. If an investment of the money of a county or other local government is made by the county treasurer, whether separately or through a pooling arrangement as provided in NRS 355.168, the county may, on behalf of that local government, take any lawful action necessary to recover the money invested if:

(a) The principal of and interest on any investment is not received when due; or

(b) The corporation, bank, *credit union*, broker or other person with whom the investment is made becomes insolvent or bankrupt or is placed in receivership.

2. The expenses of any action taken pursuant to this section must be paid from the money recovered and allocated among the funds from which the investment is made in the same manner as any loss on an investment is allocated. If the total amount of money recovered is insufficient to pay those expenses, the excess amount is a charge against the county.

Sec. 64. NRS 355.170 is hereby amended to read as follows:

355.170 1. Except as otherwise provided in this section and in NRS 354.750, a board of county commissioners, a board of trustees of a county school district or the governing body of an incorporated city may purchase for investment the following securities and no others:

(a) Bonds and debentures of the United States, the maturity dates of which do not extend more than 10 years ~~from~~ *after* the date of purchase.

(b) Farm loan bonds, consolidated farm loan bonds, debentures, consolidated debentures and other obligations issued by federal land banks and federal intermediate credit banks under the authority of the Federal Farm Loan Act, formerly 12 U.S.C. §§ 636 to 1012, inclusive, and §§ 1021 to 1129, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive, and bonds, debentures, consolidated debentures and other obligations issued by banks for cooperatives under the authority of the Farm Credit Act of 1933, formerly 12 U.S.C. §§ 1131 to 1138e, inclusive, and the Farm Credit Act of 1971, 12 U.S.C. §§ 2001 to 2259, inclusive.

(c) Bills and notes of the United States Treasury, the maturity date of which is not more than 10 years ~~{from}~~ *after the* date of purchase.

(d) Obligations of an agency or instrumentality of the United States of America or a corporation sponsored by the government, the maturity date of which is not more than 10 years ~~{from}~~ *after* the date of purchase.

(e) Negotiable certificates of deposit issued by commercial banks, ~~{or}~~ insured *credit unions or* savings and loan associations.

(f) Securities which have been expressly authorized as investments for local governments or agencies, as defined in NRS 354.474, by any provision of Nevada Revised Statutes or by any special law.

(g) Subject to the limitations contained in NRS 355.177, negotiable notes or short-time negotiable bonds issued by local governments of the State of Nevada pursuant to NRS 350.091.

(h) Bankers' acceptances of the kind and maturities made eligible by law for rediscount with Federal Reserve Banks, and generally accepted by banks or trust companies which are members of the Federal Reserve System. Eligible bankers' acceptances may not exceed 180 days' maturity. Purchases of bankers' acceptances may not exceed 20 percent of the money available to a local government for investment as determined on the date of purchase.

(i) Obligations of state and local governments if:

(1) The interest on the obligation is exempt from gross income for federal income tax purposes; and

(2) The obligation has been rated "A" or higher by one or more nationally recognized bond credit rating agencies.

(j) Commercial paper issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States that:

(1) Is purchased from a registered broker-dealer;

(2) At the time of purchase has a remaining term to maturity of no more than 270 days; and

(3) Is rated by a nationally recognized rating service as "A-1," "P-1" or its equivalent, or better,

except that investments pursuant to this paragraph may not, in aggregate value, exceed 20 percent of the total portfolio as determined on the date of purchase, and if the rating of an obligation is reduced to a level that does not meet the requirements of this paragraph, it must be sold as soon as possible.

(k) Money market mutual funds which:

(1) Are registered with the Securities and Exchange Commission;

(2) Are rated by a nationally recognized rating service as "AAA" or its equivalent; and

(3) Invest only in securities issued by the Federal Government or agencies of the Federal Government or in repurchase agreements fully collateralized by such securities.

2. Repurchase agreements are proper and lawful investments of money of a board of county commissioners, a board of trustees of a county school

district or a governing body of an incorporated city for the purchase or sale of securities which are negotiable and of the types listed in subsection 1 if made in accordance with the following conditions:

(a) The board of county commissioners, the board of trustees of the school district or the governing body of the city shall designate in advance and thereafter maintain a list of qualified counterparties which:

(1) Regularly provide audited and, if available, unaudited financial statements;

(2) The board of county commissioners, the board of trustees of the school district or the governing body of the city has determined to have adequate capitalization and earnings and appropriate assets to be highly credit worthy; and

(3) Have executed a written master repurchase agreement in a form satisfactory to the board of county commissioners, the board of trustees of the school district or the governing body of the city pursuant to which all repurchase agreements are entered into. The master repurchase agreement must require the prompt delivery to the board of county commissioners, the board of trustees of the school district or the governing body of the city and the appointed custodian of written confirmations of all transactions conducted thereunder, and must be developed giving consideration to the Federal Bankruptcy Act.

(b) In all repurchase agreements:

(1) At or before the time money to pay the purchase price is transferred, title to the purchased securities must be recorded in the name of the appointed custodian, or the purchased securities must be delivered with all appropriate, executed transfer instruments by physical delivery to the custodian;

(2) The board of county commissioners, the board of trustees of the school district or the governing body of the city must enter a written contract with the custodian appointed pursuant to subparagraph (1) which requires the custodian to:

(I) Disburse cash for repurchase agreements only upon receipt of the underlying securities;

(II) Notify the board of county commissioners, the board of trustees of the school district or the governing body of the city when the securities are marked to the market if the required margin on the agreement is not maintained;

(III) Hold the securities separate from the assets of the custodian; and

(IV) Report periodically to the board of county commissioners, the board of trustees of the school district or the governing body of the city concerning the market value of the securities;

(3) The market value of the purchased securities must exceed 102 percent of the repurchase price to be paid by the counterparty and the value of the purchased securities must be marked to the market weekly;

(4) The date on which the securities are to be repurchased must not be more than 90 days after the date of purchase; and

(5) The purchased securities must not have a term to maturity at the time of purchase in excess of 10 years.

3. The securities described in paragraphs (a), (b) and (c) of subsection 1 and the repurchase agreements described in subsection 2 may be purchased when, in the opinion of the board of county commissioners, the board of trustees of a county school district or the governing body of the city, there is sufficient money in any fund of the county, the school district or city to purchase those securities and the purchase will not result in the impairment of the fund for the purposes for which it was created.

4. When the board of county commissioners, the board of trustees of a county school district or governing body of the city has determined that there is available money in any fund or funds for the purchase of bonds as set out in subsection 1 or 2, those purchases may be made and the bonds paid for out of any one or more of the funds, but the bonds must be credited to the funds in the amounts purchased, and the money received from the redemption of the bonds, as and when redeemed, must go back into the fund or funds from which the purchase money was taken originally.

5. Any interest earned on money invested pursuant to subsection 3, may, at the discretion of the board of county commissioners, the board of trustees of a county school district or governing body of the city, be credited to the fund from which the principal was taken or to the general fund of the county, school district or incorporated city.

6. The board of county commissioners, the board of trustees of a county school district or governing body of an incorporated city may invest any money apportioned into funds and not invested pursuant to subsection 3 and any money not apportioned into funds in bills and notes of the United States Treasury, the maturity date of which is not more than 1 year after the date of investment. These investments must be considered as cash for accounting purposes, and all the interest earned on them must be credited to the general fund of the county, school district or incorporated city.

7. This section does not authorize the investment of money administered pursuant to a contract, debenture agreement or grant in a manner not authorized by the terms of the contract, agreement or grant.

8. As used in this section:

(a) "Counterparty" means a bank organized and operating or licensed to operate in the United States pursuant to federal or state law or a securities dealer which is:

(1) A registered broker-dealer;

(2) Designated by the Federal Reserve Bank of New York as a "primary" dealer in United States government securities; and

(3) In full compliance with all applicable capital requirements.

(b) "Repurchase agreement" means a purchase of securities by a board of county commissioners, the board of trustees of a county school district or the governing body of an incorporated city from a counterparty which

commits to repurchase those securities or securities of the same issuer, description, issue date and maturity on or before a specified date for a specified price.

Sec. 65. NRS 355.210 is hereby amended to read as follows:

355.210 1. When any money has been deposited in any court pursuant to law or rule of court, and when in the judgment of the clerk of ~~{such}~~ *the* court, or the judge thereof if there is no clerk, payment out of ~~{such}~~ *the* deposit will not be required for 90 days or more, the clerk or the judge, as the case may be, may invest the money so deposited, either alone or by commingling it with other ~~{moneys}~~ *money* deposited.

2. The investment may be made:

(a) By deposit at interest in a state or national bank *or credit union* in the State of Nevada; or

(b) In bills, bonds, debentures, notes or other securities whose purchase by a board of county commissioners is authorized by NRS 355.170.

3. The interest earned from any investment of money pursuant to this section shall be deposited to the credit of the general fund of the political subdivision or municipality which supports the court.

4. The requirements of this section may be modified by an ordinance adopted pursuant to the provisions of NRS 244.207.

Sec. 66. NRS 356.015 is hereby amended to read as follows:

356.015 1. The state treasurer shall establish the rate of interest to be paid on the maturity of each time certificate of deposit.

2. The state treasurer shall make all such deposits through warrants of the state controller.

3. The state controller shall maintain accurate records of inactive deposits. Time certificates of deposit which are placed with insured banks, *credit unions* and savings and loan associations shall be deemed to constitute inactive deposits.

Sec. 67. NRS 356.025 is hereby amended to read as follows:

356.025 1. To be accepted as collateral for a deposit of money by the state treasurer, first mortgages or first deeds of trust must be on real property which is located in this state and is used for residences of single families.

2. Each such first mortgage or first deed of trust must be accompanied by the promissory note which it secures.

3. No first mortgage or first deed of trust may be accepted for such collateral if:

(a) Any payment on the related promissory note is more than 30 days past due;

(b) A prior lien is on the mortgage or deed;

(c) In the case of a mortgage, an action to foreclose has been commenced or, in the case of a deed of trust, a notice of default and election to sell has been recorded;

(d) In the case of a loan which is not insured or guaranteed by the Federal Government, the initial amount lent was greater than 80 percent of the appraised value of the real property at the time the loan was made;

(e) The loan has been outstanding for less than 1 year;

(f) The grantor of the property resides on the property; or

(g) The loan does not meet the requirements for eligibility of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Government National Mortgage Association, ~~it~~ although it is not necessary that any of those agencies have participated in the loan. ~~It~~

4. If any collateral consisting of a promissory note with a mortgage or deed of trust is found not to meet the requirements of this section, the depository bank, ~~credit union~~ or savings and loan association shall substitute a note of equal or greater value which does meet the requirements.

5. The financial institution shall assign the pledged mortgages and deeds of trust to the depositor and deliver them with their promissory notes to the trust company. The assignment must be recorded when the financial institution fails to pay any part of the deposit for which the security is pledged.

Sec. 68. NRS 356.050 is hereby amended to read as follows:

356.050 1. Where the state treasurer, in accordance with the terms and provisions of NRS 356.010 to 356.110, inclusive, has deposited and kept on deposit any public money in depositories so designated, he is not liable personally or upon his official bond for any public money that may be lost by reason of the failure or insolvency of any such depository; but the state treasurer is chargeable with the safekeeping, management and disbursement of the bonds deposited with him as security for deposits of state money and with interest thereon, and with the proceeds of any sale under the provisions of NRS 356.010 to 356.110, inclusive.

2. The state treasurer may deposit for safekeeping with any insured bank, ~~insured~~ ~~credit union~~ or savings and loan association or a trust company within or without this state any securities or bonds pledged with him, as state treasurer, as collateral or as security for any purpose, but the securities or bonds may only be so deposited by him with the joint consent and approval, in writing, of the pledgor thereof and the state board of finance. Any bonds or securities so deposited by him must be deposited under a written deposit agreement between the pledgor and the state treasurer, to be held and released only upon a written order of the state treasurer or his deputy, and signed by the governor or acting governor and by one additional member of the state board of finance.

Secs. 69 and 70. (Deleted by amendment.)

Sec. 71. NRS 356.130 is hereby amended to read as follows:

356.130 Whenever the written consent of any bondsman or bondsmen to deposit the county ~~funds~~ ~~money~~ in any insured banks, ~~credit unions~~ or savings and loan associations has not been obtained, ~~such~~ ~~the~~ bondsman

or bondsmen ~~[shall,]~~ **must**, upon giving notice as required by law, be released from all responsibility on the bond of the county treasurer.

Secs. 72-75. (Deleted by amendment.)

Sec. 76. NRS 356.180 is hereby amended to read as follows:

356.180 If a warrant of the county auditor is presented to the county treasurer for payment, the warrant becomes a check or order of the county treasurer if the county treasurer endorses thereon the name of the **insured** depository bank ~~[or insured]~~, **credit union or** savings and loan association, where payable, and a number, as provided in NRS 356.170, and countersigns his name thereto as county treasurer.

Sec. 77. NRS 356.200 is hereby amended to read as follows:

- 356.200 1. With unanimous consent of his bondsmen, a county officer, other than a county treasurer, may deposit county money received by the office of the county officer in an insured bank, insured credit union or insured savings and loan association located in the State of Nevada.
2. If the written consent of any bondsman to such a deposit has not been obtained, the bondsman must, upon giving notice as required by law, be released from all responsibility on the bond of the officer.
3. The accounts must be kept in the name of the county in such manner as the board of county commissioners may prescribe.
4. The balance in each such account, as certified by the proper officer of the bank, credit union or savings and loan association in which the money is deposited, and by oath of the county treasurer, may be accounted for by the county as cash.
5. All money deposited in any depository bank, credit union or savings and loan association by such a county officer may be drawn out by him on check or order payable only to the county treasurer or his order, but every county assessor may also withdraw money received in payment for license fees for motor vehicles by check or order payable to the department of motor vehicles and public safety, and may also withdraw money received in payment for use taxes for motor vehicles by check or order payable to the department of taxation.
6. The county officer shall keep a register which shows the amount of county money on deposit and lists every check or order drawn upon the depository bank, credit union or savings and loan association, numbering the items consecutively.
7. The county officer maintaining a deposit in any depository bank, **credit union or savings and loan association** shall draw upon the deposit not later than the first Monday of each month and whenever the deposit exceeds \$100 for the full amount of county money deposited therein, a withdrawal to be by check or order payable to the county treasurer, and shall thereupon deliver the withdrawal to the county treasurer.
8. This section does not apply to any deposit made by the clerk of any court pursuant to NRS 355.210.

Sec. 78. NRS 360.278 is hereby amended to read as follows:

360.278 The department and the state board of finance may enter into contracts for armored car service or engage such service where necessary ~~{in order}~~ to transport to the designated banks *or credit unions* any ~~{moneys}~~ *money* collected in the offices of the department.

Sec. 79. NRS 360.510 is hereby amended to read as follows:

360.510 1. If any person is delinquent in the payment of any tax or fee administered by the department or if a determination has been made against him which remains unpaid, the department may:

(a) Not later than 3 years after the payment became delinquent or the determination became final; or

(b) Not later than 5 years after the last recording of an abstract of judgment or of a certificate constituting a lien for tax owed, give a notice of the delinquency and a demand to transmit personally or by registered or certified mail to any person, including, without limitation, any officer or department of the state or any political subdivision or agency of the state, who has in his possession or under his control any credits or other personal property belonging to the delinquent, or owing any debts to the delinquent or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent or that person. In the case of any state officer, department or agency, the notice must be given to the officer, department or agency before it presents the claim of the delinquent taxpayer to the state controller.

2. A state officer, department or agency which receives such a notice may satisfy any debt owed to it by that person before it honors the department's notice.

3. After receiving the demand to transmit, the persons so notified may not transfer or otherwise dispose of the credits, other personal property, or debts in their possession or under their control at the time they received the notice until the department consents to a transfer or other disposition.

4. All persons so notified shall, within 10 days after receipt of the demand to transmit, inform the department of, and transmit to the department all such credits, other personal property, or debts in their possession, under their control or owing by them within the time and in the manner requested by the department. Except as otherwise provided in subsection 5, no further notice is required to be served to those persons.

5. If the property of the delinquent taxpayer consists of a series of payments owed to him, the person who owes or controls the payments shall transmit the payments to the department until otherwise notified by the department. If the debt of the delinquent taxpayer is not paid within 1 year after the department issued the original demand to transmit, it shall issue another demand to transmit to the person responsible for making the payments informing him to continue to transmit payments to the department or that his duty to transmit the payments to the department has ceased.

6. If the notice of the delinquency seeks to prevent the transfer or other disposition of a deposit in a bank *or credit union* or other credits or

personal property in the possession or under the control of a bank , **credit union** or other depository institution, the notice must be delivered or mailed to the branch or office of the bank , **credit union** or other depository institution at which the deposit is carried or at which the credits or personal property is held.

7. If any person so notified makes any transfer or other disposition of the property or debts required to be withheld or transmitted, to the extent of the value of the property or the amount of the debts thus transferred or paid, he is liable to the state for any indebtedness due pursuant to NRS 482.313, this chapter or chapter 362, 364A, 365, 369, 370, 372, 372A, 373, 374, 377, 377A, 444A, 585, 590 or 680B of NRS from the person with respect to whose obligation the notice was given if solely by reason of the transfer or other disposition the state is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

Sec. 80. NRS 364A.140 is hereby amended to read as follows:

364A.140 1. A tax is hereby imposed upon the privilege of conducting business in this state. The tax for each calendar quarter is due on the last day of the quarter and must be paid on or before the last day of the month immediately following the quarter on the basis of the total number of equivalent full-time employees employed by the business in the quarter.

2. The total number of equivalent full-time employees employed by the business in the quarter must be calculated pursuant to NRS 364A.150.

3. Except as otherwise provided in NRS 364A.152 and 364A.170, the amount of tax due per quarter for a business is \$25 for each equivalent full-time employee employed by the business in the quarter.

4. Each business shall file a return on a form prescribed by the department with each remittance of the tax. If the payment due is greater than \$1,000, the payment must be made by direct deposit at a bank **or credit union** in which the state has an account, unless the department waives this requirement pursuant to regulations adopted by the commission. The return must include a statement of the number of equivalent full-time employees employed by the business in the preceding quarter and any other information the department determines is necessary.

5. The commission shall adopt regulations concerning the payment of the tax imposed pursuant to this section by direct deposit.

Sec. 81. NRS 387.090 is hereby amended to read as follows:

387.090 The board of trustees of each school district and the governing body of each charter school may:

1. Operate or provide for the operation of programs of nutrition in the public schools under their jurisdiction.

2. Use therefor money disbursed to them pursuant to the provisions of NRS 387.070 to 387.105, inclusive, gifts, donations and other money received from the sale of food under those programs.

3. Deposit the money in one or more accounts in ~~{a bank or}~~ **one or more banks or credit unions** within the state.

4. Contract with respect to food, services, supplies, equipment and facilities for the operation of the programs.

Sec. 82. NRS 394.271 is hereby amended to read as follows:

394.271 1. Except as otherwise provided in this section, at the time application is made for an agent's permit, a license to operate or a license renewal, the superintendent shall require the elementary or secondary educational institution making the application to file a good and sufficient surety bond in the sum of not less than \$5,000. The bond must be executed by the applicant as principal and by a surety company qualified and authorized to do business in this state. The bond must be made payable to the State of Nevada and be conditioned to provide indemnification to any pupil, enrollee or his parent or guardian determined to have suffered damage as a result of any act by any elementary or secondary educational institution or its agent which is a violation of any provision of NRS 394.201 to 394.351, inclusive, and the bonding company shall pay any final, nonappealable judgment of any court of this state that has jurisdiction, upon receipt of written notice of final judgment. The bond may be continuous but, regardless of the duration of the bond, the aggregate liability of the surety does not exceed the penal sum of the bond.

2. The surety bond must cover the period of the license or the agent's permit, as appropriate, except when a surety is released.

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

4. In lieu of the bond otherwise required by this section, an institution may purchase a certificate of deposit in an amount of not less than \$5,000 from a financial institution insured by an agency of the Federal Government ~~or~~ **or by a private insurer approved pursuant to NRS 678.755.** The deposit may be withdrawn only on the order of the superintendent, except that the interest may accrue to the institution. Any pupil, enrollee or his parent or guardian who suffers damage as the result of an act described in subsection 1 may bring and maintain an action to recover against the certificate of deposit.

5. A license or an agent's permit is suspended by operation of law when the institution or agent is no longer covered by a surety bond as required by this section and no deposit has been made pursuant to subsection 4 or the deposit has been withdrawn. If a bond has been filed, the superintendent shall give the institution or agent, or both, at least 30 days' written notice before the release of the surety that the license or permit will be suspended by operation of law until another surety bond is filed in the same manner and amount as the bond being terminated.

Sec. 83. NRS 396.383 is hereby amended to read as follows:

396.383 1. The University and Community College System of Nevada accounts payable revolving fund is hereby created. The board of regents may deposit the money of the fund in ~~{any}~~ **one or more** state or national ~~{bank-or}~~ banks **or credit unions** in the State of Nevada.

2. The chief business officer of each business center of the system shall:

(a) Pay from the fund such operating expenses of the system as the board of regents may by rule prescribe.

(b) Submit claims to the state board of examiners for money of the system on deposit in the state treasury or elsewhere to replace money paid from the University and Community College System of Nevada accounts payable revolving fund.

Sec. 84. NRS 396.7954 is hereby amended to read as follows:

396.7954 Any ~~{moneys}~~ **money** received by the board of regents ~~{in}~~ **on** behalf of the desert research institute pursuant to NRS 396.7952, may be deposited by the board of regents to the credit of the desert research institute in ~~{any}~~ **one or more** state or national ~~{bank-or}~~ banks **or credit unions** in the State of Nevada. Such deposits may be either time deposits or on open account subject to check without notice. The board of regents may act through any authorized agent or agents in depositing or withdrawing any ~~{moneys}~~ **money** in such accounts.

Sec. 85. NRS 396.7974 is hereby amended to read as follows:

396.7974 Any money received by the board of regents on behalf of the ethics institute pursuant to NRS 396.7972, may be deposited by the board of regents to the credit of the ethics institute in any ~~{federally insured}~~ financial institution in the State of Nevada ~~{-}~~ **that is federally insured or insured by a private insurer approved pursuant to NRS 678.755.** The board of regents may act through any authorized agent in depositing or withdrawing any money in such an account.

Sec. 86. NRS 396.815 is hereby amended to read as follows:

396.815 “Commercial bank” means ~~{a}~~ :

1. A state or national bank or trust company ~~{which}~~ **that** is a member of the Federal Deposit Insurance Corporation, including , without limitation ~~{any trust bank as herein defined.}~~ , **a branch of the Federal Reserve Bank.**

2. **A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755.**

Sec. 87. NRS 396.836 is hereby amended to read as follows:

396.836 “Trust bank” means ~~{a}~~ :

1. A commercial bank ~~{which}~~ **that** is authorized to exercise and is exercising trust powers . ~~{and also means any}~~

2. A branch of the Federal Reserve Bank.

3. **A credit union whose deposits are insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755 that is authorized to exercise and is exercising trust powers.**

Sec. 88. (Deleted by amendment.)

Sec. 89. NRS 408.240 is hereby amended to read as follows:

408.240 1. The state highway revolving account is hereby established in an amount not to exceed \$500,000. The money in the account may be used by the department to provide advances to employees of the department for travel expenses and subsistence allowances and for paying travel expenses and subsistence allowances and other charges and obligations requiring prompt payment, and for no other purposes.

2. The state controller shall draw his warrant to establish an amount of \$125,000 in the account. Thereafter, upon written request of the board, as it deems increases in the account to be necessary, the controller shall draw additional warrants. Upon presentation of such a warrant to the state treasurer, the state treasurer shall pay it.

3. All money paid by the department from the state highway revolving account must, after payment thereof, be passed upon by the state board of examiners in the same manner as other claims against the state. When approved by the state board of examiners, the state controller shall draw his warrant for the amount of the money paid in favor of the state highway revolving account to be paid to the order of the director, and the state treasurer shall pay the warrant.

4. The director shall deposit the state highway revolving account in one or more banks *or credit unions* of reputable standing and secure the deposit by a depositary bond satisfactory to the state board of examiners.

5. A least once each calendar quarter, the director shall transfer any interest and other income earned on the money in the state highway revolving account to the state highway fund.

Sec. 90. NRS 408.383 is hereby amended to read as follows:

408.383 1. Except as otherwise provided in subsections 2 and 11, the director may pay at the end of each calendar month, or as soon thereafter as practicable, to any contractor satisfactorily performing any highway improvement or construction as the work progresses in full for the work as completed but not more than 95 percent of the entire contract price. The progress estimates must be based upon materials in place, or on the job site, or at a location approved by the director, and invoiced, and labor expended thereon. The remaining 5 percent, but not more than \$50,000, must be retained until the entire contract is completed satisfactorily and accepted by the director.

2. If the work in progress is being performed on a satisfactory basis, the director may reduce the percentage retained if he finds that sufficient reasons exist for additional payment and has obtained written approval from every surety furnishing bonds for the work. Any remaining money must be retained until the entire contract is completed satisfactorily and accepted by the director.

3. If it becomes necessary for the department to take over the completion of any highway contract or contracts, all of the amounts owing the contractor, including the withheld percentage, must first be applied

toward the cost of completion of the contract or contracts. Any balance remaining in the retained percentage after completion by the department is payable to the contractor or the contractor's creditors.

4. Such retained percentage as may be due any contractor is due and payable at the expiration of the 30-day period as provided in NRS 408.363 for filing of creditors' claims, and this retained percentage is due and payable to the contractor at that time without regard to creditors' claims filed with the department.

5. The contractor under any contract made or awarded by the department, including any contract for the construction, improvement, maintenance or repair of any road or highway or the appurtenances thereto, may, from time to time, withdraw the whole or any portion of the sums otherwise due to the contractor under the contract which are retained by the department, pursuant to the terms of the contract, if the contractor deposits with the director:

- (a) United States treasury bonds, United States treasury notes, United States treasury certificates of indebtedness or United States treasury bills;
- (b) Bonds or notes of the State of Nevada; or
- (c) General obligation bonds of any political subdivision of the State of Nevada.

Certificates of deposit must be of a market value not exceeding par, at the time of deposit, but at least equal in value to the amount so withdrawn from payments retained under the contract.

6. The director has the power to enter into a contract or agreement with any national bank, state bank, *credit union*, trust company or safe deposit company located in the State of Nevada, designated by the contractor after notice to the owner and surety, to provide for the custodial care and servicing of any obligations deposited with him pursuant to this section. Such services include the safekeeping of the obligations and the rendering of all services required to effectuate the purposes of this section.

7. The director or any national bank, state bank, *credit union*, trust company or safe deposit company located in the State of Nevada, designated by the contractor to serve as custodian for the obligations pursuant to subsection 6, shall collect all interest or income when due on the obligations so deposited and shall pay them, when and as collected, to the contractor who deposited the obligation. If the deposit is in the form of coupon bonds, the director shall deliver each coupon as it matures to the contractor.

8. Any amount deducted by the State of Nevada, or pursuant to the terms of a contract, from the retained payments otherwise due to the contractor thereunder, must be deducted first from that portion of the retained payments for which no obligation has been substituted, then from the proceeds of any deposited obligation. In the latter case, the contractor is entitled to receive the interest, coupons or income only from those obligations which remain on deposit after that amount has been deducted.

9. A contractor shall disburse money paid to him pursuant to this section, including any interest that the contractor receives, to his subcontractors and suppliers within 15 days after he receives the money in the proportion that the value of the work performed by each subcontractor or the materials furnished by each supplier bears to the total amount of the contract between the principal contractor and the department.

10. Money payable to a subcontractor or supplier accrues interest at a rate equal to the lowest daily prime rate at the three largest banks in the United States on the date the subcontract or order for supplies was executed plus 2 percent, from 15 days after the money was received by the principal contractor until the date of payment.

11. If a contractor withholds more than 10 percent of a payment required by subsection 9, the subcontractor or supplier may inform the director in writing of the amount due. The director shall attempt to resolve the dispute between the contractor and the subcontractor or supplier within 20 working days after the date that the director receives notice of the amount due. If the dispute is not resolved within 20 working days after the date that the director receives notice of the amount due, the contractor shall deposit the disputed amount in an escrow account that bears interest. The contractor, subcontractor or supplier may pursue any legal or equitable remedy to resolve the dispute over the amount due. The director may not be made a party to any legal or equitable action brought by the contractor, subcontractor or supplier.

Sec. 91. NRS 417.130 is hereby amended to read as follows:

417.130 1. Notwithstanding the provisions of subsection 2 of NRS 417.110, the executive director may receive a fee, in an amount set by the court, for his guardianship services in any estate where the ward dies leaving no will or heirs.

2. The fee must be deposited in a bank **or credit union in an** account for veterans' relief.

Sec. 92. NRS 417.140 is hereby amended to read as follows:

417.140 1. The money in the account for veterans' relief must, in the discretion of the executive director, be used to aid destitute veterans and their dependents.

2. The executive director shall deposit the money in the account in:

(a) A savings account in a bank **or credit union.**

(b) A commercial checking account in a bank **or credit union.**

3. The executive director shall keep an accurate record of any receipt or deposit, and of any withdrawal from any account provided in subsection 2. Any record of withdrawal must contain the following information:

(a) The date of the withdrawal.

(b) The name of the payee.

(c) The purpose of the expenditure.

Sec. 93. NRS 423.085 is hereby amended to read as follows:

423.085 Each superintendent may establish a savings account with a bank, **credit union** or a savings and loan association authorized to do

business in this state. The superintendent may place in the account money that was not appropriated by the State of Nevada but which is held for the benefit of the children in:

1. The children's home; or
2. Any other home or structure in which shelter and care is provided to the children under a contract entered into pursuant to NRS 423.147.

Sec. 94. NRS 423.135 is hereby amended to read as follows:

423.135 1. The Nevada children's gift revolving account is hereby created. All money in the Nevada children's gift revolving account must be deposited in a financial institution qualified to receive deposits of public money and must be secured with a depository bond that is satisfactory to the state board of examiners, unless it is otherwise secured by the Federal Deposit Insurance Corporation ~~FDIC~~, *the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755.*

2. The money in the Nevada children's gift revolving account may be distributed by the division to foster parents, upon request, on the basis of need, to pay the costs associated with participation by a child in foster care in intramural, recreational, social, school and sports-related activities, including, but not limited to, uniforms and equipment, the rental of musical instruments, registration fees and art lessons.

3. All requests for distributions of money from the Nevada children's gift revolving account must be made to the division in writing. The person making the request must demonstrate that all other resources for money to pay for the activity have been exhausted.

4. The division shall develop policies for the administration of this section.

5. Purchases made by the division pursuant to this section are exempt from the provisions of the State Purchasing Act.

6. The balance in the Nevada children's gift revolving account must be carried forward at the end of each fiscal year.

Sec. 95. NRS 426.565 is hereby amended to read as follows:

426.565 1. There is hereby created the services to the blind revolving account, in the amount of \$25,000, which must be used by the chief for the purposes of:

(a) Providing inventories of tools, aids, appliances, supplies and other accessories used by the blind; and

(b) Payment of the claims of applicants for or recipients of services of the bureau and vendors providing services to those applicants or recipients, including maintenance and transportation.

The chief shall sell tools, aids, appliances, supplies and other accessories used by the blind at cost or at cost plus the costs of administration and receipts must be deposited forthwith in the services to the blind revolving account.

2. The chief shall deposit the money in the services to the blind revolving account in a bank *or credit union* qualified to receive deposits of public money. The deposit must be secured by a depository bond

satisfactory to the state board of examiners, unless otherwise secured by the Federal Deposit Insurance Corporation ~~{ }~~, *the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755.*

3. Purchases made for the purpose of providing and maintaining the inventories authorized by subsection 1 are exempt from the provisions of the State Purchasing Act at the discretion of the chief of the purchasing division of the department of administration or his designated representative.

4. The bureau shall:

- (a) Maintain current inventory records of all merchandise charged to the services to the blind revolving account;
- (b) Conduct a periodic physical count of all the merchandise; and
- (c) Reconcile the results of the periodic physical count with all assets and liabilities of the account.

The balance in the revolving account must equal \$25,000 after subtracting the accounts payable from the total of the cash, inventories and receivables.

5. After expenditure of money for payment of the claims of applicants for or recipients of services from the bureau and vendors providing services to those applicants or recipients, including maintenance and transportation, from the services to the blind revolving account, the chief shall present a claim to the state board of examiners. When approved by the state board of examiners, the state controller shall draw his warrant in the amount of the claim in favor of the services to the blind revolving account and the state treasurer shall pay it. The receipt must be deposited forthwith in the services to the blind revolving account.

Sec. 96. NRS 426.677 is hereby amended to read as follows:

426.677 1. The bureau may, in interim periods when no blind licensee is available to operate a vending facility and its continuous operation is required, establish a checking account in a depository bank *or credit union* qualified to receive deposits of public money pursuant to chapter 356 of NRS. All money received from the vending facility during the interim period must be deposited to the account and all expenses necessary to maintain the interim operation of the facility must be paid from the account.

2. If the blind licensee who operated the facility returns after a temporary disability, the bureau shall prepare a financial report and close the checking account by making a check in the amount of any balance remaining in the account payable to the licensee.

3. If a blind licensee other than the one who previously operated the facility is permanently assigned to it, the bureau shall prepare a financial report and close the checking account by making a check in the amount of any balance remaining in the account payable to the business enterprise account for the blind.

Sec. 97. NRS 432.038 is hereby amended to read as follows:

432.038 Subject to the approval and regulations of the state board of examiners, the division may maintain *an account in* a bank ~~{account}~~ *or*

credit union for the purchase of birth certificates, death certificates and other records of vital statistics ~~records~~ necessary to perform eligibility and other case-work functions of the division pursuant to NRS 432.010 to 432.085, inclusive.

Sec. 98. NRS 432.095 is hereby amended to read as follows:

432.095 1. There is hereby created the placement prevention revolving account in the amount of \$25,000 to be used for the payment of claims of recipients of goods or services from the division and vendors providing goods or services to those recipients pursuant to procedures established by the division.

2. Upon written request from the administrator, the state controller shall draw his warrant from money already authorized for the use of the division in the sum of \$25,000. When the warrant is paid, the administrator shall deposit the money in a financial institution qualified to receive deposits of public money. All money deposited in the placement prevention revolving account pursuant to this section must be secured with a depository bond that is satisfactory to the state board of examiners, unless it is otherwise secured by the Federal Deposit Insurance Corporation ~~F.I.C.~~, *the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755.*

3. After an expenditure of money from the placement prevention revolving account, the administrator shall present a claim to the state board of examiners to maintain a balance of \$25,000. If the claim is approved by the state board of examiners, the state controller shall draw his warrant from money already authorized for the use of the division in the amount of the claim in favor of the placement prevention revolving account, and the state treasurer shall pay the warrant.

4. Money in the placement prevention revolving account does not revert to the state general fund at the end of the fiscal year, and the balance in the account must be carried forward.

5. Purchases made by the division pursuant to this section are exempt from the State Purchasing Act.

Sec. 99. NRS 433.424 is hereby amended to read as follows:

433.424 A mental health and mental retardation center revolving account up to the amount of \$5,000 is hereby created for each division mental health and mental retardation center, and may be used for the payment of mental health or mental retardation center bills requiring immediate payment and for no other purposes. The respective administrative officers shall deposit the money for the respective revolving accounts in one or more banks *or credit unions* of reputable standing. Payments made from each account must be promptly reimbursed from appropriated money of the respective mental health or mental retardation centers on claims as other claims against the state are paid.

Sec. 100. NRS 433.539 is hereby amended to read as follows:

433.539 1. There may be maintained as a trust fund at each division facility a clients' personal deposit fund.

2. Money coming into the possession of the administrative officer of a division facility which belongs to a client must be credited in the fund in the name of that client.

3. When practicable, individual credits in the fund must not exceed the sum of \$300.

4. Any amounts to the credit of a client may be used for purchasing personal necessities, for expenses of burial or may be turned over to the client upon his demand, except that when the client is adjudicated mentally incompetent the guardian of his estate has the right to demand and receive the money.

5. An amount accepted for the benefit of a client for a special purpose must be reserved for that purpose regardless of the total amount to the credit of the client.

6. Except as *otherwise* provided in subsection 7, the administrative officers shall deposit any money received for the funds of their respective facilities in commercial accounts with *one or more* banks *or credit unions* of reputable standing. When deposits in a commercial account exceed \$15,000, the administrative officer may deposit the excess in a savings account paying interest in any reputable commercial bank, or in any ~~federally insured~~ *credit union or* savings and loan association within ~~the state.~~ *this state that is federally insured or insured by a private insurer approved pursuant to NRS 678.755.* The savings account must be in the name of the fund. Interest paid on deposits in the savings account may be used for recreational purposes at the division facility.

7. The administrative officers may maintain at their respective division facilities petty cash of not more than \$400 of the money in the clients' personal deposit fund to enable clients to withdraw small sums from their accounts.

Sec. 101. NRS 433A.090 is hereby amended to read as follows:

433A.090 There is hereby created a revolving account for the mental health institute in the sum of \$7,500, which may be used for the payment of bills of the institute requiring immediate payment and for no other purpose. The administrative officer for the institute shall deposit the revolving account in one or more banks *or credit unions* of reputable standing. Payments made from the revolving account must be promptly reimbursed from appropriated money of the institute as other claims against the state are paid.

Sec. 102. NRS 433B.270 is hereby amended to read as follows:

433B.270 A revolving account of not more than \$5,000 is hereby created for each division facility. Money in the respective revolving accounts may be expended only for the payment of bills of the respective division facilities requiring immediate payment. The respective administrative officers shall deposit the money for the respective revolving accounts in one or more banks *or credit unions* of reputable standing. Payments made from each account must be promptly reimbursed from

appropriated money of the respective division facilities on claims as other claims against the state are paid.

Sec. 103. NRS 435.390 is hereby amended to read as follows:

435.390 1. The administrative officer of any division facility where mentally retarded persons reside may establish a canteen operated for the benefit of clients and employees of the facility. The administrative officer shall keep a record of transactions in the operation of the canteen.

2. Each canteen must be self-supporting. No money provided by the state may be used for its operation.

3. The respective administrative officers shall deposit the money used for the operation of the canteen in one or more banks *or credit unions* of reputable standing, except that an appropriate sum may be maintained as petty cash at each canteen.

Sec. 104. NRS 440.690 is hereby amended to read as follows:

440.690 1. The state registrar shall keep a true and correct account of all fees received under this chapter.

2. The money collected pursuant to subsection 2 of NRS 440.700 must be remitted by the state registrar to the state treasurer for credit to the children's trust account, and any other proceeds accruing to the State of Nevada under the provisions of this chapter must be forwarded to the state treasurer for deposit in the state general fund.

3. Upon the approval of the state board of examiners and pursuant to its regulations, the health division may maintain *an account in* a bank ~~{account}~~ *or credit union* for the purpose of refunding overpayments of fees for vital statistics.

Sec. 105. NRS 452.160 is hereby amended to read as follows:

452.160 1. Endowment care funds must not be used for any purpose other than to provide, through income only, for the reserves authorized by law and for the endowment care of the cemetery in accordance with the resolutions, bylaws, rules and regulations or other actions or instruments of the cemetery authority.

2. The funds must be invested and reinvested in:

(a) Bonds of the United States;

(b) Bonds of this state or the bonds of other states;

(c) Bonds of counties or municipalities of any state;

(d) With the approval of the administrator, first mortgages or first trust deeds on improved real estate;

(e) ~~{Bank deposits}~~ *Deposits* in any ~~{federally insured}~~ bank, *credit union* or savings and loan association ~~{;}~~ *that is federally insured or insured by a private insurer approved pursuant to NRS 678.755;* or

(f) With the written approval of the administrator, any investment which would be proper under the provisions of NRS 164.050.

Pending investment as provided in this subsection, such funds may be deposited in ~~{a federally insured}~~ *an* account in any savings bank, *credit union* or savings and loan association *which is* qualified to do business in

the State of Nevada ~~{}~~ *and which is federally insured or insured by a private insurer approved pursuant to NRS 678.755.*

3. Each cemetery authority operating an endowment care cemetery shall submit to the administrator annually, on a form prescribed and adopted by the administrator, a financial statement of the condition of its endowment care fund. The statement must be accompanied by a fee of \$10. If the statement is not received by the administrator he may, after giving 10 days' notice, revoke the cemetery authority's certificate of authority.

Sec. 106. NRS 452.720 is hereby amended to read as follows:

452.720 1. Money held in trust for the endowment care of a cemetery for pets must not be used for any purpose other than to provide, through income only, for the reserves authorized by law and for the endowment care of the cemetery in accordance with the resolutions, bylaws, rules and regulations or other actions or instruments of the cemetery authority.

2. The money must be invested and reinvested in:

- (a) Bonds of the United States;
- (b) Bonds of this state or the bonds of other states;
- (c) Bonds of counties or municipalities of any state;
- (d) With the approval of the administrator, first mortgages or first trust deeds on improved real estate;

(e) ~~{Bank deposits}~~ *Deposits* in any ~~{federally insured}~~ bank, *credit union* or savings and loan association ~~{}~~ *that is federally insured or insured by a private insurer approved pursuant to NRS 678.755;* or

(f) With the written approval of the administrator, any investment which would be proper under the provisions of NRS 164.050.

Pending investment as provided in this subsection, such money may be deposited in ~~{a federally insured}~~ *an* account in any savings bank, *credit union* or savings and loan association *which is* qualified to do business in this state ~~{}~~ *and which is federally insured or insured by a private insurer approved pursuant to NRS 678.755.*

3. Each cemetery authority shall annually submit to the administrator, on a form prescribed and adopted by the administrator, a financial statement of the condition of its trust fund for the endowment care of the cemetery. The statement must be accompanied by a fee of \$10. If the statement is not received by the administrator he may, after giving 10 days' notice, revoke the cemetery authority's certificate of authority.

Sec. 107. NRS 463.330 is hereby amended to read as follows:

463.330 1. Costs of administration of this chapter incurred by the commission and the gaming control board must be paid from the state general fund on claims presented by the commission and the board, respectively, and approved and paid as other claims against the state are paid. The commission and the board shall comply with the provisions of the State Budget Act in order that legislative authorization for budgeted expenditures may be provided.

2. In order to facilitate the confidential investigation of violations of this chapter and the regulations adopted by the commission pursuant to ~~{it}~~

this chapter, there is hereby created the state gaming control board revolving account. Upon the written request of the chairman of the board, the state controller shall draw his warrant in favor of the chairman in the amount of \$10,000, and upon presentation of the warrant to the state treasurer, he shall pay it. When the warrant is paid, the chairman shall deposit the \$10,000 in a bank *or credit union* of reputable standing ~~[, which bank]~~ *which* shall secure the deposit with a depository bond satisfactory to the state board of examiners.

3. The chairman of the board may use the revolving account to pay the reasonable expenses of agents and employees of the board engaged in confidential investigations concerning the enforcement of this chapter, including the prepayment of expenses where necessary, whether such expenses are incurred for investigation of known or suspected violations. In allowing such expenses the chairman is not limited or bound by the provisions of NRS 281.160.

4. After the expenditure of money from the revolving account, the chairman of the board shall present a claim to the state board of examiners for the amount of the expenditure to be replaced in the revolving account. The claim must be audited, allowed and paid as are other claims against the state, but the claim must not detail the investigation made as to the agent or employee making the investigation or the person or persons investigated. If the state board of examiners is not satisfied with the claim, the members thereof may orally examine the chairman concerning the claim.

5. Expenditures from the revolving account may not exceed the amount authorized by the legislature in any ~~[4]~~ fiscal year.

Sec. 108. NRS 463.368 is hereby amended to read as follows:

463.368 1. A credit instrument accepted on or after June 1, 1983, and the debt that the credit instrument represents are valid and may be enforced by legal process.

2. A licensee or a person acting on behalf of a licensee may accept an incomplete credit instrument which:

- (a) Is signed by a patron; and
- (b) States the amount of the debt in figures,

and may complete the instrument as is necessary for the instrument to be presented for payment.

3. A licensee or person acting on behalf of a licensee:

(a) May accept a credit instrument that is payable to an affiliated company or may complete a credit instrument in the name of an affiliated company as payee if the credit instrument otherwise complies with this subsection and the records of the affiliated company pertaining to the credit instrument are made available to agents of the board upon request.

(b) May accept a credit instrument either before, at the time ~~[4]~~ or after the patron incurs the debt. The credit instrument and the debt that the credit instrument represents are enforceable without regard to whether the credit instrument was accepted before, at the time or after the debt is incurred.

4. This section does not prohibit the establishment of an account by a deposit of cash, recognized traveler's check, or any other instrument which is equivalent to cash.

5. If a credit instrument is lost or destroyed, the debt represented by the credit instrument may be enforced if the licensee or person if acting on behalf of the licensee can prove the existence of the credit instrument.

6. A patron's claim of having a mental or behavioral disorder involving gambling:

(a) Is not a defense in any action by a licensee or a person acting on behalf of a licensee to enforce a credit instrument or the debt that the credit instrument represents.

(b) Is not a valid counterclaim to such an action.

7. Any person who violates the provisions of this section is subject only to the penalties provided in NRS 463.310 to 463.318, inclusive. The failure of a person to comply with the provisions of this section or the regulations of the commission does not invalidate a credit instrument or affect the ability to enforce the credit instrument or the debt that the credit instrument represents.

8. The commission may adopt regulations prescribing the conditions under which a credit instrument may be redeemed or presented to a bank *or credit union* for collection or payment.

Sec. 109. NRS 481.260 is hereby amended to read as follows:

481.260 1. The director may expend money appropriated for that purpose, as he determines necessary, to assist local law enforcement agencies or the investigation division in the purchase of evidence and in employing persons other than peace officers to obtain evidence.

2. Upon receiving a written request from the director for money appropriated pursuant to this section, the state controller shall draw his warrant, payable to the director, in an amount which does not exceed any limit set by the legislature in the appropriation.

3. The director may keep money which he has drawn pursuant to this section in ~~{bank}~~ accounts *in one or more banks or credit unions* or in cash.

Sec. 110. NRS 482.3337 is hereby amended to read as follows:

482.3337 1. Each broker shall open and maintain a separate trust account in a ~~{federally insured}~~ bank, *credit union* or savings and loan association in this state ~~{into which he}~~ *that is federally insured or insured by a private insurer approved pursuant to NRS 678.755. He* shall deposit *into the trust account* any money received from a prospective buyer as a deposit on a vehicle. A broker shall not:

(a) Commingle the money in the trust account with any money that is not a deposit on a vehicle.

(b) Use any money in the trust account to pay his operational expenses.

2. A broker shall not require the buyer of a vehicle to pay a deposit on a vehicle in an amount that exceeds 10 percent of the purchase price of the vehicle.

Sec. 111. NRS 482.346 is hereby amended to read as follows:

482.346 1. In lieu of a bond an applicant may deposit with the department, under terms prescribed by the department:

(a) A like amount of lawful money of the United States or bonds of the United States or of the State of Nevada of an actual market value of not less than the amount fixed by the department; or

(b) A savings certificate of a bank, *credit union* or savings and loan association situated in Nevada, which must indicate an account of an amount equal to the amount of the bond which would otherwise be required by NRS 482.345 and that this amount is unavailable for withdrawal except upon order of the department. Interest earned on the amount accrues to the account of the applicant.

2. A deposit made pursuant to subsection 1 may be disbursed by the director, for good cause shown and after notice and opportunity for hearing, in an amount determined by him to compensate a person injured by an action of the licensee, or released upon receipt of:

(a) A court order requiring the director to release all or a specified portion of the deposit; or

(b) A statement signed by the person or persons under whose name the deposit is made and acknowledged before any person authorized to take acknowledgments in this state, requesting the director to release the deposit, or a specified portion thereof, and stating the purpose for which the release is requested.

3. When a deposit is made pursuant to subsection 1, liability under the deposit is in the amount prescribed by the department. If the amount of the deposit is reduced or there is an outstanding court judgment for which the licensee is liable under the deposit, the license is automatically suspended. The license must be reinstated if the licensee:

(a) Files an additional bond pursuant to subsection 1 of NRS 482.345;

(b) Restores the deposit with the department to the original amount required under this section; or

(c) Satisfies the outstanding judgment for which he is liable under the deposit.

4. A deposit made pursuant to subsection 1 may be refunded:

(a) By order of the director, ~~at the expiration of~~ 3 years ~~from~~ *after* the date ~~when~~ the licensee ceases to be licensed by the department, if the director is satisfied that there are no outstanding claims against the deposit; or

(b) By order of court, at any time ~~prior to the expiration of~~ *within* 3 years ~~from~~ *after* the date the licensee ceases to be licensed by the department, upon evidence satisfactory to the court that there are no outstanding claims against the deposit.

5. Any money received by the department pursuant to subsection 1 must be deposited with the state treasurer for credit to the motor vehicle fund.

Sec. 112. NRS 487.060 is hereby amended to read as follows:

487.060 1. No license may be issued to an automobile wrecker until he has procured and filed with the department a good and sufficient bond in the amount of \$50,000, with a corporate surety thereon licensed to do business in the State of Nevada, approved as to form by the attorney general, and conditioned that the applicant conducts his business as a wrecker without fraud or fraudulent representation, and without violation of the provisions of NRS 487.045 to ~~[487.190,]~~ 487.200, inclusive. The department may, by agreement with any automobile wrecker who has been licensed for 5 years or more by the department or a department of motor vehicles in another state, reduce the amount of the bond of the wrecker, if the business of that wrecker has been conducted satisfactorily for the preceding 5 years, but no bond may be in an amount less than \$5,000. The department shall make the necessary investigation to determine whether a wrecker licensed in another state has conducted its business satisfactorily.

2. The bond may be continuous in form and the total aggregate liability on the bond must be limited to the payment of the total amount of the bond.

3. The bond must provide that any person injured by the action of the automobile wrecker in violation of any of the provisions of NRS 487.045 to 487.160, inclusive, may apply to the director for compensation from the bond. The director, for good cause shown and after notice and opportunity for hearing, may determine the amount of compensation and the person to whom it is to be paid. The surety shall then make the payment.

4. In lieu of a bond an automobile wrecker may deposit with the department, under the terms prescribed by the department:

(a) A like amount of money or bonds of the United States or of the State of Nevada of an actual market value of not less than the amount fixed by the department; or

(b) A savings certificate of a bank, *credit union* or savings and loan association situated in Nevada, which must indicate an account of an amount equal to the amount of the bond which would otherwise be required by this section and that this amount is unavailable for withdrawal except upon order of the department. Interest earned on the certificate accrues to the account of the applicant.

5. A deposit made pursuant to subsection 4 may be disbursed by the director, for good cause shown and after notice and opportunity for hearing, in an amount determined by him to compensate a person injured by an action of the licensee, or released upon receipt of:

(a) A court order requiring the director to release all or a specified portion of the deposit; or

(b) A statement signed by the person in whose name the deposit is made and acknowledged before any person authorized to take acknowledgments in this state, requesting the director to release the deposit, or a specified portion thereof, and stating the purpose for which the release is requested.

6. When a deposit is made pursuant to subsection 4, liability under the deposit is in the amount prescribed by the department. If the amount of the

deposit is reduced or there is an outstanding judgment for which the licensee is liable under the deposit, the license is automatically suspended. The license must be reinstated if the licensee:

- (a) Files an additional bond pursuant to subsection 1;
- (b) Restores the deposit with the department to the original amount required under this section; or
- (c) Satisfies the outstanding judgment for which he is liable under the deposit.

7. A deposit made pursuant to subsection 4 may be refunded:

- (a) By order of the director, 3 years after the date the licensee ceases to be licensed by the department, if the director is satisfied that there are no outstanding claims against the deposit; or
- (b) By order of court, at any time within 3 years after the date the licensee ceases to be licensed by the department, upon evidence satisfactory to the court that there are no outstanding claims against the deposit.

8. Any money received by the department pursuant to subsection 4 must be deposited with the state treasurer for credit to the motor vehicle fund.

Sec. 113. NRS 487.420 is hereby amended to read as follows:

487.420 1. No applicant may be granted a license to operate a salvage pool until he has procured and filed with the department a good and sufficient bond in the amount of \$50,000, with a corporate surety thereon licensed to do business in the State of Nevada, approved as to form by the attorney general, and conditioned that the applicant conducts his business as an operator of a salvage pool without fraud or fraudulent representation, and without violation of the provisions of NRS 487.400 to 487.510, inclusive. The department may, by agreement with any operator of a salvage pool who has been licensed by the department for 5 years or more, allow a reduction in the amount of his bond, if his business has been conducted satisfactorily for the preceding 5 years, but no bond may be in an amount less than \$5,000.

2. The bond may be continuous in form and the total aggregate liability on the bond must be limited to the payment of the total amount of the bond.

3. The bond must provide that any person injured by the action of the operator of the salvage pool in violation of any of the provisions of NRS 487.400 to 487.510, inclusive, may apply to the director for compensation from the bond. The director, for good cause shown and after notice and opportunity for hearing, may determine the amount of compensation and the person to whom it is to be paid. The surety shall then make the payment.

4. In lieu of a bond an operator of a salvage pool may deposit with the department, under the terms prescribed by the department:

- (a) A like amount of money or bonds of the United States or of the State of Nevada of an actual market value of not less than the amount fixed by the department; or
- (b) A savings certificate of a bank, *credit union* or savings and loan association situated in Nevada, which must indicate an account of an amount equal to the amount of the bond which would otherwise be required

by this section and that this amount is unavailable for withdrawal except upon order of the department. Interest earned on the certificate accrues to the account of the applicant.

5. A deposit made pursuant to subsection 4 may be disbursed by the director, for good cause shown and after notice and opportunity for hearing, in an amount determined by him to compensate a person injured by an action of the licensee, or released upon receipt of:

(a) A court order requiring the director to release all or a specified portion of the deposit; or

(b) A statement signed by the person under whose name the deposit is made and acknowledged before any person authorized to take acknowledgments in this state, requesting the director to release the deposit, or a specified portion thereof, and stating the purpose for which the release is requested.

6. When a deposit is made pursuant to subsection 4, liability under the deposit is in the amount prescribed by the department. If the amount of the deposit is reduced or there is an outstanding judgment of a court for which the licensee is liable under the deposit, the license is automatically suspended. The license must be reinstated if the licensee:

(a) Files an additional bond pursuant to subsection 1;

(b) Restores the deposit with the department to the original amount required under this section; or

(c) Satisfies the outstanding judgment for which he is liable under the deposit.

7. A deposit made pursuant to subsection 4 may be refunded:

(a) By order of the director, 3 years after the date the licensee ceases to be licensed by the department, if the director is satisfied that there are no outstanding claims against the deposit; or

(b) By order of court, at any time within 3 years after the date the licensee ceases to be licensed by the department, upon evidence satisfactory to the court that there are no outstanding claims against the deposit.

8. Any money received by the department pursuant to subsection 4 must be deposited with the state treasurer for credit to the motor vehicle fund.

Sec. 114. NRS 487.640 is hereby amended to read as follows:

487.640 1. No license may be issued to an operator of a body shop until he procures and files with the department a good and sufficient bond in the amount of \$10,000, with a corporate surety thereon licensed to do business in the State of Nevada, approved as to form by the attorney general, and conditioned that the applicant shall conduct his business as an operator of a body shop without fraud or fraudulent representation, and in compliance with the provisions of NRS 487.035, ~~487.610~~ 487.600 to 487.690, inclusive, and 597.480 to 597.590, inclusive. The department may, by agreement with any operator of a body shop who has been licensed by the department for 5 years or more, allow a reduction in the amount of the bond of the operator, if the business of the operator has been conducted

satisfactorily for the preceding 5 years, but no bond may be in an amount less than \$1,000.

2. The bond may be continuous in form and the total aggregate liability on the bond must be limited to the payment of the total amount of the bond.

3. The bond must provide that any person injured by the action of the operator of the body shop in violation of any of the provisions of NRS 487.035, ~~487.610~~ 487.600 to 487.690, inclusive, and 597.480 to 597.590, inclusive, may apply to the director for compensation from the bond. The director, for good cause shown and after notice and opportunity for hearing, may determine the amount of compensation and the person to whom it is to be paid. The surety shall then make the payment.

4. In lieu of a bond an operator of a body shop may deposit with the department, under the terms prescribed by the department:

(a) A like amount of money or bonds of the United States or of the State of Nevada of an actual market value of not less than the amount fixed by the department; or

(b) A savings certificate of a bank, *credit union* or savings and loan association situated in Nevada, which must indicate an account of an amount equal to the amount of the bond which would otherwise be required by this section and that this amount is unavailable for withdrawal except upon order of the department. Interest earned on the certificate accrues to the account of the applicant.

5. A deposit made pursuant to subsection 4 may be disbursed by the director, for good cause shown and after notice and opportunity for hearing, in an amount determined by him to compensate a person injured by an action of the licensee, or released upon receipt of:

(a) An order of a court requiring the director to release all or a specified portion of the deposit; or

(b) A statement signed by the person under whose name the deposit is made and acknowledged before any person authorized to take acknowledgments in this state, requesting the director to release the deposit, or a specified portion thereof, and stating the purpose for which the release is requested.

6. When a deposit is made pursuant to subsection 4, liability under the deposit is in the amount prescribed by the department. If the amount of the deposit is reduced or there is an outstanding judgment of a court for which the licensee is liable under the deposit, the license is automatically suspended. The license must be reinstated if the licensee:

(a) Files an additional bond pursuant to subsection 1;

(b) Restores the deposit with the department to the original amount required under this section; or

(c) Satisfies the outstanding judgment for which he is liable under the deposit.

7. A deposit made pursuant to subsection 4 may be refunded

:

(a) By order of the director, 3 years after the date the licensee ceases to be licensed by the department, if the director is satisfied that there are no outstanding claims against the deposit; or

(b) By order of court, at any time within 3 years after the date the licensee ceases to be licensed by the department, upon evidence satisfactory to the court that there are no outstanding claims against the deposit.

8. Any money received by the department pursuant to subsection 4 must be deposited with the state treasurer for credit to the motor vehicle fund.

Sec. 115. NRS 489.724 is hereby amended to read as follows:

489.724 1. All down payments, deposits of earnest money, proceeds of loans or other money which a dealer receives, on behalf of his principal or any other person, must be deposited in a separate checking account, which must be designated a trust account, in a financial institution in this state whose deposits are insured by an agency of the Federal Government ~~or~~ **or by a private insurer approved pursuant to NRS 678.755.**

2. Every dealer required to maintain a separate or trust account shall keep records of all money deposited therein. The records must clearly indicate the date and from whom he received money, the date deposited, the dates of withdrawals, and other pertinent information concerning the transaction, and must show clearly for whose account the money is deposited and to whom the money belongs. All such records and money are subject to inspection and audit by the division and its authorized representatives. All such separate trust accounts must designate the dealer as trustee and provide for the withdrawal of money without previous notice.

3. All money deposited in a separate trust account from down payments, deposits of earnest money, proceeds of loans or other money received by a dealer from a person pursuant to a written contract signed by the dealer and that person must not be withdrawn from the account except to pay specific expenses as authorized by the written contract.

4. Each dealer shall notify the division of the names of the financial institutions in which he maintains trust accounts and specify the names of the accounts on forms provided by the division.

Sec. 116. NRS 501.359 is hereby amended to read as follows:

501.359 1. The wildlife imprest account in the amount of \$15,000 is hereby created for the use of the division, subject to the following conditions:

(a) The money must be deposited in a bank **or credit union** qualified to receive deposits of public money, except that \$500 must be kept in the custody of an employee designated by the administrator for immediate use for purposes set forth in this section.

(b) The account must be replenished periodically from the wildlife account in the state general fund upon approval of expenditures as required by law and submission of vouchers or other documents to indicate payment as may be prescribed.

2. The wildlife imprest account may be used to pay for postage, C.O.D. packages, travel or other minor expenses which are proper as claims for payment from the wildlife account in the state general fund.

3. The wildlife imprest account may be used to provide money to employees of the division for travel expenses and subsistence allowances arising out of their official duties or employment. All advances constitute a lien in favor of the division upon the accrued wages of the requesting employee in an amount equal to the money advanced, but the administrator may advance more than the amount of the accrued wages of the employee. Upon the return of the employee, he is entitled to receive money for any authorized expenses and subsistence in excess of the amount advanced.

Sec. 117. NRS 522.113 is hereby amended to read as follows:

522.113 1. The owner, lessee, operator or other person who is liable for payment of the money derived from the sale of the production from an oil or gas well located in ~~the~~ **this** state shall:

(a) Pay the money directly to each person identified as being legally entitled thereto not later than:

(1) Six months after the first day of the month following the date of the first sale of the production, and thereafter not later than 60 days after the end of the month within which subsequent production is sold; or

(2) Twelve months after the first day of the month following the date of the first sale of the production, and every 12 months thereafter, if the amount owed is \$25 or less.

(b) If unable to pay timely any portion of the money because of inability to locate a person entitled to receive the money or for any other reason, deposit the unpaid portion of the money in an escrow account in a ~~federally insured~~ bank, **credit union** or savings and loan institution in Nevada, using a standard escrow document form approved by the attorney general of Nevada. ***The bank, credit union or savings and loan association must be federally insured or insured by a private insurer approved pursuant to NRS 678.755.*** The deposit must earn interest at the highest rate being offered by that institution for similar deposits. The escrow agent may commingle money so received into escrow from any one source. The escrow agent shall pay the appropriate amount of principal and accrued interest from such an account to a person legally entitled thereto within 30 days after the date of receipt by the escrow agent of a final legal determination of entitlement thereto. Applicable escrow fees must be deducted from the payment.

2. Any person who violates the provisions of subsection 1 is liable to each person legally entitled thereto for the unpaid amounts of money, together with interest at the rate of 18 percent per annum on the unpaid balance from the date the payment was due pursuant to paragraph (a) of subsection 1.

3. This section does not apply to payments from an owner, lessee, operator or other person who is liable for payment of the money derived from the sale of the production from an oil or gas well located in this state

to a person identified as being legally entitled to such a payment if those persons have agreed in writing to some other period of payment for the first payment or for subsequent payments.

Sec. 118. NRS 533.435 is hereby amended to read as follows:

533.435 1. The state engineer shall collect the following fees:

For examining and filing an application for a permit to appropriate water \$250.00

This fee includes the cost of publication, which is \$50.

For examining and acting upon plans and specifications for construction of a dam 500.00

For examining and filing an application for each permit to change the point of diversion, manner of use or place of use of an existing right 150.00

This fee includes the cost of the publication of the application, which is \$50.

For issuing and recording each permit to appropriate water for any purpose, except for generating hydroelectric power which results in nonconsumptive use of the water or watering livestock or wildlife purposes 150.00

plus \$2 per acre-foot approved or fraction thereof.

For issuing and recording each permit to change an existing right whether temporary or permanent for any purpose, except for generating hydroelectric power which results in nonconsumptive use of the water, for watering livestock or wildlife purposes which change the point of diversion or place of use only, or for irrigational purposes which change the point of diversion or place of use only 100.00

plus \$2 per acre-foot approved or fraction thereof.

For issuing and recording each permit to change the point of diversion or place of use only of an existing right whether temporary or permanent for irrigational purposes 200.00

For issuing and recording each permit to appropriate or change the point of diversion or place of use of an existing right only whether temporary or permanent for watering livestock or wildlife purposes for each second-foot of water approved or fraction thereof \$50.00

For issuing and recording each permit to appropriate or change an existing right whether temporary or permanent for water for generating hydroelectric power which results in nonconsumptive use of the water for each second-foot of water approved or fraction thereof 100.00

This fee must not exceed \$1,000.

For filing a secondary application under a reservoir permit 200.00

For approving and recording a secondary permit under a reservoir permit 200.00

For reviewing each tentative subdivision map\$150.00
plus \$1 per lot.
For storage approved under a dam permit for privately
owned nonagricultural dams which store more than 50
acre-feet 100.00
plus \$1 per acre-foot storage capacity. This fee
includes the cost of inspection and must be paid
annually.
For filing proof of completion of work 10.00
For filing proof of beneficial use..... 50.00
For filing any protest 25.00
For filing any application for extension of time within
which to file proofs..... 100.00
For examining and filing a report of conveyance filed
pursuant to paragraph (a) of subsection 1 of NRS
533.384 25.00
plus \$10 per conveyance document
For filing any other instrument..... 1.00
For making copy of any document recorded or filed in his
office, for the first page 1.00
For each additional page20
For certifying to copies of documents, records or maps, for
each certificate..... 1.00
For each blueprint copy of any drawing or map, per square
foot..... .50
The minimum charge for a blueprint copy, per print3.00

2. When fees are not specified in subsection 1 for work required of his office, the state engineer shall collect the actual cost of the work.

3. Except as otherwise provided in this subsection, all fees collected by the state engineer under the provisions of this section must be deposited in the state treasury for credit to the general fund. All fees received for blueprint copies of any drawing or map must be kept by him and used only to pay the costs of printing, replacement and maintenance of printing equipment. Any publication fees received which are not used by him for publication expenses must be returned to the persons who paid the fees. If, after exercising due diligence, the state engineer is unable to make the refunds, he shall deposit the fees in the state treasury for credit to the general fund. The state engineer may maintain, with the approval of the state board of examiners, a checking account in any bank **or credit union** qualified to handle state money to carry out the provisions of this subsection. The ~~bank~~ account must be secured by a depository bond satisfactory to the state board of examiners to the extent the account is not insured by the Federal Deposit Insurance Corporation ~~F.D.I.C.~~, **the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755.**

Sec. 119. NRS 539.530 is hereby amended to read as follows:

539.530 All ~~{moneys}~~ **money** belonging to or in the custody of any irrigation district within this state, or of the treasurer or other officer thereof, shall, so far as possible, be deposited in ~~{such}~~ state or national ~~{bank or}~~ banks **or credit unions** in this state as the treasurer or other officer of such irrigation district having legal custody of such ~~{moneys}~~ **money** shall select for the safekeeping thereof, and shall be subject to withdrawal at any time on demand of the treasurer or other authorized officer.

Sec. 120. NRS 539.537 is hereby amended to read as follows:

539.537 1. For the security of such deposits there shall be delivered to the treasurer of the irrigation district a bond or bonds of a corporate surety qualified to act as sole surety on bonds or undertakings required by the laws of this state, and approved by the commissioner of insurance as a company possessing the qualifications required for the purpose of transacting a surety business within this state. The penal amount of such bond or bonds shall at no time be less than the amount of money deposited by the irrigation district with such depository. The bond or bonds shall secure and guarantee the full and complete repayment to the irrigation district or the payment to its order of all ~~{funds}~~ **money** so deposited, together with interest thereon. The premium for such corporate surety bond or bonds, in the discretion of the board of directors of the irrigation district, may be paid out of the ~~{funds}~~ **money** so deposited or may be required to be paid by the depository.

2. The depository may, in lieu of the corporate surety bond or bonds, deposit with the treasurer of the irrigation district treasury notes or United States bonds, or other securities which are legal investments for savings banks **and credit unions** in this state, the market value of which shall at all times equal the amount of ~~{funds}~~ **money** so deposited, as collateral security, and such securities shall be placed by the treasurer in escrow in some bank **or credit union** other than the depository of the ~~{funds}~~ **money** of the district. In the event of the failure of the depository to repay such ~~{funds}~~ **money** to the district on demand, or to pay the same to its order, the securities so placed in escrow shall be redelivered to the treasurer and may be sold by him with or without notice, and the proceeds thereof used to reimburse the district.

Sec. 121. NRS 539.6135 is hereby amended to read as follows:

539.6135 1. Except as otherwise provided in this chapter, the proceeds of refunding bonds must be immediately applied to the retirement of the bonds to be refunded or be placed in escrow or trust in any trust banks **or credit unions** within or without or both within and without this state to be applied to the payment of the refunded bonds or the refunding bonds, or both, upon their presentation therefor to the extent, in the priority and otherwise in the manner which the board may determine.

2. The incidental costs of refunding bonds may be paid by the purchaser of the refunding bonds or be defrayed from any money of the district, subject to appropriations therefor as otherwise provided by statute, or other available revenues of the district under the control of the board, from the

proceeds of the refunding bonds, from the interest or other yield derived from the investment of any proceeds of the refunding bonds or other money in escrow or trust, or from any other sources legally available therefor, or any combination thereof, as the board may determine.

Sec. 122. NRS 539.6137 is hereby amended to read as follows:

539.6137 1. Any escrow or trust provided pursuant to NRS 539.6135 is not necessarily limited to the proceeds of refunding bonds but may include other money available for its purpose. Any proceeds in escrow or trust, pending their use, may only be invested or reinvested in securities which are direct obligations of or which the principal of and interest on are unconditionally guaranteed by the Federal Government.

2. Any trust bank *or credit union* shall continuously secure any money placed in escrow or trust and not so invested or reinvested in federal securities by a pledge in any trust banks ~~or~~ *or credit unions*, within or without or both within and without ~~the~~ *this* state, of similar federal securities in an amount which is at all times at least equal to the total uninvested amount of the money accounted for in the escrow or trust.

3. The proceeds and investments in escrow or trust, together with any interest or other gain to be derived from any such investment, must be in an amount at all times at least sufficient to pay the principal of, interest on and any prior redemption premiums due, any charges of the escrow agent or trustee and any other incidental expenses payable therefrom, except to the extent provision may have been previously otherwise made therefor, as those obligations become due at their respective maturities or due at the designated prior redemption dates in connection with which the board has exercised or is obligated to exercise a prior redemption option on behalf of the district.

4. The computations made in determining that sufficiency must be verified by a certified public accountant licensed to practice in this state or in any other state.

Sec. 123. NRS 539.633 is hereby amended to read as follows:

539.633 The principal and interest shall be payable at the place designated in the bonds, which may be at any place within or outside of this state, and any district may deposit ~~monies in any bank or~~ *money in one or more* banks *or credit unions* within or outside of this state for the payment of the principal or interest on such bonds at the place or places at which the same are payable, or for any other lawful purpose.

Sec. 124. NRS 539.655 is hereby amended to read as follows:

539.655 1. Whenever any bond of an irrigation district organized and existing under and pursuant to the laws of the State of Nevada, including any bond authorized in any such district but not sold, which is eligible to certification by the state controller under NRS 539.647, is presented to the state controller, he shall attach a certificate in substantially the following form:

Carson City, Nevada(insert date).

I,, state controller of the State of Nevada, do hereby certify that the within bond, No. of issue No. of the Irrigation District, issued (insert date), is, in accordance with NRS 539.640 to 539.665, inclusive, a legal investment for all trust funds and for the ~~{funds}~~ money of all insurance companies, banks, both commercial and savings, *credit unions*, trust companies, and any ~~{funds}~~ money which may be invested in county, municipal or school district bonds, and it may be deposited as security for the performance of any act whenever the bonds of any county, city or school district may be so deposited, it being entitled to such privileges by virtue of an examination by the department of taxation in pursuance of NRS 539.640 to 539.665, inclusive. The within bond may also be used as security for the deposit of public money in banks *or credit unions* in this state.

.....
State Controller of the State of Nevada

2. In case of a change in the constitution or any of the laws of this state relating to the bonds of irrigation districts, the state controller shall, if necessary, modify the above certificate so that it conforms to the facts.

3. A facsimile of the state controller's signature, printed or otherwise, impressed upon the certificate is a sufficient signing thereof.

Sec. 125. NRS 539.660 is hereby amended to read as follows:

539.660 1. All bonds certified in accordance with the terms of NRS 539.640 to 539.665, inclusive, are legal investments for all trust funds, and for the ~~{funds}~~ money of all insurance companies, banks, both commercial and savings, *credit unions* and trust companies.

2. Whenever any money ~~{or funds}~~ may, by law now or hereafter enacted, be invested in bonds of cities, counties, school districts or municipalities in the State of Nevada, such money ~~{or funds}~~ may be invested in the bonds of irrigation districts, and whenever bonds of cities, counties, school districts or municipalities may by any law now or hereafter enacted be used as security for the performance of any act, bonds of irrigation districts under the limitations in NRS 539.640 to 539.665, inclusive, provided *it* may be so used.

Sec. 126. NRS 561.335 is hereby amended to read as follows:

561.335 1. The revolving account for agriculture working capital in the amount of \$10,000 is hereby created for the use of the division.

2. The account must be used specifically for carrying out the provisions of NRS ~~{569.010}~~ *569.005* to 569.080, inclusive, and 569.100 to 569.130, inclusive.

3. The account may be used for:

(a) Paying the expenses of all programs and laws administered by the division, except expenses related to estrays which are required to be paid pursuant to NRS 569.090. The account must be reimbursed promptly from

the proper funds in the state treasury by claims paid as other claims against the state are paid for any expenses paid pursuant to this paragraph.

(b) Providing advance money to officers and employees of the division for travel expenses and subsistence allowances arising out of their official duties or employment. Such an advance constitutes a lien in favor of the division upon the accrued wages of the requesting officer or employee in an amount equal to the sum advanced, but the administrator may advance more than the amount of the accrued wages of the officer or employee. Upon the return of the officer or employee, he is entitled to receive any authorized expenses and subsistence in excess of the amount advanced, and a sum equal to the advance must be paid into the revolving account for agriculture working capital.

(c) Making grants and loans for any purpose authorized by subsection 2 of NRS 561.445. Any loan or grant made pursuant to this paragraph must be reimbursed promptly, as other claims against the state are paid, from the money deposited in the state treasury pursuant to subsection 1 of NRS 561.445.

4. The revolving account for agriculture working capital must be deposited in a bank *or credit union* qualified to receive deposits of public money and the deposit must be secured by a depository bond satisfactory to the state board of examiners.

Sec. 127. NRS 569.090 is hereby amended to read as follows:

569.090 1. Except as otherwise provided pursuant to a cooperative agreement established pursuant to NRS 569.031, the division shall:

(a) Pay the reasonable expenses incurred in taking up, holding, advertising and selling the estray, and any damages for trespass allowed pursuant to NRS 569.440, out of the proceeds of the sale of the estray and shall place the balance in an interest-bearing checking account in a bank *or credit union* qualified to receive deposits of public money. The proceeds from the sale and any interest on those proceeds, which are not claimed pursuant to subsection 2 within 1 year after the sale, must be deposited in the state treasury for credit to the livestock inspection account.

(b) Make a complete record of the transaction, including the marks and brands and other means of identification of the estray, and shall keep the record open to the inspection of the public.

2. If the lawful owner of the estray is found within 1 year after its sale and proves ownership to the satisfaction of the division, the net amount received from the sale must be paid to the owner.

3. If any claim pending ~~after the expiration of~~ 1 year after the date of sale is denied, the proceeds and any interest thereon must be deposited in the livestock inspection account.

Sec. 128. NRS 573.020 is hereby amended to read as follows:

573.020 1. A person shall not hold, operate, conduct or carry on a public livestock auction in this state without first securing a license therefor from the division.

2. The application for a license must be on forms prescribed and furnished by the division and set forth:

(a) The name of the operator of the public livestock auction.

(b) The location of the establishment or premises where the public livestock auction is to be conducted.

(c) The type or kinds of livestock to be handled, sold or exchanged.

(d) A description of the facilities to be used in conducting the public livestock auction.

(e) The weekly or monthly sales day or days on which the applicant proposes to operate his public livestock auction.

(f) The name and address of the bank *or credit union* where the custodial account for consignors' proceeds will be established and maintained by the operator of the public livestock auction in compliance with the provisions of NRS 573.104.

(g) Such other information as the division reasonably may require, including, without limitation, proof that at the time of application the applicant has a line of credit established at a bank *or credit union* in the State of Nevada in an amount at least equal to the estimated average weekly gross sales receipts of the public livestock auction to be conducted by him.

3. The application must be accompanied by a bond or deposit receipt and the required fee as provided in this chapter.

Sec. 129. NRS 573.037 is hereby amended to read as follows:

573.037 1. As authorized by subsection 3 of NRS 573.030, in lieu of filing the bond described in NRS 573.033 or 573.035, the applicant may deliver to the administrator the receipt of a bank , *credit union* or trust company doing business in this state showing the deposit with such bank , *credit union* or trust company of cash or of securities endorsed in blank by the owner thereof and of a market value equal at least to the required principal amount of the bond, such cash or securities to be deposited in escrow under an agreement conditioned as in the case of a bond. A receipt must be accompanied by evidence that there are no unsatisfied judgments against the applicant of record in the county where the applicant resides.

2. An action for recovery against any such deposit may be brought in the same manner as in the case of an action for recovery on a bond filed under the provisions of this chapter.

3. If any licensed operator of a public livestock auction for any reason ceases to operate such auction, the amount of money or securities deposited in lieu of a bond must be retained by the division for 1 year. If ~~{after the expiration of}~~ 1 year ~~{from}~~ *after* the cessation of such operation, no legal action has been commenced to recover against such money or securities, the amount thereof must be delivered to the owner thereof. If a legal action has been commenced within such time, all such money and securities must be held by the administrator subject to the order of a court of competent jurisdiction.

Sec. 130. NRS 573.104 is hereby amended to read as follows:

573.104 1. Each licensee shall deposit the gross proceeds received by him from the sale of livestock handled on a commission or agency basis in a separate ~~bank~~ account established and maintained by the licensee in the bank *or credit union* at which his line of credit, as required by paragraph (g) of subsection 2 of NRS 573.020, is established. The separate ~~bank~~ account must be designated a “custodial account for consignors’ proceeds.”

2. The custodial account for consignors’ proceeds may be drawn on only:

(a) For the payment of net proceeds to the consignor, or any other person or persons of whom the licensee has knowledge who is entitled to those proceeds;

(b) To obtain the sums due the licensee as compensation for his services; and

(c) For such sums as are necessary to pay all legal charges against the consignment of livestock which the licensee in his capacity as agent is required to pay for and on behalf of the consignor.

3. The licensee shall:

(a) In each case keep such accounts and records as will at all times disclose the names of the consignors and the amount due to each from the money in the custodial account for consignors’ proceeds.

(b) Maintain the custodial account for consignors’ proceeds in a manner that will expedite examination by the administrator and reflect compliance with the requirements of this section.

Sec. 131. NRS 573.105 is hereby amended to read as follows:

573.105 The administrator shall ascertain, at least quarterly, the continued existence and amount of the line of credit shown pursuant to paragraph (g) of subsection 2 of NRS 573.020, or its replacement by a line of credit at another bank *or credit union* in the State of Nevada and the amount of the replacement. If the line of credit is so replaced, the custodial account must be transferred to the bank *or credit union* issuing the new line of credit. If a line of credit in the amount required is not maintained, the administrator shall suspend the operator’s license.

Sec. 132. NRS 573.183 is hereby amended to read as follows:

573.183 When the administrator determines, on the basis of any verified complaint or of any inspection or investigation made by him pursuant to this chapter, that any operator of a public livestock auction is violating or is about to violate any provision of this chapter for the protection of consignor creditors, he may order:

1. The operator to cease and desist from:

(a) Receiving or selling any livestock;

(b) Receiving or disbursing any money; or

(c) Any practice which violates any provision of this chapter or any other law or any rule, order or regulation issued pursuant to law.

2. Any bank **or credit union** which holds the custodial account of the operator, as required by NRS 573.104, to refrain from paying out any money from the account.

The order ceases to be effective upon the expiration of 3 days, exclusive of Saturdays, Sundays and other nonjudicial days, ~~from~~ **after** its date of issuance unless a court has, pursuant to NRS 573.185, issued an order which continues the restraint.

Sec. 133. NRS 576.040 is hereby amended to read as follows:

576.040 1. Each applicant to whom a license to act as a dealer, broker or commission merchant is issued shall:

(a) File one of the following:

(1) A bond of a surety company authorized to do business in this state.

(2) A bond with individual sureties owning unencumbered real property within this state subject to execution and worth, above all exemptions, double the amount of the bond.

(3) A personal bond secured by a first deed of trust on real property within this state which is subject to execution and worth, above all exemptions, double the amount of the bond. When the applicant files the bond with the division he shall also file a policy of title insurance on the real property from a title insurance company licensed in this state which states that the property is free and clear of all encumbrances and liens other than the first deed of trust. The applicant shall certify under oath that the property is worth at least twice the amount of the bond and that it is unencumbered. The certificate must be approved by the division.

The bond must be in the form prescribed by, and to the satisfaction of, the division, conditioned for the payment of a judgment against the applicant and arising out of the failure of the applicant or his agent to conduct his business in accordance with the provisions of this chapter, or for nonpayment of obligations in connection with the purchase and sale of livestock or farm products. The bond must provide that the surety company, if any, will notify the division before the end of the second business day after any claim or judgment has been made against the bond. The aggregate liability of any surety to all claimants is limited to the amount of the bond for each licensing period.

(b) File a copy of the bond required by the United States pursuant to the provisions of the Packers and Stockyards Act, ~~16~~ 7 U.S.C. § 204. ~~16~~

(c) Furnish other security in the amount required by this section which is acceptable to the division.

2. In lieu of complying with one of the alternatives provided in subsection 1, the dealer, broker or commission merchant may deliver to the division the receipt of a bank, **credit union** or trust company in this state showing the deposit with that bank, **credit union** or trust company of cash or of securities endorsed in blank by the owner thereof and of a market value equal at least to the required principal amount of the bond. The cash or securities must be deposited in escrow under an agreement conditioned as in the case of a bond. Any receipt must be accompanied by evidence that

there are no unsatisfied judgments against the dealer, broker or commission merchant of record in the county or counties in which he is doing business or resides. An action for recovery against any such deposit may be brought in the same manner as in the case of an action for recovery on a bond filed under the provisions of NRS 576.042.

3. The amount of the bond, other security or deposit must be:

(a) Based on the applicant's annual volume of purchases, according to a schedule adopted by the division; and

(b) Not less than \$5,000 nor more than \$100,000.

4. All bonds must be renewed or continued in accordance with regulations adopted by the division.

5. Any licensed dealer, broker or commission merchant who knowingly sells or otherwise encumbers real property which is the security for a bond under subsection 1, after a policy of title insurance on that property has been issued and while the bond is in force, is guilty of a gross misdemeanor.

Sec. 134. NRS 598.0966 is hereby amended to read as follows:

598.0966 1. There is hereby created a revolving account for the consumer affairs division of the department of business and industry in the sum of \$7,500, which must be used for the payment of expenses related to conducting an undercover investigation of a person who is allegedly engaging in a deceptive trade practice.

2. The commissioner shall deposit the money in the revolving account in a bank *or credit union* qualified to receive deposits of public ~~{funds}~~ *money* as provided by law, and the deposit must be secured by a depository bond satisfactory to the state board of examiners.

3. The commissioner or his designee may:

(a) Sign all checks drawn upon the revolving account; and

(b) Make withdrawals of cash from the revolving account.

4. Payments made from the revolving account must be promptly reimbursed from the legislative appropriation, if any, to the consumer affairs division for the expenses related to conducting an undercover investigation of a person who is allegedly engaging in a deceptive trade practice. The claim for reimbursement must be processed and paid as other claims against the state are paid.

5. The commissioner shall:

(a) Approve any disbursement from the revolving account; and

(b) Maintain records of any such disbursement.

Sec. 135. NRS 598.2807 is hereby amended to read as follows:

598.2807 1. Each registrant shall deposit with the division:

(a) A bond executed by a corporate surety approved by the commissioner and licensed to do business in this state;

(b) An irrevocable letter of credit for which the registrant is the obligor, issued by a bank whose deposits are federally insured; or

(c) A certificate of deposit in a ~~{federally-insured}~~ financial institution *which is* doing business in this state ~~{,}~~ *and which is federally insured or insured by a private insurer approved pursuant to NRS 678.755. The*

certificate of deposit may be withdrawn only on the order of the commissioner, except that the interest may accrue to the registrant.

2. The term of the bond, letter of credit or certificate of deposit, or any renewal thereof, must be not less than 1 year.

3. If the registrant deposits a bond, the registrant shall keep accurate records of the bond and the payments made on the premium. The records must be open to inspection by the division during business hours. The registrant shall notify the division not later than 30 days before the date of expiration of the bond and provide written proof of the renewal of the bond to the division.

4. The commissioner may reject any bond, letter of credit or certificate of deposit which fails to conform to the requirements of this chapter.

5. A registrant may change the form of security which he has deposited with the division. If the registrant changes the form of the security, the commissioner may retain for not more than 1 year any portion of the security previously deposited by the registrant as security for claims arising during the time the previous security was in effect.

6. If the amount of the deposited security falls below the amount required by this chapter for that security, the registrant shall be deemed not to be registered as required by NRS 598.2806 for the purposes of this chapter.

Sec. 136. NRS 598.281 is hereby amended to read as follows:

598.281 As used in NRS 598.281 to 598.289, inclusive, unless the context otherwise requires:

1. "Buyer" means a natural person who is solicited to purchase or who purchases the services of an organization which provides credit services.

2. "Commissioner" means the commissioner of consumer affairs.

3. "Division" means the consumer affairs division of the department of business and industry.

4. "Extension of credit" means the right to defer payment of debt or to incur debt and defer its payment, offered or granted primarily for personal, family or household purposes.

5. "Organization":

(a) Means a person who, with respect to the extension of credit by others, sells, provides or performs, or represents that he can or will sell, provide or perform, any of the following services, in return for the payment of money or other valuable consideration:

(1) Improving a buyer's credit record, history or rating.

(2) Obtaining an extension of credit for a buyer.

(3) Providing counseling or assistance to a person in establishing or effecting a plan for the payment of his indebtedness, unless such counseling or assistance is provided by and is within the scope of the authorized practice of a debt adjuster licensed pursuant to chapter 676 of NRS.

(4) Providing advice or assistance to a buyer with regard to either subparagraph (1) or (2).

(b) Does not include any of the following

:

(1) A person organized, chartered or holding a license or authorization certificate to make loans or extensions of credit pursuant to the laws of this state or the United States who is subject to regulation and supervision by an officer or agency of this state or the United States.

(2) A bank, *credit union* or savings and loan institution whose deposits or accounts are eligible for insurance by the Federal Deposit Insurance Corporation ~~FDIC~~, *the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755.*

(3) A nonprofit organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code.

(4) A person licensed as a real estate broker by this state where the person is acting within the course and scope of that license.

(5) A person licensed to practice law in this state where the person renders services within the course and scope of his practice as an attorney at law, unless the person is rendering such services in the course and scope of employment by or other affiliation with an organization.

(6) A broker-dealer registered with the Securities and Exchange Commission or the Commodity Futures Trading Commission where the broker-dealer is acting within the course and scope of such regulation.

(7) A person licensed as a debt adjuster pursuant to chapter 676 of NRS.

(8) A reporting agency.

6. "Reporting agency" means a person who, for fees, dues or on a cooperative nonprofit basis, regularly engages in whole or in part in the business of assembling or evaluating information regarding the credit of or other information regarding consumers to furnish consumer reports to third parties, regardless of the means or facility of commerce used to prepare or furnish the consumer reports. The term does not include:

(a) A person solely for the reason that he conveys a decision regarding whether to guarantee a check in response to a request by a third party;

(b) A person who obtains or creates a consumer report and provides the report or information contained in it to a subsidiary or affiliate; or

(c) A person licensed pursuant to chapter 463 of NRS.

Sec. 137. NRS 598.855 is hereby amended to read as follows:

598.855 1. Before the organization receives any money from any buyer pursuant to a contract for membership in the organization, it shall establish a trust account for payments on contracts at a ~~federally insured~~ financial institution ~~FDIC~~ *that is federally insured or insured by a private insurer approved pursuant to NRS 678.755.* Each payment from a buyer for his contract for membership except for \$50 of the first payment, must be deposited in the account. During each quarter of the term of a contract or each 6 months, whichever is shorter, the trustee shall withdraw one quarter of the buyer's payments from the account and pay the amount to the organization.

2. If the organization sells, transfers or assigns the contract with the buyer to a third party, and the third party gives reasonable consideration for

the contract, the organization shall deposit the consideration in the trust account. If the third party does not give reasonable consideration for the contract, the organization shall deposit all payments on the contract from the buyer in the organization's trust account for payments on the contract.

Sec. 138. NRS 599B.100 is hereby amended to read as follows:

599B.100 1. An application filed pursuant to NRS 599B.090 must be accompanied by:

(a) A bond executed by a corporate surety approved by the commissioner and licensed to do business in this state;

(b) An irrevocable letter of credit issued for the benefit of the applicant by a bank whose deposits are insured by an agency of the Federal Government; or

(c) A certificate of deposit in a financial institution insured by an agency of the Federal Government ~~[, which]~~ *or by a private insurer approved pursuant to NRS 678.755. The certificate of deposit* may be withdrawn only on the order of the commissioner, except that the interest may accrue to the applicant.

2. The amount of the bond, letter of credit or certificate of deposit must be \$50,000, and the bond, letter of credit or certificate of deposit must be conditioned upon compliance by the applicant with the provisions of this chapter.

3. The amount of the security required to be filed by the seller may be increased to not more than \$250,000 as part of an assurance of discontinuance accepted by the attorney general pursuant to NRS 599B.235.

4. If, after a registration certificate is issued, the amount of the bond, letter of credit or certificate of deposit which secures the registration falls below the amount that is required by subsection 2 or the amount determined by the commissioner pursuant to subsection 3, the seller shall be deemed not to be registered pursuant to this chapter for the purposes of NRS 599B.080.

5. The term of any bond, letter of credit or certificate of deposit, or any renewal thereof, must not be less than 1 year.

6. The commissioner may reject any bond, letter of credit or certificate of deposit which fails to conform to the requirements of this section.

7. A seller may change the form of the security. If a seller changes the form of the security, the commissioner may retain for not more than 1 year all or a portion of the security previously filed by the seller as security for claims arising at the time the security was in effect.

8. If no claims have been filed against the bond, letter of credit or certificate of deposit within 6 months after the registrant ceases to operate or his registration expires, whichever occurs later, the commissioner shall release the bond, letter of credit or certificate of deposit to the registrant and shall not audit any claims filed thereafter by consumers. If one or more claims have been filed against the bond, letter of credit or certificate of deposit within 6 months after the registrant ceases to operate or his registration expires, whichever occurs later, the proceeds must not be released to the registrant or distributed to any consumer earlier than 1 year

after the registrant ceases to operate or his registration expires, whichever occurs later. The division shall not audit any claims which are filed pursuant to NRS 599B.105 more than 1 year after the registrant ceases to operate or his registration expires, whichever occurs later. For the purposes of this subsection, the commissioner shall determine the date on which a registrant ceases to operate.

Sec. 139. NRS 604.120 is hereby amended to read as follows:

604.120 1. In lieu of any surety bond, or any portion of the principal sum thereof as required by this chapter, a registrant may deposit with the state treasurer or with any bank, **credit union** or trust company authorized to do business in this state as the registrant may select, with the approval of the commissioner:

- (a) Interest-bearing stocks;
 - (b) Bills, bonds, notes, debentures or other obligations of the United States or any agency or instrumentality thereof, or guaranteed by the United States; or
 - (c) Any obligation of this state or any city, county, town, township, school district or other instrumentality of this state or guaranteed by this state,
- in an aggregate amount of, based upon principal amount or market value, whichever is lower, of not less than the amount of the required surety bond or portion thereof.

2. The securities must be held to secure the same obligation as would the surety bond, but the depositor may receive any interest or dividends and, with the approval of the commissioner, substitute other suitable securities for those deposited.

Sec. 140. NRS 607.170 is hereby amended to read as follows:

607.170 1. When the labor commissioner deems it necessary, he may take an assignment of a claim for wages and commissions and prosecute an action for collection of wages, commissions and other demands of any person who is financially unable to employ counsel in a case in which, in the judgment of the labor commissioner, the claim for wages or commissions is valid and enforceable in the courts.

2. In all matters relating to wages or commissions and before taking any assignment, the labor commissioner may summon to appear before him, at a suitable place in the county of the claimant, his employer and all other necessary persons for the purpose of adjusting and settling claims for wages or commissions before bringing suit therefor, and the labor commissioner may effect reasonable compromises of those claims.

3. The labor commissioner or his deputy may maintain a commercial account with any bank **or credit union** within ~~the~~ **this** state for the deposit of money collected for claims for wages or commissions. The money must be promptly paid to the person entitled thereto. At the end of each calendar year, any unclaimed money in the commercial account which has been a part of the account for 5 years or more is presumed abandoned under NRS 120A.220.

Sec. 141. NRS 608.120 is hereby amended to read as follows:

608.120 The payment of wages or compensation must be made in lawful money of the United States or by a good and valuable negotiable check or draft drawn only to the order of the employee unless:

1. The employee has agreed in writing to some other disposition of his wages; or
2. The employer has been directed to make some other disposition of the employee's wages by:
 - (a) A court of competent jurisdiction; or
 - (b) An agency of federal, state or local government with jurisdiction to issue such directives.

Such checks or drafts must be payable on presentation thereof at some bank , **credit union** or established place of business without discount in lawful money of the United States. They must be payable at the place designated in the notice prescribed in NRS 608.080.

Sec. 142. NRS 608.130 is hereby amended to read as follows:

608.130 1. A person engaged in any business or enterprise of any kind in this state shall not issue, in payment of, or as evidence of, any indebtedness for wages due an employee, any order, check, memorandum or other acknowledgment of indebtedness unless it is a negotiable instrument payable without discount, in cash on demand, at some bank , **credit union** or other established place of business but this subsection does not limit or interfere with the right of any employee, by agreement, to accept from any such person, as an evidence or acknowledgment of indebtedness for wages due him, a negotiable instrument payable at some future date with interest.

2. In the event of nonpayment when due of any negotiable instrument issued in payment of wages, the holder in due course of the instrument succeeds and has the same rights, priorities and preferences with respect to payment thereof, and stands in the same position, as the payee of the instrument with respect to a claim for wages unpaid when due, in addition to any other remedy available to the holder in due course provided by law.

3. An employer who knowingly issues to an employee a negotiable instrument in payment of wages for which there is insufficient money, property or credit with the drawee of the instrument to pay it in full upon presentation shall reimburse the employee for any penalty or charge incurred by him arising from his reliance on the validity of the instrument.

Sec. 143. NRS 611.070 is hereby amended to read as follows:

611.070 1. Before a license is issued, the applicant shall deposit with the labor commissioner a bond, approved by the labor commissioner, in the sum of \$1,000 with two or more sureties or an authorized surety company as surety. A notice of 30 days must be given to the labor commissioner before cancellation of the bond.

2. The bond must be conditioned so that the suspension, revocation, surrender or expiration of the license to operate the employment agency does not affect the coverage of the bond as to a claim arising out of acts that

occurred before the date of the suspension, revocation, surrender or expiration of the license.

3. In lieu of a bond an applicant may deposit with the labor commissioner:

(a) An amount of money or bonds of the United States or of the State of Nevada of an actual market value not less than the amount fixed by the labor commissioner; or

(b) A savings certificate of a bank, **credit union** or savings and loan association situated in Nevada, which indicates an account containing an amount equal to the amount of the bond which would otherwise be required by this section and that this amount is unavailable for withdrawal except upon order of the labor commissioner. Interest earned on this amount accrues to the account of the applicant.

4. The labor commissioner may at any time require the licensee to file a new or supplementary bond, or a deposit in lieu thereof, in a form and amount of not more than \$5,000 to conform to the provisions of this section if the labor commissioner deems the initial deposit or surety of the initial bond to be unsatisfactory or the amount of the deposit or bond to have become insufficient to satisfy all claims, accrued or contingent, against the licensee.

5. Any money received in lieu of a bond must be deposited with the state treasurer for credit to the labor commissioner's account for bonds, which is hereby created in the state agency fund for bonds. The deposit must not be released for a period of 90 days following the date of suspension, revocation, surrender or expiration of the license.

Sec. 144. NRS 611.135 is hereby amended to read as follows:

611.135 1. The labor commissioner may accept assignments of claims arising under NRS 611.020 to 611.320, inclusive, against employment agencies.

2. The labor commissioner may maintain a commercial account with any bank **or credit union** within ~~the~~ **this** state for the deposit of any ~~{moneys}~~ **money** recovered for the use of such assigning claimants. The ~~{moneys shall}~~ **money must** be promptly paid to the claimants entitled thereto. At the end of each calendar year, any unclaimed ~~{moneys}~~ **money** in the commercial account which ~~{have}~~ **has** been a part of ~~{such}~~ **the** account for 7 years or more ~~{shall}~~ **must** be paid into the state treasury for credit to the state general fund.

Sec. 145. NRS 612.590 is hereby amended to read as follows:

612.590 1. The state treasurer shall:

(a) Be the treasurer and custodian of the fund.

(b) Administer the fund in accordance with the directions of the administrator.

(c) Issue his warrants upon it in accordance with such regulations as the administrator prescribes.

2. The state treasurer shall maintain within the fund three separate accounts:

- (a) A clearing account.
- (b) An unemployment trust fund account.
- (c) A benefit account.

3. All money payable to the fund, upon receipt thereof by the administrator, must be forwarded to the state treasurer, who shall immediately deposit it in the clearing account.

4. Refunds payable pursuant to NRS 612.655 may be paid from the clearing account or from the benefit account upon warrants issued by the state treasurer under the direction of the administrator.

5. After clearance thereof, all other money in the clearing account must be immediately deposited with the Secretary of the Treasury to the credit of the account of this state in the unemployment trust fund established and maintained pursuant to Section 904 of the Social Security Act, as amended, ~~42 U.S.C. § 1104~~, ~~any~~ provisions of law in this state relating to the deposit, administration, release or disbursement of money in the possession or custody of this state to the contrary notwithstanding.

6. The benefit account consists of all money requisitioned from this state's account in the unemployment trust fund.

7. Except as herein otherwise provided, money in the clearing and benefit accounts may be deposited by the state treasurer, under the direction of the administrator, in any bank, *credit union* or public depository in which general money of the state may be deposited, but no public deposit insurance charge or premium may be paid out of the fund.

8. Money in the clearing and benefit accounts must not be commingled with other state money, but must be maintained in a separate account on the books of the depository. Money in the clearing and benefit accounts must be secured by the bank, *credit union* or public depository to the same extent and in the same manner as required by the general depository laws of the State of Nevada, and collateral pledged must be maintained in a separate custody account.

Sec. 146. NRS 615.255 is hereby amended to read as follows:

615.255 1. There is hereby created the vocational rehabilitation revolving account in the amount of \$35,000 to be used for the payment of claims of applicants for or recipients of services from the bureau and vendors providing services to those applicants or recipients under procedures established by the bureau.

2. Upon written request from the chief, the state controller shall draw his warrant from money already appropriated in favor of the chief in the sum of \$35,000. When the warrant is paid, the chief shall deposit the \$35,000 in a bank *or credit union* qualified to receive deposits of public money. The bank *or credit union* must secure the deposit with a depository bond satisfactory to the state board of examiners, unless it is otherwise secured by the Federal Deposit Insurance Corporation ~~FDIC~~, *the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755.*

3. After expenditure of money from the revolving account, the chief shall present a claim to the state board of examiners. When approved by the state board of examiners, the state controller shall draw his warrant in the amount of the claim in favor of the vocational rehabilitation revolving account, to be paid to the order of the chief, and the state treasurer shall pay it.

4. Money in the vocational rehabilitation revolving account does not revert to the state general fund at the end of the fiscal year, but remains in the revolving account.

5. Purchases paid for from the vocational rehabilitation revolving account for the purposes authorized by subsection 1 may be exempt from the provisions of the State Purchasing Act at the discretion of the chief of the purchasing division of the department of administration or his designated representative.

Sec. 147. NRS 616B.056 is hereby amended to read as follows:

616B.056 The manager shall:

1. Approve annual and biennial budgets of the system.
2. Approve investment policies of the system.
3. Approve the appointment of investment counselors and custodians of investments.
4. Approve the designation of banks *and credit unions* as collection depositories.
5. Approve the appointment of an independent actuary and arrange for an annual actuarial valuation and report of the soundness of the system and the state insurance fund as prepared by the independent actuary.
6. Appoint an independent certified accountant who shall provide an annual audit of the state insurance fund and report to the manager.
7. Before each legislative session, report to the legislature on the operation of the system and any recommendation for legislation which he deems appropriate.

Sec. 148. NRS 616B.107 is hereby amended to read as follows:

616B.107 1. No person engaged in business as a broker or dealer in securities or who has a direct pecuniary interest in any such business who receives commissions for transactions performed as an agent for the system is eligible for employment as investment counsel for the system.

2. The manager shall not engage investment counsel unless:

(a) The principal business of the person selected by the manager consists of rendering investment supervisory services, that is, the giving of continuous advice as to the investment of money on the basis of the individual needs of each client;

(b) The person and his predecessors have been continuously engaged in such business for a period of 3 or more years, and, if a firm or corporation, the senior management personnel of the firm or corporation have an average of 10 years professional experience as investment managers;

(c) The person as of the time originally hired, has at least \$250,000,000 of assets under management contract, exclusive of any assets related to governmental agencies in this state;

(d) The person is registered as an investment adviser under the laws of the United States as from time to time in effect, or is a bank or an investment management subsidiary of a bank;

(e) The contract between the system and the investment counsel is of no specific duration and is voidable at any time by either party; and

(f) The person has been approved by the state board of finance for employment as investment counsel.

3. More than one investment counsel may be employed in the discretion of the manager.

4. The expense of such employment must be paid from the state insurance fund.

5. Any investment program adopted by the system and all investments made thereunder must be reported quarterly in writing by the manager to the state board of finance, and the report is subject to review by the state board of finance. The state board of finance may require the manager to provide further reports and may recommend modifications in the investment program, including replacement of the investment counsel. If, after a reasonable time, the manager has not taken suitable corrective action in response to recommendations by the state board of finance, the state board of finance may direct the manager to carry out its recommendations in a manner acceptable to the state board of finance. Any directives from the state board of finance must be in writing.

6. With the approval of the state board of finance, the manager may designate ~~the bank or~~ **one or more** banks **or credit unions** which shall have ~~the~~ custody of the various investments authorized in NRS 616B.116 to 616B.164, inclusive.

7. The system may accept due bills from brokers upon delivery of warrants if the certificates representing the investments are not readily available.

Sec. 149. NRS 616B.149 is hereby amended to read as follows:

616B.149 The manager may invest and reinvest the money in the funds of the system in:

1. Negotiable instruments as they are set forth in the Uniform Commercial Code—Negotiable Instruments, NRS 104.3101 et seq. Eligible negotiable instruments may not exceed 180 days' maturity and must be of prime quality as defined by a nationally recognized organization which rates such securities. It is further limited to issuing corporations with net worth in excess of \$50 million which are incorporated under the laws of the United States or any state thereof or the District of Columbia.

2. Collective or part interest in negotiable instruments held by national banks and issued by companies whose negotiable instruments meet the requirements prescribed in subsection 1.

3. Bankers' acceptances of the kind and maturities made eligible by law for rediscount with Federal Reserve Banks, and generally accepted by banks or trust companies which are members of the Federal Reserve System.

4. Time certificates of deposit issued by commercial banks, *insured credit unions* or insured savings and loan associations.

5. Savings accounts in state banks, located in and organized under the laws of this state, or national banks.

6. Savings accounts in *insured credit unions or* insured savings and loan associations located in or organized under the laws of this state.

Sec. 150. NRS 616B.254 is hereby amended to read as follows:

616B.254 1. As used in this section, "person" includes this state and any county, municipality, district or other political subdivision thereof.

2. If any employer is delinquent in the payment of the amount of any premium, penalty or interest required by chapters 616A to 616D, inclusive, or chapter 617 of NRS or a determination has been made against him which remains unpaid, the manager may, not later than 3 years after the payment became delinquent or within 6 years after the recording of a judgment pursuant to NRS 616B.266, give notice of the amount of the delinquency personally or by registered or certified mail to any person having in his possession or under his control any money, credits or other personal property belonging to the delinquent employer or owing any debts to the delinquent employer at the time of the receipt of the registered or certified notice. In the case of any state officer, department or agency, the notice must be given to the officer, department or agency before it presents the claim of the delinquent employer to the state controller.

3. A state officer, department or agency which receives such a notice may satisfy any debt owed to it by that person before it honors the manager's notice.

4. After receiving the notice, a person so notified may not transfer or otherwise dispose of the money, credits, other personal property or debts in his possession or under his control at the time he received the notice until the manager consents to a transfer or other disposition in writing, or until 30 days after the receipt of the notice, whichever period expires earlier.

5. A person so notified shall, within 5 days after receipt of the notice, inform the manager of all money, credits, other personal property or debts belonging to the delinquent employer in his possession, under his control or owing by him.

6. If the notice seeks to prevent the transfer or other disposition of a deposit in a bank *or credit union* or other credits or personal property in the possession or under the control of a bank ~~or~~ *or credit union*, the notice must be delivered or mailed to the branch or office of the bank *or credit union* at which the deposit is carried or at which the credits or personal property is held.

7. If, during the effective period of the notice to withhold, any person so notified makes any transfer or other disposition of the property or debts required to be withheld, to the extent of the value of the property or the

amount of the debts thus transferred or paid, he is liable to the state for any indebtedness due pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS from the person with respect to whose obligation the notice was given if solely by reason of the transfer or other disposition the state is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

8. Upon the demand of the manager, the person shall remit or deliver to the manager the money, credit or other personal property up to the amount owed by the delinquent employer.

Sec. 151. NRS 616B.368 is hereby amended to read as follows:

616B.368 1. The board of trustees of an association of self-insured public or private employers is responsible for the money collected and disbursed by the association.

2. The board of trustees shall:

(a) Establish a claims account in a ~~federally insured~~ financial institution in this state *which is* approved by the commissioner ~~and which is~~ *federally insured or insured by a private insurer approved pursuant to NRS 678.755*. Except as otherwise provided in subsection 3, at least 75 percent of the annual assessment collected by the association from its members must be deposited in this account to pay:

- (1) Claims;
- (2) Expenses related to those claims;
- (3) The costs associated with the association's policy of excess insurance; and
- (4) Assessments, payments and penalties related to the subsequent injury fund and the uninsured employers' claim fund.

(b) Establish an administrative account in a ~~federally insured~~ financial institution in this state *which is* approved by the commissioner ~~and~~ *which is federally insured or insured by a private insurer approved pursuant to NRS 678.755*. The amount of the annual assessment collected by the association that is not deposited in its claims account must be deposited in this account to pay the administrative expenses of the association.

3. The commissioner may authorize an association to deposit less than 75 percent of its annual assessment in its claims account if the association presents evidence to the satisfaction of the commissioner that:

(a) More than 25 percent of the association's annual assessment is needed to maintain its programs for loss control and occupational safety; and

(b) The association's policy of excess insurance attaches at less than 75 percent.

4. The board of trustees may invest the money of the association not needed to pay the obligations of the association pursuant to chapter 682A of NRS.

5. The commissioner shall review the accounts of an association established pursuant to this section at such times as he deems necessary to ensure compliance with the provisions of this section.

Sec. 152. NRS 623.160 is hereby amended to read as follows:

623.160 Except as otherwise provided in NRS 623.190, all fees provided for by the provisions of this chapter must be paid to and receipted for by the secretary of the board, who shall deposit the fees in banks **or credit unions** in the State of Nevada or institutions in this state whose business is the making of investments. Fees so deposited may be drawn against only for the purposes of this chapter.

Sec. 153. NRS 623A.150 is hereby amended to read as follows:

623A.150 1. All money coming into the possession of the board must be kept or deposited by the executive director in banks , **credit unions** or savings and loan associations in the State of Nevada.

2. Except as otherwise provided in subsection 6, all money collected by the board must be used to pay the expenses of examinations, expenses of the issuance of certificates and expenses to conduct the business of the board.

3. The expenses, including the per diem allowances and travel expenses of the members and employees of the board while engaged in the business of the board and the expenses to conduct examinations, must be paid from the current receipts. No portion thereof may be paid from the state treasury.

4. Any balance remaining in excess of the expenses incurred may be retained by the board and used to defray the future expenses of the board.

5. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect fines and penalties therefor and deposit the money therefrom in banks , **credit unions** or savings and loan associations in this state.

6. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 5 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 154. NRS 624.140 is hereby amended to read as follows:

624.140 1. Except as otherwise provided in subsection 3, if money becomes available from the operations of this chapter and payments made for licenses, the board may pay from that money:

(a) The expenses of the operations of this chapter, including the maintenance of offices.

(b) The salary of the executive officer who must be named by the board.

(c) A salary to each member of the board of not more than \$80 per day, as fixed by the board, while engaged in the business of the board.

(d) A per diem allowance and travel expenses for each member and employee of the board at a rate fixed by the board, while engaged in the business of the board. The rate must not exceed the rate provided for state officers and employees generally.

2. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect fines therefor and deposit the money therefrom in banks , **credit unions** or savings and loan associations in this state.

3. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 2 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 155. NRS 624.150 is hereby amended to read as follows:

624.150 1. The board shall elect one of its members as treasurer.

2. All ~~{funds}~~ **money** received by the board shall be turned over to the treasurer who shall keep books of account and who is authorized to deposit the ~~{funds}~~ **money** in banks , **credit unions** or savings and loan associations in the State of Nevada, and to expend ~~{from the funds moneys}~~ **money** necessary for the operation of the board under the terms of this chapter when the expenses have been approved by the board.

3. All balances at any time in the possession of the treasurer shall be subject to legislative disposition.

Sec. 156. NRS 625.150 is hereby amended to read as follows:

625.150 1. The board shall deposit in banks , **credit unions** and savings and loan associations in the State of Nevada all money collected by it.

2. Except as otherwise provided in subsection 6, all money collected by the board must be used to meet the expenses of conducting examinations, issuing licenses and conducting the office of the board.

3. The expenses of the board, including the per diem allowances and travel expenses of the members and employees of the board while engaged in the business of the board and the expenses of conducting examinations, must be paid from the current receipts. No portion thereof may be paid from the state treasury.

4. Any balance remaining in excess of the expenses incurred may be retained by the board and used in defraying the future expenses thereof.

5. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect fines and penalties therefor and deposit the money therefrom in banks , **credit unions** or savings and loan associations in this state.

6. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 5 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

7. The board shall consider and take appropriate action concerning a written notification received by the board pursuant to NRS 278.587 or 338.176.

Sec. 157. NRS 625A.060 is hereby amended to read as follows:

625A.060 1. The secretary of the board shall receive and account for all money paid to the board and deposit it in banks , *credit unions* and savings and loan associations in this state.

2. The compensation and expenses of the members and employees of the board and the expenses of administering the provisions of this chapter must be paid from the fees received by the board upon approval by the board.

Sec. 158. NRS 628.140 is hereby amended to read as follows:

628.140 1. Except as *otherwise* provided in subsection 3, all fees and other money received by the board pursuant to the provisions of this chapter must be deposited in banks , *credit unions* or savings and loan associations in the State of Nevada and expended solely for the purposes of this chapter. The money so deposited does not revert to the state general fund. The compensation provided for by this chapter and all expenses incurred under this chapter must be paid from this money. No compensation or expenses incurred under this chapter may be charged against the state general fund.

2. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect civil penalties, court costs and attorney's fees therefor and deposit the money therefrom in banks , *credit unions* or savings and loan associations in this state.

3. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 2 and the board deposits the money collected from the imposition of civil penalties, court costs and attorney's fees with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 159. NRS 630.110 is hereby amended to read as follows:

630.110 1. Out of the money coming into the possession of the board, each member and advisory member of the board is entitled to receive:

(a) A salary of not more than \$80 per day, as fixed by the board, while engaged in the business of the board; and

(b) A per diem allowance and travel expenses at a rate fixed by the board, while engaged in the business of the board. The rate must not exceed the rate provided for state officers and employees generally.

2. While engaged in the business of the board, each employee of the board is entitled to receive a per diem allowance and travel expenses at a rate fixed by the board. The rate must not exceed the rate provided for state officers and employees generally.

3. Expenses of the board and the expenses and salaries of its members and employees must be paid from the fees received by the board pursuant to

the provisions of this chapter, and no part of the salaries or expenses of the board may be paid out of the state general fund or from the penalties imposed by the board pursuant to this chapter.

4. All money received by the board from:

(a) Fees must be deposited in financial institutions in this state ~~{which}~~ *that* are federally insured ~~{}~~ *or insured by a private insurer pursuant to NRS 678.755*, invested in treasury bills or notes of the United States, deposited in institutions in this state whose business is the making of investments, or invested as authorized by NRS 355.140.

(b) Penalties must be deposited with the state treasurer for credit to the state general fund.

Sec. 160. NRS 630A.160 is hereby amended to read as follows:

630A.160 1. Out of the money coming into the possession of the board, each member of the board is entitled to receive:

(a) A salary of not more than \$80 per day, as fixed by the board, while engaged in the business of the board; and

(b) A per diem allowance and travel expenses at a rate fixed by the board, while engaged in the business of the board. The rate must not exceed the rate provided for state officers and employees generally.

2. While engaged in the business of the board, each employee of the board is entitled to receive a per diem allowance and travel expenses at a rate fixed by the board. The rate must not exceed the rate provided for state officers and employees generally.

3. Expenses of the board and the expenses and salaries of the members and employees of the board must be paid from the fees received by the board pursuant to the provisions of this chapter. Except as otherwise provided in subsection 6, no part of the salaries or expenses of the members of the board may be paid out of the state general fund.

4. All money received by the board must be deposited in financial institutions in this state ~~{which}~~ *that* are federally insured ~~{}~~ *or insured by a private insurer approved pursuant to NRS 678.755*.

5. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect administrative fines, court costs and attorney's fees therefor and deposit the money therefrom in financial institutions in this state ~~{which}~~ *that* are federally insured ~~{}~~ *or insured by a private insurer approved pursuant to NRS 678.755*.

6. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 5, the board shall deposit the money collected from the imposition of administrative fines, court costs and attorney's fees with the state treasurer for credit to the state general fund. The board may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 161. NRS 631.180 is hereby amended to read as follows:

631.180 1. Each member of the board is entitled to receive:

(a) A salary of not more than \$80 per day as fixed by the board, while engaged in the business of the board; and

(b) A per diem allowance and travel expenses at a rate fixed by the board, while engaged in the business of the board. The rate must not exceed the rate provided for state officers and employees generally.

2. While engaged in the business of the board, each employee of the board is entitled to receive a per diem allowance and travel expenses at a rate fixed by the board. The rate must not exceed the rate provided for state officers and employees generally.

3. The board shall deposit in banks , *credit unions* or savings and loan associations in this state all fees which it receives.

4. All expenses of the board must be paid from the fees received by the board, and no part thereof may be paid from the state general fund.

Sec. 162. NRS 631.350 is hereby amended to read as follows:

631.350 1. Except as otherwise provided in NRS 631.347, the board may:

(a) Refuse to issue a license to any person;

(b) Revoke or suspend the license or renewal certificate issued by it to any person;

(c) Fine a person it has licensed;

(d) Place a person on probation for a specified period on any conditions the board may order;

(e) Issue a public reprimand to a person;

(f) Limit a person's practice to certain branches of dentistry;

(g) Require a person to participate in a program to correct alcohol or drug abuse or any other impairment;

(h) Require that a person's practice be supervised;

(i) Require a person to perform public service without compensation;

(j) Require a person to take a physical or mental examination or an examination of his competence;

(k) Require a person to fulfill certain training or educational requirements; or

(l) Any combination thereof,

upon proof satisfactory to the board that the person has engaged in any of the activities listed in subsection 2.

2. The following activities may be punished as provided in subsection 1:

(a) Engaging in the illegal practice of dentistry or dental hygiene;

(b) Engaging in unprofessional conduct; or

(c) Violating any regulations adopted by the board or the provisions of this chapter.

3. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect

finestherefor and deposit the money therefrom in banks , *credit unions* or savings and loan associations in this state.

4. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 3 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 163. NRS 632.090 is hereby amended to read as follows:

632.090 1. Except as otherwise provided in subsection 3, all money received by the board under the provisions of this chapter must be paid to the executive director of the board, who shall deposit the money in banks , *credit unions* or savings and loan associations in the State of Nevada. The money may be drawn on by the board for payment of all expenses incurred in the administration of the provisions of this chapter.

2. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect fines and penalties therefor and deposit the money therefrom in banks , *credit unions* or savings and loan associations in this state.

3. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 2 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 164. NRS 633.261 is hereby amended to read as follows:

633.261 1. All reasonable expenses incurred by the board in carrying out the provisions of this chapter shall be paid from the fees which it receives, and no part of the salaries or expenses of the board may be paid out of the general fund of the state treasury.

2. All money received by the board shall be deposited in banks , *credit unions* or savings and loan associations in this state and shall be paid out on its order for its expenses.

Sec. 165. NRS 634.050 is hereby amended to read as follows:

634.050 1. Except as *otherwise* provided in subsection 3, all money collected by the board must be deposited in banks , *credit unions* or savings and loan associations in the State of Nevada, and must be used by the board to defray its legitimate expenses.

2. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect fines therefor and deposit the money therefrom in banks , *credit unions* or savings and loan associations in this state.

3. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 2 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for

recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 166. NRS 635.040 is hereby amended to read as follows:

635.040 1. All fees provided for in this chapter must be paid to the treasurer of the board, who shall deposit the fees in banks , *credit unions* or savings and loan associations in this state. All of the salaries and expenses for the operation of the board must be paid from the fees.

2. The board shall deposit the money collected from the imposition of civil penalties with the state treasurer for credit to the state general fund, and may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorneys' fees or the costs of an investigation, or both.

Sec. 167. NRS 636.110 is hereby amended to read as follows:

636.110 1. Except as otherwise provided in subsection 3, all money coming into possession of the board must be deposited by the executive director in a special fund to be expended for payment of compensation and expenses of members of the board and for other necessary or proper purposes in the administration of this chapter. The executive director shall deposit the money in banks , *credit unions* or savings and loan associations in this state.

2. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect administrative fines and penalties therefor and forward the money therefrom to the executive director for deposit in banks , *credit unions* or savings and loan associations in this state.

3. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 2 and the board deposits the money collected from the imposition of administrative fines and penalties with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 168. NRS 637.060 is hereby amended to read as follows:

637.060 1. Except as *otherwise* provided in subsection 3, all money received by the board under the provisions of this chapter must be deposited in banks , *credit unions* or savings and loan associations in the State of Nevada. The money may be drawn on by the board for payment of all expenses incurred in the administration of the provisions of this chapter.

2. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect administrative fines therefor and deposit the money therefrom in banks , *credit unions* or savings and loan associations in this state.

3. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 2 and the board deposits the money collected from the imposition of administrative fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of

examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 169. NRS 637A.080 is hereby amended to read as follows:

637A.080 1. All fees provided for in this chapter must be paid to the board.

2. Except as otherwise provided in subsection 4, all money coming into the possession of the board must be kept or deposited by the secretary in banks, *credit unions*, savings and loan associations or other financial institutions in this state to be expended for the payment of the salaries and expenses of the members and employees of the board and for other necessary or proper purposes in the administration of this chapter.

3. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect penalties therefor and deposit the money therefrom in banks, *credit unions*, savings and loan associations or other financial institutions in this state.

4. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 3 and the board deposits the money collected from the imposition of penalties with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 170. NRS 637B.240 is hereby amended to read as follows:

637B.240 1. All fees collected under the provisions of this chapter must be paid to the secretary-treasurer of the board to be used ~~for the purpose of defraying~~ *to defray* the necessary expenses of the board. The secretary-treasurer shall deposit the fees in qualified banks, *credit unions* or savings and loan associations in this state.

2. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect civil penalties therefor and deposit the money therefrom in banks, *credit unions* or savings and loan associations in this state.

3. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 2 and the board deposits the money collected from the imposition of civil penalties with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 171. NRS 638.1473 is hereby amended to read as follows:

638.1473 1. Except as otherwise provided in subsection 4, all reasonable expenses incurred by the board in carrying out the provisions of this chapter must be paid from the money which it receives. No part of the salaries or expenses of the board may be paid out of the state general fund.

2. Except as otherwise provided in this section, all money collected by the board from the imposition of fines must be deposited with the state treasurer for credit to the state general fund. All other money received by

the board must be deposited in qualified banks , *credit unions* or savings and loan associations in this state and paid out on its order for its expenses.

3. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect fines therefor and deposit the money therefrom in banks , *credit unions* or savings and loan associations in this state.

4. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 3 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 172. NRS 639.081 is hereby amended to read as follows:

639.081 1. Except as *otherwise* provided in subsection 3, all money coming into the possession of the board must be kept or deposited by the secretary in banks , *credit unions* or savings and loan associations in the State of Nevada, or invested in United States treasury bills or notes, to be expended for payment of compensation and expenses of members of the board and for other necessary or proper purposes in the administration of this chapter.

2. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect fines therefor and deposit the money therefrom in banks , *credit unions* or savings and loan associations in this state.

3. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 2 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 173. NRS 640.070 is hereby amended to read as follows:

640.070 1. All fees collected under this chapter must be deposited by the board in banks , *credit unions* or savings and loan associations in the State of Nevada.

2. All expenses incident to the operation of this chapter must be paid from the revenue derived therefrom.

3. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter and impose and collect administrative fines therefor. If the board so delegates its authority, the board may deposit the money from the fines in banks , *credit unions* or savings and loan associations in this state for the support of the board. In addition, the hearing officer or panel may assess a licensee against whom disciplinary action is taken any costs and fees incurred by the board as a result of the hearing. The money from the reimbursed costs and fees may also be deposited for use by the board.

4. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 3, the board shall deposit the money collected from the imposition of administrative fines with the state treasurer for credit to the state general fund. The board may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 174. NRS 641.380 is hereby amended to read as follows:

641.380 All ~~{moneys}~~ **money** coming into possession of the board ~~{shall}~~ **must** be kept or deposited by the secretary-treasurer in banks , **credit unions** or savings and loan associations in the State of Nevada to be expended for payment of compensation and expenses of board members and for other necessary or proper purposes in the administration of this chapter.

Sec. 175. NRS 641A.300 is hereby amended to read as follows:

641A.300 All ~~{moneys}~~ **money** coming into possession of the board ~~{shall}~~ **must** be kept or deposited by the secretary-treasurer in banks , **credit unions** or savings and loan associations in the State of Nevada to be expended for payment of compensation and expenses of board members and for other necessary or proper purposes in the administration of this chapter.

Sec. 176. NRS 641B.150 is hereby amended to read as follows:

641B.150 1. Except as otherwise provided in subsection 4, all reasonable expenses incurred by the board in carrying out the provisions of this chapter must be paid from the money which it receives. No part of the salaries or expenses of the board may be paid out of the state general fund.

2. All money received by the board must be deposited in qualified banks , **credit unions** or savings and loan associations in this state and paid out on its order for its expenses.

3. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect fines and penalties therefor and deposit the money therefrom in banks , **credit unions** or savings and loan associations in this state.

4. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 3 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 177. NRS 642.070 is hereby amended to read as follows:

642.070 All fees collected under the provisions of this chapter shall be paid to the treasurer of the board to be used ~~{for the purpose of defraying}~~ **to defray** the necessary expenses of the board. The treasurer shall deposit the fees in banks , **credit unions** or savings and loan associations in the State of Nevada.

Sec. 178. NRS 642.075 is hereby amended to read as follows:

642.075 1. Except as otherwise provided in subsection 4, all reasonable expenses incurred by the board in carrying out the provisions of

this chapter must be paid from the money which it receives. No part of the salaries or expenses of the board may be paid out of the state general fund.

2. Except as otherwise provided in this section, all money collected by the board from the imposition of fines must be deposited with the state treasurer for credit to the state general fund. All other money received by the board must be deposited in qualified banks , *credit unions* or savings and loan associations in this state and paid out on its order for its expenses.

3. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect fines therefor and deposit the money therefrom in banks , *credit unions* or savings and loan associations in this state.

4. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 3 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 179. NRS 643.060 is hereby amended to read as follows:

643.060 1. Except as otherwise provided in subsection 3, money received by the board under this chapter must be paid to the secretary-treasurer of the board, who shall deposit ~~it~~ *the money* in banks , *credit unions* or savings and loan associations in the State of Nevada and give a receipt for it.

2. The money must be expended in accordance with the provisions of this chapter for all necessary and proper expenses in carrying out the provisions of this chapter and upon proper claims approved by the board.

3. The board shall deposit the money collected from the imposition of fines with the state treasurer for credit to the state general fund, and may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay an attorney's fees or the costs of an investigation, or both.

Sec. 180. NRS 644.170 is hereby amended to read as follows:

644.170 1. All fees collected on behalf of the board and all receipts of every kind and nature must be reported at the beginning of each month, for the month preceding, to the board. At the same time , the entire amount of collections, except as *otherwise* provided in subsection 5, must be paid to the treasurer of the board, who shall deposit them in banks , *credit unions* or savings and loan associations in the State of Nevada.

2. The receipts must be for the uses of the board and out of them must be paid all salaries and all other expenses necessarily incurred in carrying into effect the provisions of this chapter.

3. All orders for payment of money must be drawn on the treasurer of the board and countersigned by the president and the secretary of the board.

4. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect

finest therefor and deposit the money therefrom in banks , *credit unions* or savings and loan associations in this state.

5. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 4 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 181. NRS 645.310 is hereby amended to read as follows:

645.310 1. All deposits accepted by every real estate broker or person registered as an owner-developer pursuant to this chapter, which are retained by him pending consummation or termination of the transaction involved, must be accounted for in the full amount at the time of the consummation or termination.

2. Every real estate salesman or broker-salesman who receives any money on behalf of a broker or owner-developer shall pay over the money promptly to the real estate broker or owner-developer.

3. A real estate broker shall not commingle the money or other property of his client with his own.

4. If a real estate broker receives money, as a broker, which belongs to others, he shall promptly deposit the money in a separate checking account located in a bank *or credit union* in this state which must be designated a trust account. All down payments, earnest money deposits, rents, or other money which he receives, on behalf of his client or any other person, must be deposited in the account unless all persons who have any interest in the money have agreed otherwise in writing. A real estate broker may pay to any seller or the seller's authorized agent the whole or any portion of such special deposit. The real estate broker is personally responsible and liable for such deposit at all times. A real estate broker shall not permit any advance payment of money belonging to others to be deposited in the real estate broker's business or personal account or to be commingled with any money he may have on deposit.

5. Every real estate broker required to maintain a separate trust account shall keep records of all money deposited therein. The records must clearly indicate the date and from whom he received money, the date deposited, the dates of withdrawals, and other pertinent information concerning the transaction, and must show clearly for whose account the money is deposited and to whom the money belongs. The real estate broker shall balance each separate trust account at least monthly. The real estate broker shall provide to the division, on a form provided by the division, an annual accounting which shows an annual reconciliation of each separate trust account. All such records and money are subject to inspection and audit by the division and its authorized representatives. All such separate trust accounts must designate the real estate broker as trustee and provide for withdrawal of money without previous notice.

6. Each real estate broker shall notify the division of the names of the banks **and credit unions** in which he maintains trust accounts and specify the names of the accounts on forms provided by the division.

7. If a real estate broker who has money in a trust account dies or becomes mentally disabled, the division, upon application to the district court, may have a trustee appointed to administer and distribute the money in the account with the approval of the court. The trustee may serve without posting a bond.

Sec. 182. NRS 645.606 is hereby amended to read as follows:

645.606 1. As used in NRS 645.606 to 645.609, inclusive, “qualified intermediary” has the meaning ascribed to it in 26 C.F.R. § 1.1031(k)-1(g).

2. The term includes any person who advertises or holds himself out as prepared to facilitate a tax-deferred exchange of property in this state by acting as the custodian of money or other property.

3. The term does not include a bank , **credit union** or other depository institution, an escrow company, a title insurer, an agent licensed pursuant to chapter 692A of NRS or its subsidiaries or employees.

Sec. 183. NRS 645A.160 is hereby amended to read as follows:

645A.160 All money deposited in escrow to be delivered upon the close of the escrow or upon any other contingency must be kept separate from money belonging to the escrow agent or agency and must be deposited in a ~~federally insured~~ financial institution **that is federally insured or insured by a private insurer approved pursuant to NRS 678.755** unless another financial institution has been designated in writing in the instructions for the escrow. The money when deposited must be designated as “trust funds” or “escrow accounts” or under some other appropriate name indicating that the money is not the money of the escrow agent or agency.

Sec. 184. NRS 645A.170 is hereby amended to read as follows:

645A.170 1. Money deposited in escrow is not subject to execution or attachment on any claim against the escrow agent or agency.

2. An escrow agent or agency shall not knowingly keep or cause to be kept any money in any bank , **credit union** or other financial institution under any name designating the money as belonging to the clients of any escrow agent or agency, unless the money was actually entrusted to the agent or agency by the client for deposit in escrow.

Sec. 185. NRS 645B.170 is hereby amended to read as follows:

645B.170 1. All money paid to the mortgage company for payment of taxes or insurance premiums on property which secures any loan made by the mortgage company must be deposited in a bank **or credit union** and kept separate, distinct and apart from money belonging to the mortgage company. Such money, when deposited, is to be designated as an “impound trust account” or under some other appropriate name indicating that the accounts are not the money of the mortgage company.

2. The mortgage company has a fiduciary duty to its debtors with respect to the money in its impound trust account.

3. The mortgage company shall, upon reasonable notice, account to any debtor whose property secures a loan made by the mortgage company for any money which that person has paid to the mortgage company for the payment of taxes or insurance premiums on the property in question.

4. The mortgage company shall, upon reasonable notice, account to the commissioner for all money in the company's impound trust account.

5. A mortgage company shall:

(a) Require contributions to an impound trust account in an amount reasonably necessary to pay the obligations as they become due.

(b) Within 30 days after the completion of its annual review of an impound trust account, notify the debtor:

(1) Of the amount by which the contributions exceed the amount reasonably necessary to pay the annual obligations due from the account; and

(2) That he may specify the disposition of the excess money within 20 days after receipt of the notice. If the debtor fails to specify such a disposition within that time, the mortgage company shall maintain the excess money in the account.

This subsection does not prohibit a mortgage company from requiring additional amounts to be paid into an impound trust account to recover a deficiency that exists in the account.

6. A mortgage company shall not make payments from an impound trust account in a manner that causes a policy of insurance to be canceled or causes property taxes or similar payments to become delinquent.

Sec. 186. NRS 645B.180 is hereby amended to read as follows:

645B.180 1. Money in an impound trust account is not subject to execution or attachment on any claim against the mortgage company.

2. It is unlawful for any mortgage company knowingly to keep or cause to be kept any money in any bank *or credit union* under the heading of "impound trust account" or any other name designating such money as belonging to the debtors of the mortgage company, except money paid to the mortgage company for the payment of taxes and insurance premiums on property securing loans made by the company, and money held in trust pursuant to NRS 645B.175.

Sec. 187. NRS 649.345 is hereby amended to read as follows:

649.345 1. Each licensed collection agency shall file with the commissioner a written report, signed and sworn to by its manager, no later than January 31 of each year, unless the commissioner determines that there is good cause for later filing of the report. The report must include:

(a) The total sum of money due to all creditors as of the close of the last business day of the preceding month.

(b) The total sum on deposit in customer trust fund accounts and available for immediate distribution as of the close of the last business day of the preceding month, the title of the trust account or accounts, and the name of the ~~[bank or]~~ banks *or credit unions* where the money is deposited.

(c) The total amount of creditors' or forwarders' share of money collected more than 60 days before the last business day of the preceding month and not remitted by that date.

(d) When the total sum under paragraph (c) exceeds \$10, the name of each creditor or forwarder and the respective share of each in that sum.

(e) Such other information, audit or reports as the commissioner may require.

2. The filing of any report required by this section which is known by the collection agency to contain false information or statements constitutes grounds for the suspension of the agency's license or the manager's certificate, or both.

Sec. 188. NRS 649.355 is hereby amended to read as follows:

649.355 1. Every collection agency and collection agent shall openly, fairly and honestly conduct the collection agency business and shall at all times conform to the accepted business ethics and practices of the collection agency business.

2. Every licensee shall at all times maintain a separate ~~bank~~ account **in a bank or credit union** in which must be deposited all money collected. Except as otherwise provided in regulations adopted by the commissioner pursuant to NRS 649.054, the account must be maintained in a bank **or credit union** located in this state and bear some title sufficient to distinguish it from the licensee's personal or general checking account and to designate it as a trust account, such as "customer's trust fund account." The trust account must at all times contain sufficient money to pay all money due or owing to all customers, and no disbursement may be made from the account except to customers or to pay costs advanced for those customers, except that a licensee may periodically withdraw from the account such money as may accrue to the licensee from collections deposited or from adjustments resulting from costs advanced and payments made directly to customers.

3. Every licensee maintaining a separate custodial or trust account shall keep a record of all money deposited in the account, which must indicate clearly the date and from whom the money was received, the date deposited, the dates of withdrawals and other pertinent information concerning the transaction, and must show clearly for whose account the money is deposited and to whom the money belongs. The money must be remitted to the creditors respectively entitled thereto within 30 days following the end of the month in which payment is received. The records and money are subject to inspection by the commissioner or his authorized representative. The records must be maintained at the premises in this state at which the licensee is authorized to conduct business.

4. If the commissioner finds that a licensee's records are not maintained pursuant to subsections 2 and 3, he may require the licensee to deliver an audited financial statement prepared from his records by a certified public accountant who holds a certificate to engage in the practice of public accounting in this state. The statement must be submitted within 60 days after the commissioner requests it. The commissioner may grant a

reasonable extension for the submission of the financial statement if an extension is requested before the statement is due.

Sec. 189. NRS 654.120 is hereby amended to read as follows:

654.120 1. The secretary of the board shall receive and account for all money paid to the board pursuant to this chapter. The secretary of the board shall deposit the money in banks , *credit unions* or savings and loan associations in the State of Nevada.

2. Except as otherwise provided in subsection 5, all money received by the board pursuant to this chapter must be used to:

(a) Pay the per diem and travel expenses of the members of the board.

(b) Pay the salaries and per diem and travel expenses of the employees of the board.

(c) Administer the provisions of this chapter.

3. Any money which remains at the end of the fiscal year must be retained by the board for future disbursement for the purposes enumerated in subsection 2.

4. The board may delegate to a hearing officer or panel its authority to take any disciplinary action pursuant to this chapter, impose and collect fines and penalties therefor and deposit the money therefrom in banks , *credit unions* or savings and loan associations in this state.

5. If a hearing officer or panel is not authorized to take disciplinary action pursuant to subsection 4 and the board deposits the money collected from the imposition of fines with the state treasurer for credit to the state general fund, it may present a claim to the state board of examiners for recommendation to the interim finance committee if money is needed to pay attorney's fees or the costs of an investigation, or both.

Sec. 190. NRS 656.230 is hereby amended to read as follows:

656.230 All ~~monies~~ *money* coming into the possession of the board ~~shall~~ *must* be kept or deposited by the executive secretary of the board in banks , *credit unions* or savings and loan institutions in the State of Nevada to be expended for payment of compensation and expenses of board members and for other necessary or proper purposes in the administration of this chapter.

Sec. 191. NRS 663.025 is hereby amended to read as follows:

663.025 Whenever any deposit is made in any bank *or credit union* doing business within this state by any person in trust for another, and no other or further notice of the existence and terms of a legal and valid trust has been given in writing to the bank ~~or~~ *or credit union*, upon the death of the trustee the deposit or any part thereof, together with the dividends or interest thereon, may be paid to the person for whom the deposit was made.

Sec. 192. NRS 663.045 is hereby amended to read as follows:

663.045 Notwithstanding any provision of law of this state or of any political subdivision thereof requiring security for deposits in the form of collateral ~~or~~ *or* surety bond or in any other form, security for such deposits shall not be required to the extent such deposits are insured under the provisions of the Federal Deposit Insurance Act, as now or hereafter

amended ~~H~~, *or insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755.*

Sec. 193. NRS 663.055 is hereby amended to read as follows:

663.055 Any bank *or credit union* or officer of any bank *or credit union* whose authority to transact a banking business has been revoked as provided in this Title ~~H~~ *or Title 56 of NRS*, receiving any deposit of whatever nature after such revocation, shall be subject to the same penalty as provided in this Title *or Title 56 of NRS* for those who transact a banking business without authority.

Sec. 194. NRS 663.065 is hereby amended to read as follows:

663.065 1. When any deposit is made in a bank *or credit union* by a minor, the bank *or credit union* may pay to such depositor such sums as may be due him, and the receipt of such minor to such bank *or credit union* is valid.

2. A bank *or credit union* may operate a deposit account in the name of a minor or in the name of two or more persons one or more of whom are minors with the same effect upon its liability as if such minors were of full age.

3. A bank *or credit union* may lease a safe-deposit box to, and in connection therewith deal with, a minor with the same effect as if leasing to and dealing with a person of full legal capacity.

4. An institution may rent a safe-deposit box or other receptacle for safe deposit of property to, and receive property for safe deposit from, a married minor and spouse, whether adult or minor, jointly.

5. This section does not affect the law governing transactions with minors in cases outside the scope of this section.

Sec. 195. NRS 663.075 is hereby amended to read as follows:

663.075 1. A bank *or credit union* may arrange for the collection of savings from school children by the principal of the school, by the teachers, or by collectors pursuant to regulations issued by the commissioner and approved, in the case of public schools, by the board of trustees of the school district in which the school is situated. The principal, teacher or person authorized by the bank *or credit union* to make collections from the school children must be the agent of the bank *or credit union* to make collections from the school children, and the bank *or credit union* is liable to the pupil for all deposits made with such principal, teacher or other authorized person to the same extent as if the deposits were made directly with the bank ~~H~~ *or credit union*.

2. The acceptance of deposits in furtherance of a school thrift or savings plan by an officer, employee or agent of a bank *or credit union* at any school is not the establishment or operation of a branch facility.

Sec. 196. NRS 666A.250 is hereby amended to read as follows:

666A.250 1. Each foreign bank which is licensed to establish and maintain a state branch or agency shall hold in this state currency, bonds, notes, debentures, drafts, bills of exchange or other evidence of indebtedness, including loan participation agreements or certificates, or

other obligations payable in the United States or in United States money or, with the prior approval of the commissioner, in money freely convertible into United States money, or such other assets as the commissioner by regulation permits, in an amount which bears such relationship as the commissioner prescribes to liabilities of the foreign bank payable at or through its state branch or agency, including acceptances, but excluding amounts due and other liabilities to other offices, agencies or branches of, and wholly owned, except for a nominal number of directors' shares, subsidiaries of, the foreign bank and such other liabilities as the commissioner determines.

2. For the purposes of this section, the commissioner shall value marketable securities at principal amount or market value, whichever is lower, may determine the value of any nonmarketable bond, note, debenture, draft, bill of exchange, other evidence of indebtedness, including agreements for or certificates of participation in loans, or of any other asset or obligation held or owed to the foreign bank or its state branch or agency in this state, and in determining the amount of assets for the purpose of computing the ratio of assets to liabilities, may by regulation exclude in whole or in part any particular asset.

3. If, by reason of the existence or the potential occurrence of unusual and extraordinary circumstances, the commissioner deems it necessary or desirable for the maintenance of a sound financial condition, the protection of depositors, creditors and the public interest, and to maintain public confidence in the business of a state branch or agency, he may, subject to such terms and conditions as he may prescribe, require a foreign bank to deposit the assets required to be held in this state pursuant to this section with such Nevada banks **or credit unions** as he may designate.

4. The assets held to satisfy the relationship of assets to liabilities prescribed by the commissioner pursuant to this section may include obligations of any person for money borrowed from a foreign bank holding a license to establish and maintain a state branch or agency only to the extent that the total of such obligations of any person are not more than 10 percent of the assets considered for purposes of this section.

Sec. 197. NRS 669.220 is hereby amended to read as follows:

669.220 1. A trust company:

(a) Shall keep all trust funds and investments separate from the assets of the trust company, and all investments made by the trust company as a fiduciary must be designated so that the trust or estate to which the investments belong may be clearly identified.

(b) When it holds trust funds awaiting investment or distribution may deposit or leave those funds on deposit with a state or national bank **or credit union**. The funds must not be deposited or left with the same corporation depositing them or leaving them on deposit, or with a corporation or association holding or owning a majority of the stock of the trust company making or leaving the deposit, unless that corporation or association first pledges, as security for the deposit, securities eligible for

investment by state banks **or credit unions** which have a market value equal to that of the deposited funds. No security is required with respect to any portion of the deposits that is insured under the provisions of ~~any~~ **NRS 678.755 or a** law of the United States.

(c) When it acts in any capacity under a court trust or private trust, unless the instrument creating the trust provides otherwise, may cause any securities held by it in its representative capacity to be registered in the name of a nominee or nominees of the trust company.

(d) When acting as depositary or custodian for the personal representative of a court trust or private trust, unless the instrument creating the trust provides otherwise, may with the consent of the personal representative of the trust, cause any securities held by it to be registered in the name of a nominee or nominees of the trust company.

2. A trust company is liable for any loss occasioned by the acts of its nominees with respect to securities registered under this section.

3. No corporation or the registrar or transfer agent of the corporation is liable for registering or causing to be registered on the books of the corporation any securities in the name of any nominee of a trust company or for transferring or causing to be transferred on the books of the corporation any securities registered by the corporation in the name of any nominee of a trust company when the transfer is made on the authorization of the nominee.

4. Except as otherwise provided in subsection 5, the assets forming the capital of a trust company must:

(a) Be governmental obligations or insured deposits that mature within 3 years after acquisition.

(b) Have an aggregate market value that equals or exceeds 60 percent of the company's current stockholders' equity or 60 percent of the company's initial stockholders' equity, whichever is greater.

5. A trust company may purchase or rent land and equipment for use in the daily activities of the trust company.

Sec. 198. NRS 670.040 is hereby amended to read as follows:

670.040 "Financial institution" means any banking corporation, **credit union** or trust company, savings and loan association, insurance company or related corporation, partnership, foundation or other institution engaged primarily in lending or investing ~~funds.~~ **money.**

Sec. 199. NRS 670A.040 is hereby amended to read as follows:

670A.040 "Financial institution" means any banking corporation, **credit union** or trust company, savings and loan association, insurance company or related corporation, partnership, foundation or other institution engaged primarily in lending or investing money.

Sec. 200. NRS 671.110 is hereby amended to read as follows:

671.110 1. In lieu of any surety bond, or any portion of the principal sum thereof as required by this chapter, a licensee may deposit with the state treasurer or with any bank, **credit union** or trust company authorized to do

business in this state as the licensee may select, with the approval of the commissioner:

- (a) Interest-bearing stocks;
 - (b) Bills, bonds, notes, debentures or other obligations of the United States or any agency or instrumentality thereof, or guaranteed by the United States; or
 - (c) Any obligation of this state or any city, county, town, township, school district or other instrumentality of this state or guaranteed by this state,
- in an aggregate amount of, based upon principal amount or market value, whichever is lower, of not less than the amount of the required surety bond or portion thereof.

2. The securities must be held to secure the same obligation as would the surety bond, but the depositor may receive any interest or dividends and, with the approval of the commissioner, substitute other suitable securities for those deposited.

Sec. 201. NRS 671.150 is hereby amended to read as follows:

671.150 1. All money or credits received by an agent of a licensee from the sale and issuance of checks or for the purpose of transmission must be remitted to the licensee or deposited with a bank **or credit union** authorized to do business in this state for credit to an account of the licensee not later than the third business day following its receipt.

2. Money received from the sale or issuance of checks or for the purpose of transmission must not be commingled with the other assets of the licensee or his agents.

3. If a license is suspended or terminated, the licensee shall immediately deposit in an account in the name of the commissioner, an amount which is sufficient to make the total money in the account equal to all outstanding checks in the State of Nevada sold or issued and money or credits received but not transmitted.

4. Each licensee shall at all times maintain liquid assets, government or municipal securities or other marketable securities having a value, computed in accordance with generally accepted accounting principles, equal to or more than the aggregate liability of the licensee with respect to checks sold and issued and money or credits received for transmission.

Sec. 202. NRS 681A.460 is hereby amended to read as follows:

681A.460 1. A transaction between a broker for reinsurance and the insurer he represents may only be entered into by written agreement. The agreement must specify the responsibilities of each party.

2. The insurer may terminate the authority of the broker for reinsurance at any time.

3. The broker for reinsurance shall:

- (a) Render accounts to the insurer accurately detailing all material transactions, including information necessary to support all commissions, charges and other fees received by or owing to the broker for reinsurance; and

(b) Remit all money due to the insurer within 30 days after receipt.

4. All money collected for the account of the insurer must be held by the broker for reinsurance in a fiduciary capacity in a bank *or credit union* which is a qualified financial institution.

5. The broker for reinsurance shall comply with the written standards established by the insurer for the cession or retrocession of all risks.

6. The broker for reinsurance shall disclose to the insurer any relationship with any reinsurer to which insurance will be ceded or retroceded.

Sec. 203. NRS 681A.490 is hereby amended to read as follows:

681A.490 1. Transactions between a manager for reinsurance and the reinsurer he represents must only be entered into pursuant to a written contract which specifies the responsibilities of each party and is approved by the board of directors of the reinsurer. At least 30 days before a reinsurer assumes or cedes insurance, a copy of the contract must be filed with the commissioner for approval.

2. The reinsurer may terminate the contract for cause upon written notice to the manager for reinsurance and the reinsurer may suspend the authority of the manager for reinsurance to assume or cede insurance during the pendency of any dispute regarding the cause for termination.

3. The manager for reinsurance shall:

(a) Render accounts to the reinsurer accurately detailing all material transactions, including information necessary to support all commissions, charges and other fees received by or owing to him; and

(b) Remit all money due pursuant to the contract to the reinsurer monthly.

4. All money collected for the account of the reinsurer must be held by the manager for reinsurance, in a fiduciary capacity, in a bank *or credit union* which is a qualified financial institution. The manager for reinsurance may retain no more than the total of 3 months' estimated payments on claims and allocated expenses of adjusting losses. The manager for reinsurance shall maintain a separate ~~bank~~ account *in a bank or credit union* for each reinsurer that he represents.

5. The contract must not be assigned in whole or in part by the manager for reinsurance.

Sec. 204. NRS 681B.010 is hereby amended to read as follows:

681B.010 In any determination of the financial condition of an insurer, there must be allowed as assets only such assets as are owned by the insurer and which consist of:

1. Cash in the possession of the insurer, or in transit under its control, and including the true balance of any deposit in a solvent bank, *credit union* or trust company.

2. Investments, securities, properties and loans acquired or held in accordance with this code, and in connection therewith the following items:

(a) Interest due or accrued on any bond or evidence of indebtedness which is not in default and which is not valued on a basis including accrued interest.

(b) Declared and unpaid dividends on stock and shares, unless such amount has otherwise been allowed as an asset.

(c) Interest due or accrued upon a collateral loan in an amount not to exceed 1 year's interest thereon.

(d) Interest due or accrued on deposits in solvent banks, **credit unions** and trust companies, and interest due or accrued on other assets, if such interest is, in the judgment of the commissioner, a collectible asset.

(e) Interest due or accrued on a mortgage loan, in an amount not exceeding in any event the amount, if any, of the excess of the value of the property less delinquent taxes thereon over the unpaid principal; but in no event may interest accrued for a period in excess of 18 months be allowed as an asset.

(f) Rent due or accrued on real property if such rent is not in arrears for more than 3 months, and rent more than 3 months in arrears if the payment of such rent is adequately secured by property held in the name of the tenant and conveyed to the insurer as collateral.

(g) The unaccrued portion of taxes paid before the due date on real property.

3. Premium notes, policy loans and other policy assets and liens on policies and certificates of life insurance and annuity contracts and accrued interest thereon, in an amount not exceeding the legal reserve and other policy liabilities carried on each individual policy.

4. The net amount of uncollected and deferred premiums and annuity considerations in the case of a life insurer.

5. Premiums in the course of collection, other than for life insurance, not more than 3 months past due, less commissions payable thereon. The foregoing limitation does not apply to premiums payable directly or indirectly by the United States Government or by any of its instrumentalities.

6. Installment premiums other than life insurance premiums to the extent of the unearned premium reserve carried on the policy to which premiums apply.

7. Notes and like written obligations not past due, taken for premiums other than life insurance premiums, on policies permitted to be issued on such basis, to the extent of the unearned premium reserves carried thereon.

8. The full amount of reinsurance recoverable by a ceding insurer from a solvent reinsurer, which reinsurance is authorized under NRS 681A.110.

9. Amounts receivable by an assuming insurer representing ~~funds~~ **money** withheld by a solvent ceding insurer under a reinsurance treaty.

10. Deposits or equities recoverable from underwriting associations, syndicates and reinsurance funds, or from any suspended ~~banking~~ **financial** institution, to the extent deemed by the commissioner available for the payment of losses and claims and at values to be determined by him.

11. All such assets, whether or not consistent with the provisions of this section, as may be allowed pursuant to the annual statement form approved by the commissioner for the kinds of insurance to be reported upon therein.

12. As to a title insurer, its title plant and equipment reasonably necessary for the conduct of its abstract or title insurance business, at not to exceed the cost thereof.

13. Electronic and mechanical machines and related equipment constituting a data processing, recordkeeping or accounting system or systems if the cost of each such system is at least \$25,000, which cost must be amortized in full over a period not to exceed 10 years. The aggregate amount invested in all such systems must not exceed 5 percent of the insurer's assets.

14. Other assets, not inconsistent with the provisions of this section, deemed by the commissioner to be available for the payment of losses and claims at values to be determined by him.

Sec. 205. NRS 682A.190 is hereby amended to read as follows:

682A.190 An insurer may invest in share or savings accounts of *credit unions or* savings and loan associations, or in savings accounts of banks, and in any one such institution only to the extent that the investment is insured by the Federal Deposit Insurance Corporation ~~FDIC~~, *the National Credit Union Share Insurance Fund or a private insurer approved pursuant to NRS 678.755.*

Sec. 206. NRS 682B.050 is hereby amended to read as follows:

682B.050 1. In lieu of a deposit made as provided in NRS 682B.040, the commissioner in his discretion may, upon written request of the insurer and where of greater convenience to the insurer, permit such deposit to be made with and held by the trust department of an established bank *or credit union* located in Nevada *if both the bank or credit union and the custodial arrangements are* approved by the commissioner. ~~{for the purpose, and under custodial arrangements likewise approved by him.}~~

2. All such custodial arrangements shall comply in substance with the requirements of this code as to like deposits through the commissioner, as to amount, purposes, maintenance, replenishment, release and withdrawal, and as to the rights of the insurer therein.

3. The cost of any such custodianship shall be borne by the insurer. The State of Nevada shall have no responsibility for the safekeeping of any such deposit.

4. The commissioner may at any time, in his discretion, terminate any such custodial arrangement and require the deposit represented thereby to be made as otherwise provided for under NRS 682B.010 to 682B.120, inclusive.

Sec. 207. NRS 682B.130 is hereby amended to read as follows:

682B.130 1. An alien insurer may use Nevada as a state of entry to transact insurance in the United States of America by making and maintaining in this state a deposit of assets in trust with a bank, *credit union* or trust company approved by the commissioner.

2. The deposit, together with other trust deposits of the insurer held in the United States of America for the same purpose, ~~{shall}~~ **must** be in an amount not less than as required of an alien insurer under NRS 680A.140 , ~~{(} deposit requirement in general , {)}~~ **and must** consist of United States ~~{cash funds,}~~ **money**, public obligations of the government or states or political subdivisions of the United States of America, and obligations of corporations and institutions in the United States of America, all as eligible for the investment of ~~{funds}~~ **money** of domestic insurers under NRS 682A.060, 682A.070 and 682A.080.

3. Such a deposit may be referred to as “trusteed assets.”

Sec. 208. NRS 683A.0877 is hereby amended to read as follows:

683A.0877 1. All insurance charges and premiums collected by an administrator on behalf of an insurer and return premiums received from an insurer are held by the administrator in a fiduciary capacity.

2. Money shall be remitted within 15 days to the person or persons entitled to it, or shall be deposited within 15 days in a fiduciary ~~{bank}~~ **in a bank or credit union.** account established and maintained by the administrator within the state ~~{}~~

3. If charges or premiums deposited in an account have been collected on behalf of more than one insurer, the administrator shall cause the bank **or credit union** in which the account is maintained to record clearly the deposits and withdrawals from the account on behalf of each insurer.

4. The administrator shall promptly obtain and keep copies of all ~~{bank}~~ account records and shall furnish any insurer with copies of the records which pertain to him upon demand of the insurer.

5. The administrator may not pay any claim by withdrawing money from his fiduciary account.

6. Withdrawals shall be made as provided in the agreement between the insurer and the administrator for:

(a) Remittance to the insurer.

(b) Deposit in an account maintained in the name of the insurer.

(c) Transfer to and deposit in an account for the payment of claims.

(d) Payment to a group policyholder for remittance to the insurer entitled to the money.

(e) Payment to the administrator of his commission, fees or charges.

(f) Remittance of return premiums to persons entitled to them.

Sec. 209. NRS 683A.400 is hereby amended to read as follows:

683A.400 1. All ~~{funds}~~ **money** of others received by any person in any way licensed or acting as an insurance agent, broker, solicitor, surplus lines broker, motor club agent or bail agent under any insurance policy or undertaking of bail, are received and held by ~~{such}~~ **the** person in a fiduciary capacity. Any such person who diverts or appropriates such fiduciary ~~{funds}~~ **money** to his own use is guilty of embezzlement.

2. Each such person who does not make immediate remittance of ~~{such funds}~~ **the money** to the insurer or other person entitled thereto, shall elect

and follow with respect to ~~{funds}~~ money received for the account of a particular insurer or person either of the following methods:

(a) Remit received premiums, less applicable commissions, if any, and return premiums to the insurer or other person entitled thereto within 15 days after ~~{such}~~ receipt; or

(b) Establish and maintain in a commercial bank, *credit union* or other established financial institution depository in this state one or more accounts, separate from accounts holding his general personal, firm or corporate ~~{funds,}~~ money, and forthwith deposit and retain ~~{therein}~~ in the *accounts* pending transmittal to the insurer or other person entitled thereto, all such premiums, net of applicable commissions, if any, and return premiums. ~~{Funds}~~ Money belonging to more than one principal may be so deposited and held in the same such account if the amount so held for each ~~{such}~~ principal is readily ascertainable from the records of the depositor. The depositor may commingle with such fiduciary ~~{funds}~~ money in a particular account such additional ~~{funds}~~ money as he may deem prudent to advance premiums, establish reserves for the payment of return commissions, or for other contingencies arising in his business of receiving and transmitting premiums or return premiums.

3. Such a person may commingle with his own ~~{funds}~~ money to an unlimited amount ~~{funds}~~ money of a particular principal if the principal in writing in advance has specifically waived the segregation requirements of subsection 2.

4. Any commingling of ~~{funds-with-funds}~~ money with money of any such person permitted under this section does not alter the fiduciary capacity of such person with respect to the ~~{funds}~~ money of others.

Sec. 210. NRS 689.145 is hereby amended to read as follows:

689.145 "Trustee" means ~~{any}~~ :

1. A state or national bank ~~{}~~ ;

2. A trust company ~~{or}~~ ;

3. A federally insured savings and loan association ~~{}~~ ; or

4. *A credit union insured by the National Credit Union Share Insurance Fund or by a private insurer approved pursuant to NRS 678.755,*

authorized to transact such business in the State of Nevada and designated as the trustee of the trust fund in a prepaid contract.

Sec. 211. NRS 689.325 is hereby amended to read as follows:

689.325 1. Not more than 75 percent of the earnings of such investments, including capital gains, as they accrue and are received, may be disbursed by the trustee to the seller or his designee. The remainder of any earnings must be held by the trustee to establish a reserve for securities valuation until the reserve equals 25 percent of the total trust liabilities.

2. The trustee shall maintain in the trust fund an amount of money equal to 125 percent of the total trust liabilities.

3. If money in the trust fund is invested or reinvested in

:

- (a) Securities which are issued or guaranteed by the United States of America;
- (b) Bonds of this state or the bonds of any other state;
- (c) Bonds of counties or municipalities of any state;
- (d) ~~{Bank deposits}~~ *Deposits* in any ~~{federally insured}~~ bank, *credit union* or savings and loan association ~~{}~~ *that is federally insured or insured by a private insurer approved pursuant to NRS 678.755;* or
- (e) With the written approval of the commissioner, any investment which would have guaranteed liquidity,

then no earnings of those investments, including capital gains, if any, as such earnings accrue and are received, may be disbursed by the trustee to the seller or his designee which would reduce the corpus of the trust fund below 100 percent of the required value of the trust. Earnings in excess of 100 percent of the required value of the trust or 125 percent of the total trust liability, whichever is appropriate, may be distributed annually.

4. Earnings are defined as any sum remaining in the trust fund after deducting costs of administration over and above 100 percent of the required value of the trust.

5. Every trustee handling money in a trust fund pursuant to NRS 689.150 to 689.375, inclusive, shall file with the commissioner, within 15 days after the first day of each calendar quarter, a financial statement showing the activity of all trusts required to be maintained by any seller and the total market value of each trust as of the first day of the calendar quarter. The statement must be on forms prescribed and adopted by the commissioner. Every quarterly report must be accompanied by a fee of \$10. If the statement is not received by the commissioner as required, he may, after giving the seller 10 days' written notice, revoke the seller's certificate of authority.

6. The trust must be valued quarterly and averaged annually to determine the total value of the trust. If the average market value as of December 31 of each year is below 100 percent of the required value of the trust or 125 percent of the total trust liability, the commissioner may suspend the seller's certificate of authority until the deficiency is made up.

Sec. 212. NRS 689.565 is hereby amended to read as follows:

689.565 1. Not more than 60 percent of the earnings of such investments, including capital gains, as they accrue and are received, may be disbursed by the trustee to the seller or his designee. The remainder of any earnings must be held by the trustee to establish a reserve for securities valuation until the reserve equals 40 percent of the total trust liabilities.

2. The trustee shall maintain in the trust fund an amount of money equal to 125 percent of the total trust liabilities.

3. If money in the trust fund is invested or reinvested in:

- (a) Securities which are issued or guaranteed by the United States of America;
- (b) Bonds of this state or the bonds of any other state;
- (c) Bonds of counties or municipalities of any state

;

(d) ~~{Bank deposits}~~ **Deposits** in any ~~{federally insured}~~ bank, **credit union** or savings and loan association ~~{}~~ **that is federally insured or insured by a private insurer approved pursuant to NRS 678.755;** or

(e) With the written approval of the commissioner, any investment which has guaranteed liquidity,

then no earnings of those investments, including capital gains, if any, as such earnings accrue and are received, may be disbursed by the trustee to the seller or his designee which would reduce the corpus of the trust fund below 100 percent of the required value of the trust. Earnings in excess of 100 percent of the required value of the trust or 125 percent of the total trust liability, whichever is appropriate, may be distributed annually.

4. Earnings are defined as any sum remaining in the trust fund after deducting costs of administration over and above 100 percent of the required value of the trust.

5. Every trustee handling money in a trust fund pursuant to NRS 689.450 to 689.595, inclusive, shall file with the commissioner, within 15 days after the first day of each calendar quarter, a financial statement showing the activity of all trusts required to be maintained by any seller and the total market value of each trust as of the first day of the calendar quarter. The statement for the fourth quarter must be a summary of all transactions involving the account. The statement must be on forms prescribed and adopted by the commissioner. Every quarterly report must be accompanied by a fee of \$10. If the statement is not received by the commissioner as required, he may, after giving the seller 10 days' written notice, revoke the seller's permit.

6. The trust must be valued quarterly and averaged annually to determine the total value of the trust. If the average market value of the trust as of December 31 of each year is below 100 percent of the required value of the trust or 125 percent of the total trust liability, the commissioner may suspend the seller's permit until the deficiency is made up.

Sec. 213. NRS 692A.250 is hereby amended to read as follows:

692A.250 1. Money deposited in escrow is not subject to execution or attachment on any claim against the title insurer, title agent or escrow officer.

2. A title insurer, title agent or escrow officer shall not knowingly keep or cause to be kept any money in any bank, **credit union** or other financial institution under any name designating the money as belonging to his clients or those of another such person unless the money was actually entrusted to him for deposit in escrow.

3. All money deposited in escrow to be delivered upon the close of the escrow or upon any other contingency must be kept separate from money belonging to the title insurer, title agent or escrow officer and must be deposited in a ~~{federally insured}~~ financial institution **that is federally insured or insured by a private insurer approved pursuant to NRS 678.755** unless another financial institution has been designated in writing in the instructions for the escrow. The money when deposited must be

designated as “trust funds” or “escrow accounts” or under some other appropriate name indicating that the money is not the money of the title insurer, title agent or escrow officer.

4. The commissioner shall adopt regulations defining the term “commingling” for the purposes of this chapter and prescribing acceptable business practices for title agents and escrow officers for handling money deposited in escrow.

Sec. 214. NRS 692B.170 is hereby amended to read as follows:

692B.170 1. The holder of the solicitation permit shall promptly deposit all ~~{funds}~~ **money**, ~~{}~~ except as provided in paragraph (a) of subsection 2, ~~{}~~ received from an offering of securities in this state pursuant to the permit, other than advance premiums for insurance which are subject to NRS 692B.230, in escrow in a bank, **credit union** or trust company located in this state and under an agreement consistent with this chapter filed with and approved by the commissioner.

2. No part of ~~{such funds shall}~~ **the money may** be withdrawn from ~~{such}~~ **the** deposit, except:

(a) For payment of organization, sales and promotion expenses as earned and as authorized by the permit, and ~~{funds}~~ **money** for such purposes, up to the applicable expense limit on ~~{funds}~~ **money** as received, may be withheld from the deposit;

(b) For the purpose of making any deposit with the commissioner required for the issuance of a certificate of authority to an insurer, or if the organization is not, or is not to be, an insurer, upon completion of payments on securities subscriptions made under the permit and deposit or appropriation of such ~~{funds}~~ **money** to the purposes specified in the permit; or

(c) For the making of refunds as provided in NRS ~~{692B.180.}~~

~~3. Funds 692B.240.~~

3. **Money** while so held in escrow may be invested in certificates of deposit or savings accounts. Interest accruing thereon ~~{shall become}~~ **becomes** part of the ~~{funds}~~ **money** released as provided in paragraph (b) of subsection 2, or ~~{shall}~~ **must** be applied toward the cost of making refunds under paragraph (c) of subsection 2, or to supplement the bond or deposit in lieu thereof if the ~~{same}~~ **bond or deposit** is called on pursuant to NRS 692B.150.

4. When the commissioner has issued a certificate of authority to a proposed insurer he shall release to the insurer any ~~{such funds}~~ **the money** remaining in escrow for its account.

5. The commissioner may in his discretion waive compliance with this section as to ~~{funds}~~ **money** to be received under a subsequent financing permit pursuant to NRS 692B.260, or in other circumstances where he deems such an escrow to be unnecessary for the protection of investors or the public.

Sec. 215. NRS 692B.230 is hereby amended to read as follows:

692B.230 1. All sums collected by a domestic mutual corporation as premiums or fees on qualifying applications for insurance therein ~~{shall}~~ **must** be deposited in escrow with a bank, **credit union** or trust company located in this state under a written agreement filed with and approved by the commissioner. ~~{Terms}~~ **The terms** of such **an** agreement ~~{shall}~~ **must** be consistent with those of the solicitation permit and of the applicable provisions of this section and NRS 692B.250.

2. Upon issuance to the corporation of a certificate of authority as an insurer for the kind of insurance for which such applications were solicited, all ~~{funds}~~ **money** so held in escrow ~~{shall become the funds}~~ **becomes the money** of the insurer. Until the certificate of authority is issued, ~~{such funds shall remain}~~ **the money remains** the property of the applicants for insurance as respectively entitled thereto.

Sec. 216. NRS 695D.250 is hereby amended to read as follows:

695D.250 1. An organization for dental care shall set aside a reserve equal to 3 percent of the premiums collected from its members up to a total of \$500,000. This reserve is in addition to the bond or deposit filed with the commissioner.

2. This section does not apply to organizations receiving money from federal, state or municipal governments or their political subdivisions or another comparable resource which have had their deposit or bond reduced by the commissioner.

3. Every organization shall maintain the reserves required by NRS 681B.080, unless a larger amount is required by subsection 1 of this section.

4. The reserve required by subsection 1 is held by the organization in a fiduciary capacity. The organization must deposit the reserve in an interest-bearing trust account established in a ~~{federally insured}~~ bank, credit union or savings and loan association in this state ~~{-}~~ **that is federally insured or insured by a private insurer approved pursuant to NRS 678.755.** The account must be separate from all other accounts maintained by the organization.

5. Any person who diverts or appropriates reserves held in a fiduciary capacity pursuant to this section for his own use is guilty of embezzlement.

6. The commissioner may adopt reasonable regulations related to the adequacy of a reserve required by this section and the establishment and maintenance of a trust account pursuant to this section.

Sec. 217. NRS 695F.190 is hereby amended to read as follows:

695F.190 1. A prepaid limited health service organization shall set aside a reserve equal to 3 percent of the premiums collected from its enrollees in an amount not to exceed \$500,000. The reserve is in addition to the bond or deposit filed with the commissioner.

2. The reserve:

(a) Must be deposited in a trust account in a ~~{federally insured}~~ financial institution **which is** located in this state ~~{-}~~ **and which is federally insured or insured by a private insurer approved pursuant to NRS 678.755.** The

income earned on money in the account must be paid to the organization and used for its operations.

(b) Is in addition to the reserve established by the organization according to good business and accounting practices for incurred but unreported claims and other similar claims.

Sec. 218. NRS 696B.360 is hereby amended to read as follows:

696B.360 1. The ~~{moneys}~~ **money** collected by the commissioner in a proceeding under this chapter ~~{shall}~~ **must** be from time to time deposited in one or more state or national banks, savings banks, **credit unions** or trust companies, and in the case of the insolvency or voluntary or involuntary liquidation of any such depository which is an institution organized and supervised under the laws of this state, such deposits ~~{shall be}~~ **are** entitled to priority of payment on an equality with any other priority given by the banking laws of this state.

2. The commissioner may in his discretion deposit ~~{such moneys}~~ **the money** or any part thereof in a national bank, **credit union** or trust company as a trust fund.

Sec. 219. NRS 706.3058 is hereby amended to read as follows:

706.3058 For the purposes of NRS 706.3056, the department may accept from the operator of a taxicab any one of the following forms of security, or any combination thereof:

1. A time certificate of deposit with any bank **or credit union** licensed or chartered by this state or the Federal Government, made payable to the operator and the department.

2. Bonds and securities issued or guaranteed by the Federal Government made payable to the operator and the department.

3. A deposit in an amount required by NRS 706.3056 made with the state treasurer, with the department appointed as trustee of the deposit.

4. A surety bond submitted on behalf of the operator by any surety company authorized to transact business in this state.

5. Any other form of security, including the net worth of the operator, which is acceptable to the department.

Sec. 220. Section 50 of Assembly Bill No. 584 of this session is hereby amended to read as follows:

Sec. 50. NRS 360.510 is hereby amended to read as follows:

360.510 1. If any person is delinquent in the payment of any tax or fee administered by the department or if a determination has been made against him which remains unpaid, the department may:

(a) Not later than 3 years after the payment became delinquent or the determination became final; or

(b) Not later than 5 years after the last recording of an abstract of judgment or of a certificate constituting a lien for tax owed, give a notice of the delinquency and a demand to transmit personally or by registered or certified mail to any person, including, without limitation, any officer or department of ~~{the}~~ **this** state or any political subdivision or agency of ~~{the}~~ **this** state, who

has in his possession or under his control any credits or other personal property belonging to the delinquent, or owing any debts to the delinquent or person against whom a determination has been made which remains unpaid, or owing any debts to the delinquent or that person. In the case of any state officer, department or agency, the notice must be given to the officer, department or agency before ~~it~~ **the department** presents the claim of the delinquent taxpayer to the state controller.

2. A state officer, department or agency which receives such a notice may satisfy any debt owed to it by that person before it honors the ~~department's notice~~ **notice of the department**.

3. After receiving the demand to transmit, the ~~persons so~~ **person** notified **by the demand** may not transfer or otherwise dispose of the credits, other personal property, or debts in ~~their~~ **his** possession or under ~~their~~ **his** control at the time ~~they~~ **he** received the notice until the department consents to a transfer or other disposition.

4. ~~All persons so~~ **Every person** notified **by a demand to transmit** shall, within 10 days after receipt of the demand to transmit, inform the department of, and transmit to the department all such credits, other personal property, or debts in ~~their~~ **his** possession, under ~~their~~ **his** control or owing by ~~them~~ **him** within the time and in the manner requested by the department. Except as otherwise provided in subsection 5, no further notice is required to be served to ~~those persons~~ **that person**.

5. If the property of the delinquent taxpayer consists of a series of payments owed to him, the person who owes or controls the payments shall transmit the payments to the department until otherwise notified by the department. If the debt of the delinquent taxpayer is not paid within 1 year after the department issued the original demand to transmit, ~~it~~ **the department** shall issue another demand to transmit to the person responsible for making the payments informing him to continue to transmit payments to the department or that his duty to transmit the payments to the department has ceased.

6. If the notice of the delinquency seeks to prevent the transfer or other disposition of a deposit in a bank or credit union or other credits or personal property in the possession or under the control of a bank, credit union or other depository institution, the notice must be delivered or mailed to the branch or office of the bank, credit union or other depository institution at which the deposit is carried or at which the credits or personal property is held.

7. If any person ~~so~~ notified **by the notice of the delinquency** makes any transfer or other disposition of the property or debts required to be withheld or transmitted, to the extent of the value of the property or the amount of the debts thus transferred or paid, he is

liable to the state for any indebtedness due pursuant to ~~[NRS 482.313,]~~ this chapter, or chapter 362, 364A, ~~[365,]~~ 369, 370, 372, 372A, ~~[373,]~~ 374, 377, 377A ~~[, 444A, 585, 590]~~ or **444A of NRS, NRS 482.313, or chapter 585 or** 680B of NRS from the person with respect to whose obligation the notice was given if solely by reason of the transfer or other disposition the state is unable to recover the indebtedness of the person with respect to whose obligation the notice was given.

Sec. 221. NRS 678.770 is hereby repealed.

Sec. 222. Sections 76, 77, 90, 150 and 197 of this act become effective at 12:01 a.m. on October 1, 1999.

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