

Senate Bill No. 92—Committee on Commerce and Labor

CHAPTER.....

AN ACT relating to industrial insurance; clarifying the applicability of the provisions governing occupational diseases to various provisions governing industrial insurance; 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 608.150 is hereby amended to read as follows:

608.150 1. Every original contractor making or taking any contract in this state for the erection, construction, alteration or repair of any building or structure, or other work, shall assume and is liable for the indebtedness for labor incurred by any subcontractor or any contractors acting under, by or for the original contractor in performing any labor, construction or other work included in the subject of the original contract, for labor, and for the requirements imposed by chapters 616A to 616D, inclusive, *and chapter 617* of NRS.

2. It is unlawful for any contractor or any other person to fail to comply with the provisions of subsection 1, or to attempt to evade the responsibility imposed thereby, or to do any other act or thing tending to render nugatory the provisions of this section.

3. The district attorney of any county wherein the defendant may reside or be found shall institute civil proceedings against any such original contractor failing to comply with the provisions of this section in a civil action for the amount of all wages and damage that may be owing or have accrued as a result of the failure of any subcontractor acting under the original contractor, and any property of the original contractor, not exempt by law, is subject to attachment and execution for the payment of any judgment that may be recovered in any action under the provisions of this section.

Sec. 2. NRS 612.530 is hereby amended to read as follows:

612.530 1. Within 10 days after the decision of the board of review has become final, any party aggrieved thereby or the administrator may secure judicial review thereof by commencing an action in the district court of the county wherein the appealed claim or claims were filed against the administrator for the review of the decision, in which action any other party to the proceedings before the board of review must be made a defendant.

2. In such action, a petition which need not be verified, but which must state the grounds upon which a review is sought, must be served upon the administrator, unless he is the appellant, or upon such person as he may designate, and such service shall be deemed completed service on all parties, but there must be left with the party so served as many copies of the petition as there are defendants, and the administrator shall forthwith mail one such copy to each such defendant.

3. With his answer or petition, the administrator shall certify and file with the court originals or true copies of all documents and papers and a transcript of all testimony taken in the matter, together with the board of review's findings of fact and decision therein. The administrator may also, in his discretion, certify to the court questions of law involved in any decision.

4. In any judicial proceedings under this section, the finding of the board of review as to the facts, if supported by evidence and in the absence of fraud, is conclusive, and the jurisdiction of the court is confined to questions of law.

5. Such actions, and the questions so certified, must be heard in a summary manner and must be given precedence over all other civil cases except cases arising under chapters 616A to 616D, inclusive, *or chapter 617* of NRS.

6. An appeal may be taken from the decision of the district court to the supreme court of Nevada, in the same manner, but not inconsistent with the provisions of this chapter, as is provided in civil cases.

7. It is not necessary, in any judicial proceeding under this section, to enter exceptions to the rulings of the board of review, and no bond may be required for entering such appeal.

8. Upon the final determination of such judicial proceeding, the board of review shall enter an order in accordance with the determination.

9. A petition for judicial review does not act as a supersedeas or stay unless the board of review so orders.

Sec. 3. NRS 616A.410 is hereby amended to read as follows:

616A.410 1. The administrator may prosecute, defend and maintain actions in the name of the administrator for the enforcement of the provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS and is entitled to all extraordinary writs provided by the constitution of the State of Nevada, the statutes of this state and the Nevada Rules of Civil Procedure in connection therewith for the enforcement thereof.

2. Verification of any pleading, affidavit or other paper required may be made by the administrator.

3. In any action or proceeding or in the prosecution of any appeal by the administrator, no bond or undertaking need be furnished by the administrator.

Sec. 4. NRS 616A.420 is hereby amended to read as follows:

616A.420 1. The administrator may enter into agreements or compacts with appropriate agencies, bureaus, boards or commissions of other states concerning matters of mutual interest, extraterritorial problems in the administration of chapters 616A to 616D, inclusive, *or chapter 617* of NRS, and ~~for the purpose of eliminating~~ *to eliminate* duplicate claims or benefits.

2. The insurer may provide liability insurance coverage against any risks of double liability on the part of employers subject to chapters 616A to 616D, inclusive, *or chapter 617* of NRS, for the same accident or injury.

Sec. 5. NRS 616A.475 is hereby amended to read as follows:

616A.475 1. Every employer insured by the system shall furnish the system or the administrator, upon request, all information required to carry out the purposes of chapters 616A to 616D, inclusive, **or chapter 617** of NRS. The administrator, or any person employed by the administrator for that purpose, may examine, under oath, any employer or officer, agent or employee thereof.

2. Every self-insured employer, association of self-insured public or private employers or private carrier shall furnish to the administrator, upon request, all information required to carry out the purposes of chapters 616A to 616D, inclusive, **or chapter 617** of NRS. The administrator or any person employed by him for that purpose, may examine, under oath, any employer or officer, agent or employee thereof.

3. Every insured employer shall keep on hand constantly a sufficient supply of blank forms furnished by the insurer.

Sec. 6. NRS 616B.012 is hereby amended to read as follows:

616B.012 1. Except as otherwise provided in this section and in NRS 616B.015, 616B.021 and 616C.205, information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's identity.

2. Any claimant or his legal representative is entitled to information from the records of the insurer, to the extent necessary for the proper presentation of a claim in any proceeding under chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

3. The division and administrator are entitled to information from the records of the insurer which is necessary for the performance of their duties. The administrator may, by regulation, prescribe the manner in which otherwise confidential information may be made available to:

(a) Any agency of this or any other state charged with the administration or enforcement of laws relating to industrial insurance, unemployment compensation, public assistance or labor law and industrial relations;

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

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

(d) The department of taxation; and

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

Information obtained in connection with the administration of a program of industrial insurance may be made available to persons or agencies for purposes appropriate to the operation of a program of industrial insurance.

4. Upon written request made by a public officer of a local government, an insurer shall furnish from its records **H** the name, address and place of employment of any person listed in its records. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper

authority to enforce a law to recover a debt or obligation owed to the local government. The information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The insurer may charge a reasonable fee for the cost of providing the requested information.

5. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this state may submit to the administrator a written request for the name, address and place of employment of any person listed in the records of an insurer. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of a request, the administrator shall instruct the insurer to furnish the information requested. Upon receipt of such an instruction, the insurer shall furnish the information requested. The insurer may charge a reasonable fee to cover any related administrative expenses.

6. The administrator shall provide lists containing the names and addresses of employers, the number of employees employed by each employer and the total wages paid by each employer to the department of taxation, upon request, for its use in verifying returns for the business tax. The administrator may charge a reasonable fee to cover any related administrative expenses.

7. Any person who, in violation of this section, discloses information obtained from files of claimants or policyholders ~~H~~ or obtains a list of claimants or policyholders under chapters 616A to 616D, inclusive, **or chapter 617** of NRS and uses or permits the use of the list for any political purposes, is guilty of a gross misdemeanor.

8. All letters, reports or communications of any kind, oral or written, from the insurer, or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

Sec. 7. NRS 616B.015 is hereby amended to read as follows:

616B.015 1. Except as otherwise provided in subsection 2, the records and files of the division concerning self-insured employers and associations of self-insured public or private employers are confidential and may be revealed in whole or in part only in the course of the administration of the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS relating to those employers or upon the lawful order of a court of competent jurisdiction.

2. The records and files specified in subsection 1 are not confidential in the following cases:

(a) Testimony by an officer or agent of the division and the production of records and files on behalf of the division in any action or proceeding conducted pursuant to the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS if that testimony or the records and files, or the facts shown thereby, are involved in the action or proceeding.

(b) Delivery to a self-insured employer or an association of self-insured public or private employers of a copy of any document filed by the employer with the division pursuant to the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

(c) Publication of statistics if classified so as to prevent:

(1) Identification of a particular employer or document; or

(2) Disclosure of the financial or business condition of a particular employer or insurer.

(d) Disclosure in confidence, without further distribution or disclosure to any other person, to:

(1) The governor or his agent in the exercise of the governor's general supervisory powers;

(2) Any person authorized to audit the accounts of the division in pursuance of an audit;

(3) The attorney general or other legal representative of the state in connection with an action or proceeding conducted pursuant to the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS;

(4) Any agency of this or any other state charged with the administration or enforcement of the laws relating to workers' compensation or unemployment compensation; or

(5) Any federal, state or local law enforcement agency.

(e) Disclosure in confidence by a person who receives information pursuant to paragraph (d) to a person in furtherance of the administration or enforcement of the laws relating to workers' compensation or unemployment compensation.

3. As used in this section:

(a) "Division" means the division of insurance of the department of business and industry.

(b) "Records and files" means:

(1) All credit reports, references, investigative records, financial information and data pertaining to the net worth of a self-insured employer or association of self-insured public or private employers; and

(2) All information and data required by the division to be furnished to it pursuant to chapters 616A to 616D, inclusive, **or chapter 617** of NRS or which may be otherwise obtained relative to the finances, earnings, revenue, trade secrets or the financial condition of any self-insured employer or association of self-insured public or private employers.

Sec. 8. NRS 616B.059 is hereby amended to read as follows:

616B.059 There is no liability in a private capacity on the part of the manager while carrying out his duties pursuant to chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

Sec. 9. NRS 616B.074 is hereby amended to read as follows:

616B.074 Subject to the limitations of chapters 616A to 616D, inclusive, **and chapter 617** of NRS and the budget prescribed by the manager, the system must be administered by the manager, assistant managers, and a staff appointed by the manager.

Sec. 10. NRS 616B.089 is hereby amended to read as follows:

616B.089 The State of Nevada is not liable for the payment of any compensation or any salaries or expenses in the administration of chapters 616A to 616D, inclusive, **or chapter 617** of NRS, but is responsible for the safety and preservation of the state insurance fund.

Sec. 11. NRS 616B.095 is hereby amended to read as follows:

616B.095 If the provisions of NRS 616B.218, 616B.224 and 616B.230 for the creation of a state insurance fund, or the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS making the compensation to the workman provided in those chapters exclusive of any other remedy on the part of the workman, ~~{shall be}~~ **are** held invalid, each of those chapters ~~{shall}~~ **must** be thereby invalidated, except the provisions of NRS 616B.101, and an accounting according to the justice of the case ~~{shall}~~ **must** be had on ~~{moneys}~~ **money** received. In other respects an adjudication of invalidity of any part of this chapter or chapter 616A, 616C, ~~{or}~~ 616D **or 617** of NRS ~~{shall}~~ **must** not affect the validity of any of those chapters as a whole or any part thereof.

Sec. 12. NRS 616B.167 is hereby amended to read as follows:

616B.167 The manager:

1. Has full power, authority and jurisdiction over the system.
2. May perform all acts necessary or convenient in the exercise of any power, authority or jurisdiction over the system, either in the administration of the system or in connection with the business of insurance to be carried on by the system under the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS, including the establishment of premium rates.
3. May appoint in the unclassified service of the state no more than five persons ~~{}~~ engaged in management ~~{}~~ who report directly to the manager or an assistant manager. The manager shall designate these positions ~~{}~~ and may not change them without the approval of the personnel commission. These persons are entitled to receive annual salaries fixed by the manager.

Sec. 13. NRS 616B.191 is hereby amended to read as follows:

616B.191 In addition to any other agreements authorized by the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS, the manager may contract with private persons for the provision of any services necessary or appropriate to carry out the functions and duties of the system. The contracts must be awarded pursuant to reasonable competitive bidding procedures as established by the manager.

Sec. 14. NRS 616B.194 is hereby amended to read as follows:

616B.194 Each insurer shall cooperate with the commissioner in the performance of his duties pursuant to chapters 616A to 616D, inclusive, **or chapter 617** of NRS. Each private carrier and the system shall provide the

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

Sec. 15. NRS 616B.224 is hereby amended to read as follows:

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

- (a) The total amount paid to employees for services performed;
- (b) The amount of tips reported to him by every employee pursuant to 26 U.S.C. § 6053(a) whose tips in cash totaled \$20 or more; and
- (c) A segregation of employment in accordance with the requirements of the commissioner,

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

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

3. Failure of any employer to comply with the provisions of this section and NRS 616B.218 operates as a rejection of chapters 616A to 616D, inclusive, *and chapter 617* of NRS, effective at the expiration of the period covered by his estimate. The insurer shall notify the administrator of each such rejection.

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

5. The insurer shall notify any employer or his representative by first-class mail of any failure on his part to comply with the provisions of this section. The notice or its omission does not modify or waive the requirements or effective rejection of chapters 616A to 616D, inclusive, *and chapter 617* of NRS as otherwise provided in those chapters.

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

7. To the extent permitted by federal law, the insurer shall vigorously pursue the collection of premiums that are due under the provisions of chapters 616A to 616D, inclusive, *and chapter 617* of NRS even if an employer's debts have been discharged in a bankruptcy proceeding.

Sec. 16. NRS 616B.227 is hereby amended to read as follows:

616B.227 1. An employer shall:

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

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

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

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

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

4. An employer shall notify his employees of the requirement to report income from tips ~~{for the purposes of calculating}~~ **to calculate** his federal income tax and ~~{for including}~~ **to include** the income in the computation of benefits pursuant to chapters 616A to 616D, inclusive, **and chapter 617** of NRS.

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

Sec. 17. NRS 616B.239 is hereby amended to read as follows:

616B.239 1. At any time within 3 years after:

(a) Any premium or any amount of a premium required by chapters 616A to 616D, inclusive, **or chapter 617** of NRS becomes due;

(b) The delinquency of any premium or any amount of a premium required by chapters 616A to 616D, inclusive, or chapter 617 of NRS; or

(c) The recording of a certificate pursuant to NRS 616B.257, the manager or his authorized representative may bring an action in the courts of this state, or any other state, or of the United States, in the name of the system, to collect the amount delinquent together with penalties and interest.

2. In the action a writ of attachment may issue, and no bond or affidavit previous to the issuing of the attachment is required.

3. In the action, a certificate by the manager showing the delinquency is prima facie evidence of the determination of the premium due, of the delinquency of the amounts set forth, and of the compliance by the manager with all the provisions of chapters 616A to 616D, inclusive, **and chapter 617** of NRS in relation to the computation and determination of the amounts.

Sec. 18. NRS 616B.248 is hereby amended to read as follows:

616B.248 1. Whenever the manager finds that the collection of any premium computed pursuant to the provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS will be jeopardized by delay, he may immediately assess the premium and all penalties and interest which may have accrued, whether or not the final date otherwise prescribed for making the premium has arrived. Upon assessment, the premium is immediately due, the premium and all penalties and interest which may have accrued are immediately payable ~~§~~ and notice of demand for payment must be made upon the employer. If the employer fails or refuses to pay the assessed premium, penalties and interest, collection of the payment may be enforced according to the provisions of law applicable to the collection of unpaid premiums.

2. When a jeopardy assessment has been made as provided in subsection 1, the employer may stay its collection until such time as the premiums for the period in question would normally become due ~~§~~ by filing a bond with the manager which is executed by the employer as principal ~~§~~ and by an insurer authorized pursuant to chapter 680A of NRS as surety ~~§~~ payable to the system and conditioned on the payment of the premium at the proper time. The amount of the required security must be equal to the amount of the assessment ~~§~~ rounded off to the next larger integral multiple of \$100.

3. In lieu of a bond, the employer may deposit with the manager a like amount of lawful money of the United States or any other form of security authorized by NRS 100.065. If security is provided in the form of a savings certificate, certificate of deposit or investment certificate, the certificate must state that the amount is not available for withdrawal except upon order of the manager.

Sec. 19. 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~~ 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~~ 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 other credits or personal property in the possession or under the control of a bank, the notice must be delivered or mailed to the branch or office of the bank 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. 20. NRS 616B.257 is hereby amended to read as follows:

616B.257 If any amount required to be paid to the system pursuant to the provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS is not paid when due, the manager may, within 3 years after the amount is due, file in the office of the clerk of any court of competent jurisdiction a certificate specifying the amount required to be paid, interest and penalties due, the name and address of the employer liable for the payment, as it appears on the records of the system, the manager's compliance with the applicable provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS in relation to the determination of the amount required to be paid ~~or~~ and a request that judgment be entered against the employer in the amount required to be paid, including interest and penalties, as set forth in the certificate.

Sec. 21. NRS 616B.269 is hereby amended to read as follows:

616B.269 Except as otherwise provided in NRS 616D.210:

1. If any business which is liable for any amount required to be paid pursuant to chapters 616A to 616D, inclusive, *or chapter 617* of NRS sells

out its business, or any portion of its business, or stock of goods, or quits the business, its successors or assigns shall withhold a sufficient portion of the purchase price to cover that amount until the former owner produces a receipt from the manager showing that it has been paid or a certificate stating that no amount is due.

2. If the purchaser of a business, or any portion of a business, or stock of goods fails to withhold from the purchase price the amount required by subsection 1, he becomes personally liable for the payment of the amount required to be withheld by him to the extent of the purchase price, valued in money. Within 60 days after receiving a written request from the purchaser for a certificate, or within 60 days after the date the former owner's records are made available for audit, whichever period expires later, but not later than 90 days after receiving the request, the manager shall issue the certificate or mail a notice to the purchaser at his address as it appears on the records of the manager, of the amount that must be paid as a condition of issuing the certificate.

3. Failure of the manager to mail the notice releases the purchaser from any further obligation to withhold any portion of the purchase price.

4. The time within which the obligation of a successor may be enforced begins at the time the person or business sells out its business or stock of goods or at the time that the determination against the person or business becomes final, whichever occurs later.

Sec. 22. NRS 616B.318 is hereby amended to read as follows:

616B.318 1. The commissioner shall impose an administrative fine, not to exceed \$1,000 for each violation, and:

(a) Shall withdraw the certification of a self-insured employer if:

(1) The deposit required pursuant to NRS 616B.300 is not sufficient and the employer fails to increase the deposit after he has been ordered to do so by the commissioner;

(2) The self-insured employer fails to provide evidence of excess insurance pursuant to NRS 616B.300 within 45 days after he has been so ordered; or

(3) The employer becomes insolvent, institutes any voluntary proceeding under the Bankruptcy Act or is named in any involuntary proceeding thereunder.

(b) May withdraw the certification of a self-insured employer if:

(1) The employer intentionally fails to comply with regulations of the commissioner regarding reports or other requirements necessary to carry out the purposes of chapters 616A to 616D, inclusive, *and chapter 617* of NRS;

(2) The employer violates the provisions of subsection 2 of NRS 616B.500 or any regulation adopted by the commissioner or the administrator concerning the administration of the employer's plan of self-insurance; or

(3) The employer makes a general or special assignment for the benefit of creditors or fails to pay compensation after an order for payment of any claim becomes final.

2. Any employer whose certification as a self-insured employer is withdrawn must, on the effective date of the withdrawal, qualify as an employer pursuant to NRS 616B.650.

3. The commissioner may, upon the written request of an employer whose certification as a self-insured employer is withdrawn pursuant to subparagraph (3) of paragraph (a) of subsection 1, reinstate the employer's certificate for a reasonable period to allow the employer sufficient time to provide industrial insurance for his employees.

Sec. 23. NRS 616B.324 is hereby amended to read as follows:

616B.324 A person who is employed by or contracts with a self-insured employer to administer the plan of self-insurance is an agent of the self-insured employer, and if he violates any provision of this chapter or chapter 616A, 616C, ~~for~~ 616D or 617 of NRS, the self-insured employer is liable for any penalty assessed because of that violation.

Sec. 24. NRS 616B.362 is hereby amended to read as follows:

616B.362 1. An association certified as an association of self-insured public or private employers directly assumes the responsibility for providing compensation due the employees of the members of the association and their beneficiaries under chapters 616A to 617, inclusive, of NRS.

2. An association is not required to pay the premiums required of other employers pursuant to chapters 616A to 617, inclusive, of NRS but is relieved from other liability for personal injury to the same extent as are other employers.

3. The claims of employees and their beneficiaries resulting from injuries while in the employment of a member of an association must be handled in the manner provided by chapters 616A to 616D, inclusive, of NRS, and the association is subject to the regulations of the division with respect thereto.

4. The security deposited pursuant to NRS 616B.353 does not relieve an association from responsibility for the administration of claims and payment of compensation under chapters 616A to ~~616D,~~ 617, inclusive, of NRS.

Sec. 25. NRS 616B.428 is hereby amended to read as follows:

616B.428 1. The commissioner may impose an administrative fine for each violation of any provision of NRS 616B.350 to 616B.446, inclusive, or any regulation adopted pursuant thereto. Except as otherwise provided in those sections, the amount of the fine may not exceed \$1,000 for each violation or an aggregate amount of \$10,000.

2. The commissioner may withdraw the certificate of an association of self-insured public or private employers if:

(a) The association's certificate was obtained by fraud

;

- (b) The application for certification contained a material misrepresentation;
 - (c) The association is found to be insolvent;
 - (d) The association fails to have five or more members;
 - (e) The association fails to pay the costs of any examination or any penalty, fee or assessment required by the provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS;
 - (f) The association fails to comply with any of the provisions of this chapter or chapter 616A, 616C, ~~616D~~ *or chapter 617* of NRS, or any regulation adopted pursuant thereto;
 - (g) The association fails to comply with any order of the commissioner within the time prescribed by the provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS or in the order of the commissioner; or
 - (h) The association or its third-party administrator misappropriates, converts, illegally withholds or refuses to pay any money to which a person is entitled and that was entrusted to the association in its fiduciary capacity.
3. If the commissioner withdraws the certification of an association of self-insured public or private employers, each employer who is a member of the association remains liable for his obligations incurred before and after the order of withdrawal.

4. Any employer who is a member of an association whose certification is withdrawn shall, on the effective date of the withdrawal, qualify as an employer pursuant to NRS 616B.650.

Sec. 26. NRS 616B.503 is hereby amended to read as follows:

616B.503 1. A person shall not act as a third-party administrator for an insurer without a certificate issued by the commissioner pursuant to NRS 683A.085.

2. A person who acts as a third-party administrator pursuant to chapters 616A to 616D, inclusive, *or chapter 617* of NRS shall:

- (a) Administer from one or more offices located in this state all of the claims arising under each plan of insurance that he administers and maintain in those offices all of the records concerning those claims;
- (b) Administer each plan of insurance directly, without subcontracting with another third-party administrator; and
- (c) Upon the termination of his contract with an insurer, transfer forthwith to a certified third-party administrator chosen by the insurer all of the records in his possession concerning claims arising under the plan of insurance.

3. The commissioner may, under exceptional circumstances, waive the requirements of subsection 2.

Sec. 27. NRS 616B.506 is hereby amended to read as follows:

616B.506 The commissioner shall impose an administrative fine, not to exceed \$1,000 for each violation, and may withdraw the certification of any third-party administrator who:

1. Fails to comply with regulations of the commissioner regarding reports or other requirements necessary to carry out the purposes of chapters 616A to 616D, inclusive, **or chapter 617** of NRS; or

2. Violates any provision of NRS 616B.503 or any regulation adopted by the commissioner or the administrator concerning the administration of the plan of insurance.

Sec. 28. NRS 616B.600 is hereby amended to read as follows:

616B.600 1. Except as limited in subsection 3, any employee who has been hired outside of this state and his employer are exempted from the provisions of chapters 616A to 616D, inclusive, **and chapter 617** of NRS while the employee is temporarily within this state doing work for his employer if his employer has furnished industrial insurance pursuant to the ~~industrial insurance act~~ **Nevada Industrial Insurance Act** or similar laws of a state other than Nevada so as to cover the employee's employment while in this state ~~if~~ if:

(a) The extraterritorial provisions of chapters 616A to 616D, inclusive, **and chapter 617** of NRS are recognized in the other state; and

(b) Employers and employees who are covered in this state are likewise exempted from the application of the ~~industrial insurance act~~ **Nevada Industrial Insurance Act** or similar laws of the other state.

The benefits provided in the ~~industrial insurance act~~ **Nevada Industrial Insurance Act** or similar laws of the other state are the exclusive remedy against the employer for any injury, whether resulting in death or not, received by the employee while working for the employer in this state.

2. A certificate from the administrator or similar officer of another state certifying that the employer of the other state is insured therein and has provided extraterritorial coverage insuring his employees while working within this state is prima facie evidence that the employer carried the industrial insurance.

3. The exemption provided for in this section does not apply to the employees of a contractor, as defined in NRS 624.020, operating within the scope of his license.

4. An employer is not required to maintain coverage for industrial insurance in this state for an employee who has been hired or is regularly employed in this state, but who is performing work exclusively in another state, if the other state requires the employer to provide coverage for the employee in the other state. If the employee receives personal injury by accident arising out of and in the course of his employment, any claim for compensation must be filed in the state in which the accident occurred, and such compensation is the exclusive remedy of the employee or his dependents. This subsection does not prevent an employer from maintaining coverage for the employee pursuant to the provisions of chapters 616A to 616D, inclusive, **and chapter 617** of NRS.

Sec. 29. NRS 616B.662 is hereby amended to read as follows:

616B.662 An employer having come under chapters 616A to 616D, inclusive, **or chapter 617** of NRS who thereafter elects to reject the terms,

conditions and provisions of those chapters is not relieved from the payment of premiums to the insurer before the time his notice of rejection becomes effective if any are due. The premiums may be recovered in an action at law.

Sec. 30. NRS 616C.070 is hereby amended to read as follows:

616C.070 1. A person is conclusively presumed to be totally dependent upon an injured or deceased employee if the person is a natural, posthumous or adopted child, whether legitimate or illegitimate, under the age of 18 years, or over that age if physically or mentally incapacitated from wage earning, and there is no surviving parent. Stepparents may be regarded in chapters 616A to 616D, inclusive, *or chapter 617* of NRS as parents if the fact of dependency is shown, and a stepchild or stepchildren may be regarded in chapters 616A to 616D, inclusive, *or chapter 617* of NRS as a natural child or children if the existence and fact of dependency are shown.

2. Except as otherwise provided in subsection 13 of NRS 616C.505, questions as to who constitute dependents and the extent of their dependency must be determined as of the date of the accident or injury to the employee, and their right to any benefit becomes fixed at that time, irrespective of any subsequent change in conditions, and the benefits are directly recoverable by and payable to the dependent or dependents entitled thereto ~~to~~ or to their legal guardians or trustees.

3. The presumptions of this section do not apply in favor of aliens who are nonresidents of the United States at the time of the accident, injury to, or death of the employee.

Sec. 31. NRS 616C.090 is hereby amended to read as follows:

616C.090 1. The administrator shall establish a panel of physicians and chiropractors who have demonstrated special competence and interest in industrial health to treat injured employees under chapters 616A to 616D, inclusive, *or chapter 617* of NRS. Every employer whose insurer has not entered into a contract with an organization for managed care pursuant to NRS 616B.515 shall maintain a list of those physicians and chiropractors on the panel who are reasonably accessible to his employees.

2. An injured employee whose insurer has not entered into a contract with an organization for managed care may choose his treating physician or chiropractor from the panel of physicians and chiropractors. If the injured employee is not satisfied with the first physician or chiropractor he so chooses, he may make an alternative choice of physician or chiropractor from the panel if the choice is made within 90 days after his injury. The insurer shall notify the first physician or chiropractor in writing. The notice must be postmarked within 3 working days after the insurer receives knowledge of the change. The first physician or chiropractor must be reimbursed only for the services he rendered to the injured employee up to and including the date of notification. Any further change is subject to the approval of the insurer, which must be granted or denied within 10 days after a written request for such a change is received from the injured

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

3. An injured employee employed or residing in any county in this state whose insurer has entered into a contract with an organization for managed care must choose his treating physician or chiropractor pursuant to the terms of that contract. If the employee, after choosing his treating physician or chiropractor, moves to a county which is not served by the organization for managed care, and the insurer determines that it is impractical for the employee to continue treatment with the physician or chiropractor, the employee must choose a treating physician or chiropractor who has agreed to the terms of that contract unless the insurer authorizes the employee to choose another physician or chiropractor.

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

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

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

Sec. 32. NRS 616C.095 is hereby amended to read as follows:

616C.095 The physician or chiropractor shall inform the injured employee of his rights under chapters 616A to 616D, inclusive, *or chapter 617* of NRS and lend all necessary assistance in making application for compensation and such proof of other matters as required by the rules of the division, without charge to the employee.

Sec. 33. NRS 616C.120 is hereby amended to read as follows:

616C.120 ~~{No}~~ *Any* provision of this chapter or chapter 616A, 616B, ~~{or}~~ 616D *or 617* of NRS ~~{shall}~~ *must not* prevent an employee from providing for treatment for his injuries or disease through prayer or other spiritual means in accordance with the tenets and practices of a recognized church, which treatment is recognized in this state in lieu of medical treatment.

Sec. 34. NRS 616C.205 is hereby amended to read as follows:

616C.205 Except as otherwise provided in this section and NRS 31A.150 and 31A.330, compensation payable under chapters 616A to 616D, inclusive, *or chapter 617* of NRS, whether determined or due, or not, is not, before the issuance and delivery of the check, assignable, is exempt from attachment, garnishment and execution, and does not pass to

any other person by operation of law. In the case of the death of an injured employee covered by chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS from causes independent from the injury for which compensation is payable, any compensation due the employee which was awarded or accrued but for which a check was not issued or delivered at the date of death of the employee is payable to his dependents as defined in NRS 616C.505.

Sec. 35. NRS 616C.210 is hereby amended to read as follows:

616C.210 1. The insurer shall notify a dependent of a deceased employee who is residing outside of the United States by certified mail at his last known address if compensation is due the decedent or beneficiary pursuant to chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS. The dependent may request that payment be made directly to him within 90 calendar days after the notice was mailed. The insurer shall pay compensation which is due a beneficiary directly to the beneficiary if the beneficiary requests payment within 90 calendar days after the notice was mailed.

2. If the insurer does not receive a request that payment be made directly to a beneficiary within 90 days after the notice required by subsection 1 is mailed, payments to the consul general, vice consul general, consul or vice consul of the nation of which any dependent of a deceased employee is a resident or subject, or a representative of such consul general, vice consul general, consul or vice consul, of any compensation due under chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS to any dependent residing outside of the United States, any power of attorney to receive or receipt for the same to the contrary notwithstanding, are as full a discharge of the benefits or compensation payable under those chapters as if payments were made directly to the beneficiary.

Sec. 36. NRS 616C.215 is hereby amended to read as follows:

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

(a) The amount of compensation the injured employee or his dependents are entitled to receive pursuant to the provisions of chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS, including any future compensation, must be reduced by the amount paid by the employer.

(b) The insurer, or in the case of claims involving the uninsured employer's claim fund or a subsequent injury fund the administrator, has a lien upon the total amount paid by the employer if the injured employee or his dependents receive compensation pursuant to the provisions of chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS.

This subsection is applicable whether the money paid to the employee or his dependents by the employer is classified as a gift, a settlement or otherwise. The provisions of this subsection do not grant to an injured

employee any right of action in tort to recover damages from his employer for his injury.

2. When an employee receives an injury for which compensation is payable pursuant to the provisions of chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS and which was caused under circumstances creating a legal liability in some person, other than the employer or a person in the same employ, to pay damages in respect thereof:

(a) The injured employee, or in case of death his dependents, may take proceedings against that person to recover damages, but the amount of the compensation the injured employee or his dependents are entitled to receive pursuant to the provisions of chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS, including any future compensation, must be reduced by the amount of the damages recovered, notwithstanding any act or omission of the employer or a person in the same employ which was a direct or proximate cause of the employee's injury.

(b) If the injured employee, or in case of death his dependents, receive compensation pursuant to the provisions of chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS, the insurer, or in case of claims involving the uninsured employers' claim fund or a subsequent injury fund the administrator, has a right of action against the person so liable to pay damages and is subrogated to the rights of the injured employee or of his dependents to recover therefor.

3. When an injured employee incurs an injury for which compensation is payable pursuant to the provisions of chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS and which was caused under circumstances entitling him, or in the case of death his dependents, to receive proceeds under his employer's policy of uninsured or underinsured vehicle coverage:

(a) The injured employee, or in the case of death his dependents, may take proceedings to recover those proceeds, but the amount of compensation the injured employee or his dependents are entitled to receive pursuant to the provisions of chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS, including any future compensation, must be reduced by the amount of proceeds received.

(b) If an injured employee, or in the case of death his dependents, receive compensation pursuant to the provisions of chapters 616A to 616D, inclusive, [or chapter 617](#) of NRS, the insurer, or in the case of claims involving the uninsured employers' claim fund or a subsequent injury fund the administrator, is subrogated to the rights of the injured employee or his dependents to recover proceeds under the employer's policy of uninsured or underinsured vehicle coverage. The insurer and the administrator are not subrogated to the rights of an injured employee or his dependents under a policy of uninsured or underinsured vehicle coverage purchased by the employee.

4. In any action or proceedings taken by the insurer or the administrator pursuant to this section, evidence of the amount of compensation, accident benefits and other expenditures which the insurer,

the uninsured employers' claim fund or a subsequent injury fund have paid or become obligated to pay by reason of the injury or death of the employee is admissible. If in such action or proceedings the insurer or the administrator recovers more than those amounts, the excess must be paid to the injured employee or his dependents.

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

6. The lien provided for under subsection 1 or 5 includes the total compensation expenditure incurred by the insurer, the uninsured employers' claim fund or a subsequent injury fund for the injured employee and his dependents.

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

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

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

(b) The third-party insurer,

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

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

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

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

If you decide that the plaintiff is entitled to judgment against the defendant, you shall find his damages in accordance with the court's instructions on damages and return your verdict in the plaintiff's favor in the amount so found without deducting the amount of any compensation benefits paid to or for the plaintiff. The law provides a means by which any compensation benefits will be repaid from your award.

11. ~~[For the purposes of calculating]~~ **To calculate** an employer's premium, the employer's account with the system must be credited with an amount equal to that recovered by the system from a third party pursuant to this section, less the system's share of the expenses of litigation incurred in obtaining the recovery, except that the total credit must not exceed the amount of compensation actually paid or reserved by the system on the injured employee's claim.

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

Sec. 37. NRS 616C.230 is hereby amended to read as follows:

616C.230 1. Compensation is not payable pursuant to the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS for an injury:

(a) Caused by the employee's willful intention to injure himself.

(b) Caused by the employee's willful intention to injure another.

(c) Proximately caused by the employee's intoxication. If the employee was intoxicated at the time of his injury, intoxication must be presumed to be a proximate cause unless rebutted by evidence to the contrary.

(d) Proximately caused by the employee's use of a controlled substance. If the employee had any amount of a controlled substance in his system at the time of his injury for which the employee did not have a current and lawful prescription issued in his name, the controlled substance must be presumed to be a proximate cause unless rebutted by evidence to the contrary.

2. For the purposes of paragraphs (c) and (d) of subsection 1:

(a) The affidavit or declaration of an expert or other person described in NRS 50.315 is admissible to prove the existence of any alcohol or the

existence, quantity or identity of a controlled substance in an employee's system. If the affidavit or declaration is to be so used, it must be submitted in the manner prescribed in NRS 616C.355.

(b) When an examination requested or ordered includes testing for the use of alcohol or a controlled substance:

(1) If the laboratory that conducts the testing is located in a county whose population is 100,000 or more and the testing is of urine, the laboratory must be certified for forensic testing of urine for drugs by the College of American Pathologists or a successor organization or by the federal Department of Health and Human Services; and

(2) Any such testing of breath for alcohol must be performed pursuant to the regulations of the federal Department of Transportation.

3. No compensation is payable for the death, disability or treatment of an employee if his death is caused by, or insofar as his disability is aggravated, caused or continued by, an unreasonable refusal or neglect to submit to or to follow any competent and reasonable surgical treatment or medical aid.

4. If any employee persists in an unsanitary or injurious practice that imperils or retards his recovery, or refuses to submit to such medical or surgical treatment as is necessary to promote his recovery, his compensation may be reduced or suspended.

5. An injured employee's compensation, other than accident benefits, must be suspended if:

(a) A physician or chiropractor determines that the employee is unable to undergo treatment, testing or examination for the industrial injury solely because of a condition or injury that did not arise out of and in the course of his employment; and

(b) It is within the ability of the employee to correct the nonindustrial condition or injury.

The compensation must be suspended until the injured employee is able to resume treatment, testing or examination for the industrial injury. The insurer may elect to pay for the treatment of the nonindustrial condition or injury.

Sec. 38. NRS 616C.280 is hereby amended to read as follows:

616C.280 The administrator may withdraw his approval of an employer's providing accident benefits for his employees and require the employer to pay the premium collected pursuant to NRS 616C.255 if the employer intentionally:

1. Determines incorrectly that a claimed injury did not arise out of and in the course of the employee's employment;

2. Fails to advise an injured employee of his rights under chapters 616A to 616D, inclusive, *or chapter 617* of NRS;

3. Impedes the determination of disability or benefits by delaying a needed change of an injured employee's physician or chiropractor;

4. Causes an injured employee to file a legal action to recover any compensation or other medical benefits due him from the employer;

5. Violates any of his or the division's regulations regarding the provision of accident benefits by employers; or

6. Discriminates against an employee who claims benefits under chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

Sec. 39. NRS 616C.325 is hereby amended to read as follows:

616C.325 1. It is unlawful for any person to represent an employee before a hearings officer, or in any negotiations, settlements, hearings or other meetings with an insurer concerning the employee's claim or possible claim, unless he is:

- (a) Employed full time by the employee's labor organization;
- (b) Admitted to practice law in this state;
- (c) Employed full time by and under the supervision of an attorney admitted to practice law in this state; or
- (d) Appearing without compensation on behalf of the employee.

It is unlawful for any person who is not admitted to practice law in this state to represent the employee before an appeals officer.

2. It is unlawful for any person to represent an employer at hearings of contested cases unless that person is:

- (a) Employed full time by the employer or a trade association to which the employer belongs that is not formed solely ~~for the purpose of providing~~ **to provide** representation at hearings of contested cases;
- (b) An employer's representative licensed pursuant to subsection 3 who is not licensed as a third-party administrator;
- (c) Admitted to practice law in this state; or
- (d) A licensed third-party administrator.

3. The director of the department of administration shall adopt regulations which include the:

- (a) Requirements for licensure of employers' representatives, including:
 - (1) The registration of each representative; and
 - (2) The filing of a copy of each written agreement for the compensation of a representative;
- (b) Procedure for such licensure; and
- (c) Causes for revocation of such a license, including any applicable action listed in NRS 616D.120 or a violation of this section.

4. Any person who is employed by or contracts with an employer to represent the employer at hearings regarding contested claims is an agent of the employer. If the employer's representative violates any provision of this chapter or chapter 616A, 616B, ~~or~~ 616D **or 617** of NRS, the employer is liable for any penalty assessed because of that violation.

5. An employer shall not make the compensation of any person representing him contingent in any manner upon the outcome of any contested claim.

6. The director of the department of administration shall collect in advance and deposit with the state treasurer for credit to the state general fund the following fees for licensure as an employer's representative:

- (a) Application and license\$78
- (b) Triennial renewal of each license 78

Sec. 40. NRS 616C.350 is hereby amended to read as follows:

616C.350 1. Any physician or chiropractor who attends an employee within the provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS in a professional capacity, may be required to testify before an appeals officer. A physician or chiropractor who testifies is entitled to receive the same fees as witnesses in civil cases and, if the appeals officer so orders at his own discretion, a fee equal to that authorized for a consultation by the appropriate schedule of fees for physicians or chiropractors. These fees must be paid by the insurer.

2. Information gained by the attending physician or chiropractor while in attendance on the injured employee is not a privileged communication if:

(a) Required by an appeals officer for a proper understanding of the case and a determination of the rights involved; or

(b) The information is related to any fraud that has been or is alleged to have been committed in violation of the provisions of this chapter or chapter 616A, 616B, ~~616D~~ **or chapter 617** of NRS.

Sec. 41. NRS 616D.050 is hereby amended to read as follows:

616D.050 1. Appeals officers, the administrator, the manager and the manager's designee, in conducting hearings or other proceedings pursuant to the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS or regulations adopted pursuant to those chapters may:

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

(b) Administer oaths.

(c) Certify to official acts.

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

(e) Maintain order.

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

(g) Permit discovery by deposition or interrogatories.

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

(i) Dispose of procedural requests or similar matters.

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

2. Hearing officers, in conducting hearings or other proceedings pursuant to the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS or regulations adopted pursuant to those chapters, may:

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

(b) Maintain order.

(c) Permit discovery by deposition or interrogatories

.

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

(e) Dispose of procedural requests or similar matters.

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

Sec. 42. NRS 616D.065 is hereby amended to read as follows:

616D.065 1. An appeals officer, in conducting hearings or other proceedings pursuant to the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS or regulations adopted pursuant to those chapters, may order the attorney or representative of a party to pay any costs that are incurred by the hearings division of the department of administration for a court reporter or an interpreter.

2. Before ordering the payment of such costs, the appeals officer must find that the costs were incurred because the attorney or representative of a party caused a continuance or delay in a scheduled hearing by his failure, without good cause, to comply with an order of the appeals officer or a regulation adopted pursuant to chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

Sec. 43. NRS 616D.080 is hereby amended to read as follows:

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

2. Each witness who appears, in obedience to a subpoena which has been issued pursuant to this chapter or chapter 616A, 616B, ~~616C~~ **or chapter 617** of NRS, before an appeals officer, a hearing officer, the administrator, the manager or the manager's designee, is entitled to receive for his attendance the fees and mileage provided for witnesses in civil cases in courts of record.

3. The appeals officer, hearing officer, administrator, manager or manager's designee shall:

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

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

Sec. 44. NRS 616D.110 is hereby amended to read as follows:

616D.110 1. In addition to any other remedy provided for by law, if any employer within the provisions of NRS 616B.633 fails to provide and secure compensation, or fails to maintain such compensation, under the terms of chapters 616A to 616D, inclusive, **or chapter 617** of NRS, the administrator may, in order to protect the employees of the employer from the effect of not having industrial insurance coverage and upon compliance with the requirements of subsection 2, order the immediate cessation of all business operations at the place of employment or jobsite until such time as the employer performs all acts and duties enjoined upon him by chapters 616A to 616D, inclusive, **or chapter 617** of NRS as determined necessary by the administrator in order to provide, secure and maintain compensation under those chapters.

2. The order must:

(a) Include a reference to the particular sections of the statutes or regulations alleged to have been violated, and a short, plain statement of the facts alleged to constitute the violation.

(b) Provide an opportunity for hearing to the employer on a date fixed in the order which must not be less than 5 nor more than 15 days after the date of the order, unless upon demand of the employer the date is advanced to the next business day after the demand is made to the administrator.

An order for summary suspension issued pursuant to this subsection must be endorsed with the date and hour of issuance and entered of record in the office of the administrator.

3. Immediately upon receiving an order to cease business operations under subsection 1, an employer shall order all employees or other persons to leave the place of employment or jobsite and shall cease all business operations thereat.

4. Upon request by the administrator, any law enforcement agency in this state shall render any assistance necessary to carry out the requirement of subsection 3, including but not limited to preventing any employee or other person from remaining at the place of employment or jobsite.

Sec. 45. NRS 616D.200 is hereby amended to read as follows:

616D.200 1. If the administrator finds that an employer within the provisions of NRS 616B.633 has failed to provide and secure compensation as required by the terms of chapters 616A to 616D, inclusive, *or chapter 617* of NRS or that the employer has provided and secured that compensation but has failed to maintain it, he shall make a determination thereon and may charge the employer an amount equal to the sum of:

(a) The premiums that would otherwise have been owed to the system pursuant to the terms of chapters 616A to 616D, inclusive, *or chapter 617* of NRS for the period that the employer was doing business in this state without providing, securing or maintaining that compensation, but not to exceed 6 years;

(b) The actual costs incurred by the system in reinstating the policy, but not to exceed 10 percent of the premiums owed by the employer; and

(c) Interest at a rate determined pursuant to NRS 17.130 computed from the time that the premiums should have been paid.

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

3. Any employer within the provisions of NRS 616B.633 who fails to provide, secure or maintain compensation as required by the terms of chapters 616A to 616D, inclusive, *or chapter 617* of NRS, is:

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

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

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

Sec. 46. NRS 616D.240 is hereby amended to read as follows:

616D.240 1. Any employer who makes any charge against any employee or who deducts from the wages of any employee any sum of money to meet the costs, in whole or in part, of the liability incurred by the employer by reason of his acceptance or rejection of chapters 616A to 616D, inclusive, **or chapter 617** of NRS is guilty of a gross misdemeanor.

2. An employer who is required to provide compensation pursuant to the provisions of chapters 616A to 616D, inclusive, or chapter 617 of NRS and who requires an employee to provide or secure such compensation on his own behalf is guilty of a gross misdemeanor.

3. Any employer violating any provision of this section must be prosecuted by the attorney general upon complaint of any employee who, as determined by the attorney general, submits proper evidence of a violation.

Sec. 47. NRS 616D.300 is hereby amended to read as follows:

616D.300 Unless a different penalty is provided pursuant to NRS 616D.370 to 616D.410, inclusive, a person who knowingly makes a false statement or representation, including, but not limited to, a false statement or representation relating to his identity or the identity of another person, or who knowingly conceals a material fact to obtain or attempt to obtain any benefit, including a controlled substance, or payment under the provisions of this chapter or chapter 616A, 616B, ~~616C~~ **or 617** of NRS, either for himself or for any other person, shall be punished as follows:

1. If the amount of the benefit or payment obtained or attempted to be obtained was less than \$250, for a misdemeanor.

2. If the amount of the benefit or payment obtained or attempted to be obtained was \$250 or more, for a category D felony as provided in NRS 193.130.

In addition to any other penalty, the court shall order the person to pay restitution.

Sec. 48. NRS 616D.310 is hereby amended to read as follows:

616D.310 A person who knowingly makes a false statement or representation concerning the employment of a person who is receiving benefits pursuant to chapters 616A to 616D, inclusive, **or chapter 617** of NRS is guilty of a category D felony and shall be punished as provided in NRS 193.130.

Sec. 49. NRS 616D.320 is hereby amended to read as follows:

616D.320 1. An employer shall not knowingly offer employment or continue to employ a person who is receiving payments for a temporary total disability in violation of the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS or NRS 281.390.

2. An employer who is convicted of violating the provisions of subsection 1 is guilty of a gross misdemeanor.

Sec. 50. NRS 616D.550 is hereby amended to read as follows:

616D.550 1. An insurer, organization for managed care, health care provider, employer, third-party administrator or public officer who believes, or has reason to believe, that:

(a) A fraudulent claim for benefits under a policy of insurance has been made, or is about to be made;

(b) An employer within the provisions of NRS 616B.633 has:

(1) Knowingly made a false statement or representation concerning the amount of payroll upon which a premium is based; or

(2) Failed to provide and secure compensation under the terms of chapters 616A to 616D, inclusive, *or chapter 617* of NRS or has failed to maintain that compensation;

(c) A provider of health care has submitted an invoice for payment for accident benefits that contains information which the provider knows is false; or

(d) A person has committed any other fraudulent practice under this chapter or chapter 616A, 616B, 616C or 617 of NRS, shall report that belief to the fraud control unit for industrial insurance established pursuant to NRS 228.420.

2. The fraud control unit for industrial insurance established pursuant to NRS 228.420 may require a person who submits a report pursuant to subsection 1 to submit that report on a form prescribed by the unit.

Sec. 51. NRS 108.590 is hereby amended to read as follows:

108.590 1. Whenever any person receives hospitalization on account of any injury, and he, or his personal representative after his death, claims damages from the person responsible for causing the injury, the hospital has a lien upon any sum awarded the injured person or his personal representative by judgment or obtained by a settlement or compromise to the extent of the amount due the hospital for the reasonable value of the hospitalization rendered before the date of judgment, settlement or compromise.

2. The lien provided by this section is:

(a) Not valid against anyone coming under the provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS.

(b) In addition to the lien provided by NRS 108.662.

Sec. 52. NRS 239A.070 is hereby amended to read as follows:

239A.070 This chapter does not apply to any subpoena issued pursuant to Title 14 or chapters 616A to 616D, inclusive, *and chapter 617* of NRS or prohibit:

1. Dissemination of any financial information which is not identified with or identifiable as being derived from the financial records of a particular customer.

2. The attorney general, district attorney, department of taxation, public administrator, sheriff or a police department from requesting of a

financial institution, and the institution from responding to the request, as to whether a person has an account or accounts with that financial institution and, if so, any identifying numbers of the account or accounts.

3. A financial institution, in its discretion, from initiating contact with and thereafter communicating with and disclosing the financial records of a customer to appropriate governmental agencies concerning a suspected violation of any law.

4. Disclosure of the financial records of a customer incidental to a transaction in the normal course of business of the financial institution if the director, officer, employee or agent of the financial institution who makes or authorizes the disclosure has no reasonable cause to believe that such records will be used by a governmental agency in connection with an investigation of the customer.

5. A financial institution from notifying a customer of the receipt of a subpoena or a search warrant to obtain his financial records, except when ordered by a court to withhold such notification.

6. The examination by or disclosure to any governmental regulatory agency of financial records which relate solely to the exercise of its regulatory function if the agency is specifically authorized by law to examine, audit or require reports of financial records of financial institutions.

7. The disclosure to any governmental agency of any financial information or records whose disclosure to that particular agency is required by the tax laws of this state.

8. The disclosure of any information pursuant to NRS 425.393, 425.400 or 425.460.

9. A governmental agency from obtaining a credit report or consumer credit report from anyone other than a financial institution.

Sec. 53. NRS 244.33505 is hereby amended to read as follows:

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

(a) Has received coverage by the state industrial insurance system or a private carrier as required pursuant to chapters 616A to 616D, inclusive, **and chapter 617** of NRS;

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

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

(d) Is not subject to the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

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

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

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

Sec. 54. NRS 245.211 is hereby amended to read as follows:

245.211 1. The board of county commissioners of any county may establish, by contract or otherwise, and administer a disability pension plan or disability insurance program for the benefit of the county sheriff, any sheriff's deputy or fireman who is disabled, to any degree, by an injury arising out of and in the course of his employment.

2. The board of county commissioners may adopt ordinances, rules, regulations, policies and procedures necessary to establish and administer the plan or program specified in subsection 1.

3. If a county elects to consider implementation of a plan or program specified in subsection 1, or to change the benefits provided by an existing plan or program, the persons affected by the proposed plan or program, or proposed change, may negotiate with the county concerning the nature and extent of such plan, program or change. Chapter 288 of NRS ~~{shall apply}~~ *applies* to negotiations for this purpose.

4. The plan or program authorized by this section ~~{shall}~~ *must* be supplemental or in addition to and not in conflict with the coverage, compensation, benefits or procedure established by or adopted pursuant to chapters 616A to 616D, inclusive, *or chapter 617* of NRS.

5. The benefits provided for in this section are supplemental to other benefits an employee is entitled to receive on account of the same disability. In no event shall the benefits provided for in this section, when added to benefits provided for or purchased by the expenditure of public ~~{moneys,}~~ *money*, exceed the maximum amount of benefits an employee is entitled to receive if he has been a member of the department or agency for 10 years or more.

Sec. 55. NRS 268.0955 is hereby amended to read as follows:

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

(a) Has received coverage by the state industrial insurance system or a private carrier as required pursuant to chapters 616A to 616D, inclusive, *and chapter 617* of NRS;

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

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

(d) Is not subject to the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

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

3. Each city council or other governing body of an incorporated city shall submit to the administrator of the division of industrial relations of the department of business and industry monthly a list of the names of those businesses which have submitted an affidavit required by subsections 1 and 2.

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

Sec. 56. NRS 268.406 is hereby amended to read as follows:

268.406 1. The governing board of any incorporated city may establish, by contract or otherwise, and administer a disability pension plan or disability insurance program for the benefit of any city police officer or fireman who is disabled, to any degree, by an injury arising out of and in the course of his employment.

2. The governing board may adopt ordinances, rules, regulations, policies and procedures necessary to establish and administer the plan or program specified in subsection 1.

3. If an incorporated city elects to consider implementation of a plan or program specified in subsection 1 ~~H~~ or to change the benefits provided by an existing plan or program, the persons affected by the proposed plan or program, or proposed change, may negotiate with the city concerning the nature and extent of such plan, program or change. Chapter 288 of NRS ~~{shall apply}~~ **applies** to negotiations for this purpose.

4. The plan or program authorized by this section ~~{shall}~~ **must** be supplemental or in addition to and not in conflict with the coverage, compensation, benefits or procedure established by or adopted pursuant to chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

5. The benefits provided for in this section are supplemental to other benefits an employee is entitled to receive on account of the same disability. In no event shall the benefits provided for in this section, when added to benefits provided for or purchased by the expenditure of public ~~{moneys,}~~ **money**, exceed the maximum amount of benefits an employee is entitled to receive if he has been a member of the department or agency for 10 years or more.

Sec. 57. NRS 280.305 is hereby amended to read as follows:

280.305 1. The committee may establish, by contract or otherwise, and administer a disability pension plan or disability insurance program for the benefit of any police officer of the department who is disabled, to any degree, by an injury arising out of and in the course of his employment. The cost of the plan or program may be charged, in whole or in part, against the annual operating budget for the department.

2. The committee may adopt rules, policies and procedures necessary to establish and administer the plan or program specified in subsection 1.

3. If the committee elects to consider implementation of a plan or program specified in subsection 1 ~~H~~ or to change the benefits provided by an existing plan or program, the persons affected by the proposed plan or program, or proposed change, may negotiate with:

(a) The committee or two or more persons designated by it; and

(b) The sheriff or a person designated by him,

concerning the nature and extent of the plan, program or change. Chapter 288 of NRS applies to negotiations for this purpose.

4. The plan or program authorized by this section must be supplemental or in addition to and not in conflict with the coverage, compensation, benefits or procedure established by or adopted pursuant to chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

5. The benefits provided for in this section are supplemental to other benefits an employee is entitled to receive on account of the same disability. In no event may the benefits provided for in this section, when added to benefits provided for or purchased by the expenditure of public money, exceed the maximum amount of benefits an employee is entitled to receive if he has been a member of the department or agency for 10 years or more.

Sec. 58. NRS 333.020 is hereby amended to read as follows:

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

1. "Chief" means the chief of the purchasing division.

2. "Director" means the director of the department of administration.

3. "Proprietary information" means:

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

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

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

4. "Purchasing division" means the purchasing division of the department of administration.

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

- (a) The evaluation of bids or proposals for a contract;
- (b) Any negotiations concerning a contract; or
- (c) The development, review or approval of a contract.

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

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

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

9. “Volunteer fire department” means a volunteer fire department which pays premiums for industrial insurance pursuant to the provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS.

Sec. 59. NRS 396.251 is hereby amended to read as follows:

396.251 1. The board of regents may establish policies and procedures for personnel which govern student employees, physicians engaged in a program for residency training and postdoctoral fellows of the system and which are separate from the policies and procedures established for the unclassified personnel of the system. Any such policy or procedure does not diminish the eligibility of those persons for coverage as employees under the provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS.

2. In establishing policies and procedures pursuant to subsection 1, the board of regents is not bound by any of the other provisions of this chapter or the provisions of Title 23 of NRS. Those provisions do not apply to a student employee, a physician engaged in a program for residency training or a postdoctoral fellow of the system unless otherwise provided by the board of regents.

Sec. 60. NRS 412.142 is hereby amended to read as follows:

412.142 1. Except as otherwise provided in subsection 2:

(a) In all cases in which any member of the militia of the state is wounded, injured, disabled or killed while in the line of duty in the service of the state, the member or the dependents of the member are entitled to receive compensation from the State of Nevada, in accordance with the provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS. If that wound, injury or disability is aggravated or recurs while the member is in the line of duty in the service of the state, the member or his dependents are also entitled to receive such compensation.

(b) In all cases, the disabled or deceased member shall be deemed to be an employee of the State of Nevada. The compensation to be awarded to

the member or to the dependents of the member must be determined upon the basis of his average income from all sources during the year immediately preceding the date of his injury or death or the commencement of his disability, but the compensation must not exceed the maximum prescribed in chapters 616A to 616D, inclusive, **or chapter 617** of NRS.

2. The provisions of this section do not apply to a member of the militia of the state or any dependents of the member who is receiving or is entitled to receive compensation or benefits for an injury, wound, illness, disability or death described in this section pursuant to any law or regulation of the Federal Government, if:

(a) The federal compensation or benefits arise from military duties performed pursuant to Title 10 or Title 32 of the United States Code; and

(b) The wound, injury, illness or disability is not an aggravation or recurrence of a wound, injury, illness or disability that arose from previous duties performed pursuant to Title 10 or Title 32 of the United States Code.

Sec. 61. NRS 414.110 is hereby amended to read as follows:

414.110 1. All functions under this chapter and all other activities relating to emergency management are hereby declared to be governmental functions. Neither the state nor any political subdivision thereof nor other agencies of the state or political subdivision thereof, nor except in cases of willful misconduct, gross negligence, or bad faith, any worker complying with or reasonably attempting to comply with this chapter, or any order or regulation promulgated pursuant to the provisions of this chapter, or pursuant to any ordinance relating to black out or other precautionary measures enacted by any political subdivision of the state, is liable for the death of or injury to persons, or for damage to property, as a result of any such activity. The provisions of this section do not affect the right of any person to receive benefits to which he would otherwise be entitled under this chapter, or under the provisions of chapters 616A to 616D, inclusive, **or chapter 617** of NRS, or under any pension law, nor the right of any such person to receive any benefits or compensation ~~under any Act~~ **pursuant to any act** of Congress.

2. Any requirement for a license to practice any professional, mechanical or other skill does not apply to any authorized worker who, in the course of performing his duties as such, practices that professional, mechanical or other skill during an emergency.

3. As used in this section, the term "worker" includes any full-time or part-time paid, volunteer or auxiliary employee of this state, of any political subdivision thereof, of other states, territories, possessions or the District of Columbia, of the Federal Government, of any neighboring country, or of any political subdivision thereof, or of any agency or organization, performing services for emergency management at any place in this state subject to the order or control of, or pursuant to a request of, the state government or any political subdivision thereof.

Sec. 62. NRS 475.230 is hereby amended to read as follows:

475.230 1. Any fire department which engages in fighting a fire on property owned by the state within the jurisdictional limits of the fire department may submit a claim to the secretary of the state board of examiners to recover any direct expenses and losses incurred as a result of fighting that fire.

2. The claim must include:

- (a) The name, address and jurisdictional limits of the fire department;
- (b) The name, address and telephone number of the person making the claim on behalf of the fire department;
- (c) The name and address, if known, of the state agency having jurisdiction over the property on which the fire occurred;
- (d) The exact location of the fire;
- (e) A description of the property burned;
- (f) The number and classification of the personnel and the number and type of equipment used to fight the fire;
- (g) A copy of the fire report; and
- (h) An itemized list of direct expenses and losses incurred while fighting the fire including the purchase cost, estimated cost of repairs and a statement of depreciated value immediately preceding and after the damage to or destruction of any equipment and the extent of any insurance coverage.

3. As used in this section, "direct expenses and losses" means certain expenses and losses which were incurred while fighting a fire on property owned by the state. The term is limited to:

- (a) The depreciated value, if any, of any equipment or vehicle which was damaged or destroyed; and
- (b) If the employer maintains a plan which supplements coverage for workers' compensation provided pursuant to chapters 616A to 616D, inclusive, *or chapter 617* of NRS by the state industrial insurance system and, *if* the benefits are provided from public money and not by an insurer, any injury or death benefits which would have been paid by the employer from public money.

Sec. 63. NRS 624.256 is hereby amended to read as follows:

624.256 1. Before granting an original or renewal of a contractor's license to any applicant, the board shall require that the applicant submit to the board:

- (a) Proof of industrial insurance and insurance for occupational diseases which covers his employees;
- (b) A copy of his certificate of qualification as a self-insured employer which was issued by the commissioner of insurance;
- (c) If the applicant is a member of an association of self-insured public or private employers, a copy of the certificate issued to the association by the commissioner of insurance; or

(d) An affidavit signed by the applicant affirming that he is not subject to the provisions of chapters 616A to 616D, inclusive, *or chapter 617* of NRS because:

- (1) He has no employees;
- (2) He is not or does not intend to be a subcontractor for a principal contractor; and
- (3) He has not or does not intend to submit a bid on a job for a principal contractor or subcontractor.

2. The board shall notify the fraud control unit for industrial insurance established pursuant to NRS 228.420 whenever the board learns that an applicant or holder of a contractor's license has engaged in business as or acted in the capacity of a contractor within this state without having obtained industrial insurance or insurance for occupational diseases in violation of the provisions of chapters 616A to 617, inclusive, of NRS.

Sec. 64. NRS 624.322 is hereby amended to read as follows:

624.322 1. If, through no fault or act of a prime contractor or anyone employed by him, the owner fails to pay that contractor:

(a) Pursuant to their schedule for payments under the contract, or within a reasonable time after maturity and presentation of charges if no schedule is established;

(b) Any sum certified by the architect, engineer or other supervisory agent of the owner; or

(c) Such sum as is otherwise properly due, or if the owner through his own act or neglect, excluding acts of God, floods, fires or strikes, causes the work to be stopped for a period of 5 working days or more, the contractor may, after 5 working days' written notice to the owner, stop work or terminate the contract and recover from the owner payment for all work executed.

2. If, through no fault of a subcontractor or anyone employed by him, the contractor fails to pay that subcontractor:

(a) Pursuant to the schedule for payments under the subcontract, or within a reasonable time after maturity and presentation of charges if no schedule is established;

(b) Any sum certified by the architect, engineer or other supervisory agent of the owner or contractor; or

(c) Such sum as is otherwise properly due, or if the contractor through his own acts or neglect, excluding acts of God, floods, fires or strikes, causes the work to be stopped for a period of 5 working days or more, the subcontractor may, after 5 working days' written notice to the owner and the contractor, stop work or terminate the subcontract and recover from the contractor payment for all work executed. The subcontractor may not be held liable for nonperformance of that subcontract and for the cost incurred by the contractor to complete the work.

3. The provisions of subsection 2 do not apply if the contractor's failure to pay is caused by his need to withhold money pursuant to an official notice from a state agency that he is liable to make payments or contributions for the subcontractor pursuant to chapter 608 or 612 or chapters 616A to 616D, inclusive, *or chapter 617* of NRS.

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