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SENATE BILL NO. 202—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF NEVADA STATE CONTROLLER)

FEBRUARY 20, 2001

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Referred to Committee on Government Affairs

SUMMARY—Makes various changes concerning state financial administration.  
(BDR 18-170)

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

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

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AN ACT relating to state financial administration; revising the requirement of financial reporting by the state controller; changing the designation of certain funds and accounts; making various changes relating to warrants of the state controller; requiring the state controller to present funds in annual financial statements in conformity with generally accepted accounting principles; and providing other matters properly relating thereto.

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

- 1     **Section 1.** NRS 227.110 is hereby amended to read as follows:  
2     227.110 1. The state controller shall *annually* digest, prepare and  
3     report to the governor ~~I, not later than 60 days after the close of each fiscal~~  
4     ~~year or 60 days after the latest date in the succeeding fiscal year fixed by~~  
5     ~~the legislature for the closing of accounts and final disposition of~~  
6     ~~unexpended funds, to be laid before the legislature at each regular session;~~  
7     *and the legislature:*  
8     (a) A complete statement of the condition of the revenue, taxable funds,  
9     resources, income and property of the state, and the amount of the  
10    expenditures for the preceding fiscal year.  
11    (b) A full and detailed statement of the public debt.  
12    (c) A tabular statement showing separately the whole amount of each  
13    appropriation of money made by law, the amount paid under each of those  
14    appropriations, and the balance unexpended.  
15    (d) A tabular statement showing the amount of revenue collected from  
16    each county for the preceding year.  
17    2. ~~In his report the~~ *The* state controller ~~shall~~ *may* recommend such  
18    plans as he deems expedient for the support of the public credit, for



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1 promoting frugality and economy, and for the better management and more  
2 perfect understanding of the fiscal affairs of the state.

3 **Sec. 2.** NRS 227.160 is hereby amended to read as follows:

4 227.160 1. The state controller shall:

5 (a) Audit all claims against the state, for the payment of which an  
6 appropriation or authorization has been made but of which the amount has  
7 not been definitely fixed by law, which have been examined and passed  
8 upon by the state board of examiners, or which have been presented to the  
9 board and not examined and passed upon by it within 30 days from their  
10 presentation.

11 (b) Allow of those claims mentioned in paragraph (a) as not having  
12 been passed upon by the state board of examiners within 30 days after  
13 presentation the whole, or such portion thereof as he deems just and legal;  
14 and of claims examined and passed upon by the state board of examiners,  
15 such an amount as he decrees just and legal not exceeding the amount  
16 allowed by the board.

17 2. No claim for services rendered or advances made to the state or any  
18 officer thereof may be audited or allowed unless the services or  
19 advancement have been specially authorized by law and an appropriation  
20 or authorization made for its payment.

21 3. For the purpose of satisfying himself of the justness and legality of  
22 any claim, the state controller may examine witnesses under oath and  
23 receive and consider documentary evidence in addition to that furnished  
24 him by the state board of examiners. ~~Except as otherwise provided in NRS~~  
25 ~~227.215, he~~ *The state controller* shall draw warrants on the state treasurer  
26 for such amounts as ~~he~~ *the state controller* allows of claims of the  
27 character described in this section, and also for all claims of which the  
28 amount has been definitely fixed by law and for the payment of which an  
29 appropriation or authorization has been made.

30 **Sec. 3.** NRS 227.200 is hereby amended to read as follows:

31 227.200 ~~Except as otherwise provided in NRS 227.215, the~~ *The* state  
32 controller shall:

33 1. Draw a warrant in favor of any person or governmental payee  
34 certified by an agency of state government to receive money from the  
35 treasury and deliver or mail the warrant to the state treasurer who shall sign  
36 the warrant and:

37 (a) Deliver or mail the countersigned warrant, if it is for an account  
38 payable, directly to the payee or his representative;

39 (b) ~~Deliver the warrant, if~~ *If* it is for payment of an employee ~~it~~ :

40 *(1) Deliver or mail the warrant* to the employee or to the appropriate  
41 state agency for distribution; or

42 *(2) Deposit the warrant to the credit of the employee by direct*  
43 *deposit at a bank or credit union in which the employee has an account,*  
44 *if the employee has authorized the direct deposit; or*

45 (c) Deposit the warrant to the credit of the payee through a funds  
46 transfer.

47 2. Keep a warrant register, in which he shall enter all warrants drawn  
48 by him. The arrangement of this book must be such as to show the bill and



1 warrant number, the amount, out of which fund the warrants are payable,  
2 and a distribution of the warrants under the various appropriations.

3 3. Credit the state treasurer with all warrants paid.

4 **Sec. 4.** NRS 232.355 is hereby amended to read as follows:

5 232.355 1. Except for gifts or grants specifically accounted for in  
6 another fund, all gifts or grants of money or other property which the  
7 divisions of the department of human resources are authorized to accept  
8 must be accounted for in the department of human resources' gift fund,  
9 *which is* hereby created as a ~~trust~~ *special revenue* fund. The fund is a  
10 continuing fund without reversion. The department may establish such  
11 accounts in the fund as are necessary to account properly for gifts received.  
12 All *such* money received by the ~~division~~ *divisions* must be deposited in  
13 the state treasury for credit to the fund. The money in the fund must be paid  
14 out on claims as other claims against the state are paid. Unless otherwise  
15 specifically provided by statute, claims against the fund must be approved  
16 by the director or his delegate.

17 2. Gifts of property other than money may be sold or exchanged when  
18 this is deemed by the head of the facility or agency responsible for the gift  
19 to be in the best interest of the facility or agency. The sale price must not  
20 be less than 90 percent of the value determined by a qualified appraiser  
21 appointed by the head of the facility or agency. All money received from  
22 the sale must be deposited in the state treasury to the credit of the  
23 appropriate gift account in the department of human resources' gift fund.  
24 The money may be spent only for the purposes of the facility or agency  
25 named in the title of the account. The property may not be sold or  
26 exchanged if to do so would violate the terms of the gift.

27 **Sec. 5.** NRS 232.960 is hereby amended to read as follows:

28 232.960 1. Except for gifts or grants specifically accounted for in  
29 another fund, all gifts or grants of money or other property which the  
30 rehabilitation division of the department is authorized to accept must be  
31 accounted for in the department of employment, training and  
32 rehabilitation's gift fund, which is hereby created as a ~~trust~~ *special*  
33 *revenue* fund. The fund is a continuing fund without reversion. The  
34 department may establish such accounts in the fund as are necessary to  
35 account properly for gifts received. All *such* money received by the  
36 division must be deposited in the state treasury for credit to the fund. The  
37 money in the fund must be paid out on claims as other claims against the  
38 state are paid. Unless otherwise specifically provided by statute, claims  
39 against the fund must be approved by the director or his delegate.

40 2. Gifts of property other than money may be sold or exchanged when  
41 it is deemed by the director to be in the best interest of the rehabilitation  
42 division. The sale price must not be less than 90 percent of the value  
43 determined by a qualified appraiser appointed by the director. All money  
44 received from the sale must be deposited in the state treasury to the credit  
45 of the fund. The money may be spent only for the purposes of the division.  
46 The property may not be sold or exchanged if to do so would violate the  
47 terms of the gift.



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1     **Sec. 6.** NRS 349.952 is hereby amended to read as follows:  
2     349.952 1. Except as otherwise provided in subsection 3 and NRS  
3     349.951, all amounts received by the director from an obligor in  
4     connection with any financing undertaken pursuant to NRS 349.935 to  
5     349.961, inclusive, must be deposited with the state treasurer for credit to  
6     the account for the financing of water projects which is hereby created in  
7     the fund for ~~the municipal bond bank~~ *natural resources, which is hereby*  
8     *created as a special revenue fund.*

9     2. Any revenue from water projects financed with state securities  
10    which is in the account must be applied in the following order of priority:

11    (a) Deposited into the consolidated bond interest and redemption fund  
12    in amounts necessary to pay the principal of, interest on and redemption  
13    premiums due in connection with state securities issued for water projects.

14    (b) Deposited into any reserve account created for the payment of the  
15    principal of, interest on and redemption premiums due in connection with  
16    state securities issued for water projects, in amounts and at times  
17    determined to be necessary.

18    (c) Paid out for expenses of operation and maintenance.

19    3. Any revenue from water projects financed with revenue bonds may:

20    (a) Be deposited in the account for the financing of water projects and  
21    subject to the provisions of subsection 2; or

22    (b) Subject to any agreement with the holders of the bonds, be invested,  
23    deposited or held by the director in such funds or accounts as he deems  
24    necessary or desirable. If the director is acting pursuant to this subsection,  
25    he need not deposit the money in the state treasury and the provisions of  
26    chapters 355 and 356 of NRS do not apply to any investments or deposits  
27    made pursuant to this subsection.

28    **Sec. 7.** NRS 350A.190 is hereby amended to read as follows:

29    350A.190 1. All revenues from lending projects must be deposited in  
30    the fund for the municipal bond bank in the state treasury, which is hereby  
31    created as ~~a special revenue~~ *an enterprise* fund.

32    2. Any revenue from lending projects which is in the fund must be  
33    applied in the following order of priority:

34    (a) Deposited into the consolidated bond interest and redemption fund  
35    created pursuant to NRS 349.090 in amounts necessary to pay the principal  
36    of, interest on and redemption premiums due in connection with state  
37    securities issued pursuant to this chapter.

38    (b) Deposited into any reserve account created for the payment of the  
39    principal of, interest on and redemption premiums due in connection with  
40    state securities issued pursuant to this chapter, in amounts and at times  
41    determined to be necessary.

42    (c) Paid out for expenses of operation and maintenance.

43    (d) On July 1 of each odd-numbered year, to the extent of any  
44    uncommitted balance in the fund, deposited in the state general fund.

45    **Sec. 8.** Chapter 353 of NRS is hereby amended by adding thereto a  
46    new section to read as follows:

47    *“Generally accepted accounting principles” means generally accepted*  
48    *accounting principles for government as prescribed by the Governmental*  
49    *Accounting Standards Board.*



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1     **Sec. 9.** NRS 353.130 is hereby amended to read as follows:  
2     353.130 All state controller's warrants issued in payment of claims  
3     against the state become void if not presented for payment to the state  
4     treasurer within 180 days after the date of issuance. All such warrants  
5     remaining unpaid after the expiration of the 180 days ~~+, whether~~  
6     ~~outstanding or uncalled for in the office of the state controller, +~~ must be  
7     canceled by the state controller, and the state treasurer must be notified  
8     immediately of the cancellation. The state treasurer shall not pay a warrant  
9     presented for payment more than 180 days after the date of issuance.

10    **Sec. 10.** NRS 353.140 is hereby amended to read as follows:  
11    353.140 1. The state controller shall establish an account for lost and  
12    stale warrants in each fund and credit to it the amount of each warrant  
13    canceled ~~+~~ *pursuant to NRS 353.130.*

14    2. If a state controller's warrant has been lost or destroyed, the person  
15    in whose favor the warrant was drawn may, within ~~1+ year from~~ *6 years*  
16    *after* the date of the original warrant, ~~file~~ *request another warrant in lieu*  
17    *of the original warrant by:*

18    (a) *Filing* with the state controller an affidavit ~~setting~~ :  
19    (1) *Providing sufficient information for the state controller to*  
20    *identify the original warrant;*

21    (2) *Setting* forth the reasons for the failure to present the warrant for  
22    payment ; and

23    (3) *Affirming* that the warrant is not , to the knowledge of *the* affiant  
24    , held by any other person or persons ~~+~~ ; and

25    (b) *If he files the affidavit more than 180 days after the date of the*  
26    *original warrant, renewing his claim against the state.*

27    If the state controller is satisfied that the original warrant is lost or  
28    destroyed, and the claim has not been paid by the state, he may issue  
29    another warrant in lieu of the original warrant . ~~and~~

30    3. *If the state controller issues another warrant in lieu of an original*  
31    *warrant canceled pursuant to NRS 353.130, he shall, except as otherwise*  
32    *provided by specific statute, charge the amount thereof to the account for*  
33    lost and stale warrants in the fund upon which the original warrant was  
34    drawn.

35    ~~3+~~ 4. In June of each year, as to each warrant whose original date is  
36    at least ~~1+ year~~ *6 years* old and whose amount credited to the account for  
37    lost and stale warrants has not been charged out as provided in subsection  
38    ~~2,~~ 3, the state controller shall, except as otherwise ~~provided in subsection~~  
39    ~~4, credit~~ *provided by specific statute, recognize as revenue in* the fund  
40    upon which the original warrant was drawn ~~for~~ an amount equivalent to  
41    the original warrant ~~+~~ and shall charge the account for lost and stale  
42    warrants.

43    ~~4. The state controller shall credit the wildlife account in the state~~  
44    ~~general fund for any such warrant drawn from that account.~~

45    **Sec. 11.** NRS 353.295 is hereby amended to read as follows:  
46    353.295 As used in the State Accounting Procedures Law, unless the  
47    context otherwise requires, and in all accounting procedures and reports  
48    pursuant to this chapter, the words and terms defined in NRS 353.2961 to



1 353.3135, inclusive, *and section 8 of this act* have the meanings ascribed  
2 to them in those sections.

3 **Sec. 12.** NRS 353.321 is hereby amended to read as follows:

4 353.321 1. The state controller shall report each fund ~~and account~~  
5 ~~group~~ in one of the following categories for purposes of annual financial  
6 statements:

- 7 (a) State general fund;  
8 (b) Special revenue funds;  
9 (c) ~~Funds for the construction of capital projects;~~ *Capital projects*  
10 *funds;*  
11 (d) ~~Internal service funds;~~  
12 ~~(e) Enterprise funds;~~  
13 ~~(f) Fiduciary funds;~~  
14 ~~(g) Debt service funds;~~  
15 ~~(h) General long term debt account group; or~~  
16 ~~(i) General fixed assets account group.~~  
17 (e) *Permanent funds;*  
18 (f) *Enterprise funds;*  
19 (g) *Internal service funds;*  
20 (h) *Pension trust funds;*  
21 (i) *Investment trust funds;*  
22 (j) *Private purpose trust funds; or*  
23 (k) *Agency funds.*

24 2. All resources and financial transactions of the state government  
25 must be accounted for within a fund . ~~for account group.~~ The state  
26 controller shall assign each existing fund ~~and account group~~ which is  
27 created by statute to the proper category ~~unless the category is designated~~  
28 ~~by statute.~~ *necessary to present the annual financial statements in*  
29 *conformity with generally accepted accounting principles,*  
30 *notwithstanding any statutory designation to the contrary.*

31 **Sec. 13.** NRS 385.095 is hereby amended to read as follows:

32 385.095 Except as otherwise provided in NRS 385.091:

33 1. All gifts of money which the state board is authorized to accept  
34 must be deposited in a ~~permanent trust~~ *special revenue* fund in the state  
35 treasury designated as the education gift fund.

36 2. The money available in the education gift fund must be used only  
37 for the purpose specified by the donor, within the scope of the state board's  
38 powers and duties, and no expenditure may be made until approved by the  
39 legislature in an authorized expenditure act or by the interim finance  
40 committee if the legislature is not in session.

41 3. If all or part of the money accepted by the state board from a donor  
42 is not expended before the end of any fiscal year, the remaining balance of  
43 the amount donated must remain in the education gift fund until needed for  
44 the purpose specified by the donor.

45 **Sec. 14.** NRS 397.063 is hereby amended to read as follows:

46 397.063 1. All contributions from students must be accounted for in  
47 the Western Interstate Commission for Higher Education's fund for student  
48 loans which is hereby created as ~~a special revenue~~ *an enterprise* fund.



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1 2. The three commissioners from the State of Nevada, acting jointly,  
2 shall administer the fund and the money in the fund must be used solely to  
3 provide:

4 (a) Loans to; and  
5 (b) Contractual arrangements for educational services and facilities  
6 for,  
7 residents of Nevada who are certified to attend graduate or professional  
8 schools in accordance with the provisions of the Western Regional Higher  
9 Education Compact.

10 3. Loans from the Western Interstate Commission for Higher  
11 Education's fund for student loans, before July 1, 1985, and loans made to  
12 students classified as continuing students before July 1, 1985, must be  
13 made upon the following terms:

14 (a) All student loans must bear interest at 5 percent per annum from the  
15 date when the student receives the loan.

16 (b) Each student receiving a loan must repay the loan with interest  
17 following the termination of his education or completion of his internship  
18 in accordance with the following schedule:

19 (1) Within 5 years for loans which total less than \$10,000.

20 (2) Within 8 years for loans which total \$10,000 or more but less than  
21 \$20,000.

22 (3) Within 10 years for loans which total \$20,000 or more.

23 (c) No student loan may exceed 50 percent of the student fees for any  
24 academic year.

25 **Sec. 15.** NRS 407.075 is hereby amended to read as follows:

26 407.075 1. The state park grant and gift fund is hereby created as a  
27 ~~trust~~ *special revenue* fund for the use of the division.

28 2. All grants and gifts of money which the division is authorized to  
29 accept must be deposited with the state treasurer for credit to the state park  
30 grant and gift fund.

31 3. Expenditures from the state park grant and gift fund must be made  
32 only for the purpose of carrying out the provisions of this chapter and other  
33 programs or laws administered by the division.

34 **Sec. 16.** NRS 445A.120 is hereby amended to read as follows:

35 445A.120 1. The account to finance the construction of treatment  
36 works and the implementation of pollution control projects is hereby  
37 created in the fund for ~~the municipal bond bank~~ *water projects loans,*  
38 *which is hereby created as an enterprise fund.*

39 2. The money in the account must be used only for the purposes set  
40 forth in 33 U.S.C. §§ 1381 et seq.

41 3. All claims against the account must be paid as other claims against  
42 the state are paid.

43 4. The faith of the state is hereby pledged that the money in the  
44 account will not be used for purposes other than those authorized by 33  
45 U.S.C. §§ 1381 et seq.

46 **Sec. 17.** NRS 445A.255 is hereby amended to read as follows:

47 445A.255 1. The account to finance the construction of projects, to  
48 be known as the account for the revolving fund, is hereby created in the  
49 fund for ~~the municipal bond bank~~ *water projects loans.*



1     2. The account to fund activities, other than projects, authorized by the  
2 Safe Drinking Water Act, to be known as the account for set-aside  
3 programs, is hereby created in the fund for the municipal bond bank.

4     3. The money in the account for the revolving fund and the account for  
5 set-aside programs may be used only for the purposes set forth in the Safe  
6 Drinking Water Act.

7     4. All claims against the account for the revolving fund and the  
8 account for set-aside programs must be paid as other claims against the  
9 state are paid.

10    5. The faith of the state is hereby pledged that the money in the  
11 account for the revolving fund and the account for set-aside programs will  
12 not be used for purposes other than those authorized by the Safe Drinking  
13 Water Act.

14    **Sec. 18.** NRS 463.331 is hereby amended to read as follows:

15    463.331 1. An investigative fund is hereby created as ~~fa-special~~  
16 ~~revenue~~ *an enterprise* fund for the purposes of paying all expenses  
17 incurred by the board and the commission for investigation of an  
18 application for a license, finding of suitability or approval under the  
19 provisions of this chapter. The special revenue of the investigative fund is  
20 the money received by the state from the respective applicants. The amount  
21 to be paid by each applicant is the amount determined by the board in each  
22 case, but the board may not charge any amount to an applicant for a finding  
23 of suitability to be associated with a gaming enterprise pursuant to  
24 paragraph (a) of subsection 2 of NRS 463.167.

25    2. Expenses may be advanced from the investigative fund by the  
26 chairman, and expenditures from the fund may be made without regard to  
27 NRS 281.160. Any money received from the applicant in excess of the  
28 costs and charges incurred in the investigation or the processing of the  
29 application must be refunded pursuant to regulations adopted by the board  
30 and the commission. At the conclusion of the investigation, the board shall  
31 give to the applicant a written accounting of the costs and charges so  
32 incurred.

33    3. Within 3 months after the end of a fiscal year, the amount of the  
34 balance in the fund in excess of \$2,000 must be deposited in the state  
35 general fund.

36    **Sec. 19.** NRS 616A.425 is hereby amended to read as follows:

37    616A.425 1. There is hereby established in the state treasury the fund  
38 for workers' compensation and safety as ~~fa-special-revenue~~ *an enterprise*  
39 fund. All money received from assessments levied on insurers and  
40 employers by the administrator pursuant to NRS 232.680 must be  
41 deposited in this fund.

42    2. All assessments, penalties, bonds, securities and all other properties  
43 received, collected or acquired by the division for functions supported in  
44 whole or in part from the fund must be delivered to the custody of the state  
45 treasurer for deposit to the credit of the fund.

46    3. All money and securities in the fund must be used to defray all costs  
47 and expenses of administering the program of workmen's compensation,  
48 including the payment of:



1 (a) All salaries and other expenses in administering the division of  
2 industrial relations, including the costs of the office and staff of the  
3 administrator.

4 (b) All salaries and other expenses of administering NRS 616A.435 to  
5 616A.460, inclusive, the offices of the hearings division of the department  
6 of administration and the programs of self-insurance and review of  
7 premium rates by the commissioner.

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

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

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

15 (f) That portion of the salaries and other expenses of the office for  
16 consumer health assistance established pursuant to NRS 223.550 that is  
17 related to providing assistance to consumers and injured employees  
18 concerning workers' compensation.

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

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

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

30 **Sec. 20.** NRS 616A.430 is hereby amended to read as follows:

31 616A.430 1. There is hereby established ~~as a special revenue fund~~  
32 in the state treasury the uninsured employers' claim ~~fund~~ *account in the*  
33 *fund for workers' compensation and safety*, which may be used only for  
34 the purpose of making payments in accordance with the provisions of NRS  
35 616C.220 and 617.401. The administrator shall administer the ~~fund~~  
36 *account* and shall credit any excess money toward the assessments of the  
37 insurers for the succeeding years.

38 2. All assessments, penalties, bonds, securities and all other properties  
39 received, collected or acquired by the administrator for the uninsured  
40 employers' claim ~~fund~~ *account* must be delivered to the custody of the  
41 state treasurer.

42 3. All money and securities in the ~~fund~~ *account* must be held by the  
43 state treasurer as custodian thereof to be used solely for workers'  
44 compensation.

45 4. The state treasurer may disburse money from the ~~fund~~ *account*  
46 only upon written order of the state controller.

47 5. The state treasurer shall invest money of the ~~fund~~ *account* in the  
48 same manner and in the same securities in which he is authorized to invest



1 money of the state general fund. Income realized from the investment of  
2 the assets of the ~~fund~~ account must be credited to the ~~fund~~ account.

3 6. The administrator shall assess each insurer, including each employer  
4 who provides accident benefits for injured employees pursuant to NRS  
5 616C.265, an amount to be deposited in the uninsured employers' claim  
6 ~~fund~~ account. To establish the amount of the assessment, the  
7 administrator shall determine the amount of money necessary to maintain  
8 an appropriate balance in the ~~fund~~ account for each fiscal year and shall  
9 allocate a portion of that amount to be payable by private carriers, a portion  
10 to be payable by self-insured employers, a portion to be payable by  
11 associations of self-insured public or private employers and a portion to be  
12 payable by the employers who provide accident benefits pursuant to NRS  
13 616C.265, based upon the expected annual expenditures for claims of each  
14 group of insurers. After allocating the amounts payable, the administrator  
15 shall apply an assessment rate to the:

16 (a) Private carriers that reflects the relative hazard of the employments  
17 covered by the private carriers, results in an equitable distribution of costs  
18 among the private carriers and is based upon expected annual premiums to  
19 be received;

20 (b) Self-insured employers that results in an equitable distribution of  
21 costs among the self-insured employers and is based upon expected annual  
22 expenditures for claims;

23 (c) Associations of self-insured public or private employers that results  
24 in an equitable distribution of costs among the associations of self-insured  
25 public or private employers and is based upon expected annual  
26 expenditures for claims; and

27 (d) Employers who provide accident benefits pursuant to NRS  
28 616C.265 that reflects the relative hazard of the employments covered by  
29 those employers, results in an equitable distribution of costs among the  
30 employers and is based upon expected annual expenditures for  
31 claims.

32 The administrator shall adopt regulations for the establishment and  
33 administration of the assessment rates, payments and any penalties that the  
34 administrator determines are necessary to carry out the provisions of this  
35 subsection. As used in this subsection, the term "group of insurers"  
36 includes the group of employers who provide accident benefits for injured  
37 employees pursuant to NRS 616C.265.

38 7. The commissioner shall assign an actuary to review the  
39 establishment of assessment rates. The rates must be filed with the  
40 commissioner 30 days before their effective date. Any insurer who wishes  
41 to appeal the rate so filed must do so pursuant to NRS 679B.310.

42 **Sec. 21.** NRS 616B.368 is hereby amended to read as follows:

43 616B.368 1. The board of trustees of an association of self-insured  
44 public or private employers is responsible for the money collected and  
45 disbursed by the association.

46 2. The board of trustees shall:

47 (a) Establish a claims account in a financial institution in this state  
48 which is approved by the commissioner and which is federally insured or  
49 insured by a private insurer approved pursuant to NRS 678.755. Except as



1 otherwise provided in subsection 3, at least 75 percent of the annual  
2 assessment collected by the association from its members must be  
3 deposited in this account to pay:  
4 (1) Claims;  
5 (2) Expenses related to those claims;  
6 (3) The costs associated with the association's policy of excess  
7 insurance; and  
8 (4) Assessments, payments and penalties related to the subsequent  
9 injury ~~fund~~ *account* and the uninsured employers' claim ~~fund~~ *account*.  
10 (b) Establish an administrative account in a financial institution in this  
11 state which is approved by the commissioner and which is federally  
12 insured or insured by a private insurer approved pursuant to NRS 678.755.  
13 The amount of the annual assessment collected by the association that is  
14 not deposited in its claims account must be deposited in this account to pay  
15 the administrative expenses of the association.  
16 3. The commissioner may authorize an association to deposit less than  
17 75 percent of its annual assessment in its claims account if the association  
18 presents evidence to the satisfaction of the commissioner that:  
19 (a) More than 25 percent of the association's annual assessment is  
20 needed to maintain its programs for loss control and occupational safety;  
21 and  
22 (b) The association's policy of excess insurance attaches at less than 75  
23 percent.  
24 4. The board of trustees may invest the money of the association not  
25 needed to pay the obligations of the association pursuant to chapter 682A  
26 of NRS.  
27 5. The commissioner shall review the accounts of an association  
28 established pursuant to this section at such times as he deems necessary to  
29 ensure compliance with the provisions of this section.  
30 **Sec. 22.** NRS 616B.545 is hereby amended to read as follows:  
31 616B.545 As used in NRS 616B.545 to 616B.560, inclusive, unless  
32 the context otherwise requires, "board" means the board for the  
33 administration of the subsequent injury ~~fund~~ *account* for self-insured  
34 employers created pursuant to NRS 616B.548.  
35 **Sec. 23.** NRS 616B.548 is hereby amended to read as follows:  
36 616B.548 1. There is hereby created the board for the administration  
37 of the subsequent injury ~~fund~~ *account* for self-insured employers,  
38 consisting of five members who are self-insured employers. The members  
39 must be appointed by the governor.  
40 2. The members of the board shall elect a chairman and vice chairman  
41 from among the members appointed. After the initial election of a  
42 chairman and vice chairman, each of those officers shall hold office for a  
43 term of 2 years commencing on July 1 of each odd-numbered year. If a  
44 vacancy occurs in the chairmanship or vice chairmanship, the members of  
45 the board shall elect a replacement for the remainder of the unexpired term.  
46 3. Vacancies on the board must be filled in the same manner as  
47 original appointments.  
48 4. The members of the board serve without compensation.



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1 5. A legal counsel that has been appointed by or has contracted with  
2 the division pursuant to NRS 232.660 shall serve as legal counsel of the  
3 board.

4 **Sec. 24.** NRS 616B.551 is hereby amended to read as follows:

5 616B.551 1. The members of the board may meet throughout each  
6 year at the times and places specified by a call of the chairman or a  
7 majority of the board. The board may prescribe rules and regulations for its  
8 own management and government. Three members of the board constitute  
9 a quorum, and a quorum may exercise all the power and authority  
10 conferred on the board. If a member of the board submits a claim against  
11 the subsequent injury ~~{fund}~~ **account** for self-insured employers, that  
12 member shall not vote on or otherwise participate in the decision of the  
13 board concerning that claim.

14 2. The board shall administer the subsequent injury ~~{fund}~~ **account** for  
15 self-insured employers in accordance with the provisions of NRS  
16 616B.554, 616B.557 and 616B.560.

17 **Sec. 25.** NRS 616B.554 is hereby amended to read as follows:

18 616B.554 1. There is hereby ~~established as a special revenue fund~~  
19 **created in the fund for workers' compensation and safety** in the state  
20 treasury the subsequent injury ~~{fund}~~ **account** for self-insured employers,  
21 which may be used only to make payments in accordance with the  
22 provisions of NRS 616B.557 and 616B.560. The board shall administer the  
23 ~~{fund}~~ **account** based upon recommendations made by the administrator  
24 pursuant to subsection 8.

25 2. All assessments, penalties, bonds, securities and all other properties  
26 received, collected or acquired by the board for the subsequent injury  
27 ~~{fund}~~ **account** for self-insured employers must be delivered to the custody  
28 of the state treasurer.

29 3. All money and securities in the ~~{fund}~~ **account** must be held by the  
30 state treasurer as custodian thereof to be used solely for workers'  
31 compensation for employees of self-insured employers.

32 4. The state treasurer may disburse money from the ~~{fund}~~ **account**  
33 only upon written order of the board.

34 5. The state treasurer shall invest money of the ~~{fund}~~ **account** in the  
35 same manner and in the same securities in which he is authorized to invest  
36 state general funds which are in his custody. Income realized from the  
37 investment of the assets of the ~~{fund}~~ **account** must be credited to the fund.

38 6. The board shall adopt regulations for the establishment and  
39 administration of assessment rates, payments and penalties. Assessment  
40 rates must result in an equitable distribution of costs among the self-  
41 insured employers and must be based upon expected annual expenditures  
42 for claims for payments from the subsequent injury ~~{fund}~~ **account** for self-  
43 insured employers.

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



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1 8. The administrator shall:

2 (a) Evaluate any claim submitted to the board for payment or  
3 reimbursement from the subsequent injury ~~fund~~ **account** for self-insured  
4 employers and recommend to the board any appropriate action to be taken  
5 concerning the claim; and

6 (b) Submit to the board any other recommendations relating to the  
7 ~~fund~~ **account**.

8 **Sec. 26.** NRS 616B.557 is hereby amended to read as follows:

9 616B.557 Except as otherwise provided in NRS 616B.560:

10 1. If an employee of a self-insured employer has a permanent physical  
11 impairment from any cause or origin and incurs a subsequent disability by  
12 injury arising out of and in the course of his employment which entitles  
13 him to compensation for disability that is substantially greater by reason of  
14 the combined effects of the preexisting impairment and the subsequent  
15 injury than that which would have resulted from the subsequent injury  
16 alone, the compensation due must be charged to the subsequent injury  
17 ~~fund~~ **account** for self-insured employers in accordance with regulations  
18 adopted by the board.

19 2. If the subsequent injury of such an employee results in his death and  
20 it is determined that the death would not have occurred except for the  
21 preexisting permanent physical impairment, the compensation due must be  
22 charged to the subsequent injury ~~fund~~ **account** for self-insured employers  
23 in accordance with regulations adopted by the board.

24 3. As used in this section, "permanent physical impairment" means  
25 any permanent condition, whether congenital or caused by injury or  
26 disease, of such seriousness as to constitute a hindrance or obstacle to  
27 obtaining employment or to obtaining reemployment if the employee is  
28 unemployed. For the purposes of this section, a condition is not a  
29 "permanent physical impairment" unless it would support a rating of  
30 permanent impairment of 6 percent or more of the whole man if evaluated  
31 according to the American Medical Association's Guides to the Evaluation  
32 of Permanent Impairment as adopted and supplemented by the division  
33 pursuant to NRS 616C.110.

34 4. To qualify under this section for reimbursement from the  
35 subsequent injury ~~fund~~ **account** for self-insured employers, the self-  
36 insured employer must establish by written records that the self-insured  
37 employer had knowledge of the "permanent physical impairment" at the  
38 time the employee was hired or that the employee was retained in  
39 employment after the self-insured employer acquired such knowledge.

40 5. A self-insured employer shall notify the board of any possible claim  
41 against the subsequent injury ~~fund~~ **account** for self-insured employers as  
42 soon as practicable, but not later than 100 weeks after the injury or death.

43 6. The board shall adopt regulations establishing procedures for  
44 submitting claims against the subsequent injury ~~fund~~ **account** for self-  
45 insured employers. The board shall notify the self-insured employer of his  
46 decision on such a claim within 90 days after the claim is received.

47 7. An appeal of any decision made concerning a claim against the  
48 subsequent injury ~~fund~~ **account** for self-insured employers must be  
49 submitted directly to the district court.



1     **Sec. 27.** NRS 616B.560 is hereby amended to read as follows:  
2     616B.560 1. A self-insured employer who pays compensation due to  
3     an employee who has a permanent physical impairment from any cause or  
4     origin and incurs a subsequent disability by injury arising out of and in the  
5     course of his employment which entitles him to compensation for disability  
6     that is substantially greater by reason of the combined effects of the  
7     preexisting impairment and the subsequent injury than that which would  
8     have resulted from the subsequent injury alone is entitled to be reimbursed  
9     from the subsequent injury ~~fund~~ **account** for self-insured employers if:

10    (a) The employee knowingly made a false representation as to his  
11    physical condition at the time he was hired by the self-insured employer;

12    (b) The self-insured employer relied upon the false representation and  
13    this reliance formed a substantial basis of the employment; and

14    (c) A causal connection existed between the false representation and the  
15    subsequent disability.

16    If the subsequent injury of the employee results in his death and it is  
17    determined that the death would not have occurred except for the  
18    preexisting permanent physical impairment, any compensation paid is  
19    entitled to be reimbursed from the subsequent injury ~~fund~~ **account** for  
20    self-insured employers.

21    2. A self-insured employer shall notify the board of any possible claim  
22    against the subsequent injury ~~fund~~ **account** for self-insured employers  
23    pursuant to this section no later than 60 days after the date of the  
24    subsequent injury or the date the self-insured employer learns of the  
25    employee's false representation, whichever is later.

26    **Sec. 28.** NRS 616B.563 is hereby amended to read as follows:  
27    616B.563 As used in NRS 616B.563 to 616B.581, inclusive, unless  
28    the context otherwise requires, "board" means the board for the  
29    administration of the subsequent injury ~~fund~~ **account** for associations of  
30    self-insured public or private employers created pursuant to  
31    NRS 616B.569.

32    **Sec. 29.** NRS 616B.569 is hereby amended to read as follows:

33    616B.569 1. There is hereby created the board for the administration  
34    of the subsequent injury ~~fund~~ **account** for associations of self-insured  
35    public or private employers, consisting of five members who are members  
36    of an association of self-insured public or private employers. The members  
37    of the board must be appointed by the governor.

38    2. The members of the board shall elect a chairman and vice chairman  
39    from among the members appointed. After the initial election of a  
40    chairman and vice chairman, each of those officers shall hold office for a  
41    term of 2 years commencing on July 1 of each odd-numbered year. If a  
42    vacancy occurs in the chairmanship or vice chairmanship, the members of  
43    the board shall elect a replacement for the remainder of the unexpired term.

44    3. Vacancies on the board must be filled in the same manner as  
45    original appointments.

46    4. The members of the board serve without compensation.

47    5. A legal counsel that has been appointed by or has contracted with  
48    the division pursuant to NRS 232.660 shall serve as legal counsel of the  
49    board.



1     **Sec. 30.** NRS 616B.572 is hereby amended to read as follows:  
2     616B.572 1. The members of the board may meet throughout each  
3     year at the times and places specified by a call of the chairman or a  
4     majority of the board. The board may prescribe rules and regulations for its  
5     own management and government. Three members of the board constitute  
6     a quorum, and a quorum may exercise all the power and authority  
7     conferred on the board. If a member of the board submits a claim against  
8     the subsequent injury ~~{fund}~~ **account** for associations of self-insured public  
9     or private employers, that member shall not vote on or otherwise  
10    participate in the decision of the board concerning that claim.

11    2. The board shall administer the subsequent injury ~~{fund}~~ **account** for  
12    associations of self-insured public or private employers in accordance with  
13    the provisions of NRS 616B.575, 616B.578 and 616B.581.

14    **Sec. 31.** NRS 616B.575 is hereby amended to read as follows:

15    616B.575 1. There is hereby ~~established as a special revenue fund~~  
16    ~~created in the fund for workers' compensation and safety~~ in the state  
17    treasury the subsequent injury ~~{fund}~~ **account** for associations of self-  
18    insured public or private employers, which may be used only to make  
19    payments in accordance with the provisions of NRS 616B.578 and  
20    616B.581. The board shall administer the ~~{fund}~~ **account** based upon  
21    recommendations made by the administrator pursuant to subsection 8.

22    2. All assessments, penalties, bonds, securities and all other properties  
23    received, collected or acquired by the board for the subsequent injury  
24    ~~{fund}~~ **account** for associations of self-insured public or private employers  
25    must be delivered to the custody of the state treasurer.

26    3. All money and securities in the ~~{fund}~~ **account** must be held by the  
27    state treasurer as custodian thereof to be used solely for workers'  
28    compensation for employees of members of associations of self-insured  
29    public or private employers.

30    4. The state treasurer may disburse money from the ~~{fund}~~ **account**  
31    only upon written order of the board.

32    5. The state treasurer shall invest money of the ~~{fund}~~ **account** in the  
33    same manner and in the same securities in which he is authorized to invest  
34    state general funds which are in his custody. Income realized from the  
35    investment of the assets of the ~~{fund}~~ **account** must be credited to the  
36    ~~{fund}~~ **account**.

37    6. The board shall adopt regulations for the establishment and  
38    administration of assessment rates, payments and penalties. Assessment  
39    rates must result in an equitable distribution of costs among the  
40    associations of self-insured public or private employers and must be based  
41    upon expected annual expenditures for claims for payments from the  
42    subsequent injury ~~{fund}~~ **account** for associations of self-insured public or  
43    private employers.

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



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1 8. The administrator shall:  
2 (a) Evaluate any claim submitted to the board for payment or  
3 reimbursement from the subsequent injury ~~fund~~ **account** for associations  
4 of self-insured public or private employers and recommend to the board  
5 any appropriate action to be taken concerning the claim; and

6 (b) Submit to the board any other recommendations relating to the  
7 ~~fund~~ **account**.

8 **Sec. 32.** NRS 616B.578 is hereby amended to read as follows:  
9 616B.578 Except as otherwise provided in NRS 616B.581:

10 1. If an employee of a member of an association of self-insured public  
11 or private employers has a permanent physical impairment from any cause  
12 or origin and incurs a subsequent disability by injury arising out of and in  
13 the course of his employment which entitles him to compensation for  
14 disability that is substantially greater by reason of the combined effects of  
15 the preexisting impairment and the subsequent injury than that which  
16 would have resulted from the subsequent injury alone, the compensation  
17 due must be charged to the subsequent injury ~~fund~~ **account** for  
18 associations of self-insured public or private employers in accordance with  
19 regulations adopted by the board.

20 2. If the subsequent injury of such an employee results in his death and  
21 it is determined that the death would not have occurred except for the  
22 preexisting permanent physical impairment, the compensation due must be  
23 charged to the subsequent injury ~~fund~~ **account** for associations of self-  
24 insured public or private employers in accordance with regulations adopted  
25 by the board.

26 3. As used in this section, "permanent physical impairment" means  
27 any permanent condition, whether congenital or caused by injury or  
28 disease, of such seriousness as to constitute a hindrance or obstacle to  
29 obtaining employment or to obtaining reemployment if the employee is  
30 unemployed. For the purposes of this section, a condition is not a  
31 "permanent physical impairment" unless it would support a rating of  
32 permanent impairment of 6 percent or more of the whole man if evaluated  
33 according to the American Medical Association's Guides to the Evaluation  
34 of Permanent Impairment as adopted and supplemented by the division  
35 pursuant to NRS 616C.110.

36 4. To qualify under this section for reimbursement from the  
37 subsequent injury ~~fund~~ **account** for associations of self-insured public or  
38 private employers, the association of self-insured public or private  
39 employers must establish by written records that the employer had  
40 knowledge of the "permanent physical impairment" at the time the  
41 employee was hired or that the employee was retained in employment after  
42 the employer acquired such knowledge.

43 5. An association of self-insured public or private employers shall  
44 notify the board of any possible claim against the subsequent injury ~~fund~~ **account**  
45 **account** for associations of self-insured public or private employers as  
46 soon as practicable, but not later than 100 weeks after the injury or death.

47 6. The board shall adopt regulations establishing procedures for  
48 submitting claims against the subsequent injury ~~fund~~ **account** for  
49 associations of self-insured public or private employers. The board shall



1 notify the association of self-insured public or private employers of its  
2 decision on such a claim within 90 days after the claim is received.

3 7. An appeal of any decision made concerning a claim against the  
4 subsequent injury ~~fund~~ *account* for associations of self-insured public or  
5 private employers must be submitted directly to the district court.

6 **Sec. 33.** NRS 616B.581 is hereby amended to read as follows:

7 616B.581 1. An association of self-insured public or private  
8 employers that pays compensation due to an employee who has a  
9 permanent physical impairment from any cause or origin and incurs a  
10 subsequent disability by injury arising out of and in the course of his  
11 employment which entitles him to compensation for disability that is  
12 substantially greater by reason of the combined effects of the preexisting  
13 impairment and the subsequent injury than that which would have resulted  
14 from the subsequent injury alone is entitled to be reimbursed from the  
15 subsequent injury ~~fund~~ *account* for associations of self-insured public or  
16 private employers if:

17 (a) The employee knowingly made a false representation as to his  
18 physical condition at the time he was hired by the member of the  
19 association of self-insured public or private employers;

20 (b) The employer relied upon the false representation and this reliance  
21 formed a substantial basis of the employment; and

22 (c) A causal connection existed between the false representation and the  
23 subsequent disability.

24 If the subsequent injury of the employee results in his death and it is  
25 determined that the death would not have occurred except for the  
26 preexisting permanent physical impairment, any compensation paid is  
27 entitled to be reimbursed from the subsequent injury ~~fund~~ *account* for  
28 associations of self-insured public or private employers.

29 2. An association of self-insured public or private employers shall  
30 notify the board of any possible claim against the subsequent injury ~~fund~~  
31 *account* for associations of self-insured public or private employers  
32 pursuant to this section no later than 60 days after the date of the  
33 subsequent injury or the date the employer learns of the employee's false  
34 representation, whichever is later.

35 **Sec. 34.** NRS 616B.584 is hereby amended to read as follows:

36 616B.584 1. There is hereby ~~established as a special revenue fund~~  
37 *created in the fund for workers' compensation and safety* in the state  
38 treasury the subsequent injury ~~fund~~ *account* for private carriers, which  
39 may be used only to make payments in accordance with the provisions of  
40 NRS 616B.587 and 616B.590. The administrator shall administer the  
41 ~~fund~~ *account*.

42 2. All assessments, penalties, bonds, securities and all other properties  
43 received, collected or acquired by the administrator for the subsequent  
44 injury ~~fund~~ *account* for private carriers must be delivered to the custody  
45 of the state treasurer.

46 3. All money and securities in the ~~fund~~ *account* must be held by the  
47 state treasurer as custodian thereof to be used solely for workers'  
48 compensation for employees whose employers are insured by private  
49 carriers.



1 4. The state treasurer may disburse money from the ~~fund~~ account  
2 only upon written order of the state controller.

3 5. The state treasurer shall invest money of the ~~fund~~ account in the  
4 same manner and in the same securities in which he is authorized to invest  
5 state general funds which are in his custody. Income realized from the  
6 investment of the assets of the ~~fund~~ account must be credited to the  
7 ~~fund~~ account.

8 6. The administrator shall adopt regulations for the establishment and  
9 administration of assessment rates, payments and penalties. Assessment  
10 rates must reflect the relative hazard of the employments covered by  
11 private carriers, must result in an equitable distribution of costs among the  
12 private carriers and must be based upon expected annual premiums to be  
13 received.

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

18 **Sec. 35.** NRS 616B.587 is hereby amended to read as follows:

19 616B.587 Except as otherwise provided in NRS 616B.590:

20 1. If an employee of an employer who is insured by a private carrier  
21 has a permanent physical impairment from any cause or origin and incurs a  
22 subsequent disability by injury arising out of and in the course of his  
23 employment which entitles him to compensation for disability that is  
24 substantially greater by reason of the combined effects of the preexisting  
25 impairment and the subsequent injury than that which would have resulted  
26 from the subsequent injury alone, the compensation due must be charged to  
27 the subsequent injury ~~fund~~ account for private carriers in accordance  
28 with regulations adopted by the administrator.

29 2. If the subsequent injury of such an employee results in his death and  
30 it is determined that the death would not have occurred except for the  
31 preexisting permanent physical impairment, the compensation due must be  
32 charged to the subsequent injury ~~fund~~ account for private carriers in  
33 accordance with regulations adopted by the administrator.

34 3. As used in this section, "permanent physical impairment" means  
35 any permanent condition, whether congenital or caused by injury or  
36 disease, of such seriousness as to constitute a hindrance or obstacle to  
37 obtaining employment or to obtaining reemployment if the employee is  
38 unemployed. For the purposes of this section, a condition is not a  
39 "permanent physical impairment" unless it would support a rating of  
40 permanent impairment of 6 percent or more of the whole man if evaluated  
41 according to the American Medical Association's Guides to the Evaluation  
42 of Permanent Impairment as adopted and supplemented by the division  
43 pursuant to NRS 616C.110.

44 4. To qualify under this section for reimbursement from the  
45 subsequent injury ~~fund~~ account for private carriers, the private carrier  
46 must establish by written records that the employer had knowledge of the  
47 "permanent physical impairment" at the time the employee was hired or  
48 that the employee was retained in employment after the employer acquired  
49 such knowledge.



1 5. A private carrier shall notify the administrator of any possible claim  
2 against the subsequent injury ~~fund~~ account for private carriers as soon as  
3 practicable, but not later than 100 weeks after the injury or death.

4 6. The administrator shall adopt regulations establishing procedures  
5 for submitting claims against the subsequent injury ~~fund~~ account for  
6 private carriers. The administrator shall notify the private carrier of his  
7 decision on such a claim within 90 days after the claim is received.

8 7. An appeal of any decision made concerning a claim against the  
9 subsequent injury ~~fund~~ account for private carriers must be submitted  
10 directly to the appeals officer. The appeals officer shall hear such an appeal  
11 within 45 days after the appeal is submitted to him.

12 **Sec. 36.** NRS 616B.590 is hereby amended to read as follows:

13 616B.590 1. A private carrier who pays compensation due to an  
14 employee who has a permanent physical impairment from any cause or  
15 origin and incurs a subsequent disability by injury arising out of and in the  
16 course of his employment which entitles him to compensation for disability  
17 that is substantially greater by reason of the combined effects of the  
18 preexisting impairment and the subsequent injury than that which would  
19 have resulted from the subsequent injury alone is entitled to be reimbursed  
20 from the subsequent injury ~~fund~~ account for private carriers if:

21 (a) The employee knowingly made a false representation as to his  
22 physical condition at the time he was hired by the employer insured by a  
23 private carrier;

24 (b) The employer relied upon the false representation and this reliance  
25 formed a substantial basis of the employment; and

26 (c) A causal connection existed between the false representation and the  
27 subsequent disability.

28 If the subsequent injury of the employee results in his death and it is  
29 determined that the death would not have occurred except for the  
30 preexisting permanent physical impairment, any compensation paid is  
31 entitled to be reimbursed from the subsequent injury ~~fund~~ account for  
32 private carriers.

33 2. A private carrier shall notify the administrator of any possible claim  
34 against the subsequent injury ~~fund~~ account for private carriers pursuant  
35 to this section no later than 60 days after the date of the subsequent injury  
36 or the date the employer learns of the employee's false representation,  
37 whichever is later.

38 **Sec. 37.** NRS 616C.215 is hereby amended to read as follows:

39 616C.215 1. If an injured employee or, in the event of his death, his  
40 dependents, bring an action in tort against his employer to recover payment  
41 for an injury which is compensable pursuant to the provisions of chapters  
42 616A to 616D, inclusive, or chapter 617 of NRS and, notwithstanding the  
43 provisions of NRS 616A.020, receive payment from the employer for that  
44 injury:

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



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

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

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

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

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

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

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

43 (b) If an injured employee, or in the case of death his dependents,  
44 receive compensation pursuant to the provisions of chapters 616A to 616D,  
45 inclusive, or chapter 617 of NRS, the insurer, or in the case of claims  
46 involving the uninsured employers' claim ~~fund~~ account or a subsequent  
47 injury ~~fund~~ account the administrator, is subrogated to the rights of the  
48 injured employee or his dependents to recover proceeds under the  
49 employer's policy of uninsured or underinsured vehicle coverage. The



1 insurer and the administrator are not subrogated to the rights of an injured  
2 employee or his dependents under a policy of uninsured or underinsured  
3 vehicle coverage purchased by the employee.

4 4. In any action or proceedings taken by the insurer or the  
5 administrator pursuant to this section, evidence of the amount of  
6 compensation, accident benefits and other expenditures which the insurer,  
7 the uninsured employers' claim ~~fund~~ **account** or a subsequent injury  
8 ~~fund~~ **account** have paid or become obligated to pay by reason of the  
9 injury or death of the employee is admissible. If in such action or  
10 proceedings the insurer or the administrator recovers more than those  
11 amounts, the excess must be paid to the injured employee or his  
12 dependents.

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

23 6. The lien provided for pursuant to subsection 1 or 5 includes the total  
24 compensation expenditure incurred by the insurer, the uninsured  
25 employers' claim ~~fund~~ **account** or a subsequent injury ~~fund~~ **account** for  
26 the injured employee and his dependents.

27 7. An injured employee, or in the case of death his dependents, or the  
28 attorney or representative of the injured employee or his dependents, shall  
29 notify the insurer, or in the case of claims involving the uninsured  
30 employers' claim ~~fund~~ **account** or a subsequent injury ~~fund~~ **account** the  
31 administrator, in writing before initiating a proceeding or action pursuant  
32 to this section.

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

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

37 (b) The third-party insurer,  
38 shall notify the insurer, or in the case of claims involving the uninsured  
39 employers' claim ~~fund~~ **account** or a subsequent injury ~~fund~~ **account** the  
40 administrator, of the recovery and pay to the insurer or the administrator,  
41 respectively, the amount due pursuant to this section together with an  
42 itemized statement showing the distribution of the total recovery. The  
43 attorney or representative of the injured employee or his dependents and  
44 the third-party insurer are jointly and severally liable for any amount to  
45 which an insurer is entitled pursuant to this section if the attorney,  
46 representative or third-party insurer has knowledge of the lien provided for  
47 in this section.

48 9. An insurer shall not sell its lien to a third-party insurer unless the  
49 injured employee or his dependents, or the attorney or representative of the



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1 injured employee or his dependents, refuses to provide to the insurer  
2 information concerning the action against the third party.

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

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

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

23 11. To calculate an employer's premium, the employer's account with  
24 the private carrier must be credited with an amount equal to that recovered  
25 by the private carrier from a third party pursuant to this section, less the  
26 private carrier's share of the expenses of litigation incurred in obtaining the  
27 recovery, except that the total credit must not exceed the amount of  
28 compensation actually paid or reserved by the private carrier on the injured  
29 employee's claim.

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

35 **Sec. 38.** NRS 616C.220 is hereby amended to read as follows:

36 616C.220 1. The division shall designate one:

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

39 (b) Insurer, other than a self-insured employer or association of self-  
40 insured public or private employers,  
41 to administer claims against the uninsured employers' claim ~~fund~~  
42 ~~account~~. The designation must be made pursuant to reasonable competitive  
43 bidding procedures established by the administrator.

44 2. An employee may receive compensation from the uninsured  
45 employers' claim ~~fund~~ ~~account~~ if:

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

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

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



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

4 3. If the division receives a claim pursuant to subsection 2, the division  
5 shall immediately notify the employer of the claim.

6 4. For the purposes of this section, the employer has the burden of  
7 proving that he provided mandatory industrial insurance coverage for the  
8 employee or that he was not required to maintain industrial insurance for  
9 the employee.

10 5. Any employer who has failed to provide mandatory coverage  
11 required by the provisions of chapters 616A to 616D, inclusive, of NRS is  
12 liable for all payments made on his behalf, including any benefits,  
13 administrative costs or attorney's fees paid from the uninsured employers'  
14 claim ~~fund~~ **account** or incurred by the division.

15 6. The division:

16 (a) May recover from the employer the payments made by the division  
17 that are described in subsection 5 and any accrued interest by bringing a  
18 civil action in district court.

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

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

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

26 7. The division shall:

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

29 (b) Assign the claim to the third-party administrator or insurer  
30 designated pursuant to subsection 1 for administration and payment of  
31 compensation.

32 Upon determining whether the claim is accepted or denied, the designated  
33 third-party administrator or insurer shall notify the injured employee, the  
34 named employer and the division of its determination.

35 8. Upon demonstration of the:

36 (a) Costs incurred by the designated third-party administrator or insurer  
37 to administer the claim or pay compensation to the injured employee; or

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

43 9. Any party aggrieved by a determination regarding the  
44 administration of an assigned claim or a determination made by the  
45 division or by the designated third-party administrator or insurer regarding  
46 any claim made pursuant to this section may appeal that determination  
47 within 60 days after the determination is rendered to the hearings division  
48 of the department of administration in the manner provided by NRS  
49 616C.305 and 616C.315 to 616C.385, inclusive.



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1 10. All insurers shall bear a proportionate amount of a claim made  
2 pursuant to chapters 616A to 616D, inclusive, of NRS, and are entitled to a  
3 proportionate amount of any collection made pursuant to this section as an  
4 offset against future liabilities.

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

13 12. Attorney's fees recoverable by the division pursuant to this section  
14 must be:

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

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

19 Any money collected must be deposited to the uninsured employers' claim  
20 ~~fund~~ **account**.

21 13. In addition to any other liabilities provided for in this section, the  
22 administrator may impose an administrative fine of not more than \$10,000  
23 against an employer if the employer fails to provide mandatory coverage  
24 required by the provisions of chapters 616A to 616D, inclusive, of NRS.

25 **Sec. 39.** NRS 616D.200 is hereby amended to read as follows:

26 616D.200 1. If the administrator finds that an employer within the  
27 provisions of NRS 616B.633 has failed to provide and secure  
28 compensation as required by the terms of chapters 616A to 616D,  
29 inclusive, or chapter 617 of NRS or that the employer has provided and  
30 secured that compensation but has failed to maintain it, he shall make a  
31 determination thereon and may charge the employer an amount equal to the  
32 sum of:

33 (a) The premiums that would otherwise have been owed to a private  
34 carrier pursuant to the terms of chapters 616A to 616D, inclusive, or  
35 chapter 617 of NRS, as determined by the administrator based upon the  
36 manual rates adopted by the commissioner, for the period that the employer  
37 was doing business in this state without providing, securing or maintaining  
38 that compensation, but not to exceed 6 years; and

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

41 The money collected pursuant to this subsection must be paid into the  
42 uninsured employers' claim ~~fund~~ **account**.

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

47 3. Any employer within the provisions of NRS 616B.633 who fails to  
48 provide, secure or maintain compensation as required by the terms of



1 chapters 616A to 616D, inclusive, or chapter 617 of NRS, shall be  
2 punished as follows:

3 (a) Except as otherwise provided in paragraph (b), if it is a first offense,  
4 for a misdemeanor.

5 (b) If it is a first offense and, during the period the employer was doing  
6 business in this state without providing, securing or maintaining  
7 compensation, one of his employees suffers an injury arising out of and in  
8 the course of his employment that results in substantial bodily harm to the  
9 employee or the death of the employee, for a category C felony punishable  
10 by imprisonment in the state prison for a minimum term of not less than 1  
11 year and a maximum term of not more than 5 years and by a fine of not  
12 less than \$1,000 nor more than \$50,000.

13 (c) If it is a second or subsequent offense committed within 7 years after  
14 the previous offense, for a category C felony punishable by imprisonment  
15 in the state prison for a minimum term of not less than 1 year and a  
16 maximum term of not more than 5 years and by a fine of not less than  
17 \$1,000 nor more than \$50,000.

18 4. In addition to any other penalty imposed pursuant to paragraph (b)  
19 or (c) of subsection 3, the court shall order the employer to:

20 (a) Pay restitution to an insurer who has incurred costs as a result of the  
21 violation in an amount equal to the costs that have been incurred minus any  
22 costs incurred that have otherwise been recovered; and

23 (b) Reimburse the uninsured employers' claim ~~fund~~ account for all  
24 payments made from the ~~fund~~ account on the employer's behalf,  
25 including any benefits, administrative costs or attorney's fees paid from the  
26 ~~fund~~ account, that have not otherwise been recovered pursuant to  
27 NRS 616C.220.

28 5. Any criminal penalty imposed pursuant to subsections 3 and 4 must  
29 be in addition to the amount charged pursuant to subsection 1.

30 **Sec. 40.** NRS 616D.220 is hereby amended to read as follows:

31 616D.220 1. If the administrator finds that any employer or any  
32 employee, officer or agent of any employer has knowingly:

33 (a) Made a false statement or has knowingly failed to report a material  
34 fact concerning the amount of payroll upon which a premium is based; or

35 (b) Misrepresented the classification or duties of an employee,  
36 he shall make a determination thereon and charge the employer's account  
37 an amount equal to the amount of the premium that would have been due  
38 had the proper information been submitted. The administrator shall deliver  
39 a copy of his determination to the employer. The money collected pursuant  
40 to this subsection must be paid into the uninsured employers' claim ~~fund~~  
41 account.

42 2. An employer who is aggrieved by the determination of the  
43 administrator may appeal from the determination by filing a request for a  
44 hearing. The request must be filed within 30 days after the date on which a  
45 copy of the determination was delivered to the employer. The administrator  
46 shall hold a hearing within 30 days after he receives the request. The  
47 determination of the administrator made pursuant to a hearing is a final  
48 decision for the purposes of judicial review. The amount of the



1 determination as finally decided by the administrator becomes due within  
2 30 days after the determination is served on the employer.

3 3. A person who knowingly:

4 (a) Makes a false statement or representation or who knowingly fails to  
5 report a material fact concerning the amount of payroll upon which a  
6 premium is based; or

7 (b) Misrepresents the classification or duties of an employee,  
8 is guilty of a gross misdemeanor. Any criminal penalty imposed must be in  
9 addition to the amount charged pursuant to subsection 1.

10 **Sec. 41.** NRS 616D.230 is hereby amended to read as follows:

11 616D.230 1. An employer who fails to pay an amount of money  
12 charged to him pursuant to the provisions of NRS 616D.200 or 616D.220  
13 is liable in a civil action commenced by the attorney general for:

14 (a) Any amount charged to the employer by the administrator pursuant  
15 to NRS 616D.200 or 616D.220;

16 (b) Not more than \$10,000 for each act of willful deception;

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

19 (d) Payment of interest on the amount charged at the rate fixed pursuant  
20 to NRS 99.040 for the period from the date upon which the amount  
21 charged was due to the date upon which the amount charged is paid.

22 2. A criminal action need not be brought against an employer  
23 described in subsection 1 before civil liability attaches under this section.

24 3. Any payment of money charged pursuant to the provisions of NRS  
25 616D.200 or 616D.220 and collected pursuant to paragraph (a) or (d) of  
26 subsection 1 must be paid into the uninsured employers' claim ~~fund.~~  
27 **account.**

28 4. Any penalty collected pursuant to paragraph (b) or (c) of subsection  
29 1 must be used to pay the salaries and other expenses of the fraud control  
30 unit for industrial insurance established pursuant to the provisions of NRS  
31 228.420. Any money remaining at the end of any fiscal year does not revert  
32 to the state general fund.

33 **Sec. 42.** NRS 617.401 is hereby amended to read as follows:

34 617.401 1. The division shall designate one:

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

37 (b) Insurer, other than a self-insured employer or association of self-  
38 insured public or private employers,

39 to administer claims against the uninsured employers' claim ~~fund.~~  
40 **account.** The designation must be made pursuant to reasonable competitive  
41 bidding procedures established by the administrator.

42 2. An employee may receive compensation from the uninsured  
43 employers' claim ~~fund.~~ **account** if:

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

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

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

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



1 3. If the division receives a claim pursuant to subsection 2, the division  
2 shall immediately notify the employer of the claim.

3 4. For the purposes of this section, the employer has the burden of  
4 proving that he provided mandatory coverage for occupational diseases for  
5 the employee or that he was not required to maintain industrial insurance  
6 for the employee.

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

12 6. The division:

13 (a) May recover from the employer the payments made by the division  
14 that are described in subsection 5 and any accrued interest by bringing a  
15 civil action in district court.

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

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

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

23 7. The division shall:

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

26 (b) Assign the claim to the third-party administrator or insurer  
27 designated pursuant to subsection 1 for administration and payment of  
28 compensation.

29 Upon determining whether the claim is accepted or denied, the designated  
30 third-party administrator or insurer shall notify the injured employee, the  
31 named employer and the division of its determination.

32 8. Upon demonstration of the:

33 (a) Costs incurred by the designated third-party administrator or insurer  
34 to administer the claim or pay compensation to the injured employee; or  
35 (b) Amount that the designated third-party administrator or insurer will  
36 pay for administrative expenses or compensation to the injured employee  
37 and that such amounts are justified by the circumstances of the claim,  
38 the division shall authorize payment from the uninsured employers' claim  
39 ~~fund~~ *account*.

40 9. Any party aggrieved by a determination regarding the  
41 administration of an assigned claim or a determination made by the  
42 division or by the designated third-party administrator or insurer regarding  
43 any claim made pursuant to this section may appeal that determination  
44 within 60 days after the determination is rendered to the hearings division  
45 of the department of administration in the manner provided by NRS  
46 616C.305 and 616C.315 to 616C.385, inclusive.

47 10. All insurers shall bear a proportionate amount of a claim made  
48 pursuant to this chapter, and are entitled to a proportionate amount of any



1 collection made pursuant to this section as an offset against future  
2 liabilities.

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

11 12. Attorney's fees recoverable by the division pursuant to this section  
12 must be:

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

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

17 Any money collected must be deposited to the uninsured employers' claim  
18 ~~fund~~ **account**.

19 13. In addition to any other liabilities provided for in this section, the  
20 administrator may impose an administrative fine of not more than \$10,000  
21 against an employer if the employer fails to provide mandatory coverage  
22 required by the provisions of this chapter.

23 **Sec. 43.** NRS 227.215 and 353.145 are hereby repealed.

24 **Sec. 44.** 1. The state controller shall, as he determines necessary to  
25 carry out the provisions of this act, cause the transfer of any money  
26 between funds and accounts whose designations are changed by the  
27 provisions of this act.

28 2. All rights and liabilities of a fund or account whose designation is  
29 changed by the provisions of this act are not affected by the change in  
30 designation and remain the rights and liabilities of the fund or account as  
31 newly designated.

32 **Sec. 45.** 1. This section and sections 1 to 18, inclusive, 21 to 24,  
33 inclusive, 26 to 30, inclusive, 32, 33, 35 to 42, inclusive, and 44 of this act  
34 become effective on July 1, 2001.

35 2. Sections 19, 20, 25, 31, 34 and 43 of this act become effective at  
36 12:01 a.m. on July 1, 2001.

37 **Sec. 46.** The legislative counsel shall:

38 1. In preparing the reprint and supplements to the Nevada Revised  
39 Statutes, with respect to any section that is not amended by this act or is  
40 further amended by another act, appropriately change any reference to any  
41 fund or account whose designation is changed by the provisions of this act.

42 2. In preparing supplements to the Nevada Administrative Code,  
43 appropriately change any reference to any fund or account whose  
44 designation is changed by the provisions of this act.



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**TEXT OF REPEALED SECTIONS**

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**227.215 Minimum amount for drawing warrant; exceptions.**

Unless the state controller determines that earlier payment is necessary, he shall not draw a warrant for less than \$25, but shall accumulate claims for less than \$25 until:

1. The claims of a particular claimant amount to \$25 or more; or
2. The end of the fiscal year.

**353.145 Renewal of claim by presentation to state board of examiners; payment.**

1. If a warrant of the state controller has been canceled pursuant to the provisions of NRS 353.130, the person in whose favor the warrant was drawn may, within 1 year after the date of the original warrant, renew his claim against the state, in the amount of the warrant which was canceled, by presenting the claim for approval by the state board of examiners, except that the state board of examiners may authorize its clerk, under such circumstances as it deems appropriate, to approve such a claim on behalf of the board. A person who is aggrieved by a determination of the clerk to deny all or any part of such a claim may appeal that determination to the state board of examiners.

2. If a claim is approved pursuant to this section, payment of the claim may be made out of the state claims account as provided in NRS 353.097.

