

SENATE BILL NO. 37—SENATOR WIENER

PREFILED FEBRUARY 4, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing wholesalers of prescription drugs. (BDR 54-13)

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

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

AN ACT relating to prescription drugs; requiring an applicant for a license to engage in the wholesale distribution of prescription drugs to submit a set of his fingerprints for submission to the Federal Bureau of Investigation for a report of the criminal history of the applicant; requiring certain persons employed by or otherwise providing services in connection with the operation of a licensed wholesaler to submit a set of fingerprints for submission to the Federal Bureau of Investigation for a report on criminal history; requiring certain licensed wholesalers to file a bond or cash deposit conditioned upon compliance with the laws relating to wholesalers; imposing certain restrictions on the purchase, sale, distribution and transfer of prescription drugs; requiring wholesalers to provide a statement identifying each prior sale of a prescription drug under certain circumstances; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the licensure of wholesalers of prescription drugs and the regulation of the practice of the wholesale distribution of prescription drugs. (Chapter 639 of NRS)

This bill requires an applicant for a license as a wholesaler to submit a complete set of his fingerprints to the State Board of Pharmacy for a criminal background check. In addition, if the Board determines that an employee, agent, guardian, personnel representative, lender or holder of indebtedness of an applicant has the power to exercise significant influence over the operation of the applicant as



9 a licensed wholesaler, that person must submit a complete set of his fingerprints for
10 a criminal background check.

11 This bill requires an applicant for an initial license or renewal of a license as a
12 wholesaler to file a bond or other form of security. This requirement does not apply
13 to publicly traded corporations. This bill imposes restrictions on the receipt,
14 transfer, sale and disposition of prescription drugs by licensed wholesalers.

15 This bill also requires wholesalers to file a statement identifying prior sales of
16 prescription drugs. Before January 1, 2007, the statement must be in either written
17 or electronic form. On and after January 1, 2007, the statement must be in
18 electronic form unless the Board determines that the technology is not reasonably
19 available or that the wholesalers require additional time to provide the statements in
20 electronic form.

21 This bill provides penalties if a wholesaler fails to comply with the
22 requirements related to the statement identifying prior sales of prescription drugs
23 and if the wholesaler knowingly destroys, fails to authenticate, forges or falsifies a
24 statement or fails to record material information in such a statement. A wholesaler
25 who violates these provisions is guilty of a category C felony.

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

1 **Section 1.** Chapter 639 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 9, inclusive, of this
3 act.

4 **Sec. 2. 1.** *In addition to the requirements for an application*
5 *set forth in NRS 639.100, each applicant for a license to engage in*
6 *wholesale distribution shall submit with his application a complete*
7 *set of his fingerprints and written permission authorizing the*
8 *Board to forward the fingerprints to the Central Repository for*
9 *Nevada Records of Criminal History for submission to the Federal*
10 *Bureau of Investigation for its report. If the applicant is a:*

11 *(a) Natural person, that person must submit his fingerprints.*

12 *(b) Partnership, each partner must submit his fingerprints.*

13 *(c) Corporation, each officer and director of the corporation*
14 *must submit his fingerprints.*

15 *(d) Sole proprietorship, that sole proprietor must submit his*
16 *fingerprints.*

17 **2.** *In addition to the requirements of subsection 1, each*
18 *employee, agent, guardian, personnel representative, lender or*
19 *holder of indebtedness of an applicant shall submit a complete set*
20 *of his fingerprints if the Board determines that the person has the*
21 *power to exercise significant influence over the operation of the*
22 *applicant as a licensed wholesaler. The fingerprints must be*
23 *submitted with written permission authorizing the Board to*
24 *forward the fingerprints to the Central Repository for Nevada*
25 *Records of Criminal History for submission to the Federal Bureau*
26 *of Investigation for its report.*



1 3. The Board may issue a provisional license to an applicant
2 pending receipt of the reports from the Federal Bureau of
3 Investigation if the Board determines that the applicant is
4 otherwise qualified.

5 4. An applicant who is issued a license by the Board shall not
6 allow a person who is required to submit his fingerprints pursuant
7 to subsection 2 to act in any capacity in which he exercises
8 significant influence over the operation of the wholesaler if the:

9 (a) Person does not submit a complete set of his fingerprints in
10 accordance with subsection 2; or

11 (b) Report of the criminal history of the person indicates that
12 he has been convicted of, or entered a plea of guilty or nolo
13 contendere to, a felony or offense involving moral turpitude or
14 related to the qualifications, functions or duties of that person in
15 connection with the operation of the wholesaler.

16 5. The Board shall not issue a license to an applicant if the
17 requirements of this section are not satisfied.

18 **Sec. 3.** 1. Each licensed wholesaler shall submit to the
19 Board a list of each employee, agent, guardian, personnel
20 representative, lender or holder of indebtedness of the wholesaler
21 who is employed by or otherwise contracts with the wholesaler for
22 the provision of services in connection with the operation of the
23 licensee as a wholesaler. Additions or deletions to the list must be
24 submitted to the Board not later than 15 days after the change is
25 made.

26 2. If a person identified on the list of the wholesaler is
27 employed by or otherwise contracts with the wholesaler after the
28 wholesaler is issued a license and that person did not submit his
29 fingerprints pursuant to section 2 of this act, that person shall
30 submit a complete set of his fingerprints to the Board if the Board
31 determines that the person has the power to exercise significant
32 influence over the operation of the licensee as a wholesaler. The
33 fingerprints must be submitted within 30 days after being
34 requested to do so by the Board and must include written
35 permission authorizing the Board to forward the fingerprints to
36 the Central Repository for Nevada Records of Criminal History
37 for submission to the Federal Bureau of Investigation for its
38 report.

39 3. A wholesaler shall not allow a person who is required to
40 submit his fingerprints pursuant to subsection 2 to act in any
41 capacity in which he exercises significant influence over the
42 operation of the wholesaler if the:

43 (a) Person does not submit a complete set of his fingerprints in
44 accordance with subsection 2; or



1 (b) *Report of the criminal history of the person indicates that*
2 *he has been convicted of, or entered a plea of guilty or nolo*
3 *contendere to, a felony or offense involving moral turpitude or*
4 *related to qualifications, functions or duties of that person in*
5 *connection with the operation of the wholesaler.*

6 **Sec. 4.** 1. *Except as otherwise provided in this subsection,*
7 *before the Board issues a license to engage in the wholesale*
8 *distribution of prescription drugs, the applicant shall file with the*
9 *Board a bond in the amount of \$100,000 executed by the applicant*
10 *as principal, and by a corporation qualified under the laws of this*
11 *State as surety, payable to this State and conditioned upon the*
12 *compliance with the requirements of this chapter applicable to*
13 *wholesalers. An applicant that is a publicly traded corporation is*
14 *not required to file a bond or other security pursuant to this*
15 *section.*

16 2. *In lieu of the bond required pursuant to subsection 1, an*
17 *applicant may deposit with the Board a like amount of lawful*
18 *money of the United States or any other form of security*
19 *authorized by NRS 100.065. If security is provided in the form of a*
20 *savings certificate, certificate of deposit or investment certificate,*
21 *the certificate must state that the amount is not available for*
22 *withdrawal except upon order of the Board.*

23 3. *The Board may, by agreement with a wholesaler who has*
24 *been licensed with the Board for 5 consecutive years or more,*
25 *allow a reduction in the amount of the bond or other security as*
26 *provided in subsections 1 and 2, if the wholesaler has conducted*
27 *business in accordance with the applicable provisions of this*
28 *chapter for the immediately preceding 5 years, but no bond may be*
29 *in an amount less than \$5,000. The Board may at any time*
30 *thereafter require the licensee to increase the amount of the bond*
31 *or other security if evidence is presented to the Board supporting*
32 *this requirement.*

33 4. *The purpose of the bond and other security required by this*
34 *section is to secure payment of any fines imposed by the Board*
35 *pursuant to NRS 639.255 and any costs incurred by the Board*
36 *regarding the license of a wholesaler that are imposed pursuant to*
37 *NRS 622.400 or 622.410 which the licensee fails to pay within 30*
38 *days after the fines or costs become due and payable. The Board*
39 *may make a claim against a bond or other security pursuant to*
40 *this subsection until 1 year after the license ceases to be valid or*
41 *until 60 days after any administrative proceeding against the*
42 *licensee conducted pursuant to NRS 639.241 to 639.2576,*
43 *inclusive, is concluded.*

44 5. *Except as otherwise provided in this subsection, before*
45 *renewing a license to engage in wholesale distribution, the Board*



1 *shall require the licensee to file with the Board satisfactory*
2 *evidence that his surety bond or other security is in full force. A*
3 *licensee that is a publicly traded corporation is not required to*
4 *maintain a bond or other security.*

5 *6. Failure of an applicant or licensee to file or maintain in*
6 *full force the required bond or other security constitutes cause for*
7 *the Board to deny, revoke, suspend or refuse to renew a license to*
8 *engage in wholesale distribution.*

9 *7. All money received by the Board pursuant to this section*
10 *must be deposited in accordance with NRS 639.081.*

11 **Sec. 5. 1. Except as otherwise provided in this section, a**
12 **wholesaler shall not receive a prescription drug from:**

13 (a) *Any person who is not a wholesaler or manufacturer; or*

14 (b) *A wholesaler if any previous seller of the drug was not a*
15 *wholesaler or a manufacturer.*

16 **2. A wholesaler may receive a prescription drug from a**
17 **pharmacy or practitioner if the prescription drug was originally**
18 **purchased by that pharmacy or practitioner from the wholesaler.**

19 **3. A wholesaler that was not the original wholesaler which**
20 **sold prescription drugs to a pharmacy or practitioner may receive**
21 **the prescription drugs if:**

22 (a) *The pharmacy or practitioner no longer does business with*
23 *the original wholesaler;*

24 (b) *The original wholesaler no longer does business with the*
25 *pharmacy or practitioner; or*

26 (c) *The original wholesaler refuses to allow the return of the*
27 *prescription drugs.*

28 **4. A wholesaler shall not:**

29 (a) *Receive from a pharmacy or practitioner an amount or*
30 *quantity of a prescription drug larger than the amount or quantity*
31 *that was originally sold by the original wholesaler to that*
32 *pharmacy or practitioner;*

33 (b) *Pay a pharmacy or practitioner an amount, either in cash*
34 *or credit, that is more than:*

35 (1) *The amount the pharmacy or practitioner originally*
36 *paid to the original wholesaler for the prescription drug; or*

37 (2) *The price the receiving wholesaler would have charged*
38 *that pharmacy or practitioner for the prescription drug at the time*
39 *of the return; or*

40 (c) *Purchase a contraband drug or counterfeit drug.*

41 **5. A wholesaler that receives a prescription drug from a**
42 **pharmacy or practitioner pursuant to this section may dispose of**
43 **the prescription drug by:**

44 (a) *Destroying the prescription drug;*



1 (b) Selling the prescription drug to another pharmacy or
2 practitioner;

3 (c) Selling the prescription drug to another wholesaler; or

4 (d) Providing the prescription drug to another wholesaler or
5 the manufacturer of the prescription drug solely for the purposes
6 of destruction or disposal.

7 6. If a wholesaler:

8 (a) Sells a prescription drug to another pharmacy or
9 practitioner pursuant to paragraph (b) of subsection 5, the
10 wholesaler is not required to provide a "Statement Identifying
11 Prior Sales of Prescription Drugs by Wholesalers Required by the
12 Prescription Drug Marketing Act" described in section 7 of this
13 act.

14 (b) Sells or provides a prescription drug to another wholesaler
15 or the manufacturer of the prescription drug pursuant to
16 paragraph (c) or (d) of subsection 5, the wholesaler must provide a
17 "Statement Identifying Prior Sales of Prescription Drugs by
18 Wholesalers Required by the Prescription Drug Marketing Act" as
19 described in section 7 of this act for that transaction and must
20 indicate on the statement that the prescription drug was received
21 from the person from whom the wholesaler accepted the
22 prescription drug.

23 7. As used in this section:

24 (a) "Contraband drug" means a prescription drug that is
25 offered for sale by a pharmacy or practitioner to a wholesaler in
26 violation of an agreement to which the pharmacy or practitioner is
27 a party or is otherwise in privity of contract that would prohibit or
28 otherwise disallow such a sale or resale.

29 (b) "Counterfeit drug" means a prescription drug that is
30 adulterated, mislabeled or misbranded pursuant to chapter 585 of
31 NRS.

32 **Sec. 6. 1. An ongoing relationship between a wholesaler**
33 **and a manufacturer is established by:**

34 (a) A written franchise, license or other agreement between the
35 wholesaler and manufacturer to distribute prescription drugs;

36 (b) The presence of the wholesaler on a list of distributors with
37 which the manufacturer does business, created by the
38 manufacturer and located on a publicly accessible website
39 maintained by the manufacturer; or

40 (c) The existence of the purchase by the wholesaler of at least
41 5,000 sales units of prescription drugs from the manufacturer
42 within the 12 months immediately preceding the transaction for
43 which the wholesaler claims to have an ongoing relationship and:

44 (1) The Board or a purchasing wholesaler can verify the
45 purchase with the manufacturer at its main corporate office in the
46 United States; or

47 (2) The wholesaler maintains invoices showing that the
48 purchase was made directly from the manufacturer and that



1 *include an account number assigned by the manufacturer to the*
2 *wholesaler's address of record on file with the Board.*

3 2. *The records establishing an ongoing relationship between*
4 *a wholesaler and distributor must be:*

5 (a) *If the facility is located within this State, maintained at the*
6 *facility of the wholesaler throughout the period that such a*
7 *relationship exists;*

8 (b) *Maintained for 3 years after the termination of the*
9 *relationship; and*

10 (c) *Available for review and copying by the Board or any*
11 *authorized representative of a federal, state or local agency.*

12 3. *An ongoing relationship between a wholesaler and a*
13 *manufacturer may be attributed to an affiliated wholesaler if:*

14 (a) *The affiliated wholesaler is licensed by the Board or the*
15 *relevant authority of another state;*

16 (b) *The wholesaler who has the ongoing relationship with the*
17 *manufacturer and the affiliated wholesaler are wholly owned by a*
18 *common owner; and*

19 (c) *The common owner is a publicly traded corporation.*

20 4. *As used in this section, "sales unit" means the smallest size*
21 *of packaging used by the manufacturer for the prescription drug.*

22 **Sec. 7.** 1. *Except as otherwise provided in paragraph (a) of*
23 *subsection 6 of section 5 of this act, each wholesaler shall provide*
24 *a statement identifying each sale of a prescription drug before the*
25 *drug is sold to another wholesaler or to a pharmacy if the*
26 *wholesaler:*

27 (a) *Has not established an ongoing relationship, as described*
28 *in section 6 of this act, with the manufacturer from whom the*
29 *prescription drug was purchased; or*

30 (b) *Purchased the prescription drug from another wholesaler.*

31 2. *The statement required by subsection 1 must:*

32 (a) *Bear the title "Statement Identifying Prior Sales of*
33 *Prescription Drugs by Wholesalers Required by the Prescription*
34 *Drug Marketing Act" and:*

35 (1) *Before January 1, 2007, be in written or electronic*
36 *form; and*

37 (2) *On and after January 1, 2007, be in electronic form;*

38 (b) *Include all necessary identifying information concerning*
39 *each sale in the chain of distribution of the product from the*
40 *manufacturer or wholesaler;*

41 (c) *Accompany all prescription drugs purchased from a*
42 *wholesaler, even if they are resold to another distributor;*

43 (d) *Include the business name and address of the person from*
44 *whom the prescription drug was purchased;*

45 (e) *Include the date of the sale;*



1 (f) Include the signature of the wholesaler or his designated
2 representative certifying that the information contained in the
3 statement is complete and accurate; and

4 (g) Include the:

5 (1) Name of the prescription drug;

6 (2) Strength of the prescription drug;

7 (3) Size of the container;

8 (4) Number of containers;

9 (5) Lot number of the prescription drug; and

10 (6) Name of the manufacturer of the finished dosage form.

11 3. Each statement must be:

12 (a) Maintained by the buyer and the wholesaler for 3 years;

13 (b) Except as otherwise provided in subsection 4, available for
14 copying or inspection upon a request by an authorized
15 representative of any federal, state or local agency, a
16 manufacturer of prescription drugs or a pharmacist or
17 practitioner who purchases prescription drugs from the
18 wholesaler; and

19 (c) Maintained by the wholesaler at its facility.

20 4. If a wholesaler cannot provide a statement upon a request
21 made pursuant to paragraph (b) of subsection 3 because the
22 wholesaler purchased a prescription drug with a particular lot
23 number from more than one source, the wholesaler must provide:

24 (a) Copies of all the "Statements Identifying Prior Sales of
25 Prescription Drugs by Wholesalers Required by the Prescription
26 Drug Marketing Act," as described in subsection 2 that relate to
27 the prescription drug with the particular lot number; or

28 (b) A statement certifying how much of a prescription drug the
29 wholesaler purchased directly from the manufacturer and how
30 much of the prescription drug the wholesaler purchased from
31 other wholesalers, which must accurately account for the
32 wholesaler's purchases of a prescription drug for the 12 months
33 immediately preceding the request and may be made in the form of
34 a percentage, ratio or per-unit accounting. The wholesaler must
35 provide, upon request, all "Statements Identifying Prior Sales of
36 Prescription Drugs by Wholesalers Required by the Prescription
37 Drug Marketing Act" that were the basis for the statement made
38 pursuant to this paragraph.

39 **Sec. 8.** A person who is licensed to engage in wholesale
40 distribution pursuant to this chapter is guilty of a category C
41 felony if, with the intent to defraud or deceive, he:

42 1. Fails to deliver to another person a complete and accurate
43 statement for a prescription drug if required by section 7 of this
44 act before selling or otherwise transferring the drug to that
45 person.



1 2. *Fails to acquire a complete and accurate statement for a*
2 *prescription drug if required by section 7 of this act before*
3 *obtaining the drug from another person.*

4 3. *Falsely swears or certifies that the information in a*
5 *statement required by section 7 of this act is accurate and*
6 *complete.*

7 **Sec. 9.** *A person who is licensed to engage in wholesale*
8 *distribution pursuant to this chapter is guilty of a category C*
9 *felony if he knowingly:*

10 1. *Destroys, alters, conceals or fails to maintain a complete*
11 *and accurate statement for each prescription drug in his*
12 *possession for wholesale distribution if the statement is required*
13 *for the drug pursuant to section 7 of this act.*

14 2. *Fails to authenticate information contained in a statement*
15 *required by section 7 of this act and distributes or attempts to*
16 *distribute the prescription drug for which the statement is*
17 *required.*

18 3. *Forges, counterfeits or falsely creates a statement required*
19 *by section 7 of this act.*

20 4. *Falsely represents any factual matter contained in a*
21 *statement required by section 7 of this act.*

22 5. *Fails to record material information required to be*
23 *recorded in a statement required by section 7 of this act.*

24 **Sec. 10.** NRS 639.180 is hereby amended to read as follows:

25 639.180 1. Except as otherwise provided in this subsection, a
26 certificate, license or permit issued by the Board pursuant to this
27 chapter expires on October 31 of each even-numbered year. A
28 certificate of registration as a pharmacist expires on October 31 of
29 each odd-numbered year.

30 2. Except as otherwise provided by NRS 639.137, 639.230 and
31 639.2328, each person to whom a certificate, license or permit has
32 been issued may, if the certificate, license or permit has not been
33 revoked, renew the certificate, license or permit biennially by:

34 (a) Filing an application for renewal;

35 (b) Paying the fee for renewal;

36 (c) Complying with the requirement of continuing professional
37 education, if applicable; ~~and~~

38 (d) *If applicable, filing with the Board satisfactory evidence*
39 *that his surety bond or other security required by section 4 of this*
40 *act is in full force; and*

41 (e) If the applicant is a natural person who is applying for the
42 renewal of a certificate of registration as a pharmacist, intern
43 pharmacist, pharmaceutical technician or pharmaceutical technician
44 in training or a license issued pursuant to NRS 639.233, submitting
45 the statement required pursuant to NRS 639.129.



3. The application for renewal, together with the fee for renewal and, if applicable, *the evidence of compliance with section 4 of this act and* the statement ~~is~~ *required pursuant to NRS 639.129*, must be delivered to the Executive Secretary of the Board on or before the expiration date of the certificate, license or permit, or the current renewal receipt thereof.

4. If a certificate, license or permit is renewed, it must be delivered to the applicant within a reasonable time after receipt of the application for renewal and the fee for renewal.

5. The Board may refuse to renew a certificate, license or permit if the applicant has committed any act proscribed by NRS 639.210.

6. If the application for renewal, ~~and~~ the fee for renewal and, if applicable, *the evidence of compliance with section 4 of this act and* the statement *required pursuant to NRS 639.129*, are not postmarked on or before the expiration date of the certificate, license or permit, or the current renewal receipt thereof, the registration is automatically forfeited.

Sec. 11. NRS 639.180 is hereby amended to read as follows:

639.180 1. Except as otherwise provided in this subsection, a certificate, license or permit issued by the Board pursuant to this chapter expires on October 31 of each even-numbered year. A certificate of registration as a pharmacist expires on October 31 of each odd-numbered year.

2. Except as otherwise provided by NRS 639.137, 639.230 and 639.2328, each person to whom a certificate, license or permit has been issued may, if the certificate, license or permit has not been revoked, renew the certificate, license or permit biennially by:

(a) Filing an application for renewal;

(b) Paying the fee for renewal; ~~and~~

(c) *If applicable, filing with the Board satisfactory evidence that his surety bond or other security required by section 4 of this act is in full force; and*

(d) Complying with the requirement of continuing professional education, if applicable.

3. The application for renewal, together with the fee for renewal ~~is~~ *and, if applicable, the evidence of compliance with section 4 of this act*, must be delivered to the Executive Secretary of the Board on or before the expiration date of the certificate, license or permit, or the current renewal receipt thereof.

4. If a certificate, license or permit is renewed, it must be delivered to the applicant within a reasonable time after receipt of the application for renewal and the fee for renewal.



1 5. The Board may refuse to renew a certificate, license or
2 permit if the applicant has committed any act proscribed by NRS
3 639.210.

4 6. If the application for renewal , ~~and~~ the fee for renewal *and,*
5 *if applicable, the evidence of compliance with section 4 of this act*
6 are not postmarked on or before the expiration date of the
7 certificate, license or permit, or the current renewal receipt thereof,
8 the registration is automatically forfeited.

9 **Sec. 12.** NRS 639.210 is hereby amended to read as follows:

10 639.210 The Board may suspend or revoke any certificate,
11 license, registration or permit issued pursuant to this chapter, and
12 deny the application of any person for a certificate, license,
13 registration or permit, if the holder or applicant:

14 1. Is not of good moral character;

15 2. Is guilty of habitual intemperance;

16 3. Becomes or is intoxicated or under the influence of liquor,
17 any depressant drug or a controlled substance, unless taken pursuant
18 to a lawfully issued prescription, while on duty in any establishment
19 licensed by the Board;

20 4. Is guilty of unprofessional conduct or conduct contrary to
21 the public interest;

22 5. Is addicted to the use of any controlled substance;

23 6. Has been convicted of a violation of any law or regulation of
24 the Federal Government or of this or any other state related to
25 controlled substances, dangerous drugs, drug samples, or the
26 wholesale or retail distribution of drugs;

27 7. Has been convicted of:

28 (a) A felony relating to holding a certificate, license, registration
29 or permit pursuant to this chapter; ~~or~~

30 (b) *A felony pursuant to section 8 or 9 of this act; or*

31 (c) Other crime involving moral turpitude, dishonesty or
32 corruption;

33 8. Has been convicted of violating any of the provisions of
34 NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440,
35 inclusive;

36 9. Has willfully made to the Board or its authorized
37 representative any false statement which is material to the
38 administration or enforcement of any of the provisions of this
39 chapter;

40 10. Has obtained any certificate, certification, license or permit
41 by the filing of an application, or any record, affidavit or other
42 information in support thereof, which is false or fraudulent;

43 11. Has violated any provision of the Federal Food, Drug and
44 Cosmetic Act or any other federal law or regulation relating to
45 prescription drugs;



12. Has violated, attempted to violate, assisted or abetted in the violation of or conspired to violate any of the provisions of this chapter or any law or regulation relating to drugs, the manufacture or distribution of drugs or the practice of pharmacy, or has knowingly permitted, allowed, condoned or failed to report a violation of any of the provisions of this chapter or any law or regulation relating to drugs, the manufacture or distribution of drugs or the practice of pharmacy committed by the holder of a certificate, license, registration or permit;

13. Has failed to renew his certificate, license or permit by failing to submit the application for renewal or pay the renewal fee therefor;

14. Has had his certificate, license or permit suspended or revoked in another state on grounds which would cause suspension or revocation of a certificate, license or permit in this State;

15. Has, as a managing pharmacist, violated any provision of law or regulation concerning recordkeeping or inventory in a store over which he presides, or has knowingly allowed a violation of any provision of this chapter or other state or federal laws or regulations relating to the practice of pharmacy by personnel of the pharmacy under his supervision;

16. Has repeatedly been negligent, which may be evidenced by claims of malpractice settled against him; ~~or~~

17. Has failed to maintain and make available to a state or federal officer any records in accordance with the provisions of this chapter or chapter 453 or 454 of NRS ~~§~~; *or*

18. Has failed to file or maintain a bond or other security if required by section 4 of this act.

Sec. 13. A person who possesses a license to engage in the wholesale distribution of prescription drugs issued by the State Board of Pharmacy before October 1, 2005, must, as a condition to renewal of that license, file a bond or other security required by section 4 of this act.

Sec. 14. On or before January 1, 2007, the State Board of Pharmacy shall adopt regulations to carry out the requirements of section 7 of this act regarding an electronic form for the "Statement Identifying Prior Sales of Prescription Drugs by Wholesalers Required by the Prescription Drug Marketing Act."

Sec. 15. The State Board of Pharmacy may extend the date for compliance with the requirement that the statement identifying each sale of a prescription drug required by section 7 of this act be in electronic form on and after January 1, 2007, if the Board determines that the technology to provide those statements in an electronic form is not reasonably available or that the licensed wholesalers otherwise require additional time to carry out the



requirements of an electronic form. If the State Board of Pharmacy extends the deadline pursuant to this section, the Board shall ensure that all licensed wholesalers in this State are provided adequate notice of the extension.

Sec. 16. 1. This section and sections 1 to 10, inclusive, and 12 to 15, inclusive, of this act become effective on October 1, 2005.

2. Section 10 of this act expires by limitation on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

(a) Have failed to comply with a subpoena or warrant relating to a proceeding to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

(b) Are in arrears in the payment for the support of one or more children,

↪ are repealed by the Congress of the United States.

3. Section 11 of this act becomes effective on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

(a) Have failed to comply with a subpoena or warrant relating to a proceeding to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

(b) Are in arrears in the payment for the support of one or more children,

↪ are repealed by the Congress of the United States.



