

ASSEMBLY BILL NO. 87—ASSEMBLYMEN LESLIE, PIERCE,
MCCLAIN, PARNELL, SMITH, BOBZIEN, OCEGUERA, PARKS,
SEGERBLOM AND WOMACK

FEBRUARY 9, 2007

Referred to Committee on Judiciary

SUMMARY—Requires certain officers and employees of financial institutions to receive training concerning the exploitation of older persons and vulnerable persons and to report the suspected or known exploitation of older persons or vulnerable persons. (BDR 55-157)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
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 financial institutions; requiring certain financial institutions to provide training to certain officers and employees concerning identifying the suspected exploitation of older persons and vulnerable persons; requiring certain officers and employees who receive such training to report the suspected or known exploitation of an older or vulnerable person; providing for civil penalties for failure to report; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Sections 4-13** of this bill require certain financial institutions to provide
2 training to certain officers and employees concerning the identification and
3 reporting of the exploitation of older persons and vulnerable persons. "Older
4 persons" are defined in existing law as persons who are 60 years of age or older.
5 (NRS 200.5092) "Vulnerable persons" are defined in existing law as persons who
6 are 18 years of age or older who: (1) suffer from a condition of physical or mental
7 incapacitation because of a developmental disability, organic brain damage or
8 mental illness; or (2) have one or more physical or mental limitations that restrict
9 the ability of the person to perform the normal activities of daily living. (NRS
10 200.5092) **Section 10** of this bill specifies which officers and employees must
11 receive the training, when the training must be provided and the content of the



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training. **Section 10** further requires those officers and employees to report incidents that reasonably appear to be exploitation of an older or vulnerable person. **Section 11** of this bill requires each financial institution to designate a person to whom such reports must be made. The person so designated is then responsible for determining when a formal report must be reported to a law enforcement agency. **Section 12** of this bill provides for a civil penalty when an employee, officer or designated reporter who has received training fails to report an incident.

Sections 15-23 of this bill add similar provisions to the chapter governing savings and loan associations. (Chapter 673 of NRS) **Sections 25-33** of this bill add similar provisions to the chapter governing thrift companies. (Chapter 677 of NRS) **Sections 35-43** of this bill add similar provisions to the chapter governing credit unions. (Chapter 678 of NRS)

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

Section 1. (Deleted by amendment.)

Sec. 2. (Deleted by amendment.)

Sec. 3. Chapter 657 of NRS is hereby amended by adding thereto the provisions set forth as sections 4 to 12, inclusive, of this act.

Sec. 4. *As used in sections 4 to 12, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 5 to 9, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 5. *“Designated reporter” means a person designated by a financial institution to receive reports of known or suspected exploitation of an older person or vulnerable person pursuant to section 11 of this act.*

Sec. 6. *“Exploitation” has the meaning ascribed to it in subsection 2 of NRS 200.5092.*

Sec. 7. *“Older person” has the meaning ascribed to it in subsection 5 of NRS 200.5092.*

Sec. 8. *“Reasonable cause to believe” has the meaning ascribed to it in NRS 200.50925.*

Sec. 9. *“Vulnerable person” has the meaning ascribed to it in subsection 7 of NRS 200.5092.*

Sec. 10. 1. *Each financial institution shall provide training concerning the identification and reporting of the suspected exploitation of an older person or vulnerable person to each officer and employee of the financial institution who:*

(a) May, as part of his regular duties for the financial institution, come into direct contact with an older person or vulnerable person; or

(b) May review or approve the financial documents, records or transactions of an older person or vulnerable person in



1 *connection with providing financial services to the older person or*
2 *vulnerable person.*

3 2. *The training required pursuant to subsection 1 must be*
4 *provided as soon as reasonably practicable, but not later than 6*
5 *months after the officer or employee is employed by the financial*
6 *institution.*

7 3. *The training required pursuant to subsection 1 must*
8 *include, without limitation:*

9 (a) *An explanation of the conduct which constitutes*
10 *exploitation of an older person or vulnerable person;*

11 (b) *The manner in which exploitation of an older person or*
12 *vulnerable person may be recognized;*

13 (c) *Information concerning the manner in which reports of*
14 *exploitation are investigated; and*

15 (d) *Instruction concerning when and how to report known or*
16 *suspected exploitation of an older person or vulnerable person.*

17 4. *An officer or employee who has observed or has knowledge*
18 *of an incident that is directly related to a transaction or matter*
19 *which is within his scope of practice and which reasonably*
20 *appears to be exploitation of an older person or vulnerable person*
21 *shall report the known or suspected exploitation to the designated*
22 *reporter.*

23 **Sec. 11.** 1. *Each financial institution shall designate a*
24 *person or persons to whom an officer or employee of the financial*
25 *institution must report known or suspected exploitation of an older*
26 *person or vulnerable person.*

27 2. *If an officer or employee reports known or suspected*
28 *exploitation of an older person or vulnerable person to a*
29 *designated reporter and, based on such a report or based on his*
30 *own observations or knowledge, the designated reporter knows or*
31 *has reasonable cause to believe that an older person or vulnerable*
32 *person has been exploited, the designated reporter shall report the*
33 *known or suspected exploitation in the same manner as a person*
34 *required to make a report pursuant to NRS 200.5093 or*
35 *200.50935, as applicable. An officer, employee and the designated*
36 *reporter are entitled to the immunity from liability set forth in*
37 *NRS 200.5096 for making a report in good faith.*

38 **Sec. 12.** 1. *If an employee or officer who has received the*
39 *training required pursuant to section 10 of this act fails to report*
40 *the suspected or known exploitation of an older person or*
41 *vulnerable person to a designated reporter or if a designated*
42 *reporter fails to make a report pursuant to section 11 of this act,*
43 *the financial institution that employs the employee, officer or*
44 *designated reporter is subject to a civil penalty in an amount:*



1 (a) *Not to exceed \$1,000, if the failure to report was not*
2 *willful; or*

3 (b) *Not to exceed \$5,000, if the failure to report was willful.*

4 2. *A civil penalty pursuant to this section may be recovered*
5 *only in a civil action brought in the name of the State of Nevada*
6 *by the Attorney General or by a district attorney in a court of*
7 *competent jurisdiction.*

8 3. *The provisions of this section do not limit or prohibit any*
9 *other action and are in addition to any other remedy that may be*
10 *available by law.*

11 **Sec. 13.** NRS 657.150 is hereby amended to read as follows:

12 657.150 As used in NRS 657.150 to 657.210, inclusive, *and*
13 *sections 4 to 12, inclusive, of this act*, unless the context otherwise
14 requires, the words and terms defined in NRS 657.160 and 657.170
15 have the meanings ascribed to them in those sections.

16 **Sec. 14.** Chapter 673 of NRS is hereby amended by adding
17 thereto the provisions set forth as sections 15 to 23, inclusive, of this
18 act.

19 **Sec. 15.** *As used in sections 15 to 23, inclusive, of this act,*
20 *unless the context otherwise requires, the words and terms defined*
21 *in sections 16 to 20, inclusive, of this act have the meanings*
22 *ascribed to them in those sections.*

23 **Sec. 16.** *“Designated reporter” means a person designated by*
24 *an association to receive reports of known or suspected*
25 *exploitation of an older person or vulnerable person pursuant to*
26 *section 22 of this act.*

27 **Sec. 17.** *“Exploitation” has the meaning ascribed to it in*
28 *subsection 2 of NRS 200.5092.*

29 **Sec. 18.** *“Older person” has the meaning ascribed to it in*
30 *subsection 5 of NRS 200.5092.*

31 **Sec. 19.** *“Reasonable cause to believe” has the meaning*
32 *ascribed to it in NRS 200.50925.*

33 **Sec. 20.** *“Vulnerable person” has the meaning ascribed to it*
34 *in subsection 7 of NRS 200.5092.*

35 **Sec. 21.** 1. *Each association shall provide training*
36 *concerning the identification and reporting of the suspected*
37 *exploitation of an older person or vulnerable person to each*
38 *director, officer and employee of the association who:*

39 (a) *May, as part of his regular duties for the association, come*
40 *into direct contact with an older person or vulnerable person; or*

41 (b) *May review or approve the financial documents, records or*
42 *transactions of an older person or vulnerable person in*
43 *connection with providing financial services to the older person or*
44 *vulnerable person.*



1 2. The training required pursuant to subsection 1 must be
2 provided as soon as reasonably practicable, but not later than 6
3 months after the director, officer or employee is employed by the
4 association or assumes the position.

5 3. The training required pursuant to subsection 1 must
6 include, without limitation:

7 (a) An explanation of the conduct which constitutes
8 exploitation of an older person or vulnerable person;

9 (b) The manner in which exploitation of an older person or
10 vulnerable person may be recognized;

11 (c) Information concerning the manner in which reports of
12 exploitation are investigated; and

13 (d) Instruction concerning when and how to report known or
14 suspected exploitation of an older person or vulnerable person.

15 4. A director, officer or employee who has observed or has
16 knowledge of an incident that is directly related to a transaction or
17 matter which is within his scope of practice and which reasonably
18 appears to be exploitation of an older person or vulnerable person
19 shall report the known or suspected exploitation to the designated
20 reporter.

21 **Sec. 22.** 1. Each association shall designate a person or
22 persons to whom a director, officer or employee of the association
23 must report known or suspected exploitation of an older person or
24 vulnerable person.

25 2. If a director, officer or employee reports known or
26 suspected exploitation of an older person or vulnerable person to a
27 designated reporter and, based on such a report or based on his
28 own observations or knowledge, the designated reporter knows or
29 has reasonable cause to believe that an older person or vulnerable
30 person has been exploited, the designated reporter shall report the
31 known or suspected exploitation in the same manner as a person
32 required to make a report pursuant to NRS 200.5093 or
33 200.50935, as applicable. A director, officer, employee and the
34 designated reporter are entitled to the immunity from liability set
35 forth in NRS 200.5096 for making a report in good faith.

36 **Sec. 23.** 1. If a director, officer or employee who has
37 received the training required pursuant to section 21 of this act
38 fails to report the suspected or known exploitation of an older
39 person or vulnerable person to a designated reporter or if a
40 designated reporter fails to make a report pursuant to section 22 of
41 this act, the association for which the director, officer or employee
42 or designated reporter works is subject to a civil penalty in an
43 amount:

44 (a) Not to exceed \$1,000, if the failure to report was not
45 willful; or



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(b) *Not to exceed \$5,000, if the failure to report was willful.*

2. *A civil penalty pursuant to this section may be recovered only in a civil action brought in the name of the State of Nevada by the Attorney General or by a district attorney in a court of competent jurisdiction.*

3. *The provisions of this section do not limit or prohibit any other action and are in addition to any other remedy that may be available by law.*

Sec. 24. Chapter 677 of NRS is hereby amended by adding thereto the provisions set forth as sections 25 to 33, inclusive, of this act.

Sec. 25. *As used in sections 25 to 33, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 26 to 30, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 26. *"Designated reporter" means a person designated by a licensee to receive reports of known or suspected exploitation of an older person or vulnerable person pursuant to section 32 of this act.*

Sec. 27. *"Exploitation" has the meaning ascribed to it in subsection 2 of NRS 200.5092.*

Sec. 28. *"Older person" has the meaning ascribed to it in subsection 5 of NRS 200.5092.*

Sec. 29. *"Reasonable cause to believe" has the meaning ascribed to it in NRS 200.50925.*

Sec. 30. *"Vulnerable person" has the meaning ascribed to it in subsection 7 of NRS 200.5092.*

Sec. 31. 1. *Each licensee shall provide training concerning the identification and reporting of the suspected exploitation of an older person or vulnerable person to each officer and employee of the licensee who:*

(a) *May, as part of his regular duties for the licensee, come into direct contact with an older person or vulnerable person; or*

(b) *May review or approve the financial documents, records or transactions of an older person or vulnerable person in connection with providing financial services to the older person or vulnerable person.*

2. *The training required pursuant to subsection 1 must be provided as soon as reasonably practicable, but not later than 6 months after the officer or employee is employed by the licensee.*

3. *The training required pursuant to subsection 1 must include, without limitation:*

(a) *An explanation of the conduct which constitutes exploitation of an older person or vulnerable person;*



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1 ***(b) The manner in which exploitation of an older person or***
2 ***vulnerable person may be recognized;***

3 ***(c) Information concerning the manner in which reports of***
4 ***exploitation are investigated; and***

5 ***(d) Instruction concerning when and how to report known or***
6 ***suspected exploitation of an older person or vulnerable person.***

7 ***4. An officer or employee who has observed or has knowledge***
8 ***of an incident that is directly related to a transaction or matter***
9 ***which is within his scope of practice and which reasonably***
10 ***appears to be exploitation of an older person or vulnerable person***
11 ***shall report the known or suspected exploitation to the designated***
12 ***reporter.***

13 ***Sec. 32. 1. Each licensee shall designate a person or***
14 ***persons to whom an officer or employee of the licensee must***
15 ***report known or suspected exploitation of an older person or***
16 ***vulnerable person.***

17 ***2. If an officer or employee reports known or suspected***
18 ***exploitation of an older person or vulnerable person to a***
19 ***designated reporter and, based on such a report or based on his***
20 ***own observations or knowledge, the designated reporter knows or***
21 ***has reasonable cause to believe that an older person or vulnerable***
22 ***person has been exploited, the designated reporter shall report the***
23 ***known or suspected exploitation in the same manner as a person***
24 ***required to make a report pursuant to NRS 200.5093 or***
25 ***200.50935, as applicable. An officer, employee and the designated***
26 ***reporter are entitled to the immunity from liability set forth in***
27 ***NRS 200.5096 for making a report in good faith.***

28 ***Sec. 33. 1. If an employee or officer who has received the***
29 ***training required pursuant to section 31 of this act fails to report***
30 ***the suspected or known exploitation of an older person or***
31 ***vulnerable person to a designated reporter or if a designated***
32 ***reporter fails to make a report pursuant to section 32 of this act,***
33 ***the licensee that employs the employee, officer or designated***
34 ***reporter is subject to a civil penalty in an amount:***

35 ***(a) Not to exceed \$1,000, if the failure to report was not***
36 ***willful; or***

37 ***(b) Not to exceed \$5,000, if the failure to report was willful.***

38 ***2. A civil penalty pursuant to this section may be recovered***
39 ***only in a civil action brought in the name of the State of Nevada***
40 ***by the Attorney General or by a district attorney in a court of***
41 ***competent jurisdiction.***

42 ***3. The provisions of this section do not limit or prohibit any***
43 ***other action and are in addition to any other remedy that may be***
44 ***available by law.***



1 **Sec. 34.** Chapter 678 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 35 to 43, inclusive, of this
3 act.

4 **Sec. 35.** *As used in sections 35 to 43, inclusive, of this act,*
5 *unless the context otherwise requires, the words and terms defined*
6 *in sections 36 to 40, inclusive, of this act have the meanings*
7 *ascribed to them in those sections.*

8 **Sec. 36.** *“Designated reporter” means a person designated by*
9 *a credit union to receive reports of known or suspected*
10 *exploitation of an older person or vulnerable person pursuant to*
11 *section 42 of this act.*

12 **Sec. 37.** *“Exploitation” has the meaning ascribed to it in*
13 *subsection 2 of NRS 200.5092.*

14 **Sec. 38.** *“Older person” has the meaning ascribed to it in*
15 *subsection 5 of NRS 200.5092.*

16 **Sec. 39.** *“Reasonable cause to believe” has the meaning*
17 *ascribed to it in NRS 200.50925.*

18 **Sec. 40.** *“Vulnerable person” has the meaning ascribed to it*
19 *in subsection 7 of NRS 200.5092.*

20 **Sec. 41.** 1. *Each credit union shall provide training*
21 *concerning the identification and reporting of the suspected*
22 *exploitation of an older person or vulnerable person to each loan*
23 *officer and employee of the credit union who:*

24 (a) *May, as part of his regular duties for the credit union,*
25 *come into direct contact with an older person or vulnerable*
26 *person; or*

27 (b) *May review or approve the financial documents, records or*
28 *transactions of an older person or vulnerable person in*
29 *connection with providing financial services to the older person or*
30 *vulnerable person.*

31 2. *The training required pursuant to subsection 1 must be*
32 *provided as soon as reasonably practicable, but not later than 6*
33 *months after the loan officer or employee is employed by the credit*
34 *union.*

35 3. *The training required pursuant to subsection 1 must*
36 *include, without limitation:*

37 (a) *An explanation of the conduct which constitutes*
38 *exploitation of an older person or vulnerable person;*

39 (b) *The manner in which exploitation of an older person or*
40 *vulnerable person may be recognized;*

41 (c) *Information concerning the manner in which reports of*
42 *exploitation are investigated; and*

43 (d) *Instruction concerning when and how to report known or*
44 *suspected exploitation of an older person or vulnerable person.*



1 4. A loan officer or employee who has observed or has
2 knowledge of an incident that is directly related to a transaction or
3 matter which is within his scope of practice and which reasonably
4 appears to be exploitation of an older person or vulnerable person
5 shall report the known or suspected exploitation to the designated
6 reporter.

7 Sec. 42. 1. Each credit union shall designate a person or
8 persons to whom a loan officer or employee of the credit union
9 must report known or suspected exploitation of an older person or
10 vulnerable person.

11 2. If a loan officer or employee reports known or suspected
12 exploitation of an older person or vulnerable person to a
13 designated reporter and, based on such a report or based on his
14 own observations or knowledge, the designated reporter knows or
15 has reasonable cause to believe that an older person or vulnerable
16 person has been exploited, the designated reporter shall report the
17 known or suspected exploitation in the same manner as a person
18 required to make a report pursuant to NRS 200.5093 or
19 200.50935, as applicable. A loan officer, employee and the
20 designated reporter are entitled to the immunity from liability set
21 forth in NRS 200.5096 for making a report in good faith.

22 Sec. 43. 1. If a loan officer or employee who has received
23 the training required pursuant to section 41 of this act fails to
24 report the suspected or known exploitation of an older person or
25 vulnerable person to a designated reporter or if a designated
26 reporter fails to make a report pursuant to section 42 of this act,
27 the credit union that employs the loan officer, employee or
28 designated reporter shall be subject to a civil penalty in an
29 amount:

30 (a) Not to exceed \$1,000, if the failure to report was not
31 willful; or

32 (b) Not to exceed \$5,000, if the failure to report was willful.

33 2. A civil penalty pursuant to this section may be recovered
34 only in a civil action brought in the name of the State of Nevada
35 by the Attorney General or by a district attorney in a court of
36 competent jurisdiction.

37 3. The provisions of this section do not limit or prohibit any
38 other action and are in addition to any other remedy that may be
39 available by law.

